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Belize Profile: Basic Data, Macroeconomic Statistics & Indicators, Foreign Investment Regulations & Incentives

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BASIC DATA
Land area: 22,960 sq.km. (8,864.9 sq.mi.)
Population (est. mid-1991): 200,000 (average annual rate of natural increase: 3.3%); birth rate: 38/1000; infant mortality rate: 35/1000)
Capital: Belmopan
Largest city: Belize City
Arable land: 2%
Adult literacy: 93% (est.)
Currency: Belize dollar (March 1991)
2 = US$1
Transportation & communications (c. early 1991)
Railroads: none
Highways: 3,785 km. (2,365 mi.) total; 340 km. (212 mi.) paved; 2,400 km. (1,406 mi.) gravel; 735 km. (459 mi.) improved earth; and 310 km. (194 mi.) unimproved earth
Ports: two major ports (one in Belize City); two minor ports
Shipping lines: Carol Marine Services Ltd., French Line, Hapag Lloyd, Hamilton Brothers, Harrison Line, Hyde Shipping Company, Nedlloyd Line, Nexos Line, Tropical Shipping
Air service: International airport in Belize City, total of 32 airfields
Airlines: American, Belize Trans Air, Continental, TACA International Airlines, TAN/SAHSA
Airlines Telecommunications: 8,650 telephone lines in an automatic and manual network; radio relay system; 6 AM stations, 5 FM stations; 1 TV station; 1 shortwave station; 1 Atlantic Ocean INTELSAT station
Belize Telecommunications, Ltd. (B.T.L.): Operates national telephone system which covers the entire country with automatic dial telephone facilities. International telephone, telegraph, and telex services are available to the Caribbean, US, Canada, UK, and other parts of the world via Cable and Wireless Ltd. An earth station has been installed, giving Belize direct access to the internationally owned space communications system. In addition, B.T.L. operates a regional (transborder) telephone service which connects with other telephone companies in Mexico, Guatemala, El Salvador, Nicaragua, Costa Rica, Panama, Colombia, and Brazil.
Visa/entry requirements: A valid passport is required of all visitors to Belize. A visa is not required by citizens of the UK, the US, and other specified countries, provided they hold return or round trip tickets.

MACROECONOMIC STATISTICS, INDICATORS
Per capita GDP (est. 1989): US$1,187
Real GDP growth: 6.0% (1989)
Labor force: 51,500
Wage rates: The minimum wage rate in early 1991 was US$0.87/hr. Most private employers pay above the minimum wage.
Official open unemployment rate: 15% (1988)
Principal products: sugarcane, citrus fruit, corn, molasses, rice, bananas, livestock
Natural resources: timber, fish
Major manufactures: timber, processed foods, furniture, rum, soap
Main exports: sugar, bananas, mahogany, citrus fruits, garments, seafood, vegetables, lumber
Main imports: manufactured goods, fuel, chemicals, beverages, tobacco, food, textiles, transportation equipment, machinery
Foreign trade: Exports of goods (FOB) US$100.5 million (est. 1989)
Imports of goods (CIP) US$172.3 million (est. 1989)
Principal trade partners (1988): Exports US, UK, CARICOM, EEC (excluding UK), Canada
Imports US, UK, Netherlands Antilles, EEC (excluding UK)
ECONOMIC SUMMARY
The Belizean economy is based on agriculture and tourism. Agricultural production accounts for 30% of GDP, and 70% of export earnings. The US ranks as the country's chief trade partner, supplying 54% of imports, and purchasing 44% of exports (1989). Investor interest in Belize has markedly increased under terms of the Caribbean Basin Initiative. Major US investments in Belize include tourism, textiles, fuel distribution, livestock raising, citrus, winter vegetables, tropical fruits, cacao, and...
mariculture. Economic growth has been constrained by inadequate infrastructure, particularly roads, bridges, port facilities, and electricity service. Multilateral financial institutions, and several foreign governments are currently engaged in infrastructure upgrade and expansion projects in Belize. FOREIGN INVESTMENT REGULATIONS & INCENTIVES Foreign and domestic investors are eligible for the same development concessions on projects worth over US$125,000. Concessions are not available for 100% foreign owned enterprises worth less than the above amount. The concessions are not automatic, and are evaluated based on contribution to the domestic economy. Concessions are valid for up to 25 years for export processing industries or for five years with an option for renewal of up to 10 years for other industries. Investment concessions include: (1) tax holiday periods of up to 25 years; (2) import duty exemptions on capital equipment, and export production inputs; (3) tax exemption on profits earned during the tax holiday (up to amount equivalent to the shareholder's investment); (4) guaranteed repatriation of initial investment, profits and returns from capital gains; and (5) rental of factory shells on an industrial estate on concessionary terms, when available. Duty exemption is not available on passenger cars or fuel. Granting of concessions is regulated by the 1990 Fiscal Incentives Act. The government especially welcomes investment proposals with developmental content, i.e., transfer of technology, financial resources or expertise; utilization of local natural resources; generation of foreign exchange earnings or savings; and the hiring and training of local employees. The government encourages investment throughout the nation, particularly in less-developed areas, and encourages local participation in new investment projects where possible. The length of a development concession is determined by (a) extent of local value added; (b) expected profitability of enterprise; (c) foreign exchange earnings or savings; and (d) job creation. About 140 concessions were active in early 1991. Of the total, 75% involved foreigners or some element of foreign investment. The development concession approval process takes about 60 days after applications are completed. The Belize Export and Investment Promotion Unit of the Belize Chamber of Commerce and Industry can assist investors in obtaining necessary permits and licenses. Investment policy is defined in The Belize Investment Code, revised in 1985. The code ranks agriculture (including livestock and agro-industry) as the highest priority for domestic economic development, followed by tourism, forestry, light industry, mariculture, and deep-sea fishing and processing. Potential investors can obtain copies of the code by writing to the Ministry of Economic Development. Foreign investors who do not have permanent residency status are generally restricted from making investments in the following areas: marketing and distribution; commercial fishing inside the barrier reef; sugarcane cultivation; domestic transportation; and, non-franchise restaurants and bars. In early 1991, restrictions on foreign ownership of small-scale tourist accommodations were under discussion. While 100% foreign ownership of an enterprise is permitted, whenever possible the government encourages Belizean participation, usually in the form of joint ventures. In 1989, a private industrial zone was established near the Mexican border to take advantage of preferential markets, lower cost Mexican electricity, and the available labor supply. The Ministry of Commerce intends to provide a full service Export Processing Zone (EPZ). An industrial park is also located close to the international airport. Sample group of foreign businesses with operations in Belize: Atlantic Bank, Barrow Lumber Co., Ltd., Coca Cola, Esso, Goya Foods, Hide-A-Way Lodge, Keller Caribbean Sports, Ltd., Prosser Agrotec and Fertilizer Co., Rebco Ltd., Tabony Industries, Williamson Industries, Yalbac Ranch. CONTACTS [To call Belize from the US, dial access code (011), followed by the area code (501), (2), and the number.] Belize Export Investment Promotion Unit (BEIPU)/ Belize Chamber of Commerce 63 Regent Street P.O. Box 291 Belize City, Belize Tel: (501) 2-75108/2-75109/2-73148 Fax: (501) 2-74984 Commercial Attache Embassy of Belize 3400 International Drive, NW Suite 2J Washington, DC 20008 Tel: (202) 363-4505 Fax: (202)

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