



Trade Policy Review Body

TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

BELIZE

This report, prepared for the third Trade Policy Review of Belize, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Belize on its trade policies and practices.

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SUMMARY

1. Belize is a small economy with the lowest population density in Central America (377,968 people in 2016 in a total land area of 22,966 km²). It is an upper-middle-income country with GDP per capita at US\$4,757 in 2015. Given its limited domestic market, trade is particularly important for the economy (imports and exports combined amounted to 129% of GDP in 2015).

2. Belize's economy is vulnerable to internal and external shocks, including natural hazards and diseases affecting the agricultural and aquaculture industries. As a result, GDP growth has been volatile – it rose from 0.7% in 2013 to 4.1% in 2014, and then fell to 2.9% in 2015 – reflecting a sharp drop in agricultural production and petroleum extraction and exports. The main driver of growth was the services sector, particularly the tourism sector, which is the biggest export and foreign exchange earner and a major source of employment. The Central Bank of Belize projected a contraction of real GDP by 2.4% in 2016.

3. The current account deficit widened significantly during the review period, reflecting mainly the notable expansion in the merchandise trade deficit, while the positive inflows from trade in services were insufficient to cover the shortfalls in the current account balance. Imports increased much faster than exports – more than doubling the trade-in-goods deficit. Low population density prevents scale economies, while poor infrastructure adds to the costs of transporting goods to the domestic and international markets. Belize's main export destination remains the United States, while the share of Europe went up during the review period. The United States is also the biggest source of Belize's imports.

4. The Government's ability to address these challenges is constrained by, *inter alia*, high debt levels and limited fiscal space (external debt accounted for 67% of GDP while domestic debt was 14% of GDP in 2015), the high cost of finance (the weighted average lending rate by commercial banks is 10%), and distortions in the trade and tax policy regimes. Large expenditure related to the nationalization of Belize Telemedia Limited (BTL) and Belize Electricity Limited (BEL) also increased Government expenditure. In addition, the legislative process has been slow and there have not been any major changes since the previous Review in 2010; the authorities expect that a number of new laws will be promulgated in 2017.

5. Belize's involvement in the WTO is relatively limited. It does not have a representative in Geneva responsible for WTO affairs. However, Belize was among the first Members to ratify the WTO Trade Facilitation Agreement. It has submitted some notifications to the WTO but no notifications have ever been made in some areas such as agriculture (domestic support and export subsidies), government procurement, import licensing, and state trading enterprises.

6. Belize is a member of the Caribbean Community and Common Market (CARICOM), and applies the CARICOM common external tariff with several exceptions. CARICOM has signed bilateral trade agreements with five Latin American countries: Colombia, the Bolivarian Republic of Venezuela, Dominican Republic, Costa Rica, and Cuba, under which Belize is entitled to preferential duty-free treatment for goods on a non-reciprocal basis. However, only the agreements with Costa Rica and Cuba have been ratified. Belize also has a partial scope agreement with Guatemala, and is engaged in negotiations for similar agreements with El Salvador and Mexico. It is also a member of the Central American Integration System (SICA). Belize, through CARICOM, signed the European Partnership Agreement (EPA) which gives it quota-free and duty-free access to the EU. In addition, Belize has preferential access to the United States through the Caribbean Basin Initiative (CBI), to Canada under CARIBCAN, and qualifies for GSP treatment from a number of other countries.

7. Since 2011, ASYCUDA World has been implemented throughout Belizean customs. Belize is developing, together with other CARICOM members, legislation on government procurement, and competition policy. Currently there is no investment legislation or policy and no laws on contingency measures. Belize's foreign investment regime is generally open, with 100% foreign ownership permitted in most sectors.

8. Since the previous review, Belize has adopted a number of changes to its trade policy. The number of products subject to import licences was halved in 2012, although this was followed by "tariffication" which resulted in some applied MFN tariffs exceeding their bound rates. In addition

to tariffs, revenue replacement duties (RRDs) and environmental taxes are applied to imports from non-CARICOM countries. From April 2016, RRDs have been collected on 109 items at the HS 8-digit level, including meats, flour, jam and jellies, fruit juices, ice cream, water, beer and other fermented beverages, cigarettes, building blocks, jewellery, pearls, and aluminium structures. Most items carry *ad valorem* RRDs, with rates ranging from 5% to 50%. Furthermore, the general sales tax (GST) is not applied equally to locally produced and imported goods.

9. In 2016, Belize's tariff comprised 6,472 tariff lines at the HS eight-digit level. Most lines (99.3%) carry *ad valorem* rates, with 17 rates applied (from zero to 100%), and the highest tariff rate increase was from 70% in 2010 to 100% in 2016. Specific rates are applied on 0.7% of all tariff lines (total of 43 tariff lines), covering potatoes, onions, certain alcoholic beverages, tobacco products, fuels, ethyl alcohol, and food preparations. The simple average MFN tariff (excluding specific rates) went up from 11.6% in 2010 to 12.6% in 2016, partly attributed to the change in tariff nomenclature from HS2007 to HS2012, and partly because of the increase in the highest tariff rate from 70% to 100%. The average applied tariff for agriculture (WTO definition) was 23.3% (up from 20.5% in 2010), while that for non-agriculture products was 10.5% (up from 9.9%). Belize bound 97.7% of its tariff lines (in HS2007 nomenclature), with a simple average binding rate at 58.5%.

10. Belize provides three incentive programmes with export contingent requirements: the export processing zone programme, the free zone programme, and the fiscal incentive programme. Despite the decision by the General Council that export subsidies were to be removed by the end of 2015, Belize notified the WTO in October 2016 that it had not yet removed export contingent requirements from these programmes although it had set up an action plan and a working group to do so.

11. Agriculture represents 10% of GDP, and agricultural products account for 40% of total merchandise exports. Agriculture faces a number of challenges: disease outbreaks have reduced production of citrus fruits, papaya, and shrimp; tropical storms caused wind and flood damage; and poor infrastructure added to the cost and time of getting products to markets. Belize has been preparing a National Agricultural Policy 2015-2030. Some policies also seem to have conflicting objectives, thus, while border measures are used to protect domestic producers from international competition and to raise domestic prices, the Government also applies price controls on some basic commodities.

12. Fishing and aquaculture, contributing 3% to GDP, contracted significantly in 2015 as farmed shrimp output declined by 42% due to a disease outbreak, while total catch has declined since 2010. Belize has a large trade surplus in fish and fish products. Fishing policy is focused on stock management, including through the Caribbean Community Common Fisheries Policy.

13. Petroleum production, which is an important sector for the economy and a main contributor to government revenue, declined as reserves became depleted and world prices remained low. Crude oil is exported mainly to the United States for refining; exports have declined over the past few years. Imports of petroleum oils have increased in general. The contribution to government revenue from royalties, production sharing, and other fees and duties from oil and minerals has declined significantly since fiscal year 2011/12 when it was over BZ\$38 million to an estimated BZ\$11 million in FY2015/16.

14. Tourism is important to the economy, accounting for nearly 15% of GDP and over a third of total employment, and is the main foreign exchange earner. However, it faces several challenges including insufficient international-standard tourism facilities, lack of technical and marketing skills, and poor land, air and sea connectivity. Encouraging overnight stays by cruise ship tourists would help increase tourist expenditure in the country. With the Belize Barrier Reef, many archeologically interesting sites, and large unspoilt land areas, there is considerable potential for further expansion in tourism.

15. Belize's financial sector is characterized by a strong foreign presence and a distinct separation between domestic and international (offshore) financial institutions, each being subject to different laws and regulators. During the review period, important changes were made to the legislation on domestic banks in order to align it with international standards and best practices. The framework for anti-money laundering and combating the financing of terrorism (AML/CFT) was

also strengthened. Nonetheless, the loss of correspondent banking relationships by several local banks in recent times – due to the "de-risking" measures adopted by global banks to comply with AML/CFT regulations – has resulted in a significant increase in transaction costs in Belize and a winding down of deposits in international banks.

16. In the telecommunications sector, competition is still incipient and prices remain high by regional standards, adding to the costs of doing business. A positive development for the sector was, however, the establishment of Belize's first Internet Exchange Point (IXP) in April 2016, which is expected to reduce the cost of local Internet traffic. Improving the country's transport infrastructure, particularly the road network and ports, and establishing direct air links with European and other countries, would help reduce trading costs and delays, improve connectivity and help boost the tourism industry.

17. During the period under review, Belize was hit by several shocks which have affected the economy generally and agriculture and fisheries in particular. In addition, the lack of institutional resources and the slow pace of domestic reform may have hampered the economy's ability to adjust to such shocks. The small size of the country and poor infrastructure have also contributed to the weak economic and trade performance. On the other hand, the growth in tourism has benefitted the country. Furthermore, with a low population density, agriculture has considerable potential and Belize has had some success both in maintaining production and exports of sugar and bananas and in developing new products.

1 ECONOMIC ENVIRONMENT

1.1 Main Features of the Economy

1.1. Belize is a small country located in Central America, bordering Mexico and Guatemala. It is an upper-middle-income country, with a GDP per capita of US\$4,757 in 2015. Its unique natural resources support the country's tourism and agricultural sectors, and it has an advantageous geographical proximity to major markets. Trade is of particular importance to this relatively open economy with a limited domestic market. In 2015, trade (exports and imports of goods and services) accounted for 129% of GDP, up from 113% in 2010 (Table 1.1). Its economy is vulnerable to internal and external shocks, including natural hazards – such as hurricanes, tropical storms and flooding due to its extensive coastline and the exposed position of its major city – and diseases affecting the agricultural and aquaculture industries. Reflecting this vulnerability, the real GDP growth rate varied during the review period, rising from a low of 0.7% in 2013 to a high of 4.1% in 2014, and falling again to 2.9% in 2015.

1.2. The services sector remains the largest sector in the economy, contributing more than 60% to GDP (Table 1.1). Wholesale and retail trade, transportation and communications, and general government services are the biggest subsectors. Secondary industries represent the second-largest share (13.7%), followed by primary industries (12.9%). Tourism is of growing importance: according to the World Travel and Tourism Council, the travel and tourism industry directly contributed 15% to GDP in 2014, while its total contribution to the economy was 39% (Section 4.4.5).¹ It is the biggest export and foreign exchange earner in Belize, and a major employer: according to the International Labour Organization (ILO), tourism generated 11% of total employment directly, and 28% indirectly. While tourism exports accounted for 35% of exports of goods and services, agriculture continues to be the mainstay of Belize's exports (Section 4.1).

1.3. Belize has the lowest population density in Central America: in 2016, 377,968 people inhabited an area of 22,966 square kilometres.² Low population density prevents agglomeration and scale economies, while poor infrastructure adds to the problems faced transporting goods to the domestic and international markets. Ports are constrained by, *inter alia*, poor physical infrastructure in the form of piers and cranes, lack of cold storage capacity, and operational inefficiencies. Air transport infrastructure is less of a concern, but adherence to international standards in municipal airports and domestic air travel would benefit the overnight tourism sector.³ Despite significant public investment in the transport sector over the last two decades, only 20% of the road network is paved, and access to some key tourist destinations is hampered by very poor road conditions.

1.4. Belize has a relatively young population: about 46% of its population are under 20 years old⁴, and its population growth rate (1.87% in 2015) was one of the highest in the region. The unemployment rate remained at double digits from 2010 to 2015, while urbanization went down from 45% in 2010 to 44% in 2015, much lower than the Central American, Latin American, and the Caribbean averages (between 70% and 80%).⁵ One possible reason is the limited capacity for cities to absorb population growth. Since the last review, no new poverty assessments have been conducted. In 2010 (the latest year for which data were available), 41% of the population lived

¹ World Travel and Tourism Council, *Travel & Tourism. Economic Impact 2015. Belize*. Viewed at: <https://www.wttc.org/-/media/files/reports/economic%20impact%20research/countries%202015/Belize2015.pdf> [18/10/16].

² Statistical Institute of Belize (SIB) online information. Viewed at: <http://www.sib.org.bz/statistics/population> [04/10/16].

³ Inter-American Development Bank (2013), *IDB Country Strategy with Belize 2013-2017*, November. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=38275821> [04/10/16].

⁴ SIB online information. Viewed at: <http://www.sib.org.bz/statistics/population> [04/10/16].

⁵ UN DESA (2015), *World Urbanization Prospects 2014*. Viewed at: <https://esa.un.org/unpd/wup/Publications/Files/WUP2014-Report.pdf> [04/10/16]; and UN DESA online information. Viewed at: <https://esa.un.org/unpd/wup/Country-Profiles/> [04/10/16].

below the poverty line, far from the Belize Millennium Development Goals (16.8% targeted for 2015).⁶

1.2 Recent Economic Developments

1.2.1 Introduction

1.5. The GDP growth rate in Belize has been rather volatile, averaging 2.8% annually between 2010 and 2015 (Table 1.1). It fell from 4.1% in 2014 to 2.9% in 2015, due mainly to: contractions in value added in the primary sector, reflecting a sharp drop in farmed shrimp output and reductions in major export crops (sugar cane, banana, papaya, and rice), as well as declines in petroleum extraction. Electricity generation increased, contributing to an output increase in the secondary sector. The main driver of growth was the services sector, underpinned by an expansion in government services as well as activities in distribution, tourism and transportation. Benefiting from an active services sector, the average unemployment rate fell from 23.3% in 2010 to 10.1% in 2015, and to 8% in April 2016, the first single digit recorded in almost a decade.

1.6. Inflation remained low in Belize, caused mainly by the decline in oil and other commodity prices. The effective exchange rate appreciated sharply in 2015, driven mostly by the strengthening of the U.S. dollar to which the Belizean currency is pegged, which further reduced the competitiveness of the Belizean export sector, particularly services (Section 1.2.3). Export declines led to a widened current account deficit (Section 1.2.4).

1.7. In 2012, the passage of Hurricane Ernesto affected the northern part of the country, and caused an estimated damage of BZ\$763,000 to the agriculture sector. In August 2016, Hurricane Earl caused much greater damage, estimated at BZ\$183.6 million.⁷ Disease outbreaks have reduced the production of major agricultural products such as citrus fruits, papaya, and shrimp (Section 4.1).

1.8. Another shock was triggered by the "de-risking" of Belize by global banks leading to the loss of the correspondent banking relationships for most banks in Belize. This has led to a significant increase in transactions costs and a winding down of deposits in international banks (Section 4.4.2).

1.9. The Government's ability to address the challenges to its economy is constrained by, *inter alia*, high debt levels and limited fiscal space⁸, distortions in the trade and tax policy regime, and the high cost of finance⁹ (Sections 1.2.2 and 1.2.5). Its policy tools were further limited by the nationalization of two companies and the consequent large fiscal expenditure. In 2009 and 2011, the Government decided to nationalize and acquire majority shareholdings in Belize Telemedia Limited (BTL) and Belize Electricity Limited (BEL). After years of negotiation, the Government reached a settlement in 2014/15 with the former owners of BEL and BTL for the majority shares in these utilities.¹⁰ Related expenditures had a prominent impact on the fiscal developments, and the country's balance of payments (Sections 1.2.2, 1.2.3, and 1.2.4).

⁶ UNDP, *Millennium Development Goals Report and Post 2015 Agenda: Belize 2013*. Viewed at: <http://www.undp.org/content/undp/en/home/librarypage/mdg/mdg-reports/lac-collection.html> [03/10/16]. The poverty line for the population is defined as an annual income of BZ\$3,400 (US\$1,700). (*Belize Country Poverty Assessment Report August 2010*. Viewed at: <http://www.caribank.org/uploads/2012/12/Belize-2009-exec-sum.pdf> [07/10/16]).

⁷ *Amandala*, "\$183.6 mil in losses due to Hurricane Earl", 31 August 2016. Viewed at: <http://amandala.com.bz/news/183-6-mil-losses-due-hurricane-earl/> [06/10/16].

⁸ World Bank (2011), *Country Partnership Strategy (FY2012-FY2015) for Belize*. Viewed at: <http://documents.worldbank.org/curated/en/547861468201280860/Belize-Country-partnership-strategy-for-FY2012-FY2015> [05/10/16].

⁹ Inter-American Development Bank (2013), *IDB Country Strategy with Belize 2013-2017*, November. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=38275821> [04/10/16].

¹⁰ Ministry of Finance (2016), *Budget Speech for Fiscal Year 2016/2017*. Viewed at: <http://cdn.gov.bz/belize.gov.bz/files/Budget%20Speech%202016%20-%20Statement%20and%20Economic%20Review%20FINAL.pdf> [19/10/16].

Table 1.1 Basic economic indicators, 2010-15

	2010	2011	2012	2013	2014	2015 ^a
GDP						
Current GDP (BZ\$ million)	2,794	2,974	3,148	3,227	3,413	3,485
Current GDP (US\$ million)	1,397	1,487	1,574	1,614	1,706	1,743
Per capita GDP (US\$)	4,326	4,470	4,644	4,639	4,781	4,757
GDP at 2000 constant prices (BZ\$ million)	2,451	2,502	2,596	2,615	2,722	2,800
Real GDP growth rate (%)	3.3	2.1	3.7	0.7	4.1	2.9
GDP by activity (% of current GDP)						
Primary industries	12.0	11.9	13.5	13.9	13.9	12.9
Agriculture and forestry	9.2	9.7	11.0	10.3	10.4	10.2
Fishing	2.3	1.8	2.1	3.1	3.0	2.3
Mining and quarrying	0.5	0.5	0.5	0.5	0.4	0.4
Secondary industries	18.4	19.2	17.1	16.1	15.7	13.7
Manufacturing	12.2	13.5	12.0	10.0	8.6	6.9
Electricity and water supply	3.5	3.2	2.2	3.3	3.9	3.3
Construction	2.6	2.6	2.8	2.8	3.2	3.5
Tertiary industries	60.8	60.0	60.3	60.1	60.0	60.7
Wholesale and retail trade and repairs	14.6	14.5	14.7	15.5	15.1	15.5
Hotels and restaurants	4.0	4.2	4.4	4.8	5.2	5.2
Transportation and communication	11.0	10.6	10.9	10.4	10.1	9.5
Financial intermediation	7.4	7.4	7.5	6.7	6.6	6.6
Real estate, renting and business services	6.3	6.1	6.0	6.0	6.1	5.8
Community, social and personal services	7.0	6.8	6.6	6.6	6.6	6.8
General government services	10.6	10.4	10.2	10.2	10.3	11.1
Taxes less subsidies on products	13.1	12.8	12.9	13.8	14.0	15.9
Real GDP by expenditure (BZ\$ million at 2000 prices)						
Public consumption	340	335	349	352	371	395
Private consumption	1,593	1,668	1,726	1,808	1,820	1,893
Gross fixed capital formation	321	319	349	409	470	538
Changes in inventories including discrepancy	-59	44	-4	7	41	39
Exports: Goods and services	1,528	1,535	1,668	1,664	1,708	1,788
Imports: Goods and services	1,246	1,392	1,455	1,595	1,687	1,828
Statistical discrepancy	-25	-6	-37	-30	0	-24
<i>Memo items</i>						
Population (thousands)	323.0	332.7	338.9	347.8	356.9	366.3
Unemployment rate as at April (%)	23.3	..	14.4	11.7	11.1	10.1
Gross international reserves by the Central Bank (US\$ million)	218	236	291	405	487	437
Disbursed outstanding external debt (US\$ million)	1,013	1,022	1,014	1,083	1,126	1,176
Disbursed outstanding external debt (% of GDP)	72.5	68.7	64.4	67.1	66.0	67.5
External debt service payments (US\$ million)	77	81	80	81	76	125
Disbursed outstanding domestic debt (BZ\$ million)	368	381	390	386	376	494
Disbursed outstanding domestic debt (US\$ million)	184	191	195	193	188	247

.. Not available.

a Provisional data.

Source: Central Bank of Belize online information.

1.2.2 Fiscal policy

1.10. The Government maintained an expansionary fiscal policy from 2013/14, and the fiscal deficit reached its highest point in 2014/15 (BZ\$141 million) (Table 1.2). The current balance remained in surplus as current expenditure was lower than current revenue. Current revenue continued to depend on tax revenue, which accounted for around 88% of current revenue. Among the non-tax revenues, royalties from petroleum income went down significantly, from

BZ\$18 million in 2010/11 to BZ\$4.4 million in 2015/16. During the same period, capital expenditure remained much higher than capital revenue.

Table 1.2 Government revenue and expenditure by fiscal year, 2010/11-2015/16

(BZ\$ million)

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total revenues and grants	811.6	835.7	846.3	871.7	959.4	980.3
Current revenue	784.3	794.7	820.3	825.6	912.4	934.9
Tax revenue	703.5	669.9	704.3	727.0	804.7	818.1
Income and profits	247.5	237.0	233.1	233.8	264.8	261.9
Taxes on property	7.0	6.7	4.9	7.2	5.2	5.3
Taxes on international trade and transactions	175.8	196.0	188.8	203.5	204.5	211.8
Taxes on goods and services	273.1	230.3	277.6	282.6	330.2	339.1
Non-tax revenue	80.8	124.8	115.9	98.6	107.7	116.8
Property income	6.9	24.1	5.7	6.9	14.5	19.5
Licences	11.8	12.6	21.3	15.8	11.9	12.3
Royalties	30.6	35.4	27.3	30.3	48.0	44.9
Royalties from petroleum income	18.0	21.0	14.6	12.3	10.7	4.4
Ministries revenue	26.1	41.5	34.0	36.1	32.2	32.0
Repayment of loans	5.4	11.3	27.7	9.4	1.1	8.1
Capital revenue	4.8	7.8	4.6	5.1	4.7	4.8
Grants	22.5	33.1	21.3	41.1	142.3	40.6
Current expenditure	721.6	724.5	706.7	778.0	842.2	873.5
Personal emoluments	291.2	296.4	298.2	313.2	348.0	367.8
Pensions and ex gratia payments	50.4	51.6	54.5	55.2	63.0	59.7
Goods and services	261.2	171.8	165.7	181.0	191.6	210.8
Subsidies and current transfers	0.0	104.6	130.6	132.0	148.3	144.3
Debt service-interest and other charges	118.8	100.0	57.7	96.5	91.4	91.0
Capital expenditure	154.7	142.9	144.1	156.3	258.6	194.7
Capital II – Local sources	65.2	72.8	66.3	67.2	113.0	97.8
Capital III – Foreign sources	83.0	65.3	74.5	86.0	142.9	94.4
Capital transfers and net lending	6.5	4.8	3.3	3.1	2.7	2.6
Current balance: current revenue - current expenditure	62.7	70.2	113.6	47.6	70.1	61.4
Primary balance	54.0	68.3	53.2	33.9	-50.1	2.9
Overall balance	-64.7	-31.7	-4.6	-62.6	-141.5	-88.0
Amortization	-63.0	-56.2	-61.2	-64.5	-65.9	-86.0
Financing	-127.7	-88.0	-65.8	-127.1	-207.4	-174.0

Source: Ministry of Finance, Approved Estimates of Revenue and Expenditure various issues.

1.11. Belize's tax base has remained the same since the previous Review, and the Government has not enacted any new sources of revenue. There were some modifications to the tax structure: the goods and services tax (GST) was removed on some processed food items and ramen, the revenue replacement duties (RRDs) were removed on goods originating in CARICOM countries and on goods produced locally, the scope of goods subject to excise duties was enlarged, and the income tax on profits accrued from petrol was increased (Section 3.3.1). The IMF estimated that the fuel tax increase is expected to raise revenues by close to 1.5% of GDP.¹¹ Tax revenue in 2015

¹¹ IMF (2016), *Belize 2016 Article IV Consultation*. Viewed at: <https://www.imf.org/external/pubs/ft/scr/2016/cr16334.pdf> [15/1/16].

continued to depend on taxes from the sale of goods and services (41%), income and profits (32%), and international trade and transactions (26%).

1.12. Grants, an important source of government revenue, more than tripled in 2014/15 (BZ\$142.3 million) from the previous year, reflecting the grant received from the European Union and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, which was not repeated in 2015.

1.13. As the tax burden is already relatively high for Belize's level of income (24% of GDP in 2015), the greatest contribution of tax policy reform to fiscal sustainability may be indirect, via increased economic growth. Maintaining fiscal stability thus implies the need to secure more efficient and effective public services and effective control over discretionary spending.¹²

1.14. Total expenditures reached their peak in 2014/15 due to the hike in capital expenditure. This was attributed to the payments towards outstanding liabilities arising through the Government's acquisition and nationalization of BEL and BTL.¹³ As this expenditure was only a one-off payment, the fiscal situation began to head back to its normal track in 2015/16.

1.15. Belize's external debt remained high (67% of GDP in 2015, down from 72% in 2010), which added to the challenge of maintaining fiscal sustainability (Table 1.3). Domestic debt reached BZ\$494 million in 2015 (14% of GDP) (Table 1.1). Among the external debt, bonds accounted for less than half of the total debt (44% in 2015, down from 55% in 2010), while borrowings from bilateral sources increased (27% in 2015, up from 17% in 2010), and the share of borrowings from multilateral sources remained the same (around 28%).

Table 1.3 Public sector external debt outstanding by source, 31 December 2010-15

(BZ\$ million)

	2010	2011	2012	2013	2014	2015 ^a
Bilateral	348.5	347.1	341	482.6	568.2	640.8
Bonds	1,112.3	1,100.1	1,085	1,053	1,053	1,053
Commercial banks	0.8	10.6	6	3.2	0	0
Multilateral	560.6	586.5	595	626.7	630.5	657.8
Total	2,022.3	2,044.2	2,027	2,165.4	2,251.8	2,351.6

a Provisional data.

Source: Central Bank of Belize, Annual Report, various issues.

1.2.3 Monetary policy

1.16. The Central Bank of Belize (CBB), established as an autonomous institution, is responsible for monetary and exchange rate policy, regulated under the Central Bank of Belize Act and subsequent amendments (Chapter 262, 2011).¹⁴ In accordance with the Domestic Banks and Financial Institutions Act (DBFIA) (Chapter 263, 2000), the CBB is also responsible for the supervision and regulation of domestic and international banks and credit unions.¹⁵ The most recent amendment to the DBFIA was in 2014, and it aimed at: prohibiting the issuance of licences to shell banks¹⁶, removing reference to currency transactions reporting, and enhancing information gathering by the CBB.

¹² Inter-American Development Bank (2013), *IDB Country Strategy with Belize 2013-2017*, November. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=38275821> [04/10/16].

¹³ Central Bank of Belize (2016), *Annual Report 2015*. Viewed at: https://www.centralbank.org.bz/docs/default-source/rsh_4.2.4_annual-reports/cbb-2015-annual-report-final_df?sfvrsn=2 [10/10/2016].

¹⁴ Central Bank of Belize Act 1982. Viewed at: <https://www.centralbank.org.bz/aws-regulations/central-bank-act> [12/10/16].

¹⁵ Central Bank of Belize, *Domestic Banks and Financial Institutions (Amendment) Act, No. 5 of 2014*. Viewed at: https://www.centralbank.org.bz/docs/default-source/fss_2.2_bfia/domestic-banks-and-financial-institutions-amendment-act-no-5.pdf?sfvrsn=2 [12/10/16].

¹⁶ A shell bank means a bank that (a) is incorporated and licensed in a country in which it has no physical presence involving meaningful decision-making and management; and (b) is not an affiliate of a

1.17. Another relevant piece of legislation is the Money Laundering and Terrorism (Prevention) Act, which was most recently amended in 2016.¹⁷ The amendments aimed to provide measures to ensure compliance with international standards and obligations in relation to money laundering and terrorist financing, and to implement UN Security Council Resolutions. The Financial Intelligence Unit, set up under the Financial Intelligence Unit Act 2002, is in charge of investigating and prosecuting financial crimes such as money laundering, internet fraud, and pyramid schemes. Between 2010 and September 2016, 462 suspicious transaction reports were filed, 1,026 international and 21 local investigations were conducted, 31 arrests were made, and one money laundering conviction was obtained.

1.18. Belize maintains its long-standing exchange rate peg to the U.S. dollar. The Central Bank Act fixes the exchange rate at two Belizean dollars to one U.S. dollar (BZ\$2 per US\$).¹⁸ The Central Bank's objectives remain: fostering monetary stability, especially as regards stability of the exchange rate, and promoting credit and exchange conditions conducive to the growth of the economy. The peg ensured relative stability in the price of foreign exchange, and contributed to the low inflation rates. The peg is backed by strong capital controls and a stock of foreign exchange reserves that increased more than threefold between the end of 2007 and mid-2013.¹⁹ However, the real effective exchange rate appreciated sharply in 2015, driven mostly by the strengthening of the U.S. dollar to which the Belizean currency is pegged, thus reducing the competitiveness of the Belizean economy, particularly services (Table 1.4).²⁰

1.19. As the exchange rate is fixed, the Central Bank's choice of monetary policy tools is limited. As regards direct policy tools, the CBB does not set interest rates levied by domestic banks except for the minimum interest rate payable on savings deposits.²¹ The minimum interest rate on ordinary savings deposits was reduced from 4.5% to 2.5%, and commercial banks were required to disclose annual nominal and effective interest rates on savings deposits (Section 4.4.2). The CBB more frequently uses indirect policy tools such as the reserve requirements and, more recently, open market transactions. Commercial banks are required to maintain secondary reserves, which include cash and treasury bills, of 23% of average deposit liabilities. To encourage the development of the Government's securities market, a securities requirement was instituted on 1 May 2010. In 2011, the CBB reduced the proportion of government treasury bills that commercial banks were required to hold as part of their securities requirement from 6.5% to 0.0% of average deposit liabilities (Section 4.4.2).

Table 1.4 Main monetary indicators, 2010-15

	2010	2011	2012	2013	2014	2015 ^a
Money and credit (BZ\$ million)						
Currency and demand deposits (M1)	708	839	1,103	1,122	1,314	1,529
Quasi money (savings and time deposits)	1,377	1,362	1,341	1,355	1,358	1,346
M2 money supply	2,085	2,201	2,444	2,477	2,672	2,874
Annual change of money supply (%)	-0.4	5.6	11.0	1.4	7.9	7.6
Ratio of M2 to GDP (%)	74.6	74.0	77.6	76.2	77.8	83.5
Domestic credit	1,762	1,757	1,803	1,854	1,933	1,986
Public sector	9	9	17	24	18	11
Private sector	1,753	1,748	1,786	1,831	1,916	1,974

corporate body that (i) has a physical presence in a country that involves meaningful decision-making and management; (ii) is authorized to carry on banking business in that country; and (iii) is subject to effective consolidated supervision in relation to its banking business, which extends to its affiliates.

¹⁷ Money Laundering and Terrorism (Prevention) (Amendment) Act, 2016. Viewed at: https://www.centralbank.org.bz/docs/default-source/fss_2.5_mltpa/money-laundering-and-terrorism-prevention-amendment-act-2016.pdf?sfvrsn=2 [12/10/16].

¹⁸ Exchange Control Act. Viewed at: https://www.centralbank.org.bz/docs/default-source/rsh_2.6_exchange-control-act/exchange-control-regulations-2003.pdf?sfvrsn=2 [12/10/16].

¹⁹ Inter-American Development Bank (2013), *IDB Country Strategy with Belize 2013-2017*, November. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=38275821> [20/10/16].

²⁰ IMF press release No. 16/424, 26 September 2016. Viewed at: <http://www.imf.org/en/News/Articles/2016/09/26/PR16424-Belize-IMF-Executive-Board-Concludes-2016-Article-IV-Consultation> [06/10/16].

²¹ Central Bank of Belize online information. Viewed at: <https://www.centralbank.org.bz/financial-system/monetary-policy/monetary-policy-tools> [13/10/16].

	2010	2011	2012	2013	2014	2015 ^a
Interest rates (weighted average)						
Deposit rate (annual average)	5.6	3.7	2.6	2.2	1.7	1.5
Lending rate (annual average)	13.8	12.9	11.9	11.1	10.7	10.0
Interest rate spread (weighted average)	8.2	9.2	9.4	9.0	8.9	8.6
Inflation						
Consumer price index (average % change)	0.9	1.7	1.3	0.5	1.2	-0.9
Exchange rate						
Exchange rate (BZ\$ per US\$)	2	2	2	2	2	2
Real effective exchange rate index (annual % change)	1.4	-10.0	1.9	-1.2	0.7	8.5
Terms of trade (annual % change)	2.2	2.7	-1.0	0.2	-0.1	-2.0

a Provisional data.

Source: Central Bank of Belize online information; IMF 2015 Belize Article IV Consultation; and IMF 2016 Belize Article IV Consultation.

1.20. The average deposit interest rate continued to drop during the review period, from 5.6% in 2010 to 1.5% in 2015, as robust growth in deposits outstripped a modest increase in private sector borrowing, which led to boosted banking liquidity. M2 grew by 7.6% in 2015, and accounted for 83.5% of GDP, rising from 74.6% in 2010. Both government borrowing for fiscal expansion and the continued rise in bank liquidity were notable features of domestic monetary developments.²² The Government needed to borrow to make compensation payments to the previous owners of BEL and BTL and for budget support; at the same time, private sector lending increased, mainly in areas such as agriculture and tourism.

1.21. The inflation rate in Belize, mainly affected by import prices, remained low during the review period. The decline in oil and other commodity prices led to deflation in 2015. The inflation rate returned to positive in early 2016 owing to higher food prices and the increase in fuel tax.²³

1.2.4 Balance of payments

1.22. The current account deficit widened during the review period, from 2.9% of GDP (US\$40 million) in 2010 to 9.9% of GDP (US\$172 million) in 2015 (Table 1.5). This reflected mainly the notable expansion in the merchandise trade deficit, while the positive inflows from trade in services were insufficient to cover the shortfalls in the current account balance. The trade-in-goods deficit more than doubled during the review period, as imports increased much faster than exports. Regarding trade in services, travel (i.e. tourism earnings) remained the biggest export earner, accounting for around 75% of total services exports and about 35% of total exports of goods and services.

Table 1.5 Balance of payments, 2010-15

(US\$ million)

	2010	2011	2012	2013	2014	2015 ^a
Current account	-40.1	-16.9	-19.4	-72.6	-127.8	-171.8
Balance on goods and services	6.6	-2.4	25.0	-27.6	-64.0	-149.0
Balance of goods	-168.9	-170.9	-196.6	-280.5	-349.6	-423.4
Goods exports f.o.b.	478.4	603.7	621.6	608.1	589.2	537.9
Goods imports f.o.b.	647.2	774.6	818.1	888.6	938.8	961.3
Balance of services	175.5	168.4	221.6	253.0	285.6	274.4
Services credits	338.0	340.1	406.8	448.1	487.3	495.8
Transportation	19.3	22.1	22.4	23.1	25.2	25.0
Travel ^b	248.6	247.5	299.0	351.0	373.9	371.6

²² Central Bank of Belize (2016), *Annual Report 2015*. Viewed at: https://www.centralbank.org.bz/docs/default-source/rsh_4.2.4_annual-reports/cbb-2015-annual-report-final.pdf?sfvrsn=2 [19/10/16].

²³ IMF press release No. 16/424, 26 September 2016. Viewed at: <http://www.imf.org/en/News/Articles/2016/09/26/PR16424-Belize-IMF-Executive-Board-Concludes-2016-Article-IV-Consultation> [06/10/16].

	2010	2011	2012	2013	2014	2015 ^a
Other goods and services	41.6	41.4	50.2	47.5	59.0	71.6
Government goods and services	28.5	29.2	35.2	26.6	29.3	27.6
Services debits	162.5	171.7	185.2	195.1	201.7	221.4
Transportation	57.8	71.0	70.6	59.6	67.8	70.1
Travel	36.7	33.8	36.9	40.2	40.1	47.3
Other goods and services	59.3	58.3	67.0	83.1	81.9	89.5
Government goods and services	8.8	8.8	10.7	12.4	12.0	14.5
Primary income: credits	4.6	4.8	5.1	6.1	8.4	7.3
Primary income: debits	143.1	103.0	125.3	124.1	146.2	139.4
Balance on goods, services and income	-131.9	-100.7	-95.1	-145.6	-201.8	-281.1
Secondary income: credit	115.1	107.4	103.2	104.4	106.6	109.9
Secondary income: debit	23.2	23.7	27.4	31.4	32.6	40.2
Capital account	5.7	23.7	22.5	37.7	44.0	8.6
Credit	6.7	24.3	22.5	37.7	44.0	8.6
Debit	1.1	0.6	0.0	0.0	0.0	0.0
Financial account	-27.2	-18.9	-61.8	-136.4	-174.7	-92.3
Direct investment abroad	1.1	0.7	0.9	0.7	2.8	0.5
Direct investment in Belize	97.2	95.4	189.2	92.3	152.8	64.6
Net direct investment	-96.1	-94.7	-188.4	-91.6	-150.0	-64.2
Portfolio investment assets	2.2	7.1	0.2	0.0	0.0	0.0
Portfolio investment liabilities	-5.6	-6.1	-3.3	-15.9	0.0	0.0
Net portfolio investment	7.8	13.2	3.5	15.9	0.0	0.0
Other investment assets	13.1	23.6	43.3	-22.8	-9.4	10.0
Other investment liabilities	-48.0	-39.1	-79.8	38.0	15.4	38.1
Net other investment	61.1	62.6	123.1	-60.7	-24.7	-28.1
Net errors and omissions	11.5	-7.6	-17.2	12.4	-9.1	20.8
Reserve assets	4.3	18.1	47.8	113.9	81.8	-50.2
<i>Memorandum items</i>						
Gross official international reserves (US\$ million) ^c	218.0	236.1	291.5	405.1	486.8	436.7
Import cover of reserves (months)	3.7	3.3	3.9	5.0	5.7	5.0
Current account/GDP (%)	-2.9	-1.1	-1.2	-4.5	-7.4	-10.0
Remittances (inflows)	76.1	73.0	73.6	72.0	78.0	82.4

a Provisional data.

b Tourism earnings were based on visitor expenditure surveys.

c Reflects usable reserves as defined by BPM5.

Note: Following guidance issued by the IMF, the methodology and classifications of the BOP and the international investment position statistics were changed from BPM5 to BPM6. One of the most prominent changes is that a net inflow in the financial account is represented with a minus sign in the BPM6, whereas it has a positive sign in the BPM5. (IMF (2014), *BPM6 Compilation Guide*. Viewed at: <http://www.imf.org/external/pubs/ft/bop/2014/pdf/guide.pdf> [19/10/2016]).

Source: Central Bank of Belize, Annual Report various issues, and major economic indicators available online.

1.23. The capital account surplus decreased significantly in 2015, mainly attributed to the much lower grants received from foreign donors. At the same time, the surplus on the financial account plummeted by 47.2% due to the settlement payments to the previous owners of BEL and BTL, the loan repayment to the British Caribbean Bank (BCB) and an increase in the commercial banks' foreign deposits.²⁴ Net direct foreign investment reached its peaks in 2012 and 2014, and then more than halved in 2015. Remittances from abroad increased in 2014 and 2015, although the inward flow of remittances declined in the last quarter of 2015 due to the de-risking measures undertaken by international correspondent banks.²⁵

²⁴ Central Bank of Belize(2016), *Annual Report 2015*. Viewed at: https://www.centralbank.org.bz/docs/default-source/rsh_4.2.4_annual-reports/cbb-2015-annual-report-final.pdf?sfvrsn=2 [19/10/16].

²⁵ Central Bank of Belize (2016), *Annual Report 2015*. Viewed at: https://www.centralbank.org.bz/docs/default-source/rsh_4.2.4_annual-reports/cbb-2015-annual-report-final.pdf?sfvrsn=2 [14/10/16].

1.24. Belize continued to build up its foreign reserves during the period under review. It reached a low point of 3.3 months of import cover in 2011, but improved to 5.7 months in 2014. In 2015, the gross international reserves were drawn down, mainly because of the one-off payments in September 2015 for outstanding liabilities related to the Government's nationalization of BTL and BEL. The aforementioned payments contributed to a dip in the official reserves, which at year-end covered approximately 5.0 months of merchandise imports.

1.2.5 Structural policy

1.25. As a small country with a limited domestic market, Belize's economy is strongly dependent on trade. According to the Inter-American Development Bank (IDB), binding constraints on economic growth include distortions to producers and particularly exporters created by Belize's tariff and non-tariff barriers as well as its tax structures.²⁶

1.26. Belize remains dependent on trade taxes for government revenue, and its tariff regime comprises a number of different rates (Section 3.1), leading to widely different effective rates of protection for different activities.²⁷ Furthermore, trade taxes on imports include not only tariffs, but also an environmental tax, a revenue replacement duty, and other duties and charges. This may distort incentives for producers while raising costs for competitive or potentially competitive sectors, and obstruct Belize's export diversification efforts. For example, it was estimated that the combined impact of taxes on trade increased the cost of hotel renovation or expansion by 40%.²⁸ Furthermore, prices for food and food products remain higher than world levels, as import measures are used to protect domestic producers from competition and to raise domestic prices (Section 4.1.3). The Government has to relieve consumers by zero-rating and exempting the goods and services tax (GST) on many items. According to the IDB, 44% of potential GST suppliers are zero-rated, costing the Government around 8% of GDP in foregone revenue on a gross basis.²⁹

1.27. Non-tariff barriers include import licences, which are required for a long list of products and are subject to various different pieces of legislation (Section 3.1). Licences are non-automatic in most cases, and the procedure to obtain them is not clear. The private sector has indicated that these licensing requirements are burdensome and costly.³⁰

1.28. All the tariff and non-tariff barriers, combined with Belize's poor port and road infrastructure, led to elevated costs to import and export. According to the World Bank Doing Business Report, Belize was ranked 117th in 2016 among 189 of the world's economies in terms of trading across borders. Trade barriers create incentives for traders to get around them by seeking duty and other tax exemptions and reductions through export processing zones, free zones, and fiscal incentive programmes, adding to the cost of tax administration (Section 3.2).

1.29. Other constraints for economic growth lie mainly in the high cost of finance (the weighted average lending rate by commercial banks was 10%, while the weighted average deposit rate was 1.5%, resulting in a spread of 8.6%) (Section 4.4.2). The Central Bank indicated that several structural reforms are being carried out, including the National Payments System project, which commenced in October 2016; the legislation to support the modernization of this system is scheduled for its second parliamentary reading. An upgrade of the information technology infrastructure was completed in October 2015, while the enterprise business system project, which began in 2014, is all but completed, except for the human resources module. The economic data management project was scheduled to be rolled out in December 2016.

²⁶ Inter-American Development Bank (2013), *IDB Country Strategy with Belize 2013-2017*, November. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=38275821> [17/10/16].

²⁷ Inter-American Development Bank (2013), *IDB Country Strategy with Belize 2013-2017*, November. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=38275821> [17/10/16].

²⁸ Nueninghoff S., Lemay M., Rogers C., and Martin D. (2015), *Sustainable Tourism in Belize*, January. Viewed at: https://publications.iadb.org/bitstream/handle/11319/6795/ENE_TN_Sustainable_Tourism_in_Belize.pdf?sequence=1 [17/10/16].

²⁹ Inter-American Development Bank (2013), *IDB Country Strategy with Belize 2013-2017*, November. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=38275821> [17/10/16].

³⁰ Monge E. (2013), *Trade Policy Scope and Taxation in Belize Study*, December, IDB. Viewed at: <http://services.iadb.org/wmsfiles/products/Publications/38368966.pdf> [05/10/16].

1.30. In April 2016, the Government adopted the Growth and Sustainable Development Strategy (GSDS), which guides policies for sustainable and inclusive growth during the period 2016-20. It is based on several pillars, including the penetration of export markets, attracting foreign investment, conducting effective industrial policy, enhancing market efficiency, alleviating infrastructural bottlenecks, and alignment with WTO requirements (Section 3.2.4). Major infrastructure projects envisaged include the construction of new port facilities and upgrading of transport links. It also emphasizes the development of priority sectors (agriculture, agro-processing, tourism and energy) and the diversification into new products and services. Given the limited fiscal space, implementation would hinge upon careful prioritizing and ensuring adequate financing.

1.31. The economic outlook is not bright: GDP is projected by the IMF to decline by 1.5% in 2016, due partly to the damage caused by hurricanes, and partly to declining productivity, competitiveness and public investment.³¹ Expansion in services is expected to be offset by contractions in the primary and secondary sectors. Agricultural crop output is projected to shrink further due to declines in citrus, banana and papaya production. The largest banana farm and the largest papaya farm were closed in October 2015 and August 2016, respectively, while the shrimp industry is recovering from the bacterial infection that temporarily halted operations in 2015. The decline in petroleum extraction appears to be continuing, resulting in a marginal contraction in the secondary sector. The outlook for the tourism sector is positive, as low oil prices are expected to boost disposable incomes in the major source countries. Fiscal and financing constraints tend to reduce public investment, which is needed for further development of the economy. As suggested in the previous Review, diversification of the economy would help to reduce dependence on a narrow range of exported commodities, but these efforts are limited by Belize's small population and limited domestic market. Therefore, it is important for trade policy to play a greater role as trade increases economies of scale. To tap the potential and accelerate economic growth, Belize will need to enact significant policy reforms to lessen impediments to trade and carefully prioritize public investments.³²

1.32. According to the Central Bank, real GDP in 2016 is projected to contract by 2.4%; while primary and secondary sectors both declined, growth in the tertiary sector decelerated. However, the economy is predicted to rebound in 2017, and real GDP is predicted to grow by 3.4%.

1.3 Trade Performance

1.3.1 Composition of merchandise trade

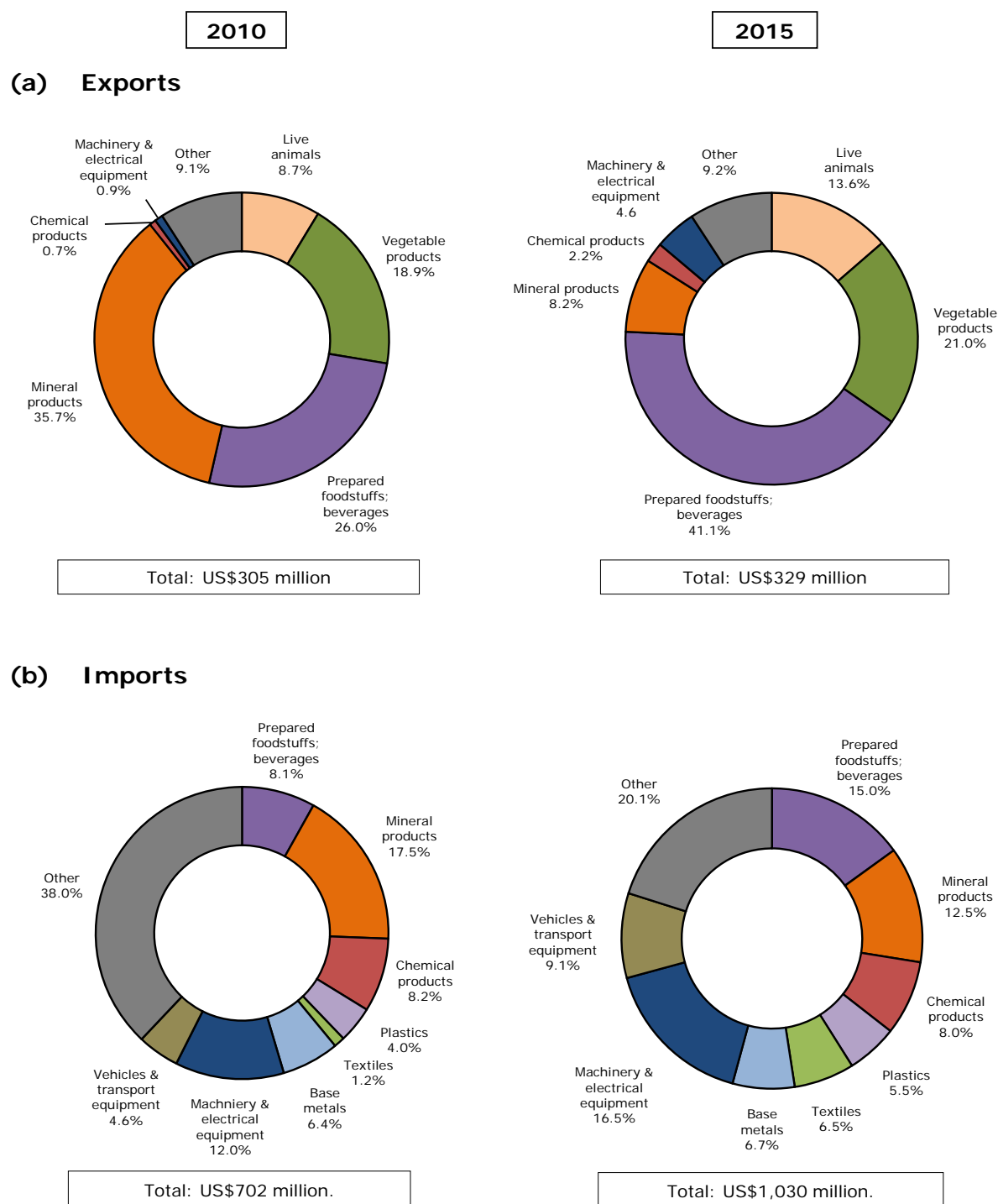
1.33. Trade data were provided by the Statistical Institute of Belize. During the review period, the total export value increased from US\$305 million in 2010, to US\$416 million in 2013, and fell again to US\$329 million in 2015 (Table A1.1). Exports remained concentrated in a narrow range of products, exported to a small number of countries (Chart 1.1). The share of agricultural goods continued to increase, while that of both merchandise goods and petroleum continued to fall. Prepared foodstuffs and beverages accounted for the largest share: 41.1% in 2015, up from 26% in 2010. Vegetable products and live animals accounted for 21% and 13.6%, respectively, in 2015. The share of mineral products dropped significantly, from 35.7% in 2010 to 8.2% in 2015, as reservoirs became depleted and prices remained low (Section 4.3)

1.34. Imports grew much faster than exports. Total import value rose from US\$702 million in 2010 to US\$1,030 million in 2015 (Table A1.2). Imports are much more broadly based than exports (Chart 1.1). Manufactures represented a much larger share than agricultural goods, with machinery and electrical equipment being the main import item (16.5% in 2015, up from 12% in 2010). From 2010 to 2015, the share of prepared foodstuffs and beverages increased (from 8.1% to 15%), as did the shares of vehicles and transport equipment (from 4.6% to 9.1%) and textiles (from 1.2% to 6.5%), while the share of mineral products fell from 17.5% to 12.5%.

³¹ IMF press release No. 16/424, 26 September 2016. Viewed at: <http://www.imf.org/en/News/Articles/2016/09/26/PR16424-Belize-IMF-Executive-Board-Concludes-2016-Article-IV-Consultation> [06/10/16].

³² Inter-American Development Bank (2013), *IDB Country Strategy with Belize 2013-2017*, November. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=38275821> [17/10/16].

Chart 1.1 Merchandise trade by main HS sections, 2010 and 2015



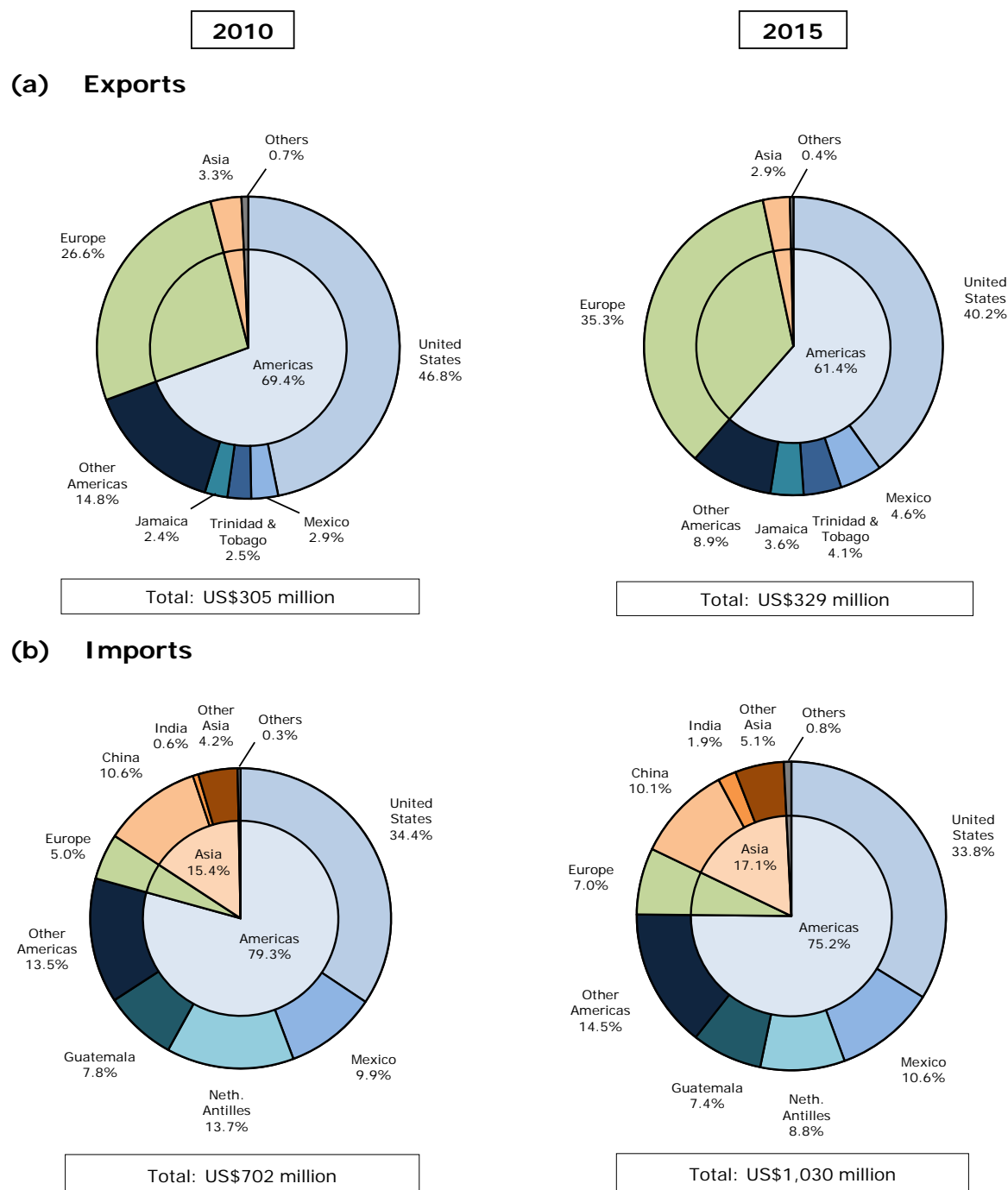
Source: WTO Secretariat estimates based on data provided by the authorities.

1.3.2 Geographical distribution of merchandise trade

1.35. The main export destination remains the United States, although its share fell from 46.8% in 2010 to 40.2% in 2015 (Chart 1.2 and Table A1.3). About two thirds of Belizean exports go to other countries in the region. The share of Europe went up, from 26.6% in 2010 to 35.3% in 2015.

1.36. The main sources of imports are other countries in the region. The United States is the single largest source of imports, accounting for just over a third of imports (33.8%), followed by Mexico (10.6%), the Netherlands Antilles (8.8%), and Guatemala (7.4%). Outside the Americas, China is a major source of imports (10.1%), followed by Europe (7%) (Chart 1.2 and Table A1.4).

Chart 1.2 Merchandise trade by main origin and destination, 2010 and 2015



Source: WTO estimates based on data provided by the authorities.

1.4 Foreign Direct Investment

1.37. Based on data from UNCTAD, foreign direct investment (FDI) inflows varied during the review period and peaked at US\$189 million in 2012 (Table 1.6). The inward FDI stock increased over the period, reaching US\$2,055 million in 2015, up by 3.2% from 2014.

Table 1.6 Foreign direct investment, 2010-15

(US\$ million)

	2010	2011	2012	2013	2014	2015
FDI inflows	97.2	95.3	189.2	95.2	152.7	64.6
% of gross fixed capital formation	45.5	41.8	74.8	32.8	45.2	17.2
FDI outflows	1.1	0.6	0.9	0.7	2.2	0.5
% of gross fixed capital formation	0.5	0.3	0.3	0.2	0.7	0.1
FDI inward stock	1,461.2	1,556.6	1,745.7	1,837.5	1,990.3	2,054.9
% of GDP	104.6	104.7	110.9	113.9	116.6	117.9
FDI outward stock	49.4	50.5	61.0	61.6	66.3	66.8
% of GDP	3.5	3.4	3.9	3.8	3.9	3.8

Source: WTO estimates, based on data from UNCTAD Data Center, Foreign Direct Investment online information, and UNCTAD World Investment Report 2016.

1.38. Data provided by the Central Bank indicate that the main destination of foreign investment was hotels and restaurants, followed by construction, real estate activities, health and social work, and agriculture, hunting, forestry and fishing.

2 TRADE AND INVESTMENT REGIME

2.1 General Framework

2.1. Belize attained its independence on 21 September 1981 and inherited the common law system from the United Kingdom. The country's supreme law is the Constitution which sets out the three branches of government: the Legislature, the Executive and the Judiciary.¹

2.2. Belize's current system is based on the British model of parliamentary democracy. The legislative branch represents the National Assembly of Belize which has two legislative chambers: House of Representatives and Senate.

2.3. The House of Representatives presently consists of thirty-one members, who are elected by the populace in a general election that takes place every five years. The House of Representatives elects a member from among themselves or from outside to preside as the speaker of the House.

2.4. The Senate is made up of twelve appointed members known as senators and one president. The Governor-General appoints six senators on the advice of the Prime Minister; three are appointed on the advice of the leader of the opposition, one on the advice of the Belize Chamber of Commerce and Industry and the Belize Business Bureau, one on the advice of the National Trade Union Congress and Civil Society Steering Committee, and one on the advice of the Belize Council of Churches and Evangelical Association of Churches. The Senate is responsible for ratifying bills after they have been passed by the House of Representatives.

2.5. The executive authority of Belize is bestowed on Her Majesty Queen Elizabeth II. Her authority is exercised through the Governor-General who is appointed by her and must be a Belizean. The Constitution of Belize confers powers on the Governor-General but requires that she/he "acts in accordance with the advice of the Cabinet" except where specifically provided for in the Constitution or laws of Belize. The Governor-General has no fixed term but holds office "during Her Majesty's pleasure".² The current Governor-General has served since 1993.

2.6. The Governor-General is responsible for appointing the Prime Minister, who is the leader of the political party that has the support of the majority in the House of Representatives and is the Head of Cabinet. On the advice of the Prime Minister, the Governor-General also appoints ministers from the National Assembly who form the Cabinet, which is the chief policy-making body. The last elections were held on 4 November 2015 re-electing the incumbent government.

2.7. The House of Representatives is responsible for passing all legislation. The Senate has the authority to reject a bill that has been passed by the House. The bill must then be referred back to the House. If the bill is passed again, the House can present it to the Governor-General for his/her consent despite the Senate's disapproval of the bill for a second time.

2.8. The judicial system is independent from the political sphere. The Supreme Court of Belize is established as the highest court in Belize.³ The administration of the Supreme Court of Belize is directed by the Chief Justice and the Registrar General. Currently, the Supreme Court has eight other judges.⁴ The Court has unlimited original jurisdiction to hear and determine any civil or criminal proceedings under any law.

2.9. The Chief Justice is appointed by the Governor-General, acting in accordance with the advice of the Prime Minister, given after consultation with the leader of the opposition. The other judges are also appointed by the Governor-General, in accordance with the advice of the Judicial and Legal Services Section of the Public Service Commission and with the Prime Minister, after consultation with the leader of the opposition. There are also magistrate's courts, referred to as

¹ Chapter 4 of the Laws of Belize, Parts V, VI, and VII. Viewed at: <http://www.belize-law.org/web/e-library/constitution.html>.

² Chapter 4 of the Laws of Belize, section 30. Viewed at: http://www.belize-law.org/web/e-library/constitution_04.html.

³ Chapter 4 of the Laws of Belize, sections 94 and 95. Viewed at: http://www.belize-law.org/web/e-library/constitution_07.html.

⁴ In Belize the other judges are called "Puisne Judges".

the "lower courts", situated in every district capital. In Belize City, there are four magistrate's courts, consisting of local magistrates.⁵

2.10. The Court of Appeal, established under section 94 of the Constitution of Belize, hears and determines appeals in civil and criminal matters.⁶ The Governor-General appoints the judges of the Court of Appeal in accordance with the advice of the Prime Minister and with the approval of the Senate. The Court of Appeal has four judges, including its president. The Constitution sets no fixed term of office for these judges, but it provides that their instruments of appointment stipulate the terms of office.

2.11. Before 1 June 2010, the regional appellate court was the Judicial Committee of the Privy Council in London. Under the Belize Constitution (Seventh Amendment) Act, 2010, appeal cases are now sent to the Caribbean Court of Justice (CCJ) located in Trinidad and Tobago. To date, in addition to Belize, other CARICOM States that are members of the CCJ are Barbados, Dominica and Guyana.

2.2 Trade Policy: Institutional Framework and Objectives

2.12. Trade policy in Belize is the responsibility of the Ministry of Economic Development, Petroleum, Investment, Trade and Commerce (MEPITC)⁷ through the Directorate General for Foreign Trade (DGFT). DGFT works in coordination with 30 trade-related departments or agencies that form the Trade Technical Team (TTT) (Table 2.1).

Table 2.1 Trade technical team of Belize

Directorate General for Foreign Trade	Customs and Excise Department	Department of Labour
Investment Policy and Compliance Unit	Belize Trade and Investment Development Services	Ministry of Transport and NEMO
Central Bank of Belize	Department of Forestry	Public-Private Sector Dialogue
Ministry of Finance	Belize Agricultural Health Authority	Department of Fisheries
Ministry of Foreign Affairs	National Institute of Culture and History	Ministry of Health
Attorney General's Ministry	Belize Bureau of Standards	Belize Coalition of Service Providers
Ministry of Economic Development	Belize Intellectual Property Office	Department of Police
Ministry of Agriculture	Belize Tourism Board	University of Belize
Ministry of Natural Resources	Office of the Supervisor of Insurance and Private Pensions	Statistical Institute of Belize
Ministry of Tourism and Civil Aviation	Department of the Environment	Department of Immigration

Source: Directorate General for Foreign Trade.

2.13. The TTT is an inter-ministerial body that gives technical advice to the Cabinet on trade-related matters and on official national trade positions. Private sector representatives are invited to participate in meetings to provide input on the current state of play of business in the country. The Office of the Prime Minister has a unit responsible for public-private sector dialogue that liaises directly with the private sector. Civil society and the general public's advice are also sought when particular productive sectors may be affected by trade agreements or the implementation of proposed trade policy measures. The TTT has two sub-committees for SPS/TBT and market access.

2.14. The Trade Negotiating Team (TNT) is formed by representatives of different government departments, who are the principal negotiators on behalf of the Government of Belize. These

⁵ Inferior Courts Act, Chapter 94 of the Laws of Belize (revised edition 2000), Section 3(1). Viewed at: [file:///client/G\\$/1270777962_Inferior_Courts_Act.pdf](file:///client/G$/1270777962_Inferior_Courts_Act.pdf).

⁶ Chapter 4 of the Laws of Belize, sections 94, 95 and 100. Viewed at: http://www.belizelaw.org/web/e_library/constitution.html.

⁷ After the last general election on 4 November 2015, the ministry responsible for trade changed its name to the Ministry of Economic Development, Petroleum, Investment, Trade and Commerce (MEPITC).

representatives are appointed by the Chief Executive Officer (Chief Negotiator).⁸ The TNT is under the authority of the DGFT which executes the negotiating mandate.

2.15. In July 2016, Belize launched its first trade policy framework. The intention is to develop a policy to guide long-term planning and evaluation of implementation projects over the next ten years. This long-term plan has five objectives: (1) expand foreign trade for sustainable economic development; (2) develop human capital and foster an entrepreneurial spirit; (3) achieve higher standards of living for Belizeans; (4) develop efficient productive practices to boost international competitiveness; and (5) enhance trade relations with a focus on Latin America and the Caribbean.

2.16. The trade policy framework identifies four pillars to guide Belize's trade policy: institutional capacity, market access, supply capacity, and trade facilitation. The institutional capacity pillar addresses the need for a legal mandate to transform the DGFT into a department with its own technical and administrative mechanisms. Supply capacity focuses on building and enhancing the competitiveness of the productive sector to expand Belize's value chain through innovation and diversify the export basket. The market access pillar focuses on assessing the productive sector's capacity and identifying new markets for goods and services. Trade facilitation has three focus areas: enhancing procedures and documentation for clearance and transit of goods; facilitating formal trade and payment flows; and improving transportation of goods to Central America through the region's International Transit of Goods (TIM) system.

2.17. The Directorate General for Foreign Trade coordinates with officials from other Ministries and agencies to set official positions on trade for Belize's participation in the WTO and in other trade negotiations. While the MEPITC has the lead role in developing trade policy, other government agencies are responsible for specific products and/or facets of trade.

2.18. For example, the Ministry of Agriculture and Fisheries is responsible for the development of trade policy pertinent to agricultural and fisheries products. The Belize Bureau of Standards (BBS) under MEPITC is responsible for import licences for non-agricultural goods. BBS also works closely with the Belize Agricultural Health Authority (BAHA), under the Ministry of Agriculture and Fisheries, which is responsible for import licences for agricultural goods and sanitary and phytosanitary issues.

2.19. The Ministry of Finance and the Customs and Excise Department are responsible for setting and collecting taxes, import duties and the revenue replacement duty. Since September 2012, Belize Customs and Excise Department has been implementing the latest version of the Automated System for Customs Data (ASYCUDA World).

2.20. The Investment Policy and Compliance Unit, under MEPITC, is in charge of policy formulation for investment and gaming control.

2.21. The Central Bank of Belize regulates the national financial system, advises on balance-of-payment issues and provides economic data in trade negotiations.

2.22. Belize does not have a dedicated law on foreign trade, rather different facets and instruments of trade policy are governed by a range of specific and/or sectoral legislation. Table 2.2 lists some of the main trade and investment-related laws, without being exhaustive.

Table 2.2 Main trade-related legislation, 2016

Area	Legislation
Agriculture	Sugar Industry Act 2001, Chapter 325
	Banana Industry Act, Chapter 205, Revised Edition 2000
Air Transport	Civil Aviation Act, Chapter 239, Revised Edition 2000
Commerce	Income and Business Tax Act 1998
	Trade Licensing Act, Chapter 66, Revised Edition 2000
	Incorporation of Company Companies Act, Chapter 250, Revised Edition 2000
	Business Names Act, Chapter 247, Revised Edition 2000

⁸ The Chief Executive Officer is second in command after the Minister.

Area	Legislation
	Partnership Act, Chapter 259, Revised Edition 2000
	Limited Liability Partnership Act, Chapter 258, Revised Edition 2000
	Companies Act, Chapter 250, Revised Edition 2000
	Belize Chamber of Commerce and Industry Act, Chapter 308, Revised Edition 2000
	Belize Business Bureau Act, Chapter 307, Revised Edition 2000
	Holidays Act, Chapter 289, Revised Edition 2000
Customs	Customs and Excise Duties Act, Chapter 48, Revised Edition 2000
	Customs Regulation Act, Chapter 49, Revised Edition 2003
Energy	Electricity Act, Chapter 221, 2000
	Petroleum Act, Chapter 225, 2000
	Petroleum Act, Chapter 225 S, 2000
Environment	Environmental Protection Act, Chapter 328, Revised Edition 2000
	Environmental Impact Assessment Regulations, Statutory Instrument (S.I.) 107, 1995
	Pollution Regulations (S.I. 56, 1996)
	Environmental Protection (Effluent Limitations) Regulations (S.I. 94, 1995)
	Coastal Zone Management Act 1998, Chapter 329, Revised Edition 2003
Financial Services	Central Bank of Belize Act 1982, Revised Edition 2003
	Exchange Control Regulation Act, Revised Edition 2003
	Domestic Banks and Financial Institutions Act, 2012 (DBFIA)
	International Banking Act, Chapter 267, Revised Edition 2003
	International Banking (Fees) Regulations 2010
	Credit Unions Act, Revised Edition 2003
	Insurance Act 2004, Chapter 251 (Amended) by Act No. 11 of 2014 and Act No. 16 of 2014
	International Insurance Act, Chapter 269, 2000
	Money Laundering and Terrorism (Prevention) Act 2008
Fisheries	Fisheries Act, Chapter 210, Revised Edition 2000
	High Seas Fishing Act 2013
Forestry	Forest Act, Chapter 213, Revised Edition 2000
	National Parks System Act, Chapter 215, Revised Edition 2003
Government procurement	Finance and Audit Act, Chapter 15, Revised Edition 2000
	Finance and Audit (Reform) Act 2005
	Contractor General Act No. 6 of 1993
Investment	Fiscal Incentives Act, Chapter 54, Revised Edition 2003
	Export Processing Zone (EPZ) Act 1990
	Commercial Free Zones (CFZ) Act 1994
	Gaming Control Act, Chapter 152, Revised Edition 2000
	Lotteries Control Act, Chapter 151, Revised Edition 2000
	Belize Trade and Investment Development Service Act, Chapter 282, Revised Edition 2000
Intellectual property	Patents Act, Chapter 253, Revised Edition 2000
	Patents Regulations, Chapter 253 S
	Designs Act, Chapter 254, Revised Edition 2000
	Industrial Designs Regulations, Chapter 254 S
	Integrated Circuits Act, Chapter 256, Revised Edition 2000
	Protection of New Plant Varieties Act, Chapter 255, Revised Edition 2000
	Protection of New Plant Varieties Regulations, Chapter 255 S, 2001
	Copyright Act, Chapter 252, Revised Edition 2000
	Copyright (Specified Countries) Order, 2001
	Trade Marks Act, Chapter 257
	Trade Marks Rules, Chapter 257 S
	Other Electronic Transactions Act, Chapter 290, Revised Edition 2003
Land	National Lands Act, Chapter 191, Revised Edition 2003
	Registered Land Act Chapter 194, Revised Edition 2000

Area	Legislation
Mining	Mines and Mineral Act, Chapter 226, Revised Edition 2000 Mines and Minerals (Safety, Health and Environmental) Regulations No. 33, Revised Edition 2003
Maritime transport	Maritime Areas Act 1992 Belize Port Authority Act, Chapter 233, Revised Edition 2000 Harbours and Merchant Shipping Act, Chapter 234, Revised Edition 2003 Registration of Merchant Ships Act, Chapter 236 Revised Edition 2000
SPS and quarantine	Belize Agricultural Health Authority Act No. 47 of 1999 Public Health Act, Chapter 40, Revised Edition 2003 Pesticides Control Act 1985
Standards and technical regulations	Factories Act, Chapter 296, Revised Edition 2000 Standards Act, Chapter 295, Revised Edition 2000 Supplies Control Act, Chapter 293, Revised Edition 2003 Metrology Act No. 23 of 2003 Dangerous Goods Act, Chapter 134, Revised Edition 2000 Sale of Goods Act, Chapter 261, Revised Edition 2000 Food and Drugs Act, Chapter 291, Revised Edition 2000
Taxation	Income and Business Tax Act 1998 General Sales Tax Act 2005 General Sales Tax Act Amendment S.I. 38, 2010
Tourism	Hotels and Tourist Accommodation Act, Chapter 285, Revised Edition 2003 Belize Tourism Board Act, Chapter 275, Revised Edition 2000
Telecommunications	Belize Telecommunications (Assumption of Control over Belize Telemedia Limited) Order, S.I. 104 of 2009 Public Utilities Commission Act, Chapter 223, Revised Edition 2000 Belize Telecommunication Act 2002, Chapter 229

Source: Belize Laws online information. Viewed at: <http://www.belize law.org/web/lawadmin/>.

2.3 Trade Agreements and Arrangements

2.3.1 WTO

2.23. Belize became a signatory to the GATT in 1983 and a founding Member of the World Trade Organization (WTO) in 1995. Belize does not have a representative in Geneva responsible for WTO affairs; hence, its involvement in WTO activities is limited. Currently, Belize's Embassy in Brussels has responsibility for WTO matters. In order to maximize its participation in the WTO, Belize is a member of the following WTO groups: the African, Caribbean and Pacific (ACP) group, G-90 (ACP, African Group and LDCs), G-33 (agriculture), the "W52" sponsors (geographical indications), and the small and vulnerable economies (SVEs) group. Although Belize has never been a respondent or complainant in a WTO dispute, it has been a third party to four dispute settlement cases.⁹

2.24. One of Belize's main interests in the WTO is seeking flexibilities for SVEs in agriculture and non-agriculture goods, as well as clearly defined tariff reduction targets for developed countries, developing countries and SVEs that align with the principles of special and differential treatment and non-reciprocity. In services, Belize also seeks commitments to grant flexibilities to developing countries.

2.25. Belize was among the first countries to ratify the WTO Trade Facilitation Agreement (TFA), and is committed to implementing the provisions of the TFA, with donor assistance, in order to facilitate trade flows of goods and services and reduce trade-related costs and delays.

2.26. In the context of its new trade policy framework, Belize's interests lie in enhancing institutional capacity for trade, including improving recruitment and retention of skilled workers, so

⁹ EC – Regime for the Importation, Sale and Distribution of Bananas (DS27); EC – Export Subsidies on Sugar (DS265); EC – Export Subsidies on Sugar (DS266); and EC – Export Subsidies on Sugar (DS283). Information on these cases is available on the WTO website.

as to ensure the achievement of the framework's goals. In this respect, the WTO's technical assistance along with donors' support is crucial for Belize.

2.27. Since the last review, Belize's market access concerns have been submitted through the ACP group to the wider WTO membership. Belize made note of the loss of preferences on key lucrative commodities such as bananas and sugar. This is still a pressing concern for Belize as more and broader regional trade agreements are concluded globally.

2.28. Food security and its link to the depletion of fishing resources is another concern for Belize. Belize supports the ACP position that seeks a decision on the elimination of fisheries subsidies which have led to over-fishing and illegal, unreported and unregulated (IUU) fishing.

2.29. Since 2009, Belize has submitted updated notifications to the WTO in the following areas: sanitary and phytosanitary measures (SPS); anti-dumping; subsidies and countervailing measures; safeguards; regional trade agreements (regarding CARIFORUM); and rules of origin (Table 2.3). On the other hand, no notifications have been made in the areas of agriculture (domestic support and export subsidies); trade-related investment measures (TRIMs); government procurement; import licensing; and state trading enterprises.

Table 2.3 Notifications to the WTO, January 2009-November 2016

Legal provision	Description of requirements	Frequency	WTO document (most recent or series) and date
Agreement on Rules of Origin			
Article 5 and para. 4 of Annex II	Non-preferential and preferential rules of origin	Once (90 days after entry into force of WTO Agreement, or promptly thereafter in case of preferential ROs); ad hoc (60 days before entry into force of modified or new ROs)	G/RO/N/147, 12/09/2016
Agreement on Implementation of Article VI of the GATT 1994 (Anti-dumping)			
Article 16.4	Anti-dumping actions (taken within the preceding 6 months)	Semi-annual	G/ADP/N/173/Add.1/Rev.2, 23/11/2010
Article 16.5	Authorities and procedures	As appropriate (upon entry into force of the WTO Agreement for the Member concerned)	G/ADP/N/193/BLZ, 22/04/2010
Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)			
Article 69	Specification of contact points; changes thereto	Once (1 January 1996, or promptly upon becoming Member)	IP/N/3/Rev.11, 04/02/2010
Agreement on Safeguards			
Article 12.6	Laws/regulations and administrative arrangements (and changes thereto), or absence thereof	Once (promptly after the date of entry into force of the WTO Agreement); ad hoc (promptly after the establishment of laws, regulations and administrative procedures, with updates to reflect modifications)	G/SG/N/1/BLZ/1, 06/03/2014
Agreement on the Application of Sanitary and Phytosanitary Measures			
Article 7 and Annex B	SPS regulations	Ad hoc	G/SPS/N/BLZ/7, 20/12/2011
Article 7 and Annex B	SPS regulations	Ad hoc	G/SPS/N/BLZ/8, 02/12/2011
Article 7 and Annex B	SPS regulations	Ad hoc	G/SPS/N/BLZ/9, 20/12/2011
Article 7 and Annex B	SPS regulations	Ad hoc	G/SPS/N/BLZ/2, 21/06/2011
Article 7 and Annex B	SPS regulations	Ad hoc	G/SPS/N/BLZ/3, 21/06/2011
Article 7 and Annex B	SPS regulations	Ad hoc	G/SPS/N/BLZ/4, 21/06/2011
Article 7 and Annex B	SPS regulations	Ad hoc	G/TBT/N/BLZ/5, 28/10/2011

Legal provision	Description of requirements	Frequency	WTO document (most recent or series) and date
Article 7 and Annex B	SPS regulations	Ad hoc	G/SPS/N/BLZ/6, 21/06/2011
Agreement on Subsidies and Countervailing Measures			
Article 25.1 and Article XVI:1 of the GATT	Subsidies (any subsidy as defined in ASCM 1:1 which is specific within the meaning of ASCM 2)	Annual (triennial full notification and annual changes)	G/SCM/284/BLZ; G/SCM/N/290/BLZ, 22/01/2016
Articles 25.11 and 25.12	Countervailing duty actions (preliminary and final); authorities and procedures	Ad hoc (without delay); once (upon entry into force of the WTO Agreement for existing authorities and procedures); ad hoc (as and when a Member establishes or modifies such authorities and procedures)	G/SCM/N/202/BLZ, 11/03/2014
General Council Decision WT/L/691 on the Extensions under SCM Article 27.4	Transition period for the elimination of export subsidies	In accordance with procedures in General Council Decision WT/L/691	G/SCM/N/299/BLZ, 07/10/2016
Agreement on Technical Barriers to Trade (TBT)			
Article 15.2	Administrative arrangements; laws/regulations	Once (upon entry into force of the WTO Agreement)	G/TBT/2/Add.104, 20/08/2010
Article 2.9	Technical regulations	Ad hoc	G/TBT/N/BLZ/2, 28/10/2011
Article 2.9	Technical regulations	Ad hoc	G/TBT/N/BLZ/3, 28/10/ 2011
Article 2.9	Technical regulations	Ad hoc	G/TBT/N/BLZ/4, 28/10/2011
Article 2.9	Technical regulations	Ad hoc	G/TBT/N/BLZ/5, 28/10/2011
Article 10.6	Regional Consumer Protection Draft Law based on CARICOM Model	Ad hoc	G/TBT/N/BLZ/1, 23/09/2010
Agreement on Trade Facilitation			
Ministerial Decision of 7 December 2013 (WT/MIN (13)/36, WT/L/911)	Notification of Category A Commitments	Once	WT/PCTF/N/BLZ/1, 04/09/2015

Source: Belize's notifications to the WTO, 2009-16.

2.3.2 Regional and preferential agreements

2.3.2.1 CARICOM

2.30. The Caribbean Community and Common Market (CARICOM) came into force with the signing of the Treaty of Chaguaramas in Trinidad and Tobago on 4 July 1973.¹⁰ Belize joined the Community in 1974.¹¹ The Revised Treaty of Chaguaramas (RTC), signed in Bahamas in 2001, established the CARICOM Single Market and Economy (CSME). The CSME is a regional integration process that should create a single market and economy among CARICOM member States through the removal of all barriers to the free movement of factors of production, including fiscal, legal, physical, technical and administrative restrictions. In January 2006, Belize joined the CARICOM Single Market (CSM), the first component of the CSME. The second component, the "single economy" was scheduled for 2016, but has been deferred due to pending administrative, fiscal and legal issues. Currently, 13 member States are part of the CSME.¹²

¹⁰ The revised Treaty of Chaguaramas was notified to the WTO in document WT/REG155/1, 8 July 2003.

¹¹ CARICOM has 15 member States: Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Monserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Bahamas, and Trinidad and Tobago.

¹² Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

2.31. Within CARICOM, Belize is a designated less developed country (LDC), and has the right to protect vulnerable and sensitive domestic industries to redress disadvantages arising from the obligations under the CSME. All goods from the other CARICOM members enter Belize duty-free, except for beer, aerated beverages and wheat flour.¹³ The RTC prohibits the application of import licensing requirements on goods of Community origin. However, Belize still applies import licensing requirements to a range of goods from all CARICOM member States: rice, poultry, edible vegetables and roots, corn, maize flour, soya beans, preparations of meat, sugar and sugar confectionary, preparations of vegetables, fruit and nuts or other parts of plants, beverage spirits and vinegar, prepared animal fodder, gasoline, kerosene, diesel, petroleum gases, edible products of animal origin, meat and edible offal, wood and articles of wood, and furniture made of wood for use in offices, kitchens and bedrooms or upholstered seats with wooden frames.

2.32. The two main bodies of the Community are the Conference of Heads of Government (the highest organ) and the Community Council of Ministers (the second highest organ). These two bodies are assisted by the following four bodies: the Council for Finance and Planning (COFAP); the Council for Trade and Economic Development (COTED); the Council for Foreign and Community Relations (COFCOR); and the Council for Human and Social Development (COHSOD). A quasi-cabinet of Heads of Government has been established, with each Head having the responsibility to lead in critical areas for the region's integration process. Belize is currently responsible for justice and governance. The CARICOM Secretariat assists in the implementation of the provisions of the RTC.

2.33. In 2010, CARICOM approved seven regional priority areas for the development of trade in services: (i) financial services; (ii) information, communication and technology (ICT); (iii) professional services; (iv) tourism services; (v) education services; (vi) health and wellness services; and (vii) recreational, cultural and sporting services. The objective is to develop legal frameworks in CARICOM member States and facilitate the free movement of services within CARICOM. In early 2016, consultants began collecting information on the state of play in the Caribbean regarding the following services: cultural and entertainment, ICT, health and wellness, and professional services; this will be extended to tourism, sporting and education services. Furthermore, in 2016 a trade in services statistics project began with the aim of building capacity in the national statistical offices and improving the collection of national services statistics.

2.34. CARICOM has signed bilateral trade agreements with five Latin American countries: Colombia (1994), Venezuela (1992), Dominican Republic (1998), Costa Rica (2004) and a trade and economic cooperation agreement with Cuba (December 2000). Of these, only two agreements have been ratified: Costa Rica (5 October 2010) and Cuba (6 September 2002). Belize is entitled to preferential duty-free treatment for goods on a non-reciprocal basis under all five agreements. However, the agreement with the Dominican Republic provides for a revision of the non-reciprocity provision granted to Belize and for the negotiation of a new Chapter on Services after the first five years of entry into force. This has not happened as the agreement has not yet entered into force.

2.3.2.2 EU-CARIFORUM Economic Partnership Agreement

2.35. In October 2008, Belize signed the Economic Partnership Agreement (EPA) between the European Union and CARIFORUM.¹⁴ The agreement has been notified to the WTO.¹⁵ The EPA allows for immediate duty-free and quota-free market access for all goods originating in CARIFORUM States to the EU market, except for rice and sugar which both had a phase-in period with a regional tariff quota at zero duty. On 1 January 2010, customs duties and quotas on rice originating from all CARIFORUM States were eliminated. In 2015, all duties and quotas on sugar were removed. CARIFORUM tariff elimination commitments cover 87% of EU exports and are to be implemented over a 25-year period.

¹³ The authorities indicated that these are the only three products currently approved for treatment under Article 164 (Promotion of Industrial Development) of the Revised Treaty of Chaguaramas. The text of the treaty is available on the CARICOM website at: http://archive.caricom.org/jsp/community/revised_treaty-text.pdf.

¹⁴ The members of CARIFORUM are Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Monserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, The Bahamas, Trinidad and Tobago, and the Dominican Republic.

¹⁵ WTO document WT/REG255/N/1/Rev.1 and S/C/N/469/Rev.1, 24 October 2008.

2.36. In addition to trade in goods, the EPA covers trade in services; investment; intellectual property; transparency in public procurement; competition; and development support. Sectors excluded are processing of nuclear material, trade in arms, audiovisual services, national maritime cabotage, and air traffic rights. Annex IV F to the Agreement lists limitations to market access and national treatment for trade in services.

2.37. According to the Belizean authorities, implementation of the EPA has been slow due to human and financial challenges. However, they indicated that Belize had completed its third tariff reduction under the Agreement. In 2014, the Cabinet approved a national EPA implementation plan and the creation of an EPA Unit. Since its establishment, the Unit has coordinated capacity building initiatives for the benefit of private and public sector representatives, including training for export consortia using the UNIDO model, sensitization and awareness campaigns, and training and GAP audits regarding ISO 9001 requirements. In fulfilment of EPA provisions, a Draft Geographical Indications Bill was produced in November 2015.

2.38. The authorities intend to set up a new CSME-EPA Implementation Committee with responsibility for overseeing the policy-related issues associated with implementation of the EPA and other trade agreements. The committee would be drawn from the pool of Chief Executive Officers (CEOs) in government ministries.¹⁶

2.3.2.3 Trade relations with Central America

2.39. The Central American Integration System (SICA) was established with the signature of the Protocol of Tegucigalpa in December 1991. The protocol came into force in 1993. In addition to Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, Belize became a full member of SICA in December 2000. The overall objective is to achieve regional integration and transform Central America into a region of peace, liberty, democracy and development. As a member, Belize can participate in all organs and institutions of SICA, which include inter-governmental decision-making bodies, community organizations, and specialized agencies.

2.40. Belize is currently evaluating the economic, political and social implications of becoming a signatory to the Protocol of Guatemala (1993) which established the Central American Economic Integration Subsystem which forms the economic component of SICA. If and when Belize joins the Subsystem, it will form part of the Council of Ministers (COMIECO), the highest decision-making body. By the same token, Belize would be required to remove fiscal, legal and administrative restrictions to facilitate the movement of capital, people, goods and businesses among the member countries.

2.3.2.4 Partial Scope Agreement with Guatemala

2.41. On 26 June 2006, Belize and Guatemala signed a Partial Scope Agreement (PSA) that entered into force in early 2010.¹⁷ Under the PSA, the parties grant each other preferential access for a limited number of goods. For exports from Belize to Guatemala, the PSA covers 72 tariff lines at the HS 8-digit level, all of which enter free of duty from the start of implementation, except for two products (yellow maize and black beans) which are subject to tariff quotas.¹⁸

2.42. For exports from Guatemala to Belize, the PSA covers 79 tariff lines at the HS 8-digit level. The margin of preference granted by Belize is between 50% and 100% and is implemented either immediately or in equal annual instalments over 3 or 5 years.¹⁹ Import licences are granted

¹⁶ In Belize, the Chief Executive Officer is second in command after the Minister.

¹⁷ Belize ratified the PSA in October 2009. Guatemala completed its ratification process in March 2010.

¹⁸ Yellow maize (HS1005.90.20) is subject to a tariff quota of 20,000 metric tons; and black beans (HS 0713.33.10) have a tariff quota of 875 metric tons. The in-quota duty is 0% in both cases.

¹⁹ Under Article 5 of the PSA, tariff preferences on originating goods are to be implemented as follows: Category "A": a margin of preference between 50% and 100% shall be fully implemented on the date that the Agreement enters into force. Category "B": a margin of preference between 50% and 100% shall be implemented in three equal annual cuts, beginning on the date that the Agreement enters into force. Category "C": a margin of preference between 50% and 100% shall be implemented in five equal annual cuts, beginning on the date that the Agreement enters into force. SICE online information. Viewed at: http://www.sice.oas.org/trade/blz_gtm/BLZ_GTM_PSA_e.pdf.

automatically to Guatemalan products covered by the PSA. According to the authorities, Belize has completed all required phases of tariff reductions as outlined in the Tariff Schedules of the PSA. Among the main Belizean products benefiting from this agreement are: citruses, tilapia, cattle, red beans, poultry and pepper sauce.

2.43. In order to facilitate full implementation of the agreement, a Belize-Guatemala Administrative Commission was established. The Commission met in February 2014 and August 2015 in Belize, and was formed by high level officials from both countries.

2.3.2.5 Other arrangements

2.44. Belize benefits from two unilateral trade preferences programmes: CARIBCAN and the Caribbean Basin Initiative (CBI). Under CARIBCAN, established in 1986, Canada grants unilateral duty-free market access for goods and services from Caribbean Commonwealth partners. Negotiations between the CARICOM States and Canada to conclude a new binding agreement that would build on the existing arrangements and secure existing benefits were suspended in May 2015 due to divergent views on key issues.

2.45. The Caribbean Basin Initiative (CBI) is a unilateral arrangement established by the United States to facilitate economic development and export diversification in Caribbean economies. It was launched in 1983 through the Caribbean Basin Economic Recovery Act (CBERA) and then expanded through the enactment of the Caribbean Basin Trade Partnership Act (CBTPA) in 2000 and through relevant provisions in the Trade Act of 2002. CBI beneficiary economies receive duty-free access for most of their originating goods in the U.S. market. The CBI is also used as a forum to discuss relevant trade issues.

2.46. Belize enjoys duty-free access for a substantial part of its agriculture and crude oil exports to the U.S. market through the CBI. In 2010, 47% of Belize's exports were destined for the United States, this proportion declined to 40% in 2015. The decline can be in part attributed to the reduction in exports and prices of crude oil. Nevertheless, the United States continues to be Belize's main export partner. In 2015, Belize's top exports to the U.S. market were raw sugar, frozen orange juice, crude oil, shrimp, lobsters, and fresh papayas. Apparel articles are no longer exported to the United States due to closure of the only garments assembly factory in Belize during the period under review.

2.47. In principle, Belize also qualifies for GSP treatment from several other developed countries²⁰, but practically all its exports are destined for the United States and the European Union.

2.3.2.6 Ongoing negotiations

2.48. On 23 August 2012, a framework agreement was signed for a PSA between the Government of Belize and the Government of El Salvador. The first round of negotiations was in February 2013 in Belize and the second round in July 2013 in El Salvador. A third round of negotiations is yet to be convened.

2.49. With Mexico, Belize is currently in the process of establishing the General Framework for the Negotiation of a Partial Scope Agreement. Once it is finalized and officially signed, the negotiations will proceed according to the schedule contained in the General Framework.

2.4 Investment regime

2.4.1 Foreign investment regulations

2.50. The Investment Policy and Compliance Unit, under the MEPITC, has the lead role in developing investment policy and enforcing gaming regulations. Currently, no official investment legislation or policy exists. In early June 2016, the Cabinet approved the mandate to work on a

²⁰ These are: Australia, Kazakhstan, New Zealand, Norway, the Russian Federation, Switzerland and Turkey. WTO online information. Viewed at: <http://ptadb.wto.org>.

framework that will guide the development of Belize's National Investment Policy and Strategy (NIPS) and the establishment of a Project Steering Committee to manage this process. Work on the NIPS was expected to commence by the end of 2016.

2.51. Belize's foreign investment regime is generally open. In most sectors, 100% foreign ownership is permitted. Restrictions to foreign investment exist only in a few areas: mines and minerals, marine fishing and tour operators (Box 2.1).

Box 2.1 Foreign direct investment reserved activities

I. Reserved activities (only for Belizean citizens):	Legislation
Mines and minerals sector: mineral rights and non-exclusive rights are not granted to an individual unless he is a citizen of Belize or to a company unless the entire share capital is beneficially owned by citizens of Belize and the company is incorporated under the laws of Belize.	Mines and Mineral Act, Chapter 226, Revised Edition 2000, section 12 (a) (b) and section 71 (a), (b) and (c)
Marine fishing sector: persons wishing to apply for a fisherman's licence must be Belizean citizens or permanent residents.	Fisheries Act, Chapter 210S, Revised Edition 2000, section 37 (3) (a), (b) and (c)
Tourism sector: only a Belizean citizen or a company that has a majority control or ownership by Belizean shareholders or permanent residents of Belize who have resided in the country for at least five years can engage in tour operating activities.	Belize Tourism Board Act, Chapter 275; and Local Water Passenger and Water sports Vessels Regulations 2002, section 7 (1) (a) and (b)
II. Other restrictions:	
For foreign investors who wish to own any amount of shares in a locally incorporated company in any sector, prior clearance from the Central Bank of Belize is required. The procedure is carried out through a registered attorney in Belize.	Exchange Control Regulations Act, Chapter 52, Revised Edition 2003, Part III Securities 8 (2)

Source: Belize Law online information. Viewed at: <http://www.belize-law.org/web/lawadmin/index2.html>.

2.52. There are provisions related to investment in the EU-CARIFORUM EPA and in the Partial Scope Agreement between Belize and Guatemala. The EPA provides that the EU and CARIFORUM States must ensure that investment is not encouraged through any lowering or relaxing of environmental, labour, occupational health and safety legislation, core labour standards or laws aimed at protecting and promoting cultural diversity. Annex IV F of the EPA contains limitations to investment in services. The PSA with Guatemala requires each party to treat investment from the other party on the same terms and conditions it applies to any third party.

2.53. In order to attract investments with high economic and social returns for the country, the Government of Belize has identified sector priority areas and put in place several incentive programmes.

2.54. Belize Trade and Investment Development Service (BELTRAIDE), a statutory body operating within the portfolio of MEPITC, serves as the first stop for individuals and businesses seeking to invest in Belize. It assists them with relevant information and contacts, provides guidance throughout the entire investment process, and administers investment incentives schemes. According to BELTRAIDE's investment manual, six areas of investment have been prioritized: agri-business (inclusive of fisheries and aquaculture), tourism, medical tourism, international financial services, renewable energy, and business process outsourcing (BPO).

2.55. Incentives to attract investment generally consist of tax breaks and exemptions. The main incentives schemes are provided through the Export Processing Zone Act, the Free Zones Act, and the Fiscal Incentives Act. These programmes are discussed in Section 3.2.

2.56. In order to attract retired investors, Belize has put in place a new incentive programme called the Qualified Retired Programme (QRP) for foreigners wishing to retire and live in Belize. In order to qualify for QRP status, a person must be 45 years or older, and prove a consistent and steady stream of income of at least US\$2,000 per month received from abroad. All applicants are subject to a background check. Benefits include: exemption from all taxes on income and receipts

(from a foreign source) as well as from all import duties and taxes on personal possessions upon the first importation; exemption from all import duties and taxes for a private motor vehicle every five years; possibility to include spouse and children under the age of eighteen under the programme; and permission granted to conduct business from Belize provided that the economic activity is carried on outside the country and not with Belizeans.

2.57. The Gaming Control Act is intended to contribute to economic growth and development through investment. The objective is to create jobs, transfer skills and technology, earn foreign exchange, and foster linkages to the tourism industry and other economic sectors. The Act is specifically designed to encourage the hotel and tourism industry. The benefits of the Act include an easy application process, permission for gaming rooms to be open every day (except Good Friday); no payment of additional fees attached to the usage of slot machines; and a renewable licence granted for a period of five years. Large hotels that are established or are in the process of construction can apply for a gaming licence. Persons who allow other persons to use their premises for gaming are also required to apply for a gaming licence. Three types of gaming licence exist: gaming premises licence (only for casinos), gaming machine licence, and online gaming licence.

2.58. The International Business Companies (IBC) Act 1990 provides for exemptions from internal taxes to encourage offshore investing and international financial transactions. Investors have a wide range of services available to them including asset protection, operating brokerage accounts, and other commercial transactions. In 1992, the Trusts Act was enacted to supplement the IBC Act and provide onshore and offshore trusts. This law provides for a number of benefits ranging from low minimum capital requirements to no exchange control restrictions.

2.59. The Cabinet Sub-Committee on Investment (CSCI), formalized by a Cabinet Decision in 2014, is a ministerial committee responsible for reviewing large investment projects (exceeding US\$5 million) and conducting assessment and due diligence to ensure meaningful investments and maximize benefits to the people and Government of Belize. The CSCI is chaired by the Minister of State of the MEPITC.²¹ A framework (known as the five point analysis) has been established in order to provide transparency and a methodology to assess proposed investments. According to the framework, a proposed investment should: a) be socially and economically acceptable and legally doable; b) bring revenue to the Government; c) bring meaningful employment; d) bring foreign exchange; and e) preserve and possibly enhance the environment and respect the cultural heritage of Belize. This procedure is applied to investments other than those covered under the EPZ, free zones and fiscal incentives programmes.

2.60. Belize has signed seven bilateral investment treaties (BITs) to boost investment opportunities for nationals as well as foreign investors (Table 2.4). No new such agreements were signed during the period under review.

Table 2.4 Bilateral Investment Treaties, 2016

Partner	Date of signature	Date of entry into force
Austria	17 July 2001	1 February 2002
Cuba	08 April 1998	16 April 1999
El Salvador	04 December 2001	Not in force
Italy	23 November 2005	Not in force
Netherlands	20 August 2002	1 October 2004
Chinese Taipei	16 January 1999	Not in force
United Kingdom	30 April 1982	30 April 1982

Source: Belize Ministry of Foreign Affairs.

²¹ Other members of the CSCI include the minister of Natural Resources and Immigration; the Minister of State of the Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development; the Attorney General; the Labour Commissioner of the Ministry of Labour; and other line ministries based on project relevance. BELTRAIDE serves as its secretariat.

2.4.2 Setting up a business

2.61. Setting up a business in Belize requires fulfilling a number of legal requirements and obtaining authorizations from various agencies (Table 2.5). Certain economic activities require special permits or licences, such as gaming, operating hotels and tourist accommodation, mining and quarrying, selling liquor, aquaculture, and logging.²² According to the World Bank Doing Business 2016 report on Belize, starting up a business requires 9 procedures and 43 days.²³

Table 2.5 Key legal requirements to establish a business in Belize, 2016

Legislation	Agency	Procedures	Certificate/licence
Registration of business name Business Names Act (Chapter 247, Revised Edition 2000)	Belize Companies Registry	Business names are registered in Belmopan. Application fee of BZ\$25. Identification of all owners required. A name search is also conducted to ensure the name is not duplicated.	Certificate of Business Name
Incorporation of company Companies Act (Chapter 250, Revised Edition 2000)	Belize Companies Registry	Memorandum of Association and Articles of Association to be submitted to the Companies Registry for review. Application fee dependent on quantity of share capital, but there is a fixed fee of BZ\$500 for the certificate.	Certificate of Incorporation
Trade licence Trade Licensing Act (Chapter 66, Revised Edition 2000)	City/town councils	Applications for a trade licence to be made at a local city/town council. Approval is based on the recommendation of the respective Trade Licensing Board. Fees are a percentage of the annual rental value of the premises. Prerequisite: certificate of registration or incorporation.	Trade Licence
Business tax registration Income and Business Tax Act (1998)	Income Tax Department	Registration for business tax with the Income Tax Department. Prerequisite: certificate of registration or incorporation, memorandum of articles of association, trade licence and relevant business registration form.	Tax Identification Number (TIN)
General sales tax registration General Sales Tax Act (2005)	Income Tax Department	Registration for general sales tax with the GST Department, if conducting a taxable activity and annual turnover exceeds BZ\$75,000 (US\$37,500). Prerequisite: certificate of registration or incorporation and trade licence.	General Sales Tax Number (same as the TIN)
Social security registration Social Security Act (1979)	Social Security Board	Payment of social security tax	Social Security Number

Source: BELTRAIDE online information, "Steps to Business Establishment". Viewed at: <http://www.belzeinvest.org.bz/steps-to-business-establishment/>.

2.62. Belizean laws allow for businesses to be established under several forms: private companies, joint ventures and cooperatives, partnerships, sole proprietorships, trust funds, public investment companies, and international business companies (IBCs). Belizean residents are not allowed to form IBCs.

²² Since March 2012, there has been a moratorium on the harvest and export of rosewood.

²³ World Bank (2016), *Doing Business 2016: Measuring Regulatory Quality and Efficiency. Economy Profile Belize 2016*. Viewed at: <http://www.doingbusiness.org/data/exploreeconomies/belize/-/media/giawb/doing%20business/documents/profiles/country/BLZ.pdf>.

2.63. Foreign-owned businesses may choose to incorporate either under the Companies Act (Chapter 250) or the International Business Companies (IBC) Act. IBC companies must conduct business exclusively with non-residents; they may not hold shares or debt obligations in a Belizean company and must maintain a registered agent and office in Belize. IBC companies are not required to disclose beneficial owners and their register of shares may be inspected only by shareholders. Bearer shares are permitted.

2.64. Taxation of companies is governed by the Income and Business Tax Act 2000 (Section 3.3.1).

2.4.3 Ease of doing business

2.65. In 2016, Belize ranked 120th out of 189 countries for doing business, a decline from 80th place in 2010.²⁴ While in 2010 Belize's overall doing business environment ranked better than some of its Caribbean counterparts, in 2016 it fell behind countries such as Jamaica and the Dominican Republic, although it fared better than Guyana and Suriname. Access to electricity and paying taxes are the two areas where Belize ranked higher than some of its Caribbean counterparts (Table 2.6). Compared to 2010, Belize's rankings in 2016 fell for almost all indicators.²⁵ While the ranking on enforcing contracts has improved, it remains low, reflecting mainly the backlog of cases before the court. The 2016 ranking for cross-border trading (117th) remained the same as in 2010, and is lower than the regional average for Latin America and the Caribbean.

Table 2.6 Doing Business: rankings for Belize and selected countries, 2016

Indicators	2016 Rankings ^a				
	Belize	Dominican Republic	Guyana	Jamaica	Suriname
Doing business	120	93	137	64	156
Starting a business	159	110	92	9	183
Dealing with construction permits	81	44	138	72	109
Getting electricity	73	149	165	80	93
Registering property	128	82	125	122	176
Getting credit	162	97	167	7	174
Protecting minority investors	122	81	99	57	166
Paying taxes	69	77	117	146	75
Trading across borders	117	57	139	146	77
Enforcing contracts	133	115	87	107	186
Resolving insolvency	81	159	156	35	127

a Rankings out of 189 economies.

Source: World Bank, *Doing Business 2016*. Viewed at <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB16-Full-Report.pdf>.

2.66. Trading across borders in Belize is costly and lengthy. For example, the time to comply with border requirements in the case of exports is 96 hours (compared to an average of 86 hours for the Latin America and the Caribbean region). The costs of complying with border procedures for the exportation of goods is US\$710, compared to a US\$493 average for the region. Belize fares relatively better as regards the time and costs for importing goods, but the cost of border compliance for imports remains higher than in the region as a whole (Table 2.7).

²⁴ World Bank (2016), *Doing Business 2016*. Viewed at: <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB16-Full-Report.pdf>.

²⁵ The 2010 rankings can be found in the previous TPR report. WTO (2010), *Trade Policy Review of Belize*, Geneva.

Table 2.7 Export and import time and cost in Belize, Latin America and the Caribbean, 2016

Export and import time and cost		Belize	Latin America and the Caribbean (average)
Time to export (hours)	Border compliance ^a	96	86
	Documentary compliance ^b	86	68
Cost to export (US\$)	Border compliance	710	493
	Documentary compliance	125	134
Time to import (hours)	Border compliance	48	107
	Documentary compliance	36	93
Cost to import (US\$)	Border compliance	688	665
	Documentary compliance	75	128

a Documentary compliance is the cost (US\$) and time (hours) needed to obtain, prepare and submit documents during transport, clearance, inspections and port or border handling in origin economy.

b Border compliance is the cost (US\$) and time (hours) used to complete customs clearance and inspections, inspections by other agencies, and port or border handling.

Source: World Bank (2016), *Doing Business 2016*. Viewed at: <http://www.doingbusiness.org/data/exploreeconomies/belize/~media/giawb/doing%20business/documents/profiles/country/BLZ.pdf>.

2.67. As part of its efforts to improve the conditions for cross-border trading, Belize ratified the WTO Trade Facilitation Agreement (TFA) and deposited its instrument of acceptance in September 2015. Previously, Belize had notified its "category A" commitments to the WTO²⁶ (Table 2.8).

2.68. The Belize National Trade Facilitation Committee, established in 2009 under the MEPITC, is administered by the Directorate General for Foreign Trade. The committee's membership is the same as for the Trade Technical Team (Table 2.1). Its responsibility is to oversee the implementation of the TFA, ensure all notification requirements are met, and coordinate technical assistance needs for the country. At the regional level, Belize participates in the CARICOM Regional Trade Facilitation coordination meetings.

Table 2.8 Belize's Category A commitments under the Trade Facilitation Agreement

Category A	Measures for immediate implementation
Article 7.3	Separation of release from final determination of customs duties, taxes, fees and charges
Article 9	Movement of goods intended for import under customs control
Article 10.2	Acceptance of copies
Article 10.5	Pre-shipment inspection
Article 10.6	Use of customs brokers
Article 10.8	Rejected goods
Article 11.4	Transit: strengthened non-discrimination
Article 11.5-10	Transit: procedures and controls
Article 11.11-15	Transit: guarantees
Article 12	Customs cooperation
Article 23.2	National Committee on Trade Facilitation

Source: Belize Directorate General for Foreign Trade.

²⁶ WTO document WT/PCTF/N/BLZ/1, 4 September 2015.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures Directly Affecting Imports

3.1.1 Customs procedures, valuation and rules of origin

3.1. Since the previous Review in 2010, there have not been any major changes to the legislative and institutional framework regulating customs procedures in Belize. Belize's Customs and Excise Department oversees the importation and exportation of goods. The main laws remain the Customs and Excise Duties Act, the Customs Regulation Act, and the Exchange Control Regulation Act.¹ During the review period, the Customs Department reviewed the draft Customs Harmonization Bill and Customs Regulations for the CARICOM region. According to the authorities, the Bill will provide greater support to ASYCUDA World and post clearance audit, and will contain provisions for binding advanced rulings. The Bill was approved by CARICOM in September 2016, and is to go to the Attorney General's Office for final vetting and then to the National Assembly for approval.

3.2. ASYCUDA World has been implemented throughout Belize's customs territory since 2011. The authorities stated that the implementation of ASYCUDA World resulted in a shift to a more risk-based approach and the adoption of post clearance audit. The World Bank's Doing Business report, however, ranked Belize 117th in 2016 among 189 economies in terms of the ease of trading across borders (Table 3.1), down from 107th in 2012 (among 183 economies in the world).² Belize's rank indicates a performance that is generally lower than the regional average for Latin America and the Caribbean. The authorities insisted that ASYCUDA World reduced the customs clearance time for traders, as all customs posts designated for the clearance of commercial consignments are automated and all declarations are electronic. According to the authorities, the use of e-documents and e-signature are mentioned under the Electronic Transaction Act.

Table 3.1 Summary of procedures and documents for trading across borders, 2016

Belize	Import procedures		Export procedures	
	Time per consignment	Cost per consignment	Time per consignment	Cost per consignment
Border compliance	48 hours	US\$688	96 hours	US\$710
Documentary compliance	36 hours	US\$75	86 hours	US\$125
Documents required	Application for foreign exchange (XCH form), bill of lading, commercial invoice, customs import declaration, delivery order, out of charge note/cargo release order to exit the port, packing list		Bill of lading, certificate of origin, commercial invoice, customs export declaration, export licence, packing list, phytosanitary certificate	
Latin America and the Caribbean	Import procedures		Export procedures	
	Time	Cost	Time	Cost
Border compliance	107 hours	US\$665	86 hours	US\$493
Documentary compliance	93 hours	US\$128	68 hours	US\$134

Source: World Bank online information, "Doing Business 2016: Belize". Viewed at: <http://www.doingbusiness.org/data/exploreeconomies/belize/~media/giawb/doing%20business/documents/profiles/country/BLZ.pdf> [26/07/16].

3.3. Imports may be declared by an importer or a broker, who must obtain a code from the Comptroller of Customs. The code is granted automatically. Customs brokerage is necessary only

¹ Customs and Excise Department online information: http://customs.gov.bz/download/customsexcise_duties.pdf and <http://customs.gov.bz/download/customsregulations.pdf> [21/07/16].

² World Bank Doing Business online information. Viewed at: <http://www.doingbusiness.org/~media/FPDKM/Doing%20Business/Documents/Annual-Reports/English/DB12-FullReport.pdf> and <http://www.doingbusiness.org/data/exploreeconomies/belize/#trading-across-borders> [26/07/16].

when the commercial value of the imported goods exceeds BZ\$200 (US\$100).³ In May 2015, Belize introduced a voluntary compliance programme (VCP) for the top 25 traders based on the c.i.f. trade value. Under this system, 80% of these traders' imports go through the green channel (see below), and importers are required to disclose discrepancies where they exist. The authorities indicated that they plan to roll out the VCP system in early 2017.

3.4. Under ASYCUDA World, there are four channels for customs clearance: green (release of cargo without examination), yellow (release of cargo after documentary validation), red (release of cargo after physical examination) or blue (post audit control).⁴ Data provided by the authorities suggest that, in 2015, 39% of the goods entered Belize through the green channel, 17% through the yellow channel, 41% through the red channel, and 3% through the blue channel. The authorities emphasized that Customs increased their use of red channel clearance in 2015, with the intention of collecting data. The percentage of goods passing through the red channel dropped in 2016, reaching 31% by November 2016.

3.5. For perishable goods, there are expedited clearance procedures, under which goods are cleared through customs on presentation of the customs declaration, and on payment of import tariffs plus a deposit of either one-and-a-half or twice the duty value. The customs authorities undertake a post-delivery audit. Demand for expedited clearance is mainly from three large importers approximately twice a month.

3.6. There is no legislation on pre-shipment inspection.

3.7. Belize submitted its instrument of acceptance of the Trade Facilitation Agreement (TFA) to the WTO on 2 September 2015, and notified its category A commitments.⁵ According to the OECD Trade Facilitation Indicators, Belize's best performance is in the areas of information availability, appeal procedures, and the simplification and harmonization of documents. However, in general, Belize's performance is below the averages of Latin America and the Caribbean and lower-middle-income countries.

3.8. The procedures for filing customs decisions complaints have remained unchanged since the previous Review. In practice, all customs valuation and classification disputes have been resolved administratively. Traders may appeal customs decisions, although in practice no such appeals have been filed since 2011. The CARICOM Customs Harmonized Bill envisaged the establishment of a Customs Appeals Commission.

3.9. As at the time of the previous Review, Belize uses the transaction value to determine customs value, and when it is not possible to apply the transaction value, Customs applies the other methods set out in the WTO Customs Valuation Agreement sequentially. In 2015, the transaction value was used in 95% of cases (same as in 2009). The Comptroller of Customs receives a weekly exchange rate for foreign currencies against the U.S. dollar from the Central Bank to calculate customs value. When the transaction value is questioned and proof cannot be provided, for example, for second-hand vehicles and gifts for which invoices are not available, Customs determines the value in consultation with the importer.

3.10. In September 2016, Belize notified that it applies no non-preferential rules of origin.⁶ Its preferential rules of origin for goods imported into Belize are administered by Customs (Table 3.2).

³ BCCI Trade and Investment Zone online information. Viewed at: <http://www.belize.org/tiz/customs-and-duties> [27/07/16].

⁴ Customs and Excise Department online information. Viewed at: <http://customs.gov.bz/download/risk.pdf> [21/07/16].

⁵ WTO document, WT/PCTF/N/BLZ/1, 4 September 2015. And WTO TFA Facility online information. Viewed at: <http://www.tfafacility.org/notifications> [26/07/2016].

⁶ WTO document, G/RO/N/147, 12 September 2016.

Table 3.2 Belize's preferential rules of origin

Agreement/country	Rules
CARICOM	Article 84 of the Revised Treaty of Chaguaramas deals with rules of origin. Goods must have been wholly obtained or produced within CARICOM (intra-CARICOM cumulation applies). Goods produced within CARICOM from materials imported from third countries must have been substantially transformed: this may be specifically defined for each tariff heading as set out in Schedule I of the Revised Treaty, or it is achieved by a change of tariff heading.
CARIFORUM–EC Economic Partnership Agreement	Rules of origin are set out in Article 10 to the Agreement and Protocol I. Products must have been wholly obtained within the parties or have undergone sufficient working/processing as set out in Annex II to Protocol I. Cumulation among the parties applies and, under certain conditions, may also include ACP states and the EU's overseas countries and territories. At the request of the CARIFORUM States, and under certain conditions, CARIFORUM origin may also be conferred on goods incorporating materials from certain neighbouring countries without sufficient working/processing being required. These countries are: Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, and Venezuela. Goods are considered as originating if the value of all non-originating materials does not exceed 15% of the ex-works price of the product.
Belize–Guatemala Partial Scope Agreement	Specific rules of origin relating to the goods covered by the Partial Scope Agreement are set out in Annex IIIA to the Agreement. If not wholly produced in one or both countries, origin is generally conferred by a change of tariff heading.

Source: WTO (2010), TPR of Belize.

3.1.2 Tariffs

3.11. Belize's tariff schedule is based on CARICOM's Common External Tariff (CET), with some exceptions. Under the CET, maximum tariff rates are set at 20% for non-exempt industrial goods, and 40% for non-exempt agricultural goods.

3.12. Tariff rates may be changed by the National Assembly, through amendments to the Customs and Excise Duties Act. In 2010, some goods were exempted from import tariffs, including: banana plants, coffee substitutes, sesame oil and its fractions, vegetable fats and oils, luncheon meat, bulgur wheat, inactive yeasts, cartons/boxes/cases, cables, sugar cane loading machinery, some parts for tractors, chicken sausages, hot-dog sausages, and note books.⁷

3.13. In 2012, the Customs and Excise Duties Act was amended to adjust the tariff rates of those items which had been removed from import licensing requirements (Section 3.1.4).⁸ These items include: edible offal of some animals; some vegetables; some fruits (including bananas); flour of durum wheat; peanuts; jams and jellies; fruit and vegetable juices; pepper sauce; animal feeds; wood; yachts and other vessels for pleasure and for sports; seats with wooden frames; and furniture. The import tariff rate is zero for goods originating in CARICOM countries, while they range from 5-100% for goods originating in non-CARICOM countries.⁹

3.14. Other changes to tariffs include:

- a. in 2013, the tariff rate for flour of durum wheat was increased: 70% if originating in CARICOM (up from zero-rated), 100% if originating in non-CARICOM countries (from 45%)¹⁰;
- b. in 2015, the tariff rate for plastic tanks was increased: 0 if originating in CARICOM countries, 20% if originating in non-CARICOM countries¹¹; and

⁷ BCCI Trade and Investment Zone online information. Viewed at: <http://www.belize.org/tiz/customs-and-duties> [27/07/16].

⁸ Customs and Excise Duties (Amendment) Act 2012, No. 12 of 2012.

⁹ For goods originating in non-CARICOM countries, tariff rates are the same with one exception: yachts and other vessels for pleasure or sports. The tariff rate is zero if they originate in the EU, and is 20% if they originate in non-EU countries.

¹⁰ Customs and Excise Duties (Amendment) Act, 2013, No. 6 of 2013.

c. in 2016, tariffs on gasoline and diesel were abolished.¹²

3.1.2.1 Applied tariffs

3.15. Based on the Second Schedule to the Customs and Excise Duties Act (as amended), Belize's tariff comprises 6,472 tariff lines at the HS eight-digit level, using the HS2012 nomenclature (Table 3.3). Most lines (99.3%) carry *ad valorem* rates, with 17 rates applied (from zero to 100%), and the highest tariff rate was up from 70% in 2010 to 100% in 2016 (Chart 3.1). More than half (51%) of tariff lines carry a rate of 5%, and 11% of tariff lines are zero-rated. Tariff rates between 50% and 80% apply to a variety of products, including wood and plywood, pearls, clocks and watches, firearms, preparations of vegetables, edible vegetables and fruits. Items attracting an MFN applied rate of 100% are fruit juices, water, and beer.

Table 3.3 Structure of the tariff schedule in Belize, 2016

	2010	2016
Total number of tariff lines	6,305	6,472
Non- <i>ad valorem</i> tariffs (% of all tariff lines)	0.7	0.7
Non- <i>ad valorem</i> with no AVEs (% of all tariff lines)	0.7	0.7
Lines subject to tariff quotas (% of all tariff lines)	0.0	0.0
Duty-free tariff lines (% of all tariff lines)	9.8	11.0
Average tariff rate of dutiable lines (%)	12.9	14.2
Simple average tariff (%)	11.6	12.6
WTO agriculture	20.5	23.3
WTO non-agriculture (incl. petroleum)	9.9	10.5
Domestic tariff "peaks" (% of all tariff lines) ^a	9.3	10.7
International tariff "peaks" (% of all tariff lines) ^b	27.9	29.0
Overall standard deviation	12.2	14.8
Nuisance applied rates (% of tariff lines) ^c	0.0	0.1
Bound tariff lines (% of all tariff lines)	97.4 ^d	97.7 ^e

a Domestic tariff peaks are defined as those exceeding three times the overall average applied rate.

b International tariff peaks are defined as those exceeding 15%.

c Nuisance rates are greater than 0% but inferior or equal to 2%.

d 163 lines are unbound and 1 line is partially unbound.

e 120 lines are unbound in the HS2007 nomenclature.

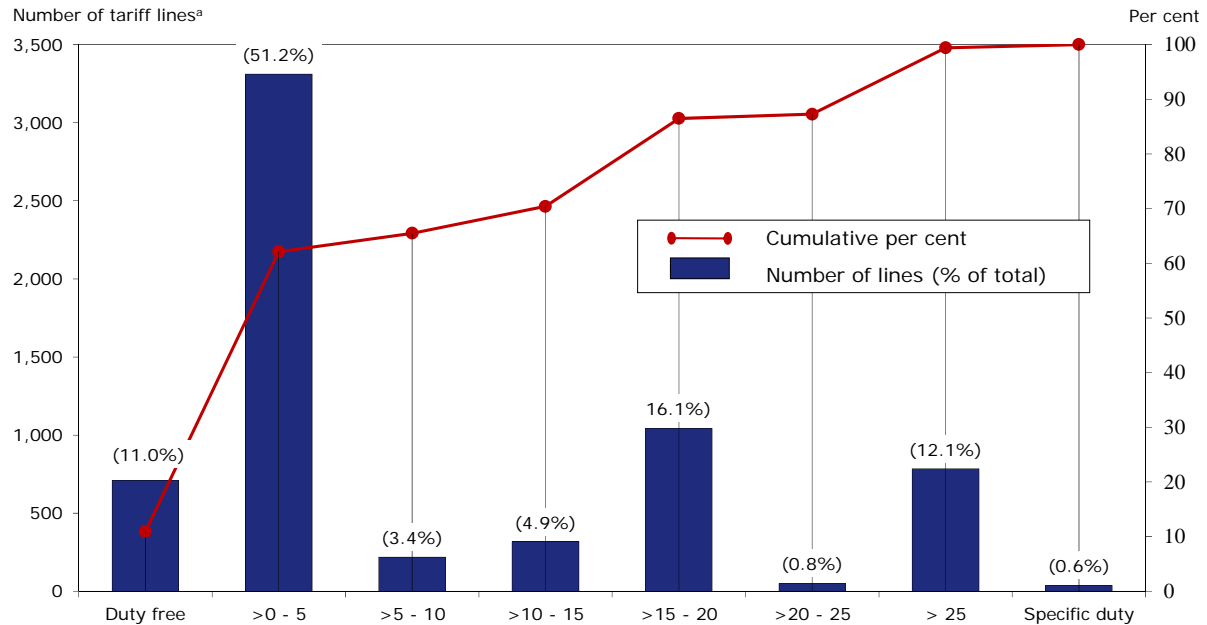
Source: WTO Secretariat calculations, based on data provided by the authorities.

3.16. Specific rates are applied on 0.7% of all tariff lines (total of 43 tariff lines), which cover potatoes, onions, certain alcoholic beverages, tobacco products, fuels, ethyl alcohol, and food preparations. Belize does not apply any tariff quotas. Duties are calculated on the c.i.f. value of the goods.

3.17. The simple average MFN tariff (excluding specific rates) is 12.6%, up from 11.6% in 2010. The increase in tariff rates was partly attributed to the change in tariff nomenclature from HS2007 to HS2012, and partly because of the increase in the highest tariff rate from 70% to 100%. The average applied tariff for agriculture (WTO definition) is 23.3% (up from 20.5% in 2010), with tariffs ranging from 0% to 100%. For non-agriculture the average is 10.5% (up from 9.9%), with tariffs ranging from 0% to 75% (Table 3.4).

¹¹ Statutory Instrument No. 84 of 2015, Customs and Excise Duties (Amendment of First Schedule) Order, 2015.

¹² Statutory Instrument No. 36 of 2016, Customs and Excise Duties (Amendment of First Schedule) (No. 2) Order, 2016.

Chart 3.1 Frequency distribution of MFN tariff rates, 2016

a The total number of lines is 6,472.

Source: WTO Secretariat calculations, based on data provided by the authorities.

Table 3.4 Summary analysis of MFN tariff, 2016

Description	No. of lines	MFN ^a			Final bound average ^b (%)
		Average (%)	Range (%)	Coefficient of variation (CV)	
Total	6,472	12.6	0-100	1.2	58.5
HS 01-24	1,313	26.0	0-100	0.9	101.7
HS 25-97	5,159	9.3	0-75	1.0	52.4
By WTO category					
WTO Agriculture	1,114	23.3	0-100	1.0	100.9
- Animals and products thereof	177	28.7	0-45	0.6	104.3
- Dairy products	25	6.0	0-20	1.1	100.0
- Fruit, vegetables and plants	324	27.5	0-80	0.8	101.5
- Coffee and tea	29	10.2	0-40	1.2	100.0
- Cereals and preparations	137	17.0	0-100	1.1	100.6
- Oil seeds, fats and oils and their products	109	9.5	0-80	1.7	100.3
- Sugars and confectionary	24	25.0	5-45	0.6	100.6
- Beverages, spirits and tobacco	119	57.1	0-100	0.7	104.6
- Cotton	6	5.0	5-5	0.0	100.0
- Other agricultural products n.e.s.	164	10.0	0-55	1.3	97.4
WTO non-agriculture (incl. petroleum)	5,358	10.5	0-75	1.0	51.6
- WTO non-agriculture (excl. petroleum)	5,326	10.5	0-75	1.0	51.5
- - Fish and fishery products	277	31.0	0-45	0.5	107.1
- - Minerals and metals	1,108	8.2	0-50	1.2	50.2
- - Chemicals and photographic supplies	1,005	6.8	0-35	0.8	50.2
- - Wood, pulp, paper and furniture	329	13.4	0-75	1.0	51.9
- - Textiles	629	7.5	0-30	0.7	50.9
- - Clothing	281	19.9	5-30	0.1	70.0

Description	No. of lines	MFN ^a			Final bound average ^b (%)
		Average (%)	Range (%)	Coefficient of variation (CV)	
- - Leather, rubber, footwear and travel goods	182	10.2	0-30	0.7	50.3
- - Non-electric machinery	593	5.7	0-30	0.8	50.0
- - Electric machinery	265	10.1	0-45	0.8	50.0
- - Transport equipment	183	10.7	0-45	1.1	50.0
- - Non-agriculture articles n.e.s.	474	14.1	0-60	0.9	50.6
- Petroleum	32	3.1	0-25	2.2	69.4
By ISIC sector^c					
Agriculture and fisheries	511	25.9	0-80	0.9	95.5
Mining	106	7.4	0-50	1.4	51.9
Manufacturing	5,854	11.5	0-100	1.2	56.6
By HS section					
01 Live animals & products	452	29.4	0-80	0.6	102.5
02 Vegetable products	432	22.9	0-100	1.0	101.1
03 Fats & oils	54	12.5	0-40	1.4	100.0
04 Prepared food etc.	375	27.4	0-100	1.1	102.3
05 Minerals	191	6.3	0-30	1.0	54.5
06 Chemical & products	936	6.7	0-35	0.8	52.4
07 Plastics & rubber	244	7.6	0-30	1.0	50.1
08 Hides & skins	82	10.6	5-20	0.7	60.4
09 Wood & articles	133	16.3	0-60	0.8	54.7
10 Pulp, paper etc.	165	7.9	0-35	0.9	50.3
11 Textile & articles	899	11.0	0-30	0.7	57.7
12 Footwear, headgear	59	16.3	0-20	0.4	50.0
13 Articles of stone	185	10.8	0-30	0.7	50.0
14 Precious stones, etc.	62	28.0	0-50	0.8	50.0
15 Base metals & products	708	6.5	0-20	0.9	50.0
16 Machinery	872	7.2	0-45	1.0	50.0
17 Transport equipment	194	10.5	0-45	1.1	50.0
18 Precision equipment	226	12.8	0-50	1.2	50.0
19 Arms and ammunition	22	30.7	0-50	0.6	50.0
20 Miscellaneous manufacture	173	17.2	0-75	0.7	51.6
21 Works of art, etc.	8	20.0	20-20	0.0	52.9
By stage of processing					
First stage of processing	935	21.1	0-80	1.0	78.7
Semi-processed products	1,878	6.2	0-100	1.1	52.0
Fully-processed products	3,659	13.7	0-100	1.1	58.5

a No AVEs could be estimated for non-*ad valorem* duties. Therefore, lines with non-*ad valorem* duties are excluded from the calculation.

b Bound rates are provided in HS2007 classification and applied rates in HS2012; therefore there is a difference between the number of lines included in the calculation.

c ISIC (Rev.2) classification, excluding electricity (1 line).

Source: WTO Secretariat estimates, based on data provided by the authorities.

3.18. Unprocessed products attract the highest tariffs (averaging 21.1%), followed by fully processed products (averaging 13.7%) (Table 3.4). The simple average for semi-processed products is 6.2% in 2016. Unprocessed products, such as cucumbers, various vegetables, coconuts, dates, figs, pineapples, melons, bananas and other fruits, are subject to a tariff rate of 80%.

3.1.2.2 Tariff bindings

3.19. Belize bound 97.7% of its tariff lines (in HS2007 nomenclature), with a simple average bound rate of 58.5%. Agricultural products (WTO definition) were bound at a general ceiling rate

of 100%, except for some lines bound at 110%, including: certain meat, prepared meat and edible offal, honey, certain vegetables, manioc, coconuts, citrus, ground nuts, rice, soya beans, fruit juices, ethyl alcohol, tobacco products and essential oils. One line is bound at 70% (wheat or meslin flour), and eight lines are bound at 50% (raw hides and skins).

3.20. The general ceiling binding for non-agricultural products is 50%, except for some lines bound at 53.5% (1 line: compound of mercury), 70%, 100%, and 110%. The items bound at 110% are: crustaceans, molluscs and other aquatic invertebrates, dolomites, and mixtures of odoriferous substances. The items bound at 100% are: coral, some animal products, vegetable alkaloids and mixtures of odoriferous substances. Products bound at 70% include various fuels, soap, matches, insecticides and rodenticides, articles of plastics, various suitcases and bags, various articles and items of wood, plaiting material (matting of vegetable materials), toilet paper, various clothing articles and accessories, linens and curtains, furniture of material other than wood, pens/pencils and holders, tricycles and toys, and original sculptures.

3.21. Unbound tariff lines (118 lines and 2 sub-lines) include fish, crustaceans and molluscs, fish products, fats and oils of fish, extracts of fish or crustaceans, and flours of fish or crustaceans.

3.22. Reflecting tariff rate increases, the applied MFN rates of a number of tariff lines breach their bound duties (Table 3.5). The authorities stated that they are making efforts to lower the applied rates of these tariff lines.

Table 3.5 Tariff lines for which MFN 2016 duties exceed bound duties

Directly comparable lines (at the HS 8-digit level)				MFN duty (%)		Bound (%)
MFN HS code	Bound HS code	MFN description	Bound description	2010	2016	
94015100	94015100	Of bamboo or rattan	- - Of bamboo or rattan	20	60	50
94015900	94015900	Other	- - Other	20	60	50
94016100	94016100	Upholstered	- - Upholstered	35	75	50
94016900	94016900	Other	- - Other	35	75	50
Comparable lines at the HS 6-digit level				MFN duty (%)		Bound (%)
MFN HS code	Bound HS code	MFN description	Bound description	2010	2016	
11010010	11010000	Of durum wheat	Wheat or meslin flour	5	100	70
11010090	11010000	Other	Wheat or meslin flour	25	100	70
94060010	94060000	Mainly of wood	Prefabricated buildings	20	60	50

Source: WTO Secretariat, based on information provided by the authorities.

3.1.2.3 Customs duty exemptions

3.23. The Minister of Finance may grant full or partial tariff exemptions for imports, under certain circumstances:

- a. imports by charitable, religious, and non-governmental organizations;
- b. capital goods imported by small licensed hotel and guesthouse operators for the improvement of their properties;
- c. passenger vans of up to 18 seats imported by small licensed tour operators for the improvement of the quality of their services;
- d. farm machinery and implements imported by small-scale farmers for use in their farming activities¹³; and

¹³ Act to amend the Customs and Excise Duties Act, No. 11 of 2008.

- e. essential consumable items such as bed linens, towels, and carpets imported by small licensed hotel and guest house operators for the running of their businesses.¹⁴

3.24. The Fiscal Incentives Act, the Export Processing Zone Act, the Free Zones Act, and the Retired Persons Incentives Act all contain provisions on duty concessions and exemptions (Section 3.2.4 and Section 2.4.1).

3.1.2.4 Preferential tariffs

3.25. Duty-free access is granted to most CARICOM imports, subject to rules of origin criteria. The simple average rate of preferential tariffs (0.2%) is much lower than the simple average applied MFN rate (12.6%), with 99.7% of lines duty free (Table 3.6).

3.26. Goods from CARICOM MDCs (more developed countries: Barbados, Guyana, Jamaica, and Trinidad and Tobago) that are subject to MFN tariff rates are listed in the Fifth Schedule of the Customs and Excise Duties Act, and include: wheat flour, biscuits, beer, stout, ale, gin, rum, whisky, vodka, tobacco (except cigars), coir products, mats and matting, petroleum products, brushes made with plastic bristles (except paint and artists' brushes), preserved fruits and fruit preparations (except frozen citrus concentrates and citrus segments), prepared paints, enamels, lacquer and varnishes, tyres and tubes for vehicles, cleaning preparations without soap, fertilizers, crates and wooden containers, finished structural parts of iron or steel, radio and television sets, accumulators, wooden and metal furniture, mattresses, underwear and shirts of knitted fabrics, underwear, shirts and nightwear (of fabrics other than knitted outerwear of non-knitted textile fabrics), and footwear (wholly or mainly of leather).

Table 3.6 Analysis of preferential tariffs, 2016

	Total		WTO categories			
	Average (%)	Duty-free lines (%)	Agricultural products		Non-agricultural products (including petroleum)	
			Average (%)	Duty-free lines (%)	Average (%)	Duty-free lines (%)
MFN	12.6	11.0	23.3	15.6	10.4	10.0
CARICOM	0.2	99.7	0.9	98.6	0.0	99.9
EPA	10.3	20.2	21.4	18.8	8.0	20.5
Guatemala	12.5	12.0	23.2	15.8	10.3	11.2

Note: For this analysis, in cases where the preferential tariff is higher than the MFN tariff, the MFN tariff is used to calculate the averages.

Source: WTO Secretariat estimates, based on data provided by the authorities of Belize.

3.27. The simple average tariff on imports from the EU under the EPA between CARIFORUM and the EU is 10.3%, with 20.2% of lines duty free. The highest tariff rates are 80%, 85% (1 item: sauces and mixed condiments), and 100%. The rate of 80% applies to birds' eggs, cucumbers, various vegetables, coconuts, bananas, dates, figs and pineapples, melons, some fruits and ground nuts. The products subject to the highest rate of 100% are wheat or meslin flour, fruit and vegetable juices, waters, and beer.

3.28. Under the Partial Scope Agreement with Guatemala, 12% of tariff lines are duty free, and the simple average tariff on imports from Guatemala is 12.5%, slightly lower than the simple average MFN tariff rate (12.6%).

3.1.3 Other duties and charges

3.29. Taxes from international trade and transactions, including import tariffs and other duties and charges, accounted for 26% of total tax revenue in 2015 (15% in 2009) (Section 1).

¹⁴ Act to amend the Customs and Excise Duties Act, No. 14 of 2010.

3.30. Belize bound other duties and charges on a number of products.¹⁵ Other duties and charges on agricultural products were bound at 14%, except for chewing gum and other sugar confectionery not containing cocoa (29%), beer stout and other (14% stamp duty plus revenue replacement duty (RRD) of BZ\$19.06 per imperial gallon)¹⁶, alcoholic beverages (14% stamp duty plus 90% RRD), and tobacco products (14% stamp duty, and 75% RRD applicable only to cigarettes). Belize also bound other duties and charges on certain non-agricultural goods, with bindings ranging from 2% for fertilizers to 44% for aviation spirit.

3.31. During the review period, a number of changes were made to taxes collected at the border. In particular, the amendment to the Customs and Excise Duties (Amendment) Act in April 2016 removed revenue replacement duties on CARICOM goods, and increased the scope of goods subject to excise duties. Following these changes, the border taxes are import tariffs, revenue replacement duties, and an environmental tax. These taxes are not applied on domestically produced goods or services; they are applied on imports from non-CARICOM countries only. Some taxes are collected on both domestically produced goods and services, and on imported ones; they include the general sales tax (GST) and excise duties (Section 3.3.1).

3.32. Statutory Instrument No. 37 of 2016 stipulated that, from 1 April 2016, RRDs would be collected on imports from non-CARICOM countries. At the HS 8-digit level, 109 items – including meats, flour, jam and jellies, fruit juices, ice cream, waters, beer and other fermented beverages, cigarettes, building blocks, jewellery, pearls, and aluminium structures – are subject to RRDs. Most items carry *ad valorem* RRDs, with rates ranging from 5% to 50% (Table A3.1). The authorities indicated their intention to remove RRDs on imports from the EU in 2018.

3.33. The environmental tax is levied on goods imported into Belize from non-CARICOM countries, while domestic goods are not subject to such tax. For vehicles with over four cylinders, this tax is applied at a rate of 5%; for fuel products, the tax is BZ\$0.18 per imperial gallon; and for all other goods, the tax is applied at a rate of 2%.¹⁷ Some goods are exempted from this tax, such as some basic food stuffs, medicines and medical supplies for human use.¹⁸

3.34. There is significant transit activity through Belize's free zones into neighbouring countries. In accordance with the Customs Regulation Act, and the related Goods in Transit (Administration Charges) Order, an administration fee is levied on goods in transit, and imported into export processing zones (EPZs), at a general rate of 1.5% of the c.i.f. customs value, with particular rates for:

- a. whiskey and other potable spirits (BZ\$1.50 per gallon);
- b. wine and beer (2%);
- c. cigarettes (BZ\$1 per 1,000 cigarettes);
- d. fresh fruit and vegetables and spices (1%);
- e. and lumber (1.5%).

3.35. A similar social fee is collected on imports into free zones: for cigarettes and alcoholic beverages, the fee is collected at a rate of 6% on the c.i.f. customs value of the imports; for fuel, the fee is collected at a rate of 10%; and for general merchandise, the fee is collected at a rate of 1.5%.

3.36. Furthermore, Customs is also responsible for collecting a number of fees at the border. These include: repacking fees (for warehouses), extra service fees (for overtime at private warehouses), small expenses, revenue seizures (fines for customs infractions), and warehouse fees (Table 3.7).

¹⁵ WTO document G/SP/7, 24 October 1994.

¹⁶ The stamp duty has been repealed.

¹⁷ Environment Tax (Amendment) Act, 2009.

¹⁸ BCCI Trade and Investment Zone online information. Viewed at: <http://www.belize.org/tiz/customs-and-duties> [27/07/16].

Table 3.7 Taxes and fees collected at the border, fiscal year 2015-16
(BZ\$)

	Type of taxes	Value	Share (%)
Border taxes	Import tariffs	189,896,685.41	43.1
	RRDs	15,421,962.43	3.5
	Environmental tax	31,274,740.45	7.1
	Export tax	28,745.20	0.01
Internal tax collected at the border	GST	168,130,183.72	38.2
	Excise duties	23,022,602.21	5.2
Other	Administration fee	908,976.50	0.2
	Social fee	11,105,317.35	2.5
	Repacking fee	77,861.48	0.02
	Extra service fee	103,347.12	0.02
	Small expenses	8,088.75	0.00
	Revenue seizures	287,913.56	0.07
	Warehouse fee	234,385.73	0.05

Note: Taxes collected at Customs Headquarters, Phillip Goldson International Airport, Benque Viejo Border, Santa Elena Border, Punta Gorda, and Big Creek.

Source: Information provided by Belize Customs.

3.1.4 Import prohibitions, restrictions, and licensing

3.37. Import prohibitions, as listed in the Customs Regulation Prohibited Goods Order and the Customs Regulation (Prohibited and Restricted Goods) (Consolidation) Order¹⁹, are applied mainly for the protection of human and animal health, human safety, public morals, and prevention of counterfeit. Since the previous Review, there has been no change to the products prohibited from importation (Table 3.8).

Table 3.8 Import prohibitions

Legislation and prohibited products	
Prohibited Goods Order	Shaving brushes manufactured in Japan Various tobacco parts and products unless mixed with ingredients that render them, in the opinion of the Comptroller of Customs, unfit for use, except for industrial or horticultural purposes Indecent, obscene, seditious or inflammatory materials Base or counterfeit coins
Customs Regulation (Prohibited and Restricted Goods) (Consolidation) Order, 1988 (amended in May 2008)	Animals or any specific kind thereof or their carcasses, fodder, litter, dung or other similar items, the importation of which is prohibited by the Minister under the Animals (Disease and Importation) Act to prevent the introduction and spread of disease Any infringing copy of a work, whether printed, audio, video or other, in which copyright subsists, or places or other devices for making such infringing copies Articles of food intended for human consumption which, in the opinion of the Director of Health Services, are unfit for purpose Books, pamphlets, leaflets, other printed literature, photographs, paintings, caricatures, audio or video tapes or any other type of printed, sound or visual media capable of suggesting words or ideas, which are, in the opinion of the Minister, contrary to the public interest Counterfeit coins or currency of Belize or of any other country Fictitious postage stamps and any die, plate, instrument or materials capable of being used to make any such stamps Firearms having a disguised appearance, in particular any pistol or other apparatus in the form of a stylographic pen or pencil and any shot or cartridge

¹⁹ Customs online information. Viewed at: <http://www.cdn.gov.bz/customs.gov.bz/download/RestrictedandProhibitedGoods.pdf> [19/08/2016].

Legislation and prohibited products	
	<p>for such a pistol or apparatus</p> <p>Gold or silver in the form of ingots, bars, sheets, coins or other such forms and bearing assay marks purporting to be of British or of other foreign manufacture but which are below the standard indicated by the marks</p> <p>Indecent or obscene prints, paintings, photographs, books, cards, lithographic or other engravings or any other indecent or obscene articles or matter</p> <p>Knives automatically released from walking sticks, flick knives, flick guns and gravity knives</p> <p>Pesticides listed in Schedule IV of the Pesticides Control Act</p> <p>Pipes or other utensils for use in connection with the smoking of opium or any other articles used in connection with the preparation of opium for smoking</p> <p>Raw opium, cocoa leaf, Indian hemp (includes cannabis), prepared opium, poppy straw, mescaline and other dangerous drugs and psychotropic substances as defined and prohibited in the Dangerous Drugs Act or under regulations made thereunder</p> <p>Any other goods the importation of which is prohibited by any law or regulation</p> <p>Domestic refrigerators and freezers, industrial refrigeration units, commercial refrigeration units (including display cabinets, bottle coolers and soda fountains), and air conditioning units for domestic, commercial and industrial use, or vehicular air conditioning units using CFC-12 (Dichlorofluoromethane) as the refrigeration gas, with effect from 1 January 2003</p> <p>Aerosols, foams and solvents made of, or containing a mixture of, any of the following ozone depleting substances: CFC-11, CFC-12, CFC-13, CFC-14, CFC-115, with effect from 1 January 2003</p> <p>Disposable cans of less than sixteen ounces containing CFC, with effect from 1 January 2003</p> <p>The refrigerant gas CFC-11, with effect from 1 July 2002</p> <p>Halon-based fire-fighting equipment, with effect from 1 July 2002</p> <p>Ephedrine</p>

Source: TPR of Belize, 2010.

3.38. Import permits and import licences are required for a range of products. Belize has not made any notifications under the WTO Agreement on Import Licensing Procedures, nor has it replied to the Questionnaire on Import Licensing Procedures.

3.39. Belize has maintained its extensive and largely discretionary import licensing regime, which is based on:

- the Supplies Control (Import/Export) Regulations and the Guidelines for the Approval of Supplies Control (Import/Export) Licences;
- the Customs Regulation (Prohibited and Restricted Goods) (Consolidation) Order; and
- the Prohibited Goods Order.

3.40. Statutory Instrument No. 72 of 2012 amended the Supplies Control (Import/Export) (Amendment) Regulations, and introduced significant changes to the list of products with import licensing requirements (Table 3.9). The authorities indicated that half of the products with import licence requirements were removed from the list. From September 2012, goods requiring an import licence include: live animals, meat and edible offal, dairy produce, edible vegetables, certain roots and tubers, edible fruits, cereals, flour, oil seeds, sugar, beverage spirits and vinegar, prepared animal fodder, mineral fuels, oil and oil products, bituminous substances, mineral waxes, wood and wood articles.

Table 3.9 Goods requiring an import licence prior to importation

Item	HS07 number	Description of product
Live animals	01.05	Live poultry: fowls of the species <i>Gallus domesticus</i> , ducks, geese, turkeys and Guinea fowls (excluding baby chicks)
Meat and edible offal	02.01	Meat of bovine animals, fresh or chilled
	02.02	Meat of bovine animals, frozen
	02.03	Meat of swine, fresh, chilled, or frozen
	02.07	Meat and edible offal, of fowls of the species <i>Gallus domesticus</i> (heading No. 01.05), fresh, chilled or frozen
	0210.11	Hams, shoulders and cuts thereof, with bone in
	0210.12	Bellies (streaky) and cuts thereof
	0210.12.10	Bacon
Dairy products, birds' eggs, edible products of animal origin	04.01	Milk and cream, not concentrated, not containing added sugar or other sweetening matter
	0407.00.10	Hatching eggs, for breeder flock, of the species <i>Gallus domesticus</i>
	0407.00.20	Hatching eggs, not for breeder flock, of the species <i>Gallus domesticus</i>
	0407.00.30	Other fresh eggs
Edible vegetables	07.01	Potatoes, fresh or chilled
Certain roots and tubers	0702.00	Tomatoes, fresh or chilled
	0704.10.10	Cauliflowers, fresh or chilled
	0704.90.10	Cabbages, fresh or chilled
	0705.11.00	Cabbage lettuce (head lettuce), fresh or chilled
	0705.19.00	Other lettuce, fresh or chilled
	0706.10.10	Carrots, fresh or chilled
	0708.20.00	Beans: dried, shelled, whether or not skinned or split
	0708.20.90	Other beans
	0709.60.10	Sweet peppers, fresh or chilled
	0709.60.90	Other peppers, fresh or chilled
	0709.90.40	Sweet corn (corn on the cob), fresh or chilled
	0710.10.00	Potatoes (uncooked or cooked by steaming or boiling in water), frozen
	0710.80.30	Carrots (uncooked or cooked by steaming or boiling in water), for use in industry, frozen
	0710.80.40	Other carrots (uncooked or cooked by steaming or boiling in water), frozen
	0710.80.80	Other vegetables (uncooked or cooked by steaming or boiling in water), for use in industry, frozen
	0710.80.90	Other vegetables (uncooked or cooked by steaming or boiling in water), frozen
	0713.33.10	Red kidney beans
	07.14	Manioc, salep, Jerusalem artichokes, sweet potatoes, and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith (excluding arrowroot of HS No. 0714.90.10)
Edible fruits	0804.30.00	Pineapples, fresh
	08.05	Citrus fruit, fresh or dried
	0807.11.00	Watermelons, fresh
	0807.19.10	Cantaloupes, fresh
	0807.19.20	Muskmelons, fresh
Cereals	10.05	Maize (corn)
	10.06	Rice
Products of the milling industry	1102.20.00	Maize (corn) flour
Oil seeds	12.01	Soya beans, whether or not broken
Oleaginous fruits		

Item	HS07 number	Description of product
Miscellaneous grains		
Preparations of meat	16.02	Other prepared or preserved meat, meat offal or blood, except goods classified under heading HS No. 1602.10.20.00, 1602.49.10.00 (canned only), and 1602.50.10.00
	1601.00.20	Other chicken sausages (except canned)
	1601.00.30	Salami sausages (except canned)
	1601.00.90	Other sausages (except canned)
Sugar and sugar confectionary	17.01	Cane and beet sugar and chemically pure sucrose in solid form, excluding icing sugar of HS No. 1701.99.10
	17.03	Molasses resulting from the extraction or refining of sugar
Preparations of vegetables, fruits, nuts	2007.91.10	Citrus fruit puree and fruit paste, not in retail
Other parts of plants	2008.30.00	Citrus fruit, otherwise prepared or preserved, whether or not containing added sugar or spirit, not elsewhere specified or included
	20.09	Orange juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, excluding HS No. 2009.12.10, 2009.19.10
	2009.21	Grapefruit juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, excluding HS No. 2009.21.10
	2009.31.00	Juice of any other single citrus fruit, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, excluding HS No. 2009.31.12, 2009.31.21
	2009.90.20	Other mixture of grapefruit and orange juice
Beverage spirits and vinegar	22.02	Waters, including mineral waters, aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juice of heading 20.09
	22.03	Beer made from malt
Prepared animal fodder	2309.90.30	Poultry feed
	2309.90.40	Cattle feed
	2309.90.50	Pig feed
Mineral oils	2710.11.30	Motor spirit: gasoline
Oil and products of their distillation	2710.11.31	Gasoline 90 octane or more (premium)
Bituminous substances	2710.19.20	Kerosene
Mineral waxes	2710.31.00	Diesel
	27.11	Petroleum gases and other gaseous hydrocarbons
Wood and articles of wood	44.07	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness exceeding 6 mm
	44.09	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed
	4414.00.00	Wooden frames for paintings, photographs, mirrors or similar objects, not mounted
	44.20	Wood marquetry and inlaid wood; cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94 (excluding caskets)
Furniture, mattresses	9401.61.00	Upholstered seats with wooden frames
Supports	9403.30.00	Wooden furniture of a kind used in offices
	9403.40.00	Wooden furniture of a kind in the kitchen
	9403.50.00	Wooden furniture of a kind used in the bedroom
	9403.60.90	Other wooden furniture

Source: Supplies (Control) (Import/Export) (Amendment) Regulations, 2012.

3.41. The Customs Regulation (Prohibited and Restricted Goods) (Consolidation) Order also lists some products with import licensing requirements, mainly for the purposes of national security, public health and safety, sanitary and phytosanitary measures, and preservation of cultural heritage or the environment. Under the Prohibited Goods Order, licences are required for various dyestuffs produced or manufactured outside the Commonwealth (Table 3.10).

Table 3.10 Import licensing

Product
<p>Customs Regulation (Prohibited and Restricted Goods) (Consolidation) Order Certain animals, birds, reptiles and insects Antibiotics, except those manufactured by a pharmaceutical firm approved by the Minister and only by the holder of a licence to import antibiotics Antiques, artefacts, ancient monuments and other articles of archaeological value or interest Apparatus or component parts thereof for transmission by radio waves (permit)</p>
<p>Any goods which bear a design in imitation of any currency or bank note or coin in use in Belize or in any other country (permit) Currency, bank or other notes which are or have, at any time, been legal tender in Belize; any certificates of title to any security, including such certificates which have been cancelled; treasury bills; and any other item prohibited from being imported by Part IV of the Exchange Control Regulations (permit) Bees, honey or bee-keeper's stock (permit) Firearms and ammunition, including guns of all types, but excluding those of the type specified and any apparatus resembling or capable of being mistaken for a firearm</p>
<p>Herbs or plants for use as a drug or medicine (permit) Gunpowder, nitro-glycerine, dynamite, gun cotton, blasting powder, detonators and other explosives as defined in section 28 of the Dangerous Goods Act Importation in transit of military, naval or aerial warfare type of arms and ammunition, military or naval stores, aircraft of any type, military communications equipment, patrol vessels whether armed or unarmed, landing craft and other vessels of military utility and any other combat or non-combat military equipment (permit)</p>
<p>Medicinal dangerous drugs as defined in the Dangerous Drugs Act Military, naval or aerial warfare type of arms and ammunition (permit) Pesticides, registered or restricted under the Pesticides Control Act and listed in Schedules II or III respectively of that Act Plants, vegetables organisms, packages, animals, and animal organisms likely to cause infection to or which are inimical to the growth of plants (permit) Weapons designed for the discharge of noxious liquid, gas or other thing or any ammunition containing or designed or adapted to contain any such noxious thing (permit) Wild animals, that is, animals other than those kept in a domesticated state except on a licence issued under the Wildlife Protection Act Gaming machines (including arcade machines, poker machines and slot machines) (permit) Gases that are ozone depleting substances of (a) the chloroflorocarbons (CFC) family, namely (CFC-11; 12; 113; 114 and 115) and (b) the Halon family, namely Halon 1211; 1301 and 2402 Used tyres Lead acidic batteries</p>
<p>Prohibited Goods Order Various dyestuffs produced or manufactured outside the Commonwealth</p>

Source: WTO document, WT/TPR/S/238/Rev.1.

3.42. According to online information of the Belize Chamber of Commerce and Industry (BCCI), licences are automatic for the importation of furniture in non-commercial quantities, and for "unique wooden articles" for the tourism industry. According to the authorities, most licences are automatic.

3.43. Licences are granted by the Supplies Control Unit (SCU) of the Ministry of Economic Development, Petroleum, Investment, Trade and Commerce. There is no licensing fee or administrative charge. Licences are granted for each shipment and cannot be transferred between importers. Imports into export processing zones and free zones do not require a licence. Imports from CARICOM countries are generally exempt from import licences, except aerated beverages and beer from CARICOM MDCs. Import licences are granted automatically to Guatemala for products covered by the Partial Scope Agreement.

3.44. The Supplies Control Unit introduced a virtual licence application system in 2015, which greatly reduced transaction costs, and improved efficiency and timeliness. The SCU is currently seeking to pilot a web interface platform to allow for the virtual communication between the SCU and ASYCUDA.

3.1.5 Contingency measures

3.45. Belize notified the WTO that it has not established a competent authority to initiate or conduct any anti-dumping or countervailing investigations, and has not taken any anti-dumping or countervailing actions.²⁰

3.46. The authorities stated that the safeguard mechanism in Belize is based on the Revised Treaty of Chaguaramas. Belize notified the WTO in 2014, and confirmed in November 2016 that, up to now it has no laws, regulations or administrative procedures relating to safeguard measures within the meaning of Article 12.6 of the Agreement on Safeguards and thus has not, to date, conducted any investigations of serious injury.²¹

3.47. Belize is waiting for the development of a more uniform CARICOM approach on contingency measures. The Revised Treaty of Chaguaramas allows CARICOM members to take anti-dumping actions against imports from other members, and it contains provisions on subsidies and countervailing measures. Belize has not taken any anti-dumping actions against other CARICOM members, and no anti-dumping actions have been initiated by other CARICOM members against Belize. As Belize has no domestic legislation in place on subsidies, it may not take action against subsidized imports from another CARICOM member. Belize's Trade Policy Framework, approved by Cabinet in 2015 and launched in July 2016, stipulated that Belize reserves the right to develop its national legislative and institutional framework on contingency measures.

3.1.6 Standards and other technical requirements

3.48. Belize's national enquiry point for issues related to standards and technical requirements under the Agreement on Technical Barriers to Trade (TBT) is the Belize Bureau of Standards (BBS). Since its last review, Belize has submitted its statement on the implementation and administration of the TBT Agreement as well as four draft technical regulations and a draft law on consumer protection to the TBT Committee.²² The notification concerning the adoption of the Code of Good Practice for the Preparation, Adoption and Application of Standards by the BBS is still pending.

3.49. The BBS, established under the Standards Act (Revised Edition 2000), has responsibility for the development of Belize's national quality infrastructure. This includes matters related to standards, metrology, conformity assessment procedures (sampling, testing, inspection, calibration and certification), accreditation, and consumer protection. There is no specific law for the protection of consumers but a draft Consumer Protection Bill has been submitted to the Solicitor General's Office for examination.²³

3.50. The National Metrology Act (2003) mandates the BBS to regulate all matters pertaining to weighing and measuring devices used for trade and industry in Belize. Currently, metrology services offered in Belize are limited to the verification of such devices. However, the BBS is in the process of modernizing its legal framework and building metrology laboratories in Belmopan, which will enable the BBS to provide internationally recognized calibration services to public and private sector entities.²⁴ The authorities expect that the new laboratories will be operational by mid-2017.

²⁰ WTO documents, G/ADP/N/193/BLZ, 22/04/2010; G/SCM/N/202/BLZ, 11/03/2014.

²¹ WTO document, G/SG/N/1/BLZ/1, 6/03/2014.

²² WTO documents G/TBT/2/Add.104, 20 August 2010; G/TBT/N/BLZ/1, 23 September 2010; and G/TBT/N/BLZ/2 – 5, 28 October 2011.

²³ The Solicitor General's Office is responsible for drafting laws on behalf of the Government of Belize.

²⁴ The new laboratory facilities are funded through grants from the European Union's Belize Rural Development Project II. They will be equipped to measure various metrology magnitudes including grand mass, fine mass, volume, temperature, pressure and dimension.

3.51. Under the Standards Act, the BBS's main responsibility is the preparation, promotion and implementation of standards, technical regulations and codes of practice in relation to goods, services and processes. This is done in collaboration with other government departments such as the Belize Agricultural Health Authority, the Ministry of Agriculture and Fisheries, and the Ministry of Health. Within the BBS framework, a Standards Advisory Council (SAC), comprising representatives from the public and private sectors, has the function of advising the Minister on all matters pertaining to standardization.²⁵ In addition, a technical committee (TC) is appointed to assist in preparing draft standards and considering public comments received on such drafts. These technical committees include experts, persons with experience in the manufacture and use of the products affected by the standards, consumer and industry representatives, and government departments. To date, three technical committees have been established for tourism and related services, fuels and lubricants, and food and food-related products.

3.52. Since its last review, Belize has developed an internal outline with timeframes for each of the stages of its standards-setting process. These stages are described in Table 3.11. Public notices of draft standards are published in at least two local newspapers and the *Official Gazette* as prescribed by law, and on one media channel according to best practices. The authorities indicated that, at this stage, the draft technical regulation is also notified to the WTO. A period of three months from the date of notice is provided for comments from stakeholders and the general public. At the time of this review, Belize had not developed any conformity assessment procedures for non-food items.

Table 3.11 Stages for the development and publication of technical regulations and standards

Stage name	Description	Maximum limit time
Preliminary stage	Persons or companies wishing to propose a new standard must submit a formal request for the development of a standard to the BBS. The request is then processed using the prescribed forms issued by the BBS.	One month
Proposal stage	Once the proposal is processed, the project is submitted to the Standards Advisory Council (SAC) for authorization to proceed.	One month
Preparatory stage	Officers from the BBS prepare a working draft and a project schedule based on a work programme template.	Three months
Committee stage	The working draft is circulated to TC members who must agree on its technical content.	Six months
Enquiry stage	The working draft is then published for comments from the stakeholders and the general public, and notified to the WTO. These comments are taken into consideration and the draft standard is revised as necessary. The TC votes to approve the final draft.	Three months
Approval stage	The final draft standard is submitted to the SAC for approval. Once approved by the SAC: <ul style="list-style-type: none"> • a voluntary standard is signed by the Chair of the SAC and the Director of BBS; • a technical regulation is submitted to the Minister responsible for the BBS with the recommendation that the standard be compulsory. 	Two months
Publication stage	The standard is forwarded for final editing and publishing. Technical regulations are published in the <i>Official Gazette</i> via a Statutory Instrument (SI).	Two months
Review stage	The standard or technical regulation is reviewed to keep it up-to-date and technically valid and to determine whether it needs to be revised, amended, withdrawn or reaffirmed.	No specified time

Source: The Belize Bureau of Standards.

²⁵ The SAC is composed of representatives from the following entities: Ministry of Finance, Public Service, Energy and Public Utilities; Ministry of Natural Resources and Immigration; Ministry of Health; Ministry of Works and Transport; Ministry of Tourism and Civil Aviation; BELTRAIDE; Directorate General for Foreign Trade (MEPITC); Department of the Environment; Belize Agricultural Health Authority (BAHA); Citrus Products of Belize Limited (CPBL); Belize Chamber of Commerce and Industry (BCCI); Belize Marketing and Development Corporation; and American Sugar Refining–Belize Sugar Industry Limited (ASR-BSI).

3.53. In 2014, the BBS completed work on a National Standardization Programme which seeks to develop standards and technical regulations for goods and services in key economic sectors over a period of five years (2015-2020). The programme was released in 2016. The key sectors are wholesale and retail, manufacturing, agriculture, tourism, electricity and water supply, construction, petroleum, transportation and communication. They were selected taking into account their contribution to GDP and export earnings and their alignment with national development policies, strategies and action plans.²⁶ The Programme envisages the establishment of new technical committees, including in the areas of: transportation and road safety; renewable energy and energy efficiency; and medical and industrial gases. The new committees are expected to be operational in the first quarter of 2017.

3.54. Belize currently has 10 voluntary standards and 23 technical regulations, mostly in the area of agriculture (Table 3.12). There are five codes of practice. The BBS website provides a partial list of Belize's technical regulations and standards; however it does not provide direct access to the actual documents containing such technical regulations and standards. Since its last review, Belize has developed seven technical regulations and two standards. The goods subject to technical regulations include agricultural products; food and food-related products; industrial-chemical products; engineering-mechanical products; petroleum products; and tourism. The authorities have indicated that the technical regulations are all based on CARICOM, CODEX or ISO standards, except for the Code of Practice for the Preparation and Sale of Street-Vended Foods.

Table 3.12 Belize's technical regulations and standards

Code	Title	Statutory instruments
Technical Regulations		
BZS 1 (1998)	Part 1: Belize Standard: Specification for Labelling – General Principles	SI No. 116 of 1999
BZS 1 (1998)	Part 2: Belize Standard: Specification for Labelling: Labelling of Pre-packaged Goods	SI No. 117 of 1999
BZS 1 (1998)	Part 3: Belize Standard: Specification for Labelling: Labelling of Pre-Packaged Food	SI No. 118 of 1999
BZS 1 (1998)	Part 4: Belize Standard: Specification for Labelling: Labelling of Retail Packages of Cigarettes	..
BZS 1 (2007)	Part 5: Belize Standard: Specification for Labelling: Labelling of Brewery Products	SI No. 97 of 2007
BZS 1 (2012)	Part 7: Belize Standard: Specification for Marking and Labelling of Gas Cylinders	..
BZS 2 (1998)	Belize Standard: Specification for Wheat Flour BZS 2: 2007 (Revised)	SI No. 97 of 2007
BZS 8 (2001)	Belize Standard: Specification for Liquid Household Chlorine Bleach	SI No. 19 of 2001
BZS 10 (2002)	Belize Standard: Specification for Bottled/Packaged Water	SI No. 3 of 2003
BZS 12 (2004)	Belize Standard: Specification for Potatoes	SI No. 125 of 2004
BZS 13 (2004)	Belize Standard: Specification for Onions	SI No. 126 of 2004
BZS 15 (2007)	Belize Standard: Specification for Rum	SI No. 98 of 2007
BZS 16 (2007)	Belize Standard: Specification for Carbonated Beverages	SI No. 93 of 2007
BZS 17 (2007)	Belize Standard: Specification for Salt	SI No. 95 of 2007
BZS 18 (2007)	Belize Standard: Specification for Brewery Products	SI No. 99 of 2007
BZS 20 (2007)	Belize Standard: Rice – Specification, Sampling, Testing and Analysis (Revised 2015)	SI No. 58 of 2016
BZS 21 (2012)	Belize Standard: Specification for Liquefied Petroleum Gas	SI No. 12 of 2011
BZS 22 (2012)	Belize Standard: Specification for Inspection, Testing and Requalification of Portable Containers for Liquefied Petroleum Gas	SI No. 12 of 2011
BZS 23 (2012)	Belize Standard: Specification for Filling, Handling, Storage, Transportation and Location of Portable Cylinders for Liquefied Petroleum Gas	SI No. 12 of 2011
BZS 26 (2014)	Belize Standard For Health And Safety Of Archaeological Reserves And Parks	..
BZ CP 4 (2007)	Belize Standard: Code of Hygienic Practice for Packaged Water	..
BZ CP 5 (2016)	Recreational scuba diving services	SI No. 57 of 2016

²⁶ Belize National Standardization Programme is based on the template of the ISO methodology. The methodology is explained at: http://www.iso.org/iso/home/store/standards_development_publications.htm.

Code	Title	Statutory instruments
Standards		
BZS 4 (1999)	Specification for Whole Chicken (Eviscerated) and Chicken Parts	n.a.
BZS 5 (1999)	Definitions for Terms Used in the Pneumatic Tyres Industry	n.a.
BZS 6 (1999)	Specification for Pneumatic Passenger Car Tyres	n.a.
BZS 7 (1999)	Specification for Biscuits	n.a.
BZS 11 (2004)	Specification for Honey	n.a.
BZS 14 (2007)	Specification for Liquid Whole (Cow's) Milk	n.a.
BZS 19 (2007)	Standard specification for Grading and Quality Requirements for Table Eggs	n.a.
BZ CP 1 (1999)	Part 1 - Code of Practice for Storage of Tyres, Inner Tubes and Flap	n.a.
BZ CP 2 (2002)	Code of Practice for Preparation and Sale of Street-Vended Foods	n.a.
BZ CP 3 (2002)	Code of Practice for Fresh Meat	n.a.

.. Not available.

n.a. Not applicable.

Source: Belize Bureau of Standards.

3.55. There are three technical regulations concerning specifically the labelling of food: general principles, pre-packaged foods, and brewery products, all of which have been developed through CARICOM'S standards process. Labels on all processed food products must be in English and contain the following information: name of the food or product; brand name; ingredients; net contents; name and address of the manufacturer; country of origin; date of marking; batch/lot number/code; and directions for proper use and storage. Pre-packaged processed food products labelled in English in accordance with the laws or standards in force in Canada, the Caribbean Community, the European Union, and the United States are deemed to comply with Belizean labelling standards.²⁷ Other technical regulations related to labelling are provided for in product-specific legislation such as the Food and Drugs Act (Chapter 291), which sets out additional labelling requirements for some dairy products; and the Supplies Control Regulations (Chapter 293S), which established additional labelling requirements on imports of certain alcohol and tobacco products. Labelling of cosmetics and pharmaceutical products is regulated by the Ministry of Health.

3.56. In February 2016, the BBS implemented a new technical regulation for the packaging of rice, according to which all rice for retail sale must be pre-packaged and marked clearly with an expiration date and a manufacturing date. The new regulation also requires manufacturers to state the grade of the rice and the amount being packaged.²⁸

3.57. There are no accredited testing laboratories in Belize. However, the Belize Agricultural Health Authority (BAHA), a public laboratory, and the Citrus Research and Education Institute (CREI), a private laboratory facility, are currently implementing ISO 17025 to carry out tests, calibrations and sampling. Both are seeking international accreditation. As regards food products, BAHA assists with the implementation of certification programmes, including Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Points (HACCP), and also conducts risk analysis and inspection for food safety purposes. Due to lack of resources and the absence of any internationally accredited laboratories in Belize, the BBS's ability to verify compliance with standards is limited. Where possible, conformity checks are carried out after imports have cleared customs.

3.58. The BBS is a member of the Codex Alimentarius Commission, the Pan American Standards Commission (COPANT), and the International Telecommunications Union (ITU). It also participates in the International Electrotechnical Commission Affiliate Programme, and as a member of CARICOM, in the Inter-American Metrology System.²⁹ In 2015, Belize became a subscriber

²⁷ Belize Specification for Labelling: Labelling of Pre-packaged Food, Statutory Instrument No. 118 of 1999. FAO online information. Viewed at: <http://faolex.fao.org/docs/pdf/blz19762.pdf>.

²⁸ Statutory Instrument No. 17 of 2016.

²⁹ CARICOM has been an associate member of the General Conference of the Inter-American Metrology System since 2005.

member of the International Organization for Standardization (ISO), which entitles it to receive up-to-date information without participating in the work of the organization. The BBS recently achieved certification in ISO 9001:2008 for organizational quality management systems and is now pursuing accreditation in ISO/IEC 17025:2005 for testing and calibration as it seeks to provide internationally recognized calibration and testing services.

3.59. Belize is also a member of the CARICOM Regional Organization for Standards and Quality (CROSQ), created in 2002. CROSQ is, *inter alia*, mandated to establish and harmonize standards and technical regulations within CARICOM, and to promote the mutual recognition of conformity assessment procedures covering goods and services produced or provided in CARICOM as well as the accreditation and certification system based on internationally accepted criteria. The CROSQ Secretariat is located in Barbados.

3.60. Interested entities in CARICOM member States may submit a request to develop a regional standard to the CROSQ through their national standards body. Standards and technical regulations are drafted by regional technical committees within the CROSQ. Then they are submitted for comments and voting by member States, and thereafter forwarded to the Council of the CROSQ for adoption. Participation in committee work is open to all interested parties. The Council comprises the executive heads of the respective national standards bodies. Standards and technical regulations adopted by the CROSQ are then recommended to the CARICOM Council for Trade and Economic Development (COTED) for approval as a regional standard; thereafter CARICOM governments must adopt the necessary legal and administrative arrangements to give effect to COTED decisions within their jurisdictions.³⁰ Regional standards and technical regulations are generally developed within one to two years and are reviewed every three years. Of the 23 technical regulations in force in Belize, 12 are based on CARICOM regional technical regulations; there are also two voluntary standards based on CARICOM standards.

3.1.7 Sanitary and phytosanitary requirements

3.61. There have no substantial changes to SPS policy or legislation since the last review. In 2011, draft laws on animal health, plant protection, and food safety and hygiene were prepared but, at end-2016, had not become law. In 2016, a national food safety policy was being developed.

3.62. Belize's national enquiry point for issues related to sanitary measures under the SPS Agreement is the Belize Agricultural Health Authority (BAHA), and the notifications authority is the Directorate General for Foreign Trade. In 2011, Belize made eight notifications to the SPS Committee: three related to bovine spongiform encephalopathy; one related to the regulation for an animal identification system; one related to the regulation for the eradication of bovine tuberculosis; one related to the draft Animal Health Bill; one related to the draft Plant Protection Bill; and one related to the draft Food Safety and Food Hygiene Rules Bill.³¹ At end-2016, the three draft bills were awaiting approval for submission to the Cabinet.

3.63. Since the last review, Belize has used the SPS Committee to raise concerns related to the accreditation of third-party bodies to conduct food safety audits and to issue certifications in the United States.³² Belize has also used the SPS Committee to inform Members of its concerns related to private standards, as well as to inform Members of its technical cooperation needs and the assistance provided to meet these needs. In 2009, the WTO's Standards and Trade Development Facility included Belize in a film about the steps taken in several countries to address SPS issues, and Belize's success in being recognized as free of Mediterranean fruit fly.³³ In addition, Belize is free from several major animal diseases and pests. It has OIE recognized status as free from foot and mouth disease without vaccination, it is self-declared free from classical swine fever³⁴, and the ongoing surveillance programmes for bovine tuberculosis and brucellosis (Section 4.1) have not shown any positive cases. On the other hand, citrus greening disease had reduced production by

³⁰ CROSQ online information. Viewed at: <https://www.crosq.org/>.

³¹ WTO documents: G/SPS/N/BLZ/2 to 6, 21 June 2011; WT/G/S/BLZ/7 to 9, 20 December 2011.

³² WTO document G/SPS/R/73, 16 October 2013, paras 3.1-3.3.

³³ STDF (2009), *Trading safely: protecting health, promoting development. A new film by the STDF*, STDF Newsletter, Volume 2, Issue 2, June.

³⁴ WTO document G/SPS/GEN/861, 4 July 2008

50% since 2009, but since it is the processed product which is traded, the final product has not been affected. In addition, vibriosis in shrimp affected shrimp production and Papaya Meleira Virus reduced production by 95% and made the industry non-competitive (Sections 4.1 and 4.2).

3.64. The Ministry of Agriculture, Fisheries, Forestry, Environment and Sustainable Development is responsible for SPS policy and preparing draft legislation, while BAHA is responsible for implementing the legislation and issuing import permits. BAHA was established under the Belize Agricultural Authority Act No. 47 of 1999 with responsibility for all SPS issues, except those relating to water.

3.65. Within BAHA, there are four principal laboratories: two for animal health, one of which is specifically for diagnosis of shrimp diseases; one for plant pest diagnosis; and one for food safety, which includes microbial and residue analysis. None of these laboratories are currently accredited under ISO/IEC 17025 general requirements for the competence of testing and calibration laboratories. However, the authorities noted that the four laboratories have been modernized, staff have been recruited and trained, and they are working towards accreditation under ISO/IEC 17025 in 2017. The Food Microbiology Laboratory is to be audited by the Jamaican National Agency for Accreditation while accreditation of the other BAHA Laboratories will be done through an International Regional Organization for Plant and Animal Health (OIRSA) Project although no accreditation body had been specifically identified at end-2016.

3.66. As specified in the relevant legislation, Belize applies minimum residue levels for biological residues in meat and other animal products, and in food additives, as specified by the Codex Alimentarius.³⁵ In general, measures adopted by Codex, IPPC or OIE are used and applied to domestic as well as imported products.

3.67. Permits are required for imports of animals and animal products, plants and plant products, veterinary drugs, veterinary biologicals, veterinary pesticides, and supplementary animal feed. All applications must be made to BAHA, which liaises with other responsible agencies when necessary. Once granted, the permit lists the requirements that must be met for the import to be accepted. In addition to the normal import documentation, these usually include the import permit and a sanitary certificate (for animals and animal products) or a phytosanitary certificate (for plants or plant products) from the competent authority in the exporting country.³⁶

3.68. Fees for the import permit process vary depending on the product – from BZ\$25 for animal and plant products to BZ\$100 for pets. In addition, the importer has to bear the costs of sampling and laboratory testing plus inspection and for any other quarantine costs.³⁷ Under normal circumstances, the application process for a frequently imported commodity may take up to seven days and the import must comply with the conditions set out in, or attached to the import permit plus special permits or licences as requested by other relevant authorities.

3.69. At the request of the competent authority in the exporting country, BAHA carries out a risk analysis in cases where:

- the commodity in question has never been imported before;
- the country or region of origin has not yet been approved;
- the health status of the country or region of origin or transit has changed or is not known to BAHA;
- there is new information on the particular pest or disease; or
- it is required that a country or region provides evidence that an export commodity does not present a threat or risk to Belize.

3.70. As part of the risk analysis, BAHA, in cooperation with the competent authority of the exporting country, carries out site inspections of the companies, processing plants, fields, farms

³⁵ CAP. 211, Belize Agricultural Health Authority (Biological Residues) (Control) Regulations.

³⁶ USDA Foreign Agricultural Service (2011), *Belize – Food and Agricultural Import Regulations and Standards – Narrative*, GAIN Report Number BH1101, 31 October.

³⁷ SI No. 182 of 2004, S. 6 and 7, Belize Agricultural Health Authority (Service Fees) Regulations, 2004.

and other sites or establishments that need to be inspected to evaluate conformity with Belize's SPS measures. The fee for a risk analysis is US\$500 plus expenses.³⁸ Since 2010, 49 risk assessments have been concluded (Table 3.13).

Table 3.13 Risk assessments completed 2010-16

	2010	2011	2012	2013	2014	2015	2016
Food safety	0	1	2	4	4	5	7
Plant health	0	0	1	2	3	0	3
Animal health	4	3	0	1	3	1	5
Total	4	4	3	7	10	6	15

Source: Belize authorities.

3.71. At end-2016, the current biosafety policy was in the process of being reviewed although any change from the current policy of not allowing GMOs in production would require appropriate legislation and regulatory capacity as well as additional investment in laboratories and a budget for biosafety.

3.72. All food exporting enterprises are required to be registered with BAHA and comply with the guidelines on the Hazard Analysis and Critical Control Point system (HACCP) set out in the regulations.³⁹ The registration process requires the enterprise to submit its HACCP plan to BAHA followed by a pre-audit by BAHA and, after implementation of the findings from the pre-audit, a full audit by BAHA and other relevant authorities. BAHA may then issue a certificate of HACCP compliance and a sanitary certificate if required.⁴⁰ BAHA has a certification system for compliance with the Hazard Analysis and Critical Control Point (Statutory Instrument No. 25 of 2001) for processing establishments, for example for the processing of dairy, meats, poultry and shrimp. A draft Standard for Good Agricultural Practices was prepared but only had programmes for small vegetable producers on a pilot basis.

3.2 Measures Directly Affecting Exports

3.2.1 Export procedures and requirements

3.73. As for importers, exporters must obtain an automatically issued code from the Customs and Excise Department. The documents required are: bill of lading, commercial invoice, customs export declaration, packing list (Table 3.1), as well as the Single Administrative Document (C-100 form), the Exchange Control Regulation form (XCH2 form), and an E100 form for exports to the EU. When required, export licences, certificates of origin, and phytosanitary certificates must be presented as well. For warehoused goods, exporters must provide a bond to the Comptroller of Customs to ensure that the goods will be shipped outside Belize within a reasonable period of time.

3.2.2 Export duties, charges, and levies

3.74. The exportation of scrap metal is subject to an export duty levied at BZ\$10 per tonne. The authorities indicated that this export duty and the licensing requirement are to prevent the theft of copper wire in telephone lines.

3.2.3 Export prohibitions, restrictions, and licensing

3.75. Since the previous Review, there has been no change to the list of products subject to export prohibitions or licensing requirements, which are regulated under the Customs Regulations (Prohibited and Restricted Goods) (Consolidation) Order, and the Supplies Control (Import/Export) Regulations.

³⁸ S.I. No. 54 of 2004, Belize Agricultural Health Authority (Inspection in a Foreign Country) Regulations.

S.I. No. 182 of 2004, Belize Agricultural Health Authority (Service Fees) Regulations.

³⁹ CAP. 211, Belize Agricultural Health Authority (Food Safety) Regulations.

⁴⁰ BAHA online information. Viewed at: <http://www.baha.org.bz/index.php/general-procedures> [November 2016].

3.76. Products prohibited from exportation are:

- a. any infringing copy of a work, whether printed, audio, video or other, in which copyright subsists, or plates or other devices or means for making such infringing copies;
- b. arms and ammunition of all kinds;
- c. raw opium, cocoa leaf, Indian hemp (includes cannabis), prepared opium, poppy straw, mescaline and other dangerous drugs and psychotropic substances, as defined and prohibited in the Misuse of Drugs Act; and
- d. lumber of any dimensions produced from ziricote trees.

3.77. Export products requiring a licence or permission include: scrap metals; antiques; apparatus or component parts for transmission by radio waves; currency, bank or other notes; fish, shrimps, lobster and other crustaceans, and all other marine products including corals; logs and lumber, medicinal dangerous drugs; wild animals; live animals (excluding pets); sugar; citrus fruits; and beans.⁴¹ The authorities indicated their intention to review this list.

3.2.4 Duty and tax concessions

3.78. Belize notified the WTO in October 2016 that it has made no changes to the investment programmes which provide for the grant of prohibited subsidies:

- programme under the Fiscal Incentives Act (Cap. 54);
- programme under the Export Processing Zone Act (Cap. 280);
- programme under the Free Zones Act (Cap. 278).⁴²

3.79. As these programmes involve prohibited subsidies under Article 3 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement) of the WTO, Belize requested and was granted by the SCM Committee annual extensions of the transition period for the elimination of export subsidies under Article 27.4 of the SCM Agreement. Pursuant to the General Council decision adopted in 2007, export subsidies should have been phased out by 31 December 2015.⁴³

3.80. The Government developed an action plan and established a Working Group on WTO Compliance comprised of relevant government ministries and agencies. Belize obtained technical assistance from the Commonwealth Secretariat, who prepared a consultant report and tabled it to the Government. That report presented an assessment to the three programmes, and indicated the WTO-non-compliant provisions of each. In May 2016, the Cabinet considered and approved recommendations from the Ministry of Economic Development based on this consultant report. Subsequently, the authorities are in the process of amending the Fiscal Incentives Act and the Free Zones Act, and drafting a new bill to replace the Export Processing Zone Act.

3.2.4.1 Export Processing Zones Programme

3.81. Under the Export Processing Zone Act, the EPZ programme is administered by the Export Processing Zone Committee (EPZC) comprising members from both the public and the private sectors. The EPZC designates areas to be used as export processing zones (EPZs). There are three types of EPZ businesses: EPZ developers, EPZ businesses, and special EPZs. Companies in the EPZs are allowed to open foreign currency bank accounts, and are exempted from import and export licensing requirements. They are also exempted from a number of direct and indirect taxes including import tariffs. Tax exemptions are for 20 years, but dividends paid by an EPZ business are exempt from tax in perpetuity.

⁴¹ Details are listed in Table III.11, WTO (2010), TPR of Belize 2010.

⁴² WTO document, G/SCM/N/299/BLZ, 7 October 2016.

⁴³ WTO document WT/L/691, 27 July 2007.

3.82. EPZs pay an environmental tax (Section 3.1.3) and a business tax on local sales (Section 3.3.1.1.4). An administration fee is paid at a rate of 1.5% of the c.i.f. value of goods imported by EPZ companies (Section 3.1.3). They are also required to pay payroll taxes and social security. The main sectors present in the EPZs are: agro-processing, including citrus juices, aquaculture (primarily shrimp), and papaya; manufacturing of items such as home furnishing and musical instruments; and services including IT business such as business process outsourcing activities in customer care, technical support, and voice and data processing and gaming. Investment, a major target of EPZs, reached US\$85 million in 2014, of which US\$76 million (90%) was made in the agro-processing sector. The authorities indicated that in 2014, exports from EPZs accounted for roughly one third of total merchandise exports, while imports accounted for about 4% of total merchandise imports. The export contingent element of the programme is that domestic sales of products manufactured in EPZs are allowed only after a waiver is issued by the EPZC.

3.2.4.2 Free Zones Programme

3.83. Free zones are administered by the National Free Zone Authority (NFZA) through its Board of Directors. The NFZA and the Minister, with the approval of the Cabinet, have the authority to designate any area in Belize to be a free zone and then designate an FZ developer. Free zones are further grouped into private-sector-managed and public-sector-managed free zones. Companies in FZs are exempted from import and export licensing requirements, as well as taxes imposed on the sale of foreign currency. Additionally, FZ businesses incurring a net loss over the five-year tax holiday period may deduct losses from profits in the three years following the tax holiday period.⁴⁴

3.84. Imports and exports of companies in a FZ are exempt from import tariffs, export duties, GST, excise duties, and transit taxes, except those destined for and entered directly into the national customs territory. FZ companies pay a social fee for imports at the c.i.f. value: 1.5% for general merchandise; 6% for liquor and cigarettes; and 10% for fuel (Section 3.1.3).

3.85. During the first 10 years of operation, companies in FZs are exempt from the payment of business tax or any other corporate tax, and any dividends paid by these companies are also exempt from such tax for the first 10 years of operation. Companies in FZs are required to pay business tax at the rate of 2% on the expiration of their tax holiday period. In the computation of business tax, tax credits are given in accordance with the number of Belizean workers employed on a continued basis:

- a. 10-30 Belizean workers – 1% of annual business tax;
- b. 31-50 Belizean workers – 1.5% of annual business tax;
- c. Over 50 Belizean workers – 2% of annual business tax.

3.86. There are currently two active FZs, both trading almost exclusively in transit goods: one located at Corozal near the Mexican border (294 companies), and the other located at Benque-Viejo (18 companies) near the Guatemalan border. Imports into these two FZs amounted to approximately BZ\$176 million in 2014, down from BZ\$218 million in 2013 and BZ\$285 million in 2012. The share in total merchandise imports also dropped from 17% in 2012 to 12% in 2013 and 9% in 2014. Export sales at the Corozal Free Zone amounted to BZ\$528 million in 2012 and BZ\$520 million in 2013. Another four FZs are in the planning stage: Belize Port Free Zone, International Free Zone, Western Free Zone, and Toledo Free Zone.

3.87. Sales from a company located in an FZ to the national customs territory are subject to the approval of the Ministry of Finance. If such sales are approved, they must not exceed 25% of an enterprise's respective imports, or 25% of the goods produced by a company located in an FZ. Furthermore, they would be subject to duties and taxes under the national customs regime.

⁴⁴ U.S. Department of State, *2016 Investment Climate Statement – Belize*. Viewed at: <http://www.state.gov/e/eb/rls/othr/ics/investmentclimatestatements/index.htm?year=2016&dclid=254507#9competition> [14/09/2016].

3.2.4.3 Fiscal incentives

3.88. The Fiscal Incentive Programme, administered by the Belize Trade and Investment Development Service (BELTRAIDE), is governed by the Fiscal Incentives Act, Chapter 54, revised edition 2003. It aims to encourage investment from existing and prospective investors. In order to qualify, a company must be incorporated under the laws of Belize and its business activity must provide benefits to Belize's economy. The main advantage to participating businesses is the granting of exemptions from import duties and RRDs for items used in the production of goods or services (e.g. building materials, machinery and equipment, spare parts, fixtures and fittings, office appliances, and raw materials for the sole use of the approved enterprise). The exemptions are for a maximum period of 15 years, which may be extended for a further 10 years in the case of companies engaged in agriculture, agro-industrial products, aquaculture, food processing, and manufacturing, provided they operate only for export and are highly labour intensive.

3.89. The export contingent elements in this programme are reflected in two aspects: first, the FI programme provides the possibility of an extension of the import tariff exemption of up to 25 years for "pure exporters"⁴⁵; second, in both the application process and the approval criteria, information is solicited with regard to a firm's exports and foreign exchange earnings. The authorities indicated that most beneficiaries of the Fiscal Incentive Programme are not exporters, and that the Act is being amended to eliminate the export requirement.

3.2.5 Export support and promotion

3.90. Belize Trade and Investment Development Service (BELTRAIDE), within the Ministry responsible for investment, trade and commerce, is the statutory body mandated to perform functions related to: trade development and promotion; investment generation and promotion; enterprise development and facilitation; and employment skill training.⁴⁶

3.91. In 2014, EXPORTBelize was established as a unit under BELTRAIDE, to foster an enabling environment that promotes the diversification and competitiveness of Belize's export sector. Its core services include: facilitating workshops and training; identifying viable export markets; providing technical assistance; and promoting Belizean products and services. EXPORTBelize is also preparing an Export Priority Sector video and booklet. Focus has been placed on the tourism and agriculture sectors.

3.92. BELTRAIDE has MOUs with Atlantic Bank Limited, the Development Finance Corporation (DFC), and La Inmaculada Credit Union, aiming at improving enterprises' access to finance.

3.3 Measures Affecting Production and Trade

3.3.1 Tax and incentives

3.3.1.1 Tax

3.93. According to the World Bank's Doing Business Report, Belize ranks 69th out of 189 countries in the world for ease of paying taxes in 2016, a decline from the 57th rank in 2010. Belize made payment of taxes easier in 2012 by improving electronic filing and payment for social security contributions. On average, businesses in Belize make 29 tax payments a year, spend 147 hours a year filling, preparing and paying taxes, and pay total taxes amounting to 31% of profit.⁴⁷

3.3.1.1.1 General sales tax

3.94. A general sales tax (GST) of 12.5% is chargeable on both imports and domestically produced goods and services. With respect to domestically produced goods and services, the GST is applied at the retail stage and not the manufacturing stage. In the case of imports, it is levied at

⁴⁵ Preville & Associates Consulting Group (International) Limited (2015), *Reforming Subsidies Programme in Belize for Compliance with WTO Agreement on Subsidies and Countervailing Measures*, October.

⁴⁶ BELTRAIDE online information. Viewed at: <http://www.belzeinvest.org.bz/belize-invest-services/what-we-do/> [30/08/16].

⁴⁷ World Bank (2016), *Doing Business 2016*.

the moment of importation and is assessed on the basis of the c.i.f. customs value plus the import tariff.

3.95. Some goods and services have zero-rated GST, such as exports of goods and services, as well as a large number of agricultural products and supplies (Table 3.14). Some goods are exempted from the GST, while the Ministry of Finance may also exempt goods and services from the GST. The GST is not always applied equally on domestically produced goods and services and imported goods and services. Only locally produced fresh milk, locally produced fresh fruits and vegetables, and locally produced sweet bread and buns are zero-rated. A number of services, if they are domestically provided, are exempt from the GST, while some other goods and services for import are exempt from the GST.

Table 3.14 GST exempt and zero-rated items, 2016

Tax treatment	Goods and services
Zero-rated exported goods	Includes the supply of goods to a free zone under the Free Zones Act or an export processing zone under the Export Processing Zone Act
Zero-rated exported services	Services connected with exported goods and services consumed outside of Belize
Zero-rated supplies and imports	<p>Food for human consumption:</p> <ul style="list-style-type: none"> - Unprocessed foods (rice; flour; corn; fresh meat from any mammal, bird, fish; edible offal of bovine animals, swine, and sheep; eggs; beans; locally produced fresh milk; locally produced fresh fruits and vegetables; salt; tea) - Processed foods (edible swine and bovine meat salted or in brine; condensed and powdered milk; oats; percolated and instant coffee; cooking lard; cooking oil; margarine; chicken sausage (canned); potted meat; luncheon meat; corned beef (in cans); sugar; chocolate powdered drinks; baby formula; preparations of malt extract; macaroni and cheese; cereals; bread, corn and flour tortilla and locally produced sweet bread and bun; yeast; soups and broths in solid or powdered form (including Ramen) - Live birds, fish, crustaceans, mollusc or other animal of a kind used as, or producing, food for human consumption
	<p>Supplies connected with agriculture, livestock birds and fish, crustacean and molluscs and other supplies connected with agriculture: hatching eggs; animal feeding stuff suitable for any live bird, fish, crustacean, mollusc, or other animal of a kind generally used as, or producing, food for human consumption or for any draught animal; concentrated feed for bovine animals and swine; seeds and other means of propagation of plants that are used for providing certain food or feed; preparations formulated for agricultural use, namely fertilizers, pesticides, fungicides and herbicides; land preparation for agriculture, harvesting and crop-dusting services; barbed wire; irrigation pipes and hoses; spare parts for tractors; cables for banana industry; sugar-cane-loading machines</p>
	<p>Utilities: supply of water (other than water supplied in bottles or similar) or domestic sewerage services; butane gas for domestic production</p>
	<p>Medicine and medical supplies for human use: analgesics; cough and cold preparations; diagnostic testing kits; insulin and insulin syringes with needles and devices of a certain capacity; oral rehydration preparations in the form of salts and solutions of WHO/pharmacopoeia standards; dialysis fluids; oxygen; anti-retroviral medicines</p>
	<p>Items for household use: laundry washing soap powder</p>
	<p>Household appliances: stoves and ranges/cookers; refrigerators for domestic use; washing machines for domestic use</p>
	<p>Items and supplies for use in education: erasers, school bags, note books, pen and pencil holders and similar holders, writing or drawing pencils, crayons, pencil leads (black or coloured)</p>
	<p>Other: frames for eyeglasses</p>

Tax treatment	Goods and services
Exempt supplies (domestic production only)	Financial and other intermediation services; residential property transactions; supply of goods or services by an educational institution (including certain books, music and maps); medical supplies (medical, dental, hospital, optical and paramedical services, other than veterinary services and cosmetic surgery); accommodation services (supplied by hotels, inns, guesthouses, etc.); utilities and public transport (electricity to consumers who use up to BZ\$200.00 of electricity per month; postal services; domestic public transport; lease of aircraft and maintenance facilities; and air cargo operations); exported services; certain supplies to diplomatic missions; goods and services supplied to the Government of Belize
Exempt imports	Items and supplies for use in education: notebooks; pencils, crayons, lead pencils, erasers, pencil holders for use in schools; school bags Imports of component parts, accessories, and navigational instruments for installation in aeroplanes and ships used in international commercial services (Article 49 of the GST Act) Goods exported, other than for the purposes of repair, renovation or improvement, and subsequently re-imported (Article 49 of the GST Act)

Source: Information provided by the authorities, Statutory Instruments No. 37 of 2010 and No. 38 of 2010.

3.96. According to Statutory Instrument No. 49 of 2014, Internet services are subject to zero-rated GST, not GST exemption.⁴⁸

3.3.1.1.2 Excise duties

3.97. Under the Customs and Excise Duties (Amendment) Act 2016, excise duties are collected on goods produced locally and imported into Belize. 116 lines at the HS 8-digit level are subject to excise duties. They cover some sugar confectionery, waters, beer, wine, some liqueurs, cigars and cigarettes, petroleum oil, diesel oil, beauty or make-up preparations, transmission apparatus for radio-broadcasting, motor vehicles, cameras, watches, and arms (Table A3.2). Most rates are *ad valorem*, ranging from 5% to 30%.

3.3.1.1.3 Income tax, and others

3.98. Taxation of companies falls under the Income and Business Tax Act (2000) and is divided into: business tax, income tax, and income tax on petroleum profits.

3.99. Businesses are required to pay a business tax, charged on all receipts over a threshold, both cash and in-kind. Thus business tax acts like a tax on turnover. The thresholds are BZ\$75,000 for a business or trade, BZ\$20,000 for a profession or vocation, and BZ\$800 per month for rental receipts, if this is the only source of income. Business tax rates vary, depending on the type of business: from 0.75% on the sale of fuel and lubricants, to 25% withheld from management fees and some other charges paid by non-residents.

3.100. Businesses may choose to file returns for income tax, which has a flat rate of 25% that is applicable to both individuals and companies.⁴⁹ If the income tax is greater than the business tax, the excess income tax is waived. If the business makes a loss, the loss can be converted into a tax credit for business tax purposes and losses can be carried forward for up to five years (seven years for farmers).

3.101. Effective as of 28 December 2015, the tax on petroleum profits increased from 40% to 41% on diesel and to 45% for regular and premium gas.

3.102. Other internal taxes include a hotel tax of 9% levied on all accommodation charges, a stamp duty of 5% on land transactions above BZ\$20,000 (US\$10,000), a land tax of 1% on the unimproved value of land, and a property tax levied by the city/town council in each district.

⁴⁸ Department of General Sales Tax online information. Viewed at: <http://www.gst.gov.bz/legal.html> [07/12/16].

⁴⁹ Income Tax Department online information. Viewed at: <http://www.incometaxbelize.gov.bz/act.html#2> [13/09/16].

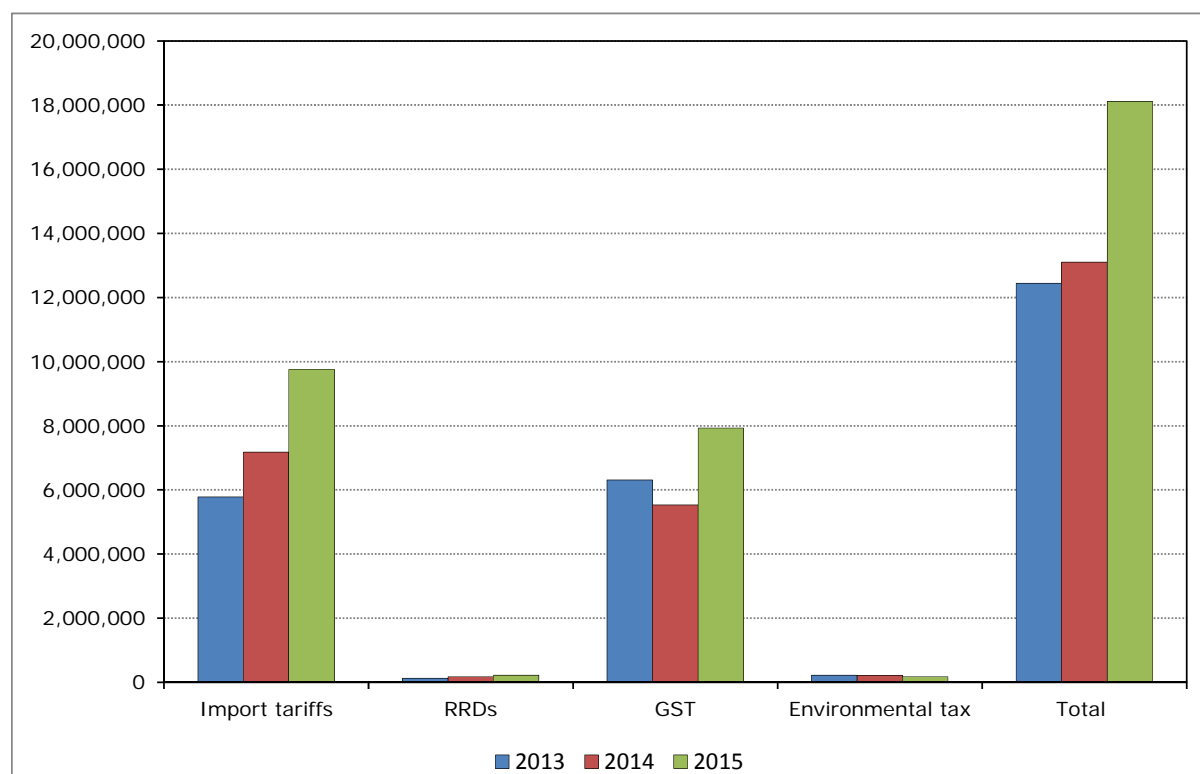
3.3.1.2 Other incentives

3.103. Incentive programmes are mainly provided under the Export Processing Zone Act, the Free Zones Act, and the Fiscal Incentives Act (Section 3.2.4). Other incentives include those given to offshore companies, and to retired persons (Section 2.4.1).

3.104. According to data provided by Customs, tax revenue foregone at the border was mainly as a result of import tariff and GST exemptions, followed by RRDs and environmental tax. The value of tax revenue foregone has been increasing (Chart 3.2).

Chart 3.2 Tax revenue foregone

(BZ\$)



Source: WTO Secretariat, based on data provided by Customs.

3.3.2 Competition policy and price controls

3.3.2.1 Competition policy

3.105. The Revised Treaty of Chaguaramas requires each CARICOM member State to enact harmonized competition legislation and establish a national competition authority to monitor and investigate anti-competitive business practices.⁵⁰ Under the EPA between CARIFORUM and the EU there is an obligation to implement competition laws and institutions as well as provisions on exchange of information and enforcement cooperation on competition matters.⁵¹

3.106. Belize is still in the process of developing its competition regime as required by its regional and international commitments. To this end, it has set up a Competition Project, funded by the EU as part of a regional programme to advance the integration of CARICOM States. The objective of the project is to develop and establish a policy, legislative and institutional framework to support a

⁵⁰ Article 74 and Article 170, Chapter 8, of the Revised Treaty of Chaguaramas. Viewed at: http://datd.cepal.org/Normativas/CARICOM/Ingles/Revised_Treaty_of_Chaguaramas.pdf.

⁵¹ Articles 127 and 128, Chapter 1, Title IV of the EPA between CARIFORUM States and the EU. Viewed at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:289:0003:1955:EN:PDF>.

national competition regime and increase awareness and understanding of competition law and practices.⁵² The Directorate General for Foreign Trade, within the Ministry of Economic Development, Petroleum, Investment, Trade and Commerce, is responsible for the management of the project. A draft competition bill was prepared in September 2016 and was being reviewed. The bill was expected to be submitted to Cabinet in early 2017.

3.107. Although Belize does not have overarching competition legislation, sector-specific laws contain competition provisions in areas such as public utilities and telecommunications. The Public Utilities Commission (PUC) approves prices for water, electricity and telecommunications, where there is no competition.⁵³ Also, the Belize Telecommunications Act empowers the PUC to monitor anti-competitive practices due to market dominance and prohibits telecom licensees from entering into agreements that have the purpose or effect of significantly lessening competition in the market.⁵⁴

3.108. At the regional level, the CARICOM Competition Commission (CCC) is in charge of implementing competition policy and rules. It has powers to monitor, investigate, detect, make determinations and take actions in respect of anti-competitive cross-border practices. CARICOM members, including Belize, are required to cooperate with the CCC and other national competition authorities, and to enact legislation to ensure that the Commission's determinations are enforceable in their national jurisdictions.⁵⁵ CCC determinations can be appealed at the Caribbean Court of Justice.

3.3.2.2 Price controls

3.109. Under the Supplies Control Act, 2000 (Cap. 293) and the Supplies Control (Prices) Regulations (Cap. 293s), Belize maintains maximum prices for a number of imported and locally produced goods.⁵⁶ According to the authorities, the objective of maintaining maximum prices is to ensure affordability of basic commodities for low-income consumers. The Supplies Control Act does not specify criteria to determine which commodities are subject to price controls.

3.110. The Belize Bureau of Standards is responsible for implementing the price control regime through the issuance of Statutory Instruments. Maximum prices are expressed either as percentage mark-ups at the wholesale and/or retail levels or as absolute prices. Imported goods subject to price control appear in the "First Schedule" of the Regulations, while local products are listed in the "Second Schedule". Currently, rice and red kidney beans appear in both Schedules. In the case of red kidney beans, the maximum price that may be applied to imports is higher than the maximum price allowed for domestically produced goods (Table 3.15).

Table 3.15 List of goods subject to price controls, 2016

Articles	Wholesale (maximum % ^a or absolute prices in BZ\$)	Retail (maximum % ^b or absolute prices in BZ\$)
First Schedule (imported goods)		
Butane (domestic) gas	Not regulated	Prices vary according to districts: BZ\$66.00 to BZ\$71.00 per cylinder of 100 lbs
Cheese (except refrigerated)	12.5%	20%
Coffee	12.5%	20%
Cooking oil	7.5%	15%
Diesel	Not regulated	BZ\$5.20 per U.S. gallon
Gasoline	Not regulated	
Regular		BZ\$9.34 per U.S. gallon
Premium		BZ\$9.87 per U.S. gallon
Kerosene	Not regulated	BZ\$4.66 per U.S. gallon

⁵² Beneficiaries of the project include experts from the areas of trade, law, agriculture, education, finance, and transport, as well as trade unions, the media, the business community, and regulatory agencies in civil aviation and port authority.

⁵³ Public Utilities Commission Act (Cap. 223); Water Industry Act (Cap. 222); Electricity Act (Cap. 221).

⁵⁴ Part IV of Belize Telecommunications Act.

⁵⁵ Article 174, Chapter 8, of the Revised Treaty of Chaguaramas.

⁵⁶ Supplies Control Act Chapter 293 of the Laws of Belize. Viewed at: <http://www.belize-law.org/web/lawadmin/index2.html>.

Articles	Wholesale (maximum % ^a or absolute prices in BZ\$)	Retail (maximum % ^b or absolute prices in BZ\$)
Lard	7.5%	15%
Margarine	10%	20%
Medical preparation and prescription drugs	10%	15%-25%
Milk (powered)	7.5%	15%
Red kidney beans	BZ\$115.00 per sack of 100 lbs	BZ\$1.28 per lb in Belize City and BZ\$1.25 per lb in other districts
Rice	BZ\$65.00 per 100 lb sack	BZ\$0.69 per lb
Sardine, mackerel, herring	12.5%	20%
Second Schedule (local produce)		
Beer	BZ\$38.00 per carton of 24 (10 oz. pint) bottles	BZ\$2.25 per 10 oz. pint (cold) in Belize City and BZ\$2.00 in other areas (cold)
Bread	Not regulated	
Not sliced		BZ\$1.50 per loaf
Sliced		BZ\$1.75 per loaf
Fish (fresh, frozen and chilled or corned) ^c	Not regulated	BZ\$1.35 to BZ\$1.50 per lb
Hard wheat flour ("Bebe Agua")	BZ\$80.00 per 100 lbs	BZ\$0.92 to BZ\$0.97
Mahogany and cedar (ex-mill prices at the factory)	Not regulated	BZ\$0.43 to BZ\$0.31 per board foot
Pine (ex-mill prices at the factory)	Not regulated	BZ\$0.53 to BZ\$0.89 per board foot
Primary hardwoods (mahogany and cedar)	Not regulated	BZ\$0.37 to BZ\$1.40 per board foot
Red kidney beans	BZ\$90.00 sack of 100 lbs	BZ\$1.10 per lb
Rice (5%-10% broken)	BZ\$0.75 per lb	BZ\$0.85 per lb
Rice (grade C, milled/white, in labelled packages)	BZ\$0.80 per lb (packages 25 lbs or less)	BZ\$0.90 per lb (packages of less than 25 lbs)
Soft wheat flour ("La Gitana")	BZ\$80.00 per 100 lbs	BZ\$0.90 to BZ\$0.95
Sugar, brown	Not regulated	BZ\$0.25 per lb
Sugar, plantation white	Not regulated	BZ\$0.75 per lb

- a Maximum percentage that may be added to the landed cost of imported goods. Landed cost is the sum of the c.i.f. value of imports, the customs duties and taxes, cartage and bank and port charges.
- b Maximum percentage that may be added to the wholesale price.
- c An additional 25 cents per lb may be added to the price of salt water fish, conchs, shrimps, and lobster sold in inland areas, and for clean gutted fish sold anywhere an additional 25 cents per lb.

Source: WTO Secretariat, based on the Supplies Control Act Cap. 293 and Regulations Cap. 293s.

3.111. The authorities have indicated that there have been no changes to the list of goods subject to price controls. However, adjustments to the maximum prices have been made regularly, mainly to reflect fluctuations in global market prices. The latest changes for imported goods concerned retail prices for fuels.⁵⁷ As regards local products, there were changes to the prices of sugar (2015)⁵⁸, rice (2015)⁵⁹ and wheat flour (2011).

3.3.3 State trading, state-owned enterprises, privatization, and support to SMEs

3.112. Belize has not made any notifications to the WTO regarding the state trading arrangement described in paragraph 1 of the Understanding on the Interpretation of Article XVII of the GATT 1994 (Section 2.3.1).

3.113. Belize has a number of state owned enterprises (SOEs) in the utilities and services sectors. The Government is the majority shareholder in, *inter alia*:

- Belize Water Services Limited, the sole provider of water services in Belize;
- Belize Electricity Limited, the sole provider of electricity services; and
- Belize Telemedia Limited, the largest telecommunication provider in the country.

⁵⁷ Statutory Instrument No. 56 of 2016.

⁵⁸ Statutory Instrument No. 9 of 2016.

⁵⁹ Statutory Instrument No. 17 of 2016.

3.114. In 2013, the Government did not renew the private contracts and took over the management of the International Business Companies Registry, and the International Merchant Marine Registry of Belize (IMMARBE).⁶⁰

3.115. The Government owns the Belize Marketing and Development Corporation (BMDC), and Belize Petroleum and Energy Limited (BPEL). The BMDC, under the Ministry of Agriculture and Fisheries, is the sole importer of wholly milled white rice into Belize at times of domestic shortage. The objective of this arrangement is for the BMDC to provide assistance to rice farmers in the south of Belize.

3.116. There has been no privatization process since the previous Review.

3.117. BELTRAIDE has been making efforts to foster enterprise development, and in particular of small and medium enterprises (SMEs). An SME Unit was established under BELTRAIDE in 2007, and an SME Policy and Strategy was developed after that. On 31 October 2012, the first Small Business Development Centre, under BELTRAIDE, was opened. This Centre provides business advisory services and technical assistance to entrepreneurs, start-ups and established companies.⁶¹ Further, on 20 November 2015, Belize launched its first National Entrepreneurship Strategy. BELTRAIDE is working on amending the BELTRAIDE Act to strengthen the SME mandate.

3.118. Under the Fiscal Incentives Act there is a programme for SMEs. It aims to encourage SME investments below BZ\$300,000. In order to qualify, companies must employ less than 15 persons; have an annual turnover not exceeding BZ\$500,000, and be a net foreign exchange earner. They cannot be a subsidiary of, or be controlled by, an entity that is not an SME. Joint ventures with foreign companies are allowed, provided that foreign ownership does not exceed 49%. Benefits for SMEs are the same as those for larger companies, although only investments of up to BZ\$300,000 are eligible for import duty and RRD exemptions. In addition, SMEs benefit from lower application and administration fees.

3.3.4 Government procurement

3.119. The Finance and Audit (Reform) Act 2005 sets out the rules on government procurement.⁶² It applies to the procurement of goods and services. In accordance with the Act, government procurement in Belize is decentralized.⁶³ The Act governs procuring entities including central Government entities, statutory bodies, some state-owned enterprises⁶⁴, municipal councils and village councils. The BEL (Belize Electricity Ltd.) and the BTL (Belize Telemedia Limited) are not covered. Belize reviewed the Finance and Audit (Reform) 2005 Act in 2010, to, *inter alia*, enhance transparency in the tendering process.⁶⁵ According to the revision (Statutory Instrument No. 31 of 2010), procuring entities need to inform bidders of contract award decisions and provide rejected bidders with the reason(s) for rejection.

3.120. At the time of the previous Review, the authorities indicated that the Government is looking to re-establish a centralized government procurement system. The authorities indicated that the establishment of new procurement regulations and the development of a website to increase transparency in the procurement process are still pending.

⁶⁰ U.S. Department of State, *2016 Investment Climate Statement – Belize*. Viewed at: <http://www.state.gov/e/eb/rls/othr/ics/investmentclimatestatements/index.htm?year=2016&dld=254507#9competition> [05/09/2016].

⁶¹ BELTRAIDE online information. Viewed at: <http://www.belizeinvest.org.bz/services-and-support/sme-development-2/sbdc-small-business-development-center/> [14/09/16].

⁶² The Finance and Audit (Reform) Act, No. 12 of 2005, Part IV. Viewed at: http://www.oas.org/juridico/spanish/mesicic2_biz_finance_audit_act.pdf.

⁶³ Finance and Audit (Reform) Act, No. 12 of 2005. Viewed at: http://www.oas.org/juridico/spanish/mesicic2_biz_finance_audit_act.pdf.

⁶⁴ These SOEs are: Belize Waters Service Ltd., Belize Marketing and Development Corporation, Belize Petroleum and Energy Ltd., Alba Petrocaribe (Belize Energy Ltd.), Development Finance Corporation, and Belize Infrastructure Ltd.

⁶⁵ Statutory Instrument 31 of 2010. Ministry of Finance online information. Viewed at: <https://www.mof.gov.bz/index.php/downloads/finish/31-laws-and-regulations/123-si-31-of-2010-finance-and-audit-reform-act> [05/09/2016].

3.121. Belize is neither a party of, nor an observer to, the WTO plurilateral Agreement on Government Procurement (GPA). Belize's position remains unchanged since the last review: a decision to join the GPA would be taken in conjunction with a regional decision by CARICOM. According to Article 239 of the Revised Treaty of Chaguaramas (RTC), CARICOM member States are to elaborate a protocol relating to, *inter alia*, government procurement.⁶⁶ To support regional integration of CARICOM, a Task Force formed in 2011 is responsible for overseeing, coordinating and scheduling activities for the enactment of various dimensions of the Framework Regional Integration Policy (FRIP) on public procurement. According to the authorities, a new Government Procurement Act is expected to be effective in 2017.

3.122. The Belize legislation on government procurement has no distinction between domestic and foreign companies. There is no policy favouring local producers. Foreign companies are therefore, in principle, allowed to participate in public procurement.

3.123. The Finance and Audit (Reform) Act stipulated three tendering procedures: open tendering, selective tendering, and limited tendering (Box 3.1). Open tendering procedures are obligatory for procurement contracts of BZ\$5 million (US\$2.5 million) or above: such contract awards must be presented to both Houses of the National Assembly within one month of their execution. Procuring entities may use either open or selective tendering procedures for purchases of goods and services under the threshold.⁶⁷

3.124. Given Belize's decentralized procurement system, each procuring entity is permitted to develop its own tendering procedures and practices. In 2013, the Government issued a Handbook for Government Procurement, requiring procuring entities to use harmonized practices and standard forms, bidding documents, and evaluation criteria. However, the authorities indicated that the Handbook has not been implemented, and thus the situation has not improved. There continues to be a lack of uniformity in documentary requirements and evaluation criteria.

3.125. Open tendering must be published in local newspapers. Large contracts, particularly those financed by external donors, are published in the international press, or on the websites of the respective donors. Statistics are not available on contract awards according to tendering procedures, type of contracts, or origin.

3.126. The only statistics on contract awards are those reported by the Contractor-General. The Contractor-General presents annual reports to both Houses of the National Assembly. These annual reports contain statistics at the individual procuring entity level of the number and the value of contracts. These statistics are not available to the Secretariat.

3.127. The Contractor-General has parliamentary oversight for government procurement contracts. All contracts, regardless of procurement methods, must be submitted to the Contractor-General for review and comments. If the Contractor-General assesses that the contract is not in the best interests of the Government or the country, he/she submits comments in writing to each House of the National Assembly for debate before execution of contract. The Contractor-General's responsibility is to monitor, ensure the award and implementation of public contracts, and investigate fraud, mismanagement, waste or abuse in government procurement activities. The Contractor-General's Office may conduct investigations, but may not enforce findings and decisions; enforcement remains the responsibility of the National Assembly.⁶⁸ During the review period, one investigation was conducted. In February 2013, the Ministry of Finance and the Ministry of Economic Development requested an investigation led by the Contractor-General into the allegations of corruption charged against the Belize Social Investment Fund (BSIF).⁶⁹ This led

⁶⁶ The Revised Treaty of Chaguaramas. Viewed at: http://cms2.caricom.org/documents/4906-revised_treaty-text.pdf [06/09/2016].

⁶⁷ Finance and Audit (Reform) Act 2005 No. 12 of 2005, Section 19 (5)-(6). Viewed at: http://www.oas.org/juridico/spanish/mesicic2_biz_finance_audit_act.pdf.

⁶⁸ The Contractor-General Act, Chapter 6, sections 15, 16 and 29 (1) (3). Viewed at: <http://www.belizelaw.org/lawadmin/PDF%20files/cap006.pdf>.

⁶⁹ The BSIF was incorporated in 1996 as a statutory body through the Belize Social Investment Fund Act. It approves projects and programmes and provides financial and technical assistance to community groups and local government organizations which serve to provide basic services to the most severely affected groups in the country. (Viewed at: <http://www.sifbelize.org/>)

to the termination of contracts of relevant staff members and the resignation of the Executive Director of BSIF.⁷⁰

Box 3.1 Tendering procedures

Procedure	Legislative requirements
Open tendering procedure	<p>Conditions for participation in tendering to (a) be published in adequate time for suppliers to complete the applicable qualification procedure; (b) be limited to those essential to ensuring the suppliers' capacity to fulfil the contract; (c) not discriminate against any supplier. A supplier's capacity is to be judged on the basis of its global business activity.</p> <p>The processing of and time required for the qualification of suppliers is not to be used to prevent any "applicable supplier" from being considered. Any supplier who is able to meet the conditions for participation in the tendering procedure is considered a "qualified supplier". Unqualified suppliers requesting to participate in the tender may be considered if there is sufficient time. If the Government maintains a permanent list of "qualified suppliers", an "applicable supplier" may apply to be included in the list. The Government is obliged to notify suppliers of the inclusion and removal of their names from the list.</p> <p>The Government, through the appropriate Ministry, shall consider suppliers' tenders; identify suppliers who would be short-listed and interviewed; award the contract to a suitable supplier(s); and notify unsuccessful suppliers in writing (the reasons for a supplier being considered unsuccessful are not stated).</p>
Selective tendering procedure	<p>The Government must ensure that the number of applicable suppliers invited to submit a tender is sufficient to ensure competition without affecting the efficiency of the process.</p> <p>Government selection of suppliers to submit a tender must use the following guidelines: need for fairness and non-discrimination; relevant market for procurement; need for expediency in the public interest; number of suppliers or purchasers in the relevant market; knowledge of government procedures by the applicable suppliers.</p> <p>The Government may select a supplier from a permanent list of qualified suppliers, if it exists.</p>
Limited tendering	<p>The Act also allows the Government to buy goods and services directly without issuing a tender or by inviting individual suppliers to submit a tender for a contract (limited tendering). This is permitted: (a) where the open or selective tendering procedure was used but no tender was received; (b) where it is the Government's view that the tenders received under open or selective tendering are collusive, or not in compliance with conditions specified in the tender invitation; (c) where for certain reasons (technical, protection of exclusive rights, or related to a work of art) goods or services can only be procured from one supplier; (d) for reasons of extreme urgency or in the public interest; (e) where goods procured are required by the Government as parts that are a replacement for, or addition to, existing goods or installations, thereby meeting inter-changeability requirements; (f) where the service procured is an extension of an existing one; (g) where goods or services are a prototype or subject to intellectual property rights, or a first product or service to be manufactured or performed in pursuance of an experiment, original study or original development; and (h) for national security or national emergency reasons or to purchase goods or services needed for the day-to-day operations of the Government.</p>

Source: Finance and Audit (Reform Act) 2005.

3.128. Any complaints regarding government procurement may be forwarded to the Contractor-General. Information on complaints made, and how the Contractor-General has handled them, was not available to the Secretariat.

3.3.5 Intellectual property rights

3.129. Since the previous Review, there has been no change to the legislative and institutional framework on intellectual property rights protection, and no change to Belize's international commitments (Table 3.16). Belize notified its contact point to the WTO in 2010, but has not made any other notifications regarding IPRs since then.⁷¹ Belize deposited its instrument of acceptance for the 2005 protocol amending the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) on 15 September 2016. This protocol is intended to formalize a decision to ease poorer WTO Members' access to affordable medicines. The protocol allows exporting countries

⁷⁰ Belize National Television Station Plustv online information. Viewed at: <http://www.plustvbelize.com/minister-of-economic-development-briefs-the-media-on-sif-terminations/>.

⁷¹ WTO document, IP/N/3/Rev.11, 4 February 2010.

to grant compulsory licences to their generic suppliers to manufacture and export medicines to countries that cannot manufacture the needed medicines themselves. These licences were originally limited to predominantly supplying the domestic market.⁷² Belize Intellectual Property Office (BELIPO) remains the national agency responsible for the protection of copyrights, industrial designs, patents, trademarks, new plant varieties, and layout designs (topographies) of integrated circuits.

Table 3.16 IPR

IP rights	Protection and legislation
Copyright	Covers original literary, dramatic, musical or artistic work for the life of the author plus 50 years; sound recordings, films, broadcasts and cable programmes for 50 years from the end of calendar year in which it was made; typographical arrangements of a published edition for 25 years from the end of the calendar year in which the reedition was first published Copyright Act (Cap. 252, revised edition 2000) (2000)
Trademarks	10 years from date of filing (renewable) Trade Marks Act (Cap. 257, revised edition 2000) (2000)
Geographical Indications	10 years from date of filing (renewable) Trade Marks Act (Cap. 257, revised edition 2000) (2000)
Industrial designs	5 years from the date of filing, renewable for two consecutive periods of five years each Industrial Designs Act (Cap. 254) (2000)
Patents	20 years from date of filing, non-renewable Patents (Amendment) Act, No. 40 of 2005 (2005) Patents Act (Cap. 253, revised edition 2000) (2000)
Utility models	7 years from date of filing, non-renewable Patents (Amendment) Act, No. 40 of 2005 (2005) Patents Act (Cap. 253, revised edition 2000) (2000)
Layout-designs (topographies) of integrated circuits	10 years from the date of filing or date of first commercial exploitation, not renewable Protection of Layout-Designs (Topographies) of Integrated Circuits Act (Cap. 256) (2000)
New plant varieties	25 years for vines, forest trees, fruit trees, and ornamental trees, 20 years for all other species Protection of New Plant Varieties Act (Cap. 255, revised edition 2000) (2000)
Date of membership	WIPO-administered treaties
12 July 2003	Hague Agreement Concerning the International Deposit of Industrial Designs (1925)
17 June 2000	Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) (1994)
17 June 2000	Berne Convention for the Protection of Literary and Artistic Works (1886)
17 June 2000	Convention Establishing the World Intellectual Property Organization
17 June 2000	Paris Convention for the Protection of Industrial Property (1883)
17 June 2000	Patent Cooperation Treaty (1970)

Source: WIPO online information. Viewed at: <http://www.wipo.int/wipolex/en/profile.jsp?code=BZ> [07/09/16].

3.130. In fulfilment of EPA provisions, a draft Geographical Indications Bill was produced in November 2015 (Section 2.3.2); according to the Ministry of Trade, this Bill was sent to the Solicitor General's Office for review.

3.131. As the laws on patents, industrial designs, and new plant varieties all restrict the importation of goods placed on the market in another country with the consent of their legitimate right holder, parallel imports of these products are not allowed. In practice the right holder is required to institute court proceedings to prevent parallel imports. The Layout Designs (Topographies) of Integrated Circuits Act does not expressly restrict the importation of goods placed on the market in another country with the consent of their legitimate right holder. Under the Trade Marks Act, a registered mark is not infringed by its use in relation to goods that have

⁷² WTO online information. Viewed at: https://www.wto.org/english/news_e/news16_e/trip_15sep16_e.htm [18/01/2017].

been put on the CARICOM Single Market and Economy by the legitimate right holder; this principle does not apply when the imports are from non-CARICOM countries. Parallel importation of copyrighted material is not allowed.

3.132. Compulsory licensing may be granted under the Patents Act, the Protection of Layout Designs (Topographies) of Integrated Circuits Act, and the Protection of New Plant Varieties Act. Since 2010, no compulsory licences have been granted.

3.133. The authorities indicated that on average it takes 30 months for a patent to be granted, from the date of receipt in Belize. Regarding trademarks, Belizean nationals may file trademark applications directly, while foreign applications must be made through an agent who must be an attorney residing and practising in Belize. After the application information is filed, the substantive examination procedure applies. It takes a maximum of two months for a mark to proceed to publication, or for a letter to be issued if there is objection to the mark. In the case of objection, the applicant has two months to respond. Once the response is received, the mark is required to go through the substantive examination process. Marks are then published three times fortnightly; after these six weeks, another six weeks are given to any person who may object to the registration of the mark. It takes around six months in total for a trademark to be registered.

3.134. Details of applications and grants for trademarks, patents, and industrial designs are published in BELIPO's Intellectual Property Journal (<http://www.belipo.bz/ip-journal/>). The authorities indicated that, an application may be rejected on the basis of: similarity with earlier marks or being identical to earlier marks; or if the mark is not distinctive enough to be registered as a trademark as it was only descriptive of the applicant's goods or services.

3.135. All IPR legislation contains provisions for enforcement, including civil procedures and criminal procedures. Remedies available in civil procedures include the seizure and destruction of the infringing products and the equipment used to manufacture them, and the payment of damages. Remedies in criminal procedures include fines and imprisonment.

3.136. Some reports argue that IPR enforcement is lacking in Belize.⁷³ Reportedly, there were cases of counterfeit goods destined for the Corozal Free Zone. In accordance with the IPR legislation, right holders may instruct Customs to treat pirated or counterfeit goods made outside Belize as prohibited goods. The right holder must provide relevant evidence. According to the Customs Regulation (Prohibited and Restricted Goods) (Consolidation) Order, 1988, the export of any infringing goods, or devices or means for making such infringing goods, is prohibited. Customs may not seize infringing materials in an *ex officio* capacity, but the police may seize a good or article if it appears to be an infringing copy or to be used for infringing purposes.

3.137. The authorities indicated that Belize is in the process of completing a national IP strategy, including IPR enforcement. In 2015, BELIPO, with the assistance of WIPO, conducted a workshop on IPR enforcement for law enforcement officials, including Customs, the judiciary and other stakeholders. Topics included IP enforcement and the public interest, legal framework, trademark counterfeiting and copyright piracy, and investigating IP crimes.

⁷³ U.S. Department of State, *2016 Investment Climate Statement – Belize*. Viewed at: <http://www.state.gov/e/eb/rls/othr/ics/investmentclimatestatements/index.htm?year=2016&dclid=254507#9competition> [07/09/2016].

4 TRADE POLICIES BY SECTOR

4.1 Agriculture

4.1. Agriculture is important to the economy of Belize: in 2015, horticulture and livestock farming represented 9.9% of GDP¹ and employed about 19,100 people.² Furthermore, manufacturing largely depends on inputs from farms to the processing industry, with beverages and manufacturing of food products contributing an additional 5.8% to GDP.³

Table 4.1 Contribution of agriculture to GDP, 2008-14

(BZ\$ million)

	2008	2009	2010	2011	2012	2013	2014
Constant prices (2000)							
Crops	173.2	162.9	193.7	177.7	202.0	196.6	190.6
Livestock	36.5	37.1	38.4	43.0	42.6	44.8	53.6
Forestry	12.7	10.2	5.8	5.9	5.3	5.2	5.2
Food products manufacturing	124.9	126.2	118.1	121.1	139.6	128.7	126.4
Current prices							
Crops	183.8	179.3	199.8	219.4	273.0	253.2	257.8
Livestock	41.7	44.4	50.8	59.8	64.8	72.4	89.5
Forestry	14.4	11.9	7.0	7.9	7.1	7.9	8.9
Food products manufacturing	159.5	157.2	148.9	161.5	199.0	196.8	193.6

Source: Statistical Institute of Belize.

4.2. About 38% of land in Belize, or about 800,000 hectares, is potentially suitable for agriculture but only about 78,000 hectares are actually used, with roughly half of this area under pasture and half for growing crops. The main crops produced are bananas and sugar for export to the EU, and citrus fruit for processing into juice and export to the United States. In addition, maize and fresh fruits and vegetables are produced for both domestic consumption and export.

4.3. The structure of agricultural production varies considerably with subsistence farming (characterized by fallowing every 2-3 years), small commercial farms producing for the local market or sugar cane for export, large commercial farms producing for export, plantation farming for bananas, and commercial farming of cereals and vegetables by the Mennonite communities. Most farms are small: about 53% are less than 5 acres (2.02 hectares) in size. Furthermore, 50% of the 5,444 holdings producing sugar cane are less than 10 acres in size, and 85% of cattle farms have less than 30 animals each. However, production of some products tends to be concentrated in a small number of larger farms, with nine banana producers accounting for most production and 35 out of 525 citrus growers accounting for 75% of production. The citrus processing industry is also concentrated, with Citrus Products of Belize Ltd having a near monopoly on processing and exporting and the Belize Sugar Industries (BSI) and Santander Group processing and exporting 80% of the crop as well as cultivating over 12,000 acres.⁴

4.4. Agriculture faces a number of challenges: disease outbreaks have reduced production of citrus fruits, papaya, and shrimp; tropical storms cause wind and flood damage; and poor infrastructure adds to the cost and time of getting products to market. Despite these challenges, the production of sugar has remained quite stable over the 2008-15 period, while the production of maize, kidney beans, pigs, poultry, and milk has increased (Table 4.2).

¹ Belize Statistical Institute online information. Viewed at: <http://www.sib.org.bz/statistics/gross-domestic-product> [December 2016].

² ILOSTAT Database. Viewed at: <http://www.ilo.org/global/statistics-and-databases/lang--en/index.htm> [August 2016].

³ Belize Statistical Institute online information. Viewed at: <http://www.sib.org.bz/statistics/gross-domestic-product> [August 2016].

⁴ Belize authorities.

Table 4.2 Agricultural production 2008-15

	2008	2009	2010	2011	2012	2013	2014	2015
Crops								
Sugar cane ('000 long tons)	980	918	1,123	844	1,070	1,078	1,214	1,186
Oranges ('000 90 pounds per box)	5,866	5,618	4,040	4,563	6,008	4,160	4,159	4,073
Grapefruit ('000 80 pounds per box)	1,441	1,124	1,435	721	964	701	598	754
Corn (maize) ('000 pounds)	81,684	126,487	127,975	138,241	132,615	158,567	157,368	159,158
Rice paddy ('000 pounds)	25,971	45,449	45,246	42,068	27,155	45,205	34,888	25,989
Red kidney beans ('000 pounds)	5,532	5,873	14,573	8,167	13,318	12,479	9,321	18,489
Bananas ('000 40 pounds per box)	3,751	3,752	4,288	4,085	5,716	5,447	5,662	5,448
Cocoa and dry beans (pounds)	111,000	86,115	57,629	57,629	150,000	145,000	165,850	158,365
Papaya ('000 pounds)	59,476	54,349	66,340	67,990	42,760	56,510	34,180	21,666
Livestock								
Cattle: No. slaughtered (#)	8,401	7,961	7,414	7,861	7,283	8,081	6,775	6,995
Dressed weight ('000 pounds)	3,780	3,582	3,336	3,537	3,671	4,073	3,415	3,525
Pigs No. slaughtered (#)	19,602	21,953	22,415	21,704	22,505	21,453	21,942	26,120
Dressed weight ('000 pounds)	2,352	2,634	2,690	2,604	3,106	2,959	3,028	3,605
Poultry No. slaughtered ('000 units)	8,329	8,429	8,590	8,817	8,965	9,518	10,244	10,732
Dressed weight ('000 pounds)	27,767	28,577	30,113	30,579	31,550	33,525	38,579	40,774
Milk ('000 pounds)	6,438	8,277	7,331	8,698	11,873	11,028	10,281	12,570
Honey ('000 pounds)	63	130	89	130	103	100	64	98
Eggs ('000 dozen)	3,374	3,427	4,034	3,534	2,743	3,573	4,089	4,230

Source: Central Bank of Belize.

4.5. In addition to challenges related to events such as outbreaks of disease, droughts and tropical storms, agriculture in Belize has also been affected by other events. These other events included the decision by J.R. Brooks, the owner of Fruta Bomba (the largest papaya producer), to reduce the area under cultivation in 2015 as a step towards ceasing production in 2016 and the closure of a major banana farm in 2015, which reduced the area under cultivation by 19% to 6,845 acres.⁵

4.1.1 Trade

4.6. During the 2008-2015 period, exports of agricultural goods (WTO definition)⁶ fluctuated considerably, peaking at US\$211 million in 2012 but declining to US\$148 million in 2014 and then recovering in 2015. The sharp fall was mostly due to a reported collapse in banana exports to zero in 2014 and 2015 (Table 4.3). However, according to data reported by importers, imports of bananas from Belize actually increased in 2014 compared to 2013 and remained relatively high in 2015 (Table 4.4). Furthermore, data from the Central Bank of Belize indicate that exports of bananas were valued at BZ\$100.8 million in 2014, and BZ\$98.4 million in 2015.⁷

4.7. Exports are concentrated in a few products with cane sugar and frozen orange juice accounting for about two thirds of exports by value in 2015 and, including bananas, nearly three quarters of export value in 2013. Overall, the destination of exports has not changed over the past few years. Nearly all cane sugar goes to the United Kingdom, the main destinations for frozen concentrated orange juice are the United States and the Netherlands, most animal feed preparations go to other Caribbean and Central American countries, and papayas to the United States. Since 2007, exports of several products have declined – particularly citrus fruit products and papayas due to diseases. Although exports of sugar cane, beans and some other agricultural products have increased, it has not been enough to compensate for the decline.

⁵ Central Bank of Belize (2016), *Annual Report 2015*.

⁶ For the purposes of this section of the Trade Policy Review Report, the definition of agricultural products used is that set out in Annex 1 of the Agreement on Agriculture where fish and fish products are taken to include tariff lines under HS Headings 020840, 03, 050800, 050900, 051191, 1504, 1603, 1604, 1605, and 230120.

⁷ Central Bank of Belize online information. Composition of Domestic Exports (Table 34). Viewed at: <https://www.centralbank.org.bz/rates-statistics/balance-of-payments> [January 2017].

4.8. Belize has traditionally had a surplus in trade in agricultural products (WTO definition). However, in 2014 and 2015, imports of cigarettes (HS 2402 20) increased sharply compared to previous years. Imports of some other products increased significantly, including wheat flour, rice, and animal feed preparations which all increased by over 200% from 2012 to 2015. According to the authorities, the increase in imports of cigarettes was related to imports into the free zones.

Table 4.3 Trade in agricultural goods, 2008-15

(US\$ million)

HS 2002	Exports	2008	2009	2010	2011	2012	2013	2014	2015
	Total agriculture exports	147.6	150.9	142.7	165.8	210.6	207.6	147.6	161.6
170111	Cane sugar, raw	35.7	38.8	29.4	41.4	53.8	53.7	55.1	67.2
200911	Orange juice, frozen, unfermented	46.5	43.1	32.5	46.3	65.6	47.8	41.4	41.1
080720	Papaws (papayas), fresh/dried	11.3	16.5	12.7	13.1	7.8	10.3	6.6	6.5
240220	Cigarettes cont. tobacco		0.0		0.9		0.5	1.1	6.3
230990	Preparations of a kind used in animal feeding other than dog/cat food	0.1			0.2	0.4	13.6	12.5	5.9
071333	Kidney beans, incl. white pea beans (<i>Phaseolus vulgaris</i>), dried, shelled,	1.5	1.7	3.4	2.7	3.9	4.9	4.7	5.6
330112	Essential oils of orange	1.5	1.5	1.7	2.9	4.9	1.4	3.0	4.1
200921	Grapefruit juice	10.7	6.5	7.4	5.5	6.6	5.9	4.0	3.8
170310	Cane molasses	1.4	1.6	3.0	1.4	1.9	3.8	2.9	3.2
071339	Beans (<i>Vigna spp.</i> , <i>Phaseolus spp.</i> (excl. of 0713.31-0713.33)), dried, shelled	0.2	0.0	0.1	0.2	0.0		3.5	2.9
080300	Bananas, incl. plantains, fresh/dried	33.4	33.3	41.3	33.9	47.4	48.5	..	..
	Imports	2008	2009	2010	2011	2012	2013	2014	2015
	Total agricultural imports	105.5	98.7	115.4	105.3	124.3	132.0	227.5	215.9
240220	Cigarettes cont. tobacco	4.5	4.9	15.4	3.3	6.9	8.8	59.2	55.9
230990	Preparations of a kind used in animal feeding other than dog/cat food	5.7	7.0	5.8	5.2	5.0	4.1	22.3	14.7
210690	Food preps., n.e.s.	6.4	6.4	5.9	5.9	6.9	7.9	9.4	9.9
220300	Beer made from malt	2.4	2.2	2.8	1.1	2.4	3.0	6.7	7.7
230400	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil	3.9	3.6	4.4	4.8	6.6	8.1	8.1	7.0
100110	Durum wheat	9.6	7.5	6.9	6.9	9.5	8.5	6.6	6.0
151790	Edible mixtures of animal vegetable fats or oils ... - Other	2.0	2.1	2.1	2.5	2.8	3.4	3.9	5.2
220830	Whiskies	7.9	2.6	6.2	5.9	3.3	3.4	4.8	5.1
040630	Processed cheese, not grated/powdered	2.7	2.6	2.6	3.1	3.3	3.4	3.9	4.1
190110	Preparations for infant use	2.1	2.5	2.2	2.2	2.9	3.3	3.6	4.0

.. Not available.

Source: UNSD Comtrade.

Table 4.4 Imports of bananas from Belize, 2008-15

(US\$ '000)

	2008	2009	2010	2011	2012	2013	2014	2015
United Kingdom	46,776	51,729	56,301	50,633	59,115	53,126	56,645	53,151
Ireland	12,406	14,354	11,193	12,796	16,112	16,643	15,784	16,928
Spain	0	0	0	..	1,260	1,697	2,141	3,084
Other	3,580	22	12	6	755	135	86	785

.. Not available.

Source: UNSD Comtrade.

4.9. Belize has duty-free access to the EU for all goods under the CARIFORUM–EU Economic Partnership Agreement (EPA), for most goods to the United States under the Caribbean Basin Initiative (CBI), to Canada under the Caribbean–Canada Trade Agreement (CARIBCAN), and to other territories under agreements between them and CARICOM (Section 2). Under the EPA with the EU, Belize and other CARIFORUM members have duty-free access to the EU market for all products (a transitional safeguard mechanism for sugar ended in 2015 without having been triggered). Although sugar and beef are subject to specific rules under the CBI, Belize also receives a country-specific allocation from the U.S. sugar quota of 11,583 to 11,807 with additional allocations in some years.⁸

4.1.2 Agricultural policies

4.10. The Ministry of Agriculture, Fisheries, Forestry, Environment and Sustainable Development is responsible for the development and implementation of agricultural policies, although several other ministries are also responsible for various policies affecting agriculture including the Ministry of Finance, Public Service, Energy and Public Utilities, the Ministry of Economic Development, Petroleum, Investment, Trade and Commerce, and the Ministry of Natural Resources. In addition, several government agencies are also involved in implementing policies related to agriculture, such as the Belize Agricultural Health Authority, and the Belize Bureau of Standards.

4.11. The legal basis for regulating the agricultural sector has not changed very much since the last Review, consisting of:

- The Sugar Industry Act, 2001, the Sugar (Industry Development Fund) (Use) Regulations of 2003, and the Sugar Industry (Control) Regulations of 2003. The Act set up several bodies responsible for different parts of the sugar industry, including: the Sugar Industry Control Board; the Sugar Cane Production Committee; the Sugar Industry Research and Development Institute; the Sugar Cane Quality Control Authority; and the Belize Sugar Cane Farmers Association. The Act also created the Sugar (Industry Development) Fund and the Sugar (Labour Welfare) Fund. Under the Sugar Industry (Amendment) Act of 2015, since 14 January 2015, sugar cane producers have no longer been required to join the Belize Sugar Cane Farmers Association or any other association. The Sugar Industry Control Board may register any association and sugar manufacturers may accept cane from any producer or association of producers;
- The Banana Industry Act, 2000, which set up the Banana Control Board to regulate the banana industry;
- The Meat and Livestock Act, 2000, which established the Meat and Livestock Commission and the Livestock Producers Association and created the Livestock Producers Development Fund. The Commission was set up to regulate cattle-breeding organizations, operate livestock auctions, and regulate slaughtering, movement, and export of cattle. The Association was created with the objective of developing the livestock industry;
- The Grain Act, 1982, which provides for the establishment of the Grain Commission to regulate the sector and the Grain Growers Association to promote the industry; and
- The Citrus (Processing and Production) Act, 2003, and the Citrus (Processing and Production) Regulations, which set out the basis for the licence regime for imports of citrus fruits and provided the legislative basis for the Citrus Board.⁹

4.12. The importance of the agricultural sector in the development of the economy was identified in Horizon 2030, the National Development Framework for Belize 2010–2030. The Framework sets out a number of basic objectives, including promotion of production, improving access to finance

⁸ WTO documents: G/AG/N/USA/79, 3 November 2010; G/AG/N/USA/79/Add.1, 27 May 2011; G/AG/N/79/USA/Add.2, 13 June 2012; G/AG/N/USA/84, 7 May 2012; G/AG/N/USA/84/Add.1, 8 February 2013; G/AG/N/USA/92 11 February 2013; G/AG/N/USA/96, 21 July 2014; G/AG/N/USA/101, 28 April 2015; G/AG/N/USA/101/Add.1, 31 July 2015; G/AG/N/USA/106, 25 April 2016; and G/AG/N/USA/106/Add.1, 27 April 2016.

⁹ WTO document WT/TPR/S/238/Rev.1, 23 November 2010, paragraph 4.19.

and insurance for producers, improving access to land, and increasing government investment in infrastructure and inputs.¹⁰ The National Food and Agriculture Policy for 2002 to 2020 also set out several objectives related to increasing productivity, investment, and value-added in agriculture production and processing.¹¹

4.13. The Ministry of Agriculture has developed a National Agricultural Policy 2015-2030, which is still in draft form and, at end-2016, had been presented to the Government for approval. Some parts of the Policy relating to the Ministry are being implemented. According to the authorities, the main objectives of the Policy are: to enhance production, productivity, and competitiveness; to increase market development, access and penetration; to increase food and nutrition security and improve rural livelihoods; to enhance sustainable agriculture and risk management; and to enhance accountability, transparency and coordination.

4.14. Belize applies the CARICOM common external tariff to agricultural products. In 2016, the average tariff on agricultural products was 23.3% and varies from duty-free to 100% for wheat flour and some tariff lines for fruit juices, water, and alcoholic beverages. In addition, the Revenue Replacement Duty (RRD) was applied to many agricultural tariff lines at rates of 10% to 40%. The Environment Tax is applied, at 2%, to all non-CARICOM imports (Sections 3.1.2 and 3.1.3).

4.15. Import duties are bound at a ceiling level of 100%, with a few exceptions where rates range from 70% to 110% and "other duties and charges" apply. Belize has no tariff quota commitments and does not use tariff quotas.

4.16. Discretionary import licences continue to be applied to imports of some agricultural goods in order to control imports and protect domestic producers. The list of goods includes rice, beans, hen eggs, maize and maize flour, many fruits and vegetables and juices, meat and meat products, sugar, water, and beer (Section 3.1.4).

4.17. While import measures are used to protect domestic producers from competition and to raise domestic prices, the Government also applies price controls to a number of agricultural products including rice, red kidney beans, sugar, cheese, margarine, and powdered milk. The price controls are applied either as limits to the wholesale and/or retail price or through limits to the mark-up allowed at wholesale and retail levels. The Supplies Control Unit in the Belize Bureau of Standards is responsible for applying price controls (Section 3.3.2.2).

4.18. To help achieve the objectives of the draft National Agricultural Policy, one of the priorities identified is to improve domestic and export credit policies to address the relatively high interest rates charged on loans and the difficulties exporters face in obtaining export credits, insurance, and guarantees. At end-2015, 10% of loans by domestic banks (BZ\$203 million) and 6% of loans by credit unions (BZ\$226 million) were to the agriculture sector.¹² Concessional credit is available from several financial institutions including the Development Finance Corporation (DFC), Belize Enterprise for Sustainable Technology (BEST), Help for Progress, Belize Livestock Producers Association (BLPA), and the Small Farmers Bank/National Bank of Belize.

4.19. Belize has never made any notifications to the WTO Committee on Agriculture in relation to domestic support under the Agreement on Agriculture. With relatively high tariffs and an import licence system, which should raise domestic prices, there should be a transfer from consumers to agricultural producers. However, some of the products subject to high tariffs and import licences are also subject to price controls, which could reduce prices, and therefore returns to producers. The levels and the direction of transfers between consumers and producers could not be calculated as farm gate prices for agricultural commodities in Belize are not available. According to the authorities, the Statistics Institute of Belize, in cooperation with IDB and FAO, is working to improve the agriculture data system.

¹⁰ Government of Belize (2011), *Horizon 2030 – National Development Framework for Belize 2010-2013*, p. 29,

¹¹ Ministry of Agriculture & Fisheries (2003), *The National Food & Agriculture Policy (2002-2020)*, April, pp. 33-36.

¹² Central Bank of Belize (2016), *Annual Report 2015*, pp. 46-47, Table A.31.

4.20. In terms of budgetary transfers from the Government to agricultural producers, total funding for the Ministry of Agriculture, Fisheries, Forestry, Environment and Sustainable Development declined from BZ\$50.44 million for fiscal year 2013/14 to BZ\$29.7 million for 2015/16. The biggest programme in the Ministry's budget is for agricultural research and development although most of the projects under the programme are for investment and disease control and they include the EU-funded Belize Rural Development Project, Accompanying Measures for Sugar Protocol Countries, and Special Framework for Assistance for Traditional ACP Suppliers of Bananas (Table 4.5):

- The objective of the Rural Development Project is to support sustainable economic growth in rural areas through assistance to small-scale income generating schemes, and social infrastructure projects;
- The Accompanying Measures for Sugar Protocol Countries aim to improve productivity in the sugar industry, improve physical and institutional infrastructure, and help diversification. The first phase focused on road infrastructure projects and the second on projects to improve competitiveness, improve research and development, rural development, and diversification. The programme was developed to assist development of areas affected by the reforms of the sugar regime in the EU;
- The Special Framework for Assistance for Traditional ACP Suppliers of Bananas was developed to assist ACP exporters of bananas to come to terms with the liberalization of the EU banana regime. For Belize, the objectives of the Framework are to improve competitiveness of the banana industry and support diversification.¹³

4.21. After research and development, the Agriculture Extension Programme is the next largest programme with estimated expenditure of BZ\$4.9 million in 2015/16. The aims of the Programme include support for increased productivity for crops and livestock through improved management, introduction of higher yield varieties or better genetics, as well as support for the development of the Belize Farm Registry and the school feed programme.

Table 4.5 Agriculture, forestry and fisheries expenditure, fiscal years 2012/13-2015/16

	2012/13 actual	2013/14 actual	2014/15 actual	2015/16 revised estimate
Total budget ceiling for Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development	n.a. ^a	50,440,084	36,033,724	29,723,462
of which				
Recurrent expenditure	n.a.	13,729,575	14,723,230	16,050,250
Capital II ^b	n.a.	4,192,250	5,734,081	3,603,031
Capital III ^c	n.a.	32,518,259	15,576,413	10,070,180
Programmes				
Agriculture Research and Development	18,812,198	37,978,735	22,507,932	10,331,334
National Agriculture Extension Programme	2,138,118	4,306,449	4,269,854	4,877,279
Fisheries Resources Management and Development	2,354,917	2,494,675	2,568,058	2,453,329
Forestry Resource Management	1,899,446	1,989,269	2,123,150	2,525,553
Aquaculture	..	109,819	188,516	246,411
Financial Assistance to Agricultural Producers	..	0	0	1,867,817
Agriculture Research and Development	18,812,198	37,978,735	22,507,932	10,331,334
of which				
Recurrent expenditure	2,927,716	2,597,059	2,773,681	1,460,647
Capital II	981,998	3,373,502	4,437,882	2,554,865
of which				
Medfly eradication	n.a. ^a	138,480	0	0
Influenza H1N1 virus	n.a. ^a	0	287,412	448,735
Cattle sweep (Belmopan) ^d	211,288	1,497,400	1,694,154	208,333
Diversification	35,501	51,707	69,630	55,909

¹³ European Commission online information. Viewed at: http://eeas.europa.eu/delegations/jamaica/index_en.htm and https://ec.europa.eu/europeaid/countries/belize_en [September 2016].

	2012/13 actual	2013/14 actual	2014/15 actual	2015/16 revised estimate
Support to traditional crops	54,112	50,806	51,200	100,980
Assistance to small farmers	n.a. ^a	432,489	0	0
Horticulture programme	43,410	94,175	121,102	130,459
Rice project	24,826	132,289	119,170	176,442
Capital III	14,702,485	32,008,174	15,296,369	6,315,822
of which				
EU – BRDO Project	2,408,439	4,547,989	2,793,471	1,250,000
EU – Sugar Support	11,066,135	19,688,150	6,439,377	2,916,667
EU – Banana	843,258	4,793,114	3,316,842	1,250,000
Agriculture Services Programme	168,229	2,728,921	2,671,424	449,583
Cattle sweep ^d	n.a. ^a	0	0	416,667

.. Not available.

n.a. Not applicable.

a Expenditure and revenue data for the Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development started for Fiscal Year 2013/14. In earlier years, data applied to different ministries.

b Capital II refers to domestically financed capital expenditure.

c Capital III refers to donor financed capital expenditure.

d Cattle sweep refers to systematic testing for brucellosis in cattle.

Source: Belize Approved Estimates of Revenue and Expenditure for Fiscal Year 2016/2017 and Fiscal Year 2015/2016.

4.2 Fisheries

4.22. In 2015, there were 2,459 licensed fishers and, in 2015, fisheries and aquaculture contributed about BZ\$81 million, or 2.3% to GDP, a considerable increase from 1.8% in 2011 but below the peak of nearly 5% in 2003.¹⁴ Furthermore, the fish sector contracted in 2015 compared to 2014 as output of farmed shrimp declined by nearly 42% as production halted early in 2015 to address a bacterial infection. Increases in output of farmed tilapia and capture of conch and lobster did not make up for the decline in shrimp production.¹⁵

4.23. The capture fisheries subsector may be divided between the near-shore wild-capture artisanal fisheries and high seas fishing where Belize-flagged vessels are authorized to operate in Belize's non-territorial waters. Most of the 2,459 licensed fishers belong to one of the four fishing cooperatives which purchase their catch. However, private companies are becoming active in buying directly from fishers. Artisanal fishers tend to focus on lobster and conchs which are more commercially significant, while high-seas fishing is focused on sardines, mackerel, and tuna. Total catch declined from 2010 to 2014 (Table 4.6). However, according to the authorities, in 2015, landings of spiny lobster increased significantly.

Table 4.6 Capture fisheries, 2007-14

(Tonnes)

	2007	2008	2009	2010	2011	2012	2013	2014
Total	305,645	364,275	304,217	399,928	277,413	171,937	34,672	76,187
of which								
Caribbean spiny lobster	630	642	624	672	833	660	652	650
Shrimps, prawns	890	74	22	4	1,090	0	0	0
European anchovy	28,759	19,977	29,341	31,956	29,245	11,365	18	10
Sardines	25,479	19,024	20,192	14,402	29,849	4,514	2,820	425
Sardinellas, n.e.i.	68,910	76,473	53,166	68,439	56,727	50,422	3,140	15,503
Jack and horse mackerels n.e.i.	128,654	192,114	166,413	229,972	113,105	58,580	5,285	23,894

¹⁴ Belize Statistical Institute online information. Viewed at: <http://www.sib.org.bz/statistics/gross-domestic-product> [January 2017].

¹⁵ Central Bank of Belize (2016), *2015 Annual Report & Statement of Accounts*, Belize, p. 33.

	2007	2008	2009	2010	2011	2012	2013	2014
Pacific chub mackerel	25,297	28,134	17,073	36,754	22,967	11,393	1,912	10,373
Skipjack tuna	0	0	1,487	3,109	7,798	15,733	6,858	11,080
Yellowfin tuna	1,552	1,382	1,538	2,150	3,310	6,028	5,387	7,172
Abalones, winkles, conchs	1,959	2,080	2,500	2,395	2,908	3,626	3,080	2,152

Source: FAO FishStat.

4.24. In 2013, the EU Commission identified Belize as a non-cooperating third country and, in 2014, the EU Council listed it as such. As a result, a number of legal and institutional changes were introduced and, in October 2014, the EU Commission proposed to the EU Council of Ministers that the measures taken were sufficient to remove Belize from the list.¹⁶

4.25. Shrimp farming is the main aquaculture activity in Belize and had stabilized production at about 7,200 tonnes per year in 2014 (Table 4.7). However, vibriosis affected production in 2015 and only one shrimp farm remained in production, at a much reduced level. Total revenues fell from BZ\$132 million in 2014 to BZ\$20 million in 2015. BAHA, in coordination with the Ministry of Natural Resources and Agriculture and the Shrimp Growers Association, implemented measures to control the disease outbreak. These measures included improved Good Management Practices, introduction of genetically resistant brood stock and the implementation of biological control with the use of Tilapia fish. A task force (Advisory committee) has also been formed comprised of personnel from BAHA and the Shrimp Growers Association in an effort to develop guidelines for improved management practices, registry, bio-security, and movement control, among others, in an effort to control aquatic diseases.¹⁷

4.26. On the other hand, tilapia production increased¹⁸ and eight shrimp farms representing nearly all production have been certified as meeting the Aquaculture Stewardship Council standards, as has the only tilapia farm.¹⁹

Table 4.7 Aquaculture production, 2007-14

(Tonnes and US\$ million)

		2007	2008	2009	2010	2011	2012	2013	2014
Total	Tonnes	3,172	4,528	5,725	7,411	5,102	5,880	7,143	7,213
	US\$ m	13.9	17.2	22.7	25.5	17.8	20.5	25.0	28.8
of which									
Tilapias	Tonnes	400	1,865	1,613	658	55	63	60	47
	US\$ m	1.0	4.7	4.0	1.6	0.2	0.2	0.2	0.1
Shrimps	Tonnes	2,472	2,279	4,027	6,670	5,047	5,813	7,080	7,164
	US\$ m	11.1	10.3	18.1	23.3	17.7	20.3	24.8	28.7
Cobia	Tonnes	300	834	85	83	0	0	0	0
	US\$ m	1.8	2.3	0.5	0.5	0.0	0.0	0.0	0.0

Source: FAO FishStat.

4.27. Belize has a large trade surplus in fish and fish products with exports of US\$44.6 million and imports of US\$0.9 million in 2015.²⁰ The main exports are frozen shrimp, although fresh shrimp exports started to become significant in 2014; both declined significantly in 2015. Efforts to diversify fishing away from shrimp also appear to be successful as exports of molluscs and invertebrates also became significant in 2014 (Table 4.8). The main destinations for fish products (HS03) are the United States, Mexico, and other Caribbean countries.

¹⁶ European Commission online information. Viewed at: http://ec.europa.eu/fisheries/cfp/illegal_fishing/index_en.htm [September 2016].

¹⁷ Information provided by BAHA.

¹⁸ Central Bank of Belize (2016), *2015 Annual Report & Statement of Accounts*, Belize, p. 33

¹⁹ ASC online information. Viewed at: <http://www.asc-aqua.org/index.cfm?lng=1> [September 2016].

²⁰ For the purposes of this section of the Trade Policy Review Report, the definition of fish and fish products is taken to include tariff lines under HS Headings 020840, 03, 050800, 050900, 051191, 1504, 1603, 1604, 1605, and 230120.

Table 4.8 Exports of fish and fish products, 2008-15

(US\$ million)

HS02		2008	2009	2010	2011	2012	2013	2014	2015
	Exports of fish	23.83	26.29	31.33	25.41	29.05	56.50	57.30	44.60
	of which								
030613	Shrimps & prawns, whether or not in shell, frozen	10.72	14.47	14.85	10.50	14.14	42.03	41.77	28.4
030611	Rock lobster & oth. sea crawfish (<i>Palinurus spp.</i> , <i>Panulirus spp.</i> , <i>Jasus spp.</i> ...) frozen	3.49	3.56	3.92	5.39	7.52	7.03	7.00	7.65
030623	Shrimps & prawns, whether or not in shell, other than frozen	0.02	0.00	0.71	0.00	0.07	0.00	2.46	1.48
030799	Molluscs & invertebrates (excl. of 0307.10-0307.60), frozen/dried/salted/in ...	0.01	0.02	0.79	0.49	0.27	0.76	2.37	3.48
030791	Molluscs & invertebrates (excl. of 0307.10-0307.60), live/fresh/chilled	0.00	0.00	0.00	0.00	0.02	0.08	2.31	0.93
030612	Lobsters (<i>Homarus spp.</i>), whether or not in shell, frozen	3.91	2.94	3.24	3.49	0.22	0.05	0.81	2.02
030379	Fish, n.e.s., frozen (excl. fillets/oth. fish meat of 03.04/livers & roes)	0.04	0.04	0.19	0.58	0.43	0.53	0.28	0.16

Source: UNSD Comtrade database.

4.28. The principal legislation on fisheries is the Fisheries Act which was enacted in 1948 and last revised in 1989 (Chapter 210), its subsidiary legislation which was last revised in 2003 (Chapter 210S), and the High Seas Fishing Act, 2013. Under the Fisheries Act, commercial fishing requires a fisher to have a fisher folk licence, the fishing vessel must be licensed for seaworthiness, and a seafood permit or export licence is needed for trade. The Act also allows the Minister to establish marine reserves and regulations for the sector and provides for the inspection and enforcement of the Act and regulations. A new Fisheries Resources Bill has been prepared, which the authorities expect to be enacted in 2017. When enacted, the Bill will, according to the Ministry, help achieve the following objectives:

- Compliance with international laws;
- Establish principles of ecosystems management and a precautionary approach to resource management;
- Establish an advisory council;
- Provide a legal basis for co-management agreements;
- Strengthen the marine reserves;
- Provide for managed access in areas both within and outside the marine reserves;
- Increase fines and penalties;
- Provide for fisheries management plans; and
- Create a transparent and accountable process for the implementation of regulations.²¹

4.29. The High Seas Fishing Act 2013 provides the domestic legislative basis to comply with the FAO Agreement to Promote International Conservation and Management Measures by Fishing Vessels on the High Seas. The Act provides the legislative basis for the High Seas Fishing Unit, *inter alia*, to issue regulations to determine participatory rights, allocate fishing quotas, issue fishing licenses, and set effort and gear restrictions.

4.30. The Aquaculture Unit, in the Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development, is responsible for aquaculture and the Belize Fisheries Department (BFD) is responsible for developing policy and managing fishery resources. Within the BFD:

²¹ Rodney L., Maaz J. (2013), *Belize's Fisheries Act*, presentation. Viewed at: http://www.rareplanet.org/sites/rareplanet.org/files/fisheries_act.pdf [September 2016].

- the Policy Planning Unit is responsible for policy development and coordination, providing personnel and financial resources to complement government programmes;
- the Ecosystem Management Unit is responsible for protecting stocks through the nine marine reserves;
- the Capture Fisheries Unit monitors commercially important stocks; and
- the Conservation Compliance Unit is responsible for enforcing the fisheries regulations.

4.31. In addition, the High Seas Fisheries Unit under the Ministry of Finance is the authority responsible for the regulation and control of high seas fishing.

4.32. To qualify for a fishing licence, the applicant must show that s/he sells marine products in Belize and is permanent resident in, or is a citizen of Belize. A fishing licence is required to obtain a vessel licence.

4.33. Fishing policy in Belize is focused on maintaining a sustainable yield from fisheries resources while continuing to contribute to food production, foreign exchange earnings. Various effort and gear restrictions apply in Belize depending on the species caught, such as catch size restrictions and closed seasons for several species, including lobster, conch, Nassau grouper, sea cucumber, and hicatee. Bottom trawling has been banned since 2010 and restrictions apply to net mesh sizes and placement of nets as well as other equipment and all nets must be registered with the BFD. Total allowable catches (TACs) apply to some different species, for example: in 2015, the BFD carried out two surveys of sea cucumbers and, as a result, reduced the TAC from 400,000 lbs to 300,000 lbs for the 1 May to 31 June season; and the TAC for conch was set at 800,000 lbs for the 2015/16 season.²²

4.34. In 2011, the BFD established a programme of managed access that restricts access to designated areas to those with a licence to fish there. Eight areas have been designated as inshore fishing areas and one deeper water area has been marked out for expansion and diversification. Implementation of the programme began in 2016.^{23, 24}

4.35. According to the authorities, recent results of field research on Queen Conch and Sea Cucumber stocks have helped Belize to develop and implement improved management strategies for these fisheries to ensure sound management and sustainable use. The full implementation of the Managed Access Programme to all fishing areas in Belize together with the implementation of an Adaptive Management Framework (AMF) – designed to address the need for assessment and management of data-limited fisheries such as the conch and lobster fisheries – and the expansion of marine protected areas to 21.7% of the territorial sea coupled with a planned expansion of replenishment area (no-take zones) from 3.15% to 10% will provide for better management of Belize's fishery resources and development of the sector.

4.36. The national implementation of the Belize Electronic Licence and Permit System (BELAPS) will help to improve customer satisfaction through an easy and simple process for online applications and the granting of licenses and permits which aims to increase effectiveness and improve fisheries export data collection and monitoring.

4.37. Total funding for fisheries management in the Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development is about BZ\$2.5 million per year while visitation fees for marine reserves provide about BZ\$0.5 million in revenue.²⁵

4.3 Mining and minerals

4.38. According to the United States Geological Survey, Belize is not a globally or regionally significant mineral producer nor was it likely to become a significant producer. However, petroleum

²² Belize Fisheries Department (2016), Press Release, 29 January.

²³ Rodney L., Maaz J. (2013), *Fisheries Regulations*, presentation.

²⁴ Wade B. (2016), *Belize National Report*, Belize Fisheries Department, April.

²⁵ Ministry of Finance (2016), *Belize Approved Estimates of Revenue and Expenditure for Fiscal Year 2016/2017*, p. 15, 104-105.

is important to the economy and to government revenues, although production has declined significantly in the past few years as reservoirs became depleted and prices fell. In 2015, mining and quarrying contributed 0.4% to GDP and "other manufacturing" (which is mostly petroleum) contributed 1.1% to GDP. While the contribution of mining and quarrying has been relatively stable for several years, the contribution of petroleum has declined in line with falling production and prices.

4.39. There are two producing oilfields in Belize: Spanish Lookout which was discovered in 2005; and Never Delay discovered in 2007. Both were discovered and operated by Belize Natural Energy Ltd (BNE). Production in Spanish Lookout peaked at 5,000 bbl/day in 2009, but averaged 1,445 bbl/day in 2015²⁶ and 1,265 bbl/day for January to August 2016.²⁷ Production in Never Delay peaked at 500 bbl/day, but has declined recently and the field is currently under evaluation for further development. The crude oil is trucked to Big Creek for export, mostly to the United States for refining. The total value of exports of petroleum products has declined with production and prices from US\$155 million in 2011 to US\$72 million in 2015. Imports increased to US\$152 million in 2014 before falling to US\$116 million in 2015 (Table 4.9).

Table 4.9 Exports and imports of mineral fuels, mineral oils, and products of their distillation, 2008-15

(US\$ million)

HS02		2008	2009	2010	2011	2012	2013	2014	2015
Exports									
27	Total mineral fuels, mineral oils and products of their distillation	118.8	69.8	102.0	154.8	93.2	80.7	58.4	26.9
	of which								
2709	Petroleum oils, crude	118.3	63.6	10.6	146.0	93.2	70.1	51.1	18.2
2710	Petroleum oils, other than crude	0.5	6.3	1.4	8.7	..	10.6	7.3	8.6
Imports									
27	Total mineral fuels, mineral oils and products of their distillation	136.0	105.7	115.6	144.7	145.1	142.2	151.6	115.9
	of which								
2710	Petroleum oils, other than crude	120.6	95.9	104.3	131.8	130.0	127.3	133.0	101.2
2711	Petroleum gases and other gaseous hydrocarbons	14.5	8.7	10.2	12.5	13.1	13.9	16.2	12.1
2714	Bitumen and asphalt, natural	0.7	0.9	0.9	0.4	1.9	0.9	1.9	2.1

.. Not available.

Source: UNSD Comtrade database.

4.40. The Mining Unit in the Ministry of Natural Resources is responsible for developing policy and legislation and regulation of the minerals sector, while the Geology and Petroleum Department in the Ministry of Economic Development, Petroleum, Investment, Trade and Commerce is responsible for the same for petroleum.

4.41. The principal legislation governing the mineral industry is the Mines and Minerals Act (Chapter 226) and subsidiary regulations and, for petroleum, the Petroleum Act (Chapter 225). In addition, several other laws and regulations also affect exploration and exploitation of minerals and petroleum, such as the Environmental Protection Act, the Forests Act, and the National Park Systems Act.

4.42. For minerals, extraction of less than 16,000 cubic yards of material requires a quarry permit from the Inspector of Mines. A quarry permit is valid until end-December of the year in which it is granted. Extraction of more than 16,000 cubic yards requires a mining licence from the Ministry of Natural Resources. The duration of a mining licence depends on the estimated life of the deposit up to a maximum of 20 years. Prospecting licences are available for non-invasive prospecting as non-exclusive licences from the Inspector of Mines or as reconnaissance licences from the Minister of Natural Resources which allow for trenching, coring, test pitting, and subsurface sampling in

²⁶ Central Bank of Belize (2016), *2015 Annual Report & Statement of Accounts*, p. 34.

²⁷ Central Bank of Belize (2016), *Monthly Economic Highlights – August 2016*, 23 November, p. 7.

areas of up to 50 km² for one year. Exploration licences may also be obtained from the Minister for areas of up to 25 km² for three years. All mineral rights require performance bonds to ensure compliance with the terms of the rights. Bonds vary with the scale of operations, the work programme and the sensitivity of the area. The standard bonds vary from BZ\$3,000 for a quarry permit up to BZ\$10,000 for prospecting licences. Licence applications must include permits from other relevant public agencies (such as a Permit for Land Reclamation if dredging is required, or a Permit for Environmental Clearance) and written consent from landowners or leaseholders if private land is accessed or traversed.²⁸

4.43. Detailed conditions relating to exploration and exploitation of oil and gas are set out in the production sharing agreement between the Government and the petroleum company. According to the Geology and Petroleum Department, the fiscal regime is a hybrid of a royalty/tax regime and a production-sharing regime with revenue from both royalties and the Government's working interest in the platforms.

4.44. The contribution to government revenue from royalties, production sharing, and other fees and duties from oil and minerals has declined significantly since FY2011/12 when it was over BZ\$38 million to an estimated BZ\$11 million in FY2015/16 (Table 4.10).

Table 4.10 Mining and quarrying and petroleum contributions to government revenue, FY2011/12 to FY2015/16

(BZ\$)

	2011/12 actual	2012/13 actual	2013/14 actual	2014/15 actual	2015/16 estimate
Excise – locally produced oil	171,699	182,389	..	..	184
Excise – locally extracted crude oil	1,370,361	1,792,014	1,518,484	1,250,009	1,229,132
Oil mining and prospecting licences	3,876,782	9,770,023	8,080,218	1,233,679	3,488,895
Mining fee	..	156,443	288,642	312,645	291,624
Royalties on petroleum production	16,390,599	14,568,896	15,493,994	10,732,808	4,000,000
Oil working interest	16,277,975	..	6,542,791	4,691,010	2,000,000

.. Not available.

Source: Belize Approved Estimates of Revenue and Expenditure for Fiscal Years 2016/17 and 2013/14.

4.4 Services

4.4.1 Overview and multilateral commitments

4.45. Services are the main contributor to the economy, accounting for 60% of GDP (at market prices) throughout the period under review (Section 1). In 2015, the main subsectors in terms of their contribution to GDP were: wholesale and retail trade (15%); transport and communication (9.5%); and general government services (11%). Overall, the services sector grew at an annual average rate of 3% between 2009 and 2014, with hotels and restaurants, wholesale and retail trade, and transport and storage registering the highest growth rates. Around 66% of the workforce was employed in the tertiary sector in 2015.²⁹ Belize's trade in services balance was positive throughout each of the review years (Section 1).

4.46. Belize's specific commitments under the General Agreement on Trade in Services (GATS) cover only two of the twelve sectors defined in the Services Sectorial Classification List.³⁰ These are: medical services and telecommunications. Medical services include general, neurosurgery, epidemiological, and CT scan services. For these, Belize liberalized modes 1, 2 and 3; while leaving mode 4 unbound, except for senior managerial personnel and technical experts not available in the

²⁸ Mining Unit online information. Viewed at: <http://www.mnra.gov.bz/natural-resources/mining-unit/> [September 2016].

²⁹ Information provided by the authorities.

³⁰ WTO document MTN.GNS/W/120, 10 July 1991.

local labour market, as indicated in its horizontal commitments.³¹ Belize made no entries regarding MFN exemptions.

4.47. Belize participated in the 1997 telecommunications negotiations and accepted the Fourth Protocol on Basic Telecommunications Services as well as the Reference Paper on Telecommunications. In its specific commitments, Belize reserved exclusivity of service provision for the then incumbent Belize Telemedia Limited (BTL) in several telecommunications subsectors, including voice telephone, faxes and electronic mail. In some subsectors (trunked radio and teleconferencing services) exclusivity of provision was reserved until the end of 2002, and in some others (on online information and data retrieval, code and protocol conversion, paging, and data processing) until the end of 2007.³²

4.48. In 2016, Belize submitted a rectification of its trade in services schedule on purely technical grounds not affecting the scope or substance of the existing commitments.³³

4.4.2 Banking and insurance services

4.4.2.1 Main features

4.49. The structure of Belize's financial system has not changed much since its last TPR review. In mid-2016, there were five domestic banks³⁴, five international banks, twelve credit unions, one development financing institution and ten domestic insurance companies. There are also 54 money lenders operating under licences granted by the Ministry of Finance. Except for these and the insurance companies, all other financial institutions are regulated and supervised by the Central Bank of Belize.

4.50. The financial system's total assets amounted to BZ\$5.6 billion by end-December 2015, or 164% of GDP. Domestic banks dominate the sector accounting for 57.6% of total assets in 2015, followed by international (offshore) banks (21.3%), credit unions (14.7%), domestic insurance companies (4.5%), and the development financing institution (1.8%) (Table A4.1). In the domestic banking sector, the biggest bank in terms of assets accounts for nearly 30% of all assets in the sector. In the international banking sector, three banks hold around 75% of total assets.

4.51. There continues to be a strong foreign presence in Belize's financial system, with most banks and insurers forming part of regional/international conglomerates. The credit unions, on the other hand, are fully locally owned. There are two state-owned financial institutions: the National Bank of Belize, a commercial bank established in 2013 with the primary purpose of providing affordable mortgage lending, and the Development Finance Corporation (DFC), which provides development financing for the domestic market and underserved market segments such as education loans.

4.52. The system is characterized by a distinct separation between domestic and international (offshore) financial institutions, each being subject to different laws and regulators. Licensed domestic banks and domestic insurance companies conduct business with residents. Licensed international banks and international insurance companies offer their services exclusively to non-residents. Despite separate laws and regulatory bodies, all financial institutions are subject to the Money Laundering and Terrorism (Prevention) Act, 2008 (MLTPA) and its amendments.

4.53. A significant development in the financial sector during the review period was the strengthening of Belize's framework for anti-money laundering and combating the financing of terrorism (AML/CFT). Belize's MLTPA was amended in 2013, 2014 and 2016 in order to align it with the Financial Action Task Force (FATF) Recommendations. The amendments improved banking standards, such as requirements for account opening, ongoing account monitoring, performance of risk assessment, and the obligation to submit information to the Belize Financial Intelligence Unit (FIU), which is the authority responsible for the investigation and prosecution of money

³¹ WTO document GATS/SC/10, 15 April 1994.

³² WTO document GATS/SC/10/Suppl.1, 11 April 1997.

³³ WTO document S/L/413, 10 August 2016.

³⁴ In early 2016, First Caribbean International Bank Limited sold its assets to Heritage Bank Limited and exited the banking sector. This consolidation reduced the number of domestic banks to five.

laundering, terrorism and related crimes. Other areas that were strengthened were the role of the FIU as the Supervisory Authority, including its powers and duties in relation to designated non-financial businesses and professions; and the enforcement of foreign orders and cooperation with foreign regulatory bodies. Belize is a member of the Caribbean Financial Action Task Force (CFATF); improvements to the MLTPA allowed Belize to exit the CFATF monitoring process in 2015.

4.54. On the other hand, a recent development that has caused concern in Belize is the loss of correspondent banking relationships by several locally licensed banks due to the "de-risking" measures taken by international banks to comply with stringent AML/CFT international regulations. Indeed, as correspondent banking services have been designated as a high risk activity for AML/CFT purposes, a number of global banks offering such services have cut correspondent ties with banks in small jurisdictions (with small transaction volumes) in order to avoid the risk of the imposition of high regulatory fines. In the case of Belize, this has resulted in eight locally licensed banks (three domestic and five international banks) losing their correspondent banking relationship in 2015. This situation has led to an increase in transaction costs and a winding down of deposits in international banks. However, the authorities have indicated that all of the affected local banks have now established at least one relationship with a financial institution providing corresponding banking services.

4.55. At the time of writing, a National Payments System (NPS) bill had been submitted to Cabinet and was expected to be enacted by the House of Representatives before the end of 2016. The NPS has been functional since October 2016. In addition, work is ongoing on a project for the establishment of a credit bureau, with a draft bill having been completed but not yet submitted to Cabinet.

4.4.2.2 Banking

4.4.2.2.1 Domestic banks

4.56. Domestic banks are subject to the supervision of the Central Bank, which makes and enforces regulations for the sector and is responsible for granting banking licences. Prior approval of the Minister of Finance is required for all regulations made by the Central Bank under the banking legislation and for certain Central Bank actions such as revoking licences and enforcing remedial action on banks. Since 2013, the Central Bank does not require authorization from the Minister of Finance to grant licences and approve acquisitions and changes in the control of banks.³⁵

4.57. During the period under review, important changes were made to legislation governing domestic banks. A revised Domestic Banks and Financial Institutions Act, 2012 (DBFIA) was approved by Parliament in August 2012 and enacted on 1 January 2013. Amendments were aimed at enhancing the regulatory and supervisory framework for banks and financial institutions to comply with the international standards and best practices established by the Basel Committee, and at improving compliance with the DBFIA by setting administrative penalties for non-compliance. Main amendments included provisions on related parties transactions, consolidated supervision, corporate governance standards and improvements to bank resolution (Box 4.1).

4.58. Under the DBFIA, two types of entity may apply for a banking licence: (i) local companies incorporated in Belize under the Companies Act (including subsidiaries of foreign-owned banks), and (ii) foreign banks incorporated under the laws of another country and proposing to carry on banking business in Belize through a branch. All applicants are required to designate a principal office in Belize and an official approved by the Central Bank to act as the licensee's authorized agent or spokesperson during the application process.³⁶ Branches of foreign banks must be registered as an overseas company under the Companies Act. Representative offices are not permitted.

³⁵ Section 18(2) and Section 27 of the Domestic Banks and Financial Institutions Act 2012.

³⁶ Article 16 (3) v and vi of the DBFIA.

Box 4.1 Main amendments in the Domestic Banks and Financial Institutions Act, 2012

- Requirement that all transactions with related parties be identified and submitted for the approval of the licensee's Board of Directors in order to minimize insider dealings, and the establishment of limits on the quantum of business that may be conducted with a related party;
- Strengthening of corporate governance by establishing minimum requirements for the number of directors and the creation and composition of specific oversight committees of the board;
- Requirement that all banks adopt International Financial Reporting Standards (IFRS) in preparing their financial reports;
- More stringent limits on banks with respect to their investment in equity holdings;
- Requirement for financial holding companies to be established in order to separate the financial from the commercial activities of a group in the case of banks which form part of a group;
- Establishment of administrative penalties to serve as a deterrent for non-compliance with Central Bank regulations; and
- Improvement of the resolution structure to allow for a Statutory Administrator with sufficient legal powers to undertake restructuring transactions and implement a mechanism for orderly liquidation.

Source: Information provided by the authorities.

4.59. Banks can only engage in insurance business if the Supervisor of Insurance (SOI) grants them a licence. The Central Bank must provide a letter of "no objection" to the SOI when a bank applies for an insurance licence.

4.60. There is no deposit insurance system in Belize.

4.61. The DBFIA 2012 increased the minimum paid-up capital requirements for local and foreign banks from BZ\$3 million (US\$1.5 million) to BZ\$10 million (US\$5 million). In addition, foreign banks must have worldwide fully paid-up or assigned capital of no less than BZ\$100 million (US\$50 million, increased from US\$25 million in 2012). Apart from this, the requirements for local and foreign banks are essentially the same.

4.62. Reserve requirements are still the main monetary policy tool used by the Central Bank. The secondary reserve requirement for domestic banks set in June 2010 remains unchanged at 23% of average deposit liabilities.³⁷ The cash reserve requirement that banks must maintain at the Central Bank is 8% of average deposit liabilities.³⁸ In 2011, the Central Bank reduced the proportion of treasury bills that domestic banks were required to hold as part of their securities requirement from 6.5% to 0% of average deposit liabilities. The mandatory minimum capital adequacy ratio (CAR) for domestic banks is 9% of risk-weighted assets. Except with prior approval of the Central Bank, the maximum credit exposure to a single person is 25% of the fully paid-up and unimpaired capital and reserves of a bank; and the limit on unsecured lending to one person is 15% of paid-up capital or assigned capital.

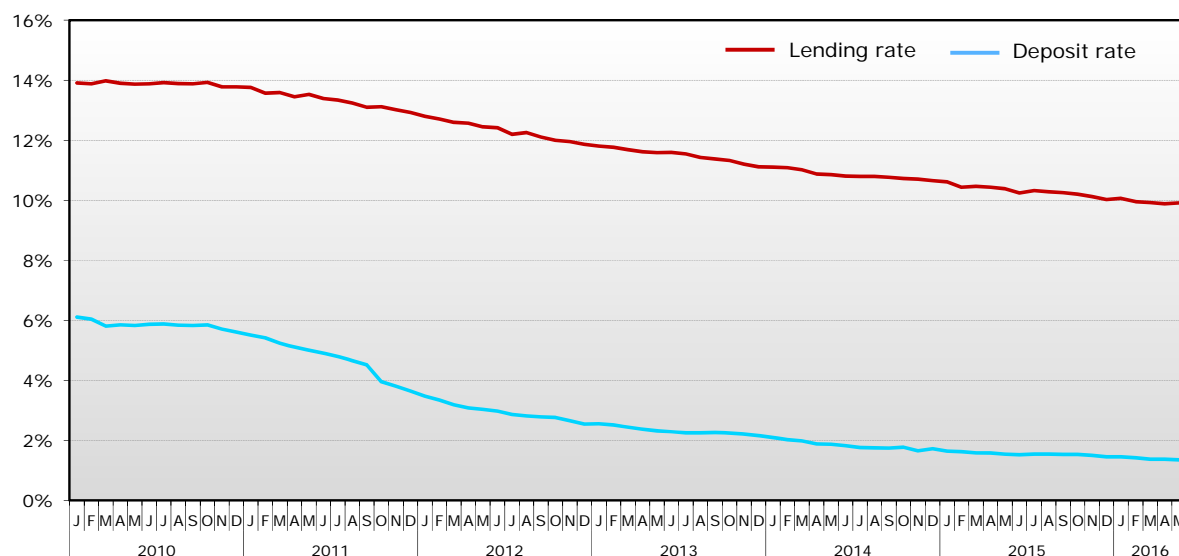
4.63. Interest rates in Belize remain much higher than in the United States (notwithstanding that the Belizean dollar exchange rate is fixed to the U.S. dollar), which is partly explained by insufficient competition in the banking sector and, according to the authorities, by poor lending decisions taken in the past and the need to recover losses. While interest rates have somewhat declined, the weighted average interest rate spread actually increased during the review period. By end 2015, the weighted average lending rate by commercial banks was 10%, while the weighted average deposit rate was 1.5%, resulting in a spread of 8.5% (Chart 4.1). The Central Bank is empowered by law to control interest rates and bank credit; in practice, it has only set minimum rates on savings deposits. During the review period, the minimum rate on savings deposits was reduced from 4.5% to 2.5%, and commercial banks were required to disclose annual nominal and effective interest rates on saving deposits.

³⁷ The Central Bank of Belize Act requires banks to maintain secondary reserves up to a maximum of 35% of deposit liabilities. The Central Bank may change the secondary reserve by 5 percentage points in any 30-day period, and requires 30 days' notice.

³⁸ Under the Central Bank of Belize Act, the maximum cash reserve that can be required of banks is 20%. Any change in this level is limited to 2 percentage points in any 30-day period, with 30 days' notice.

4.64. Domestic banks improved their balance sheets during the review period. Their ability to absorb losses increased in part due to the Central Bank's implementation of new provisioning standards in December 2011. The provisioning requirement for unsecured loans categorized as a loss is 100%, and for those categorized as a loss but which are fully secured it is 50%. The ratio of non-performing loans (NPLs) net of specific provisions to total loans fell from 16.1% in 2010 to 6.7% in 2015³⁹, resulting from a combination of the new loan loss provisioning requirements, loan write-offs and loan growth. After several years of losses, domestic banks returned to profitability in 2015, with improvements in ROA (0.85%) and ROE (6.2%). As most banks increased their capital buffers, the system's total capital expanded and the CAR rose to 24.9% by end-2015 (compared to 21.8% in 2010), although individual banks' ratios show significant disparities.⁴⁰ The banking system remains abundantly liquid, with domestic banks holding liquid assets and cash well in excess of legal requirements. The latter seems to reflect the relative scarcity of eligible investment alternatives as well as banks' reduced propensity for risk.

Chart 4.1 Weighted average interest rates in Belize, January 2010-May 2016



Source: Central Bank of Belize online information.

4.65. Notwithstanding the above improvements, domestic banks still face certain risks. These include the fact that NPLs are concentrated in the domestic banking sector, with the systemic bank accounting for almost half of the NPLs in the sector. In addition, some domestic banks still have low capital buffers. There is also the potential impact that the termination of corresponding banking relations with global banks could have on some major Belizean banks.⁴¹

4.4.2.2.2 International banks

4.66. International (offshore) banks can only engage in banking transactions with non-residents, the Government of Belize, domestic banks, wholly government-owned statutory corporations, and companies in export processing zones and free zones. They carry out traditional banking activities and also act as intermediaries for the financing of non-resident investments, primarily in the tourism and real estate sectors.

4.67. The legal/regulatory framework for offshore banking has not changed since the last review, although the authorities have been considering changes for quite some time. The sector is governed by the International Banking Act (IBA) Cap. 267 and is subject to the Central Bank's

³⁹ The ratio of NPLs net of specific provisions fell further to 2.69% in September 2016.

⁴⁰ Central Bank of Belize (2015), *2015 Annual Report and Statement of Accounts*. Viewed at: https://www.centralbank.org.bz/docs/default-source/rsh_4.2.4_annual-reports/cbb-2015-annual-report-final.pdf?sfvrsn=2.

⁴¹ IMF (2016), *Belize: Selected Issues*, IMF Country Report No. 16/93, March. Viewed at: <https://www.imf.org/external/pubs/ft/scr/2016/cr1693.pdf>.

supervision. The IBA makes a distinction between local and foreign international banks depending on whether they are incorporated in Belize or abroad. Currently, all international banks are incorporated locally. Two types of licence may be issued under the IBA: unrestricted "Class A" licences and restricted "Class B" licences. The latter allows the licensee to transact only in such businesses as specified in the licence, and prohibits soliciting or accepting deposits from the general public. Minimum capital requirements differ according to the type of licence, and are higher for foreign than for local banks:

- a Class A licence requires minimum capitalization of US\$3 million for a local bank and US\$25 million for a foreign bank; and
- a Class B licence requires minimum capitalization of US\$1 million for a local bank and US\$15 million for a foreign bank.

4.68. All international banks must hold approved liquid assets equivalent to 24% of total deposit liabilities. The required CAR for international banks is 10% of risk-weighted assets. Except with prior written approval of the Central Bank, total loans to a single person shall not exceed 25% of the fully paid-up and unimpaired capital and reserves of a bank. The limit of unsecured lending to a person is 15% of the paid-up and unimpaired reserves.

4.69. Under the IBA, international banks are granted tax exemptions on profits, dividends and stamp duties. They are also exempted from any currency and exchange control restrictions. Their net foreign exchange position in currencies other than the U.S. dollar may not exceed 10% (15% for some, depending on size or activities) of the fully paid-up and unimpaired capital.

4.70. According to the Central Bank, the loss of correspondent banking relationships has led to a sizable (almost 30%) fall in non-resident deposits held in Belize's international banks, with their total assets and profits also decreasing. On the other hand, their ratio of NPLs (net of specific provisions) has improved, declining from almost 70% in 2011 to 7.7% in 2015. As a result of capital injection and profit retention in the last few years, the CAR of Belize's international banks has risen, and stood at 26.5% at the end of 2015 (well above the statutory requirement of 10%).⁴²

4.71. The Central Bank applies a risk-based approach to supervision and conducted several on-site examinations of domestic (including a systemic bank) and international banks as well as credit unions over the past few years. Consolidated supervision remains a challenge, in particular given the complex ownership structure of some financial institutions, but capacity to monitor group risks is being strengthened, including with respect to cross-border financial entities. The Central Bank regulation of April 2015 setting minimum standards on banks' corporate governance is a step in the right direction.

4.4.2.3 Credit unions

4.72. With a membership encompassing almost half of the population and accounting for 14.7% of financial system assets, credit unions play a significant role in financial intermediation in Belize. Currently there are twelve credit unions in operation, but five of them are facing solvency problems with one currently being liquidated, while the other four could be liquidated soon. The sector is quite concentrated with the five largest credit unions holding almost 95% of all assets by the end of 2015. The largest credit union accounts for almost two thirds of credit unions assets and is bigger than most banks.

4.73. The Credit Unions Act (last amended in 2007) governs the sector, whose regulatory supervision falls under the remit of the Central Bank, through the Registrar of Credit Unions. The main services offered by credit unions are savings and checking accounts, ATMs, online banking, deposit taking and lending at competitive rates. Although these services are similar to those offered by banks and present comparable financial risks, credit unions are subject to different prudential requirements (for example, no limits are set on large exposures). In order to strengthen

⁴² Central Bank of Belize (2015), *2015 Annual Report and Statement of Accounts*. Viewed at: https://www.centralbank.org.bz/docs/default-source/rsh_4.2.4_annual-reports/cbb-2015-annual-report-final.pdf?sfvrsn=2.

supervision, in 2013 the Central Bank introduced new loan classification and provisioning standards for credit unions (similar to those for domestic banks), and is revising legislation for the sector, including the strengthening of prudential requirements.

4.74. According to the Central Bank 2015 Report, the assets and loans of the five largest credit unions increased (8.3% and 13.1%, respectively) in 2015, but their income fell (14.3%) due to higher provisioning for new NPLs, and consequently so did their profits. Overall, the five credit unions' NPL ratio increased to 3.9%, with one of them exceeding the regulatory threshold (5%).⁴³

4.4.2.4 Insurance

4.75. The domestic insurance industry comprises ten active insurance businesses. Of these, three are life insurance companies; four are general insurance companies; two are composite insurers; and one is an association of underwriters that is both an insurer and a reinsurer. The industry relies on external reinsurance for the transfer of risk.

4.76. The domestic insurance sector is regulated by the Insurance Act 2004 (Chapter 251) and subject to the supervision of the Office of the Supervisor of Insurance (OSI), under the Ministry of Finance, renamed in February 2016 as the Office of the Supervisor of Insurance & Private Pensions. The Insurance Act 2004 was amended twice during the review period. The amendments were passed through Act No. 11 of 2014, which provides for the application of a fit and proper test in relation to the appointment of managers, shareholders of insurers and intermediaries, as well as Act No. 16 of 2014, which regulates matters related to corporate governance and ownership.

4.77. The legislation distinguishes between local and foreign (overseas) insurance companies, depending on whether they are incorporated in Belize or abroad. Foreign companies must have a Principal Representative resident in Belize, who can accept service of legal process on behalf of the insurer. Currently, there are five foreign companies operating in the domestic insurance sector. All insurance companies and insurance intermediaries operating in Belize must be registered with the Office of the Supervisor of Insurance & Private Pensions. Belizean nationals may acquire life and health insurance contracts outside of Belize, at their own risks.

4.78. All companies involved in insurance business must establish a statutory fund of assets equal to their liabilities and contingencies. Minimum capital and statutory deposit requirements differ depending on the place of incorporation, and are higher for foreign than local insurance companies; they have not changed since 2004 (Table 4.11). In addition, companies that are not locally incorporated must have been in business for at least three years prior to registering in Belize. All insurance companies must show proof of adequate reinsurance arrangements prior to obtaining a licence.

Table 4.11 Minimum capital and statutory deposit requirements for domestic insurers

(BZ\$)

Type of company	Minimum paid-up capital
Local company	1 million
Foreign company	3 million
Mutual company offering motor vehicle insurance	3 million
Companies offering only motor vehicle insurance	250,000
Type of company	Minimum statutory deposit requirement
Local company	100,000
Any other company	300,000

Source: Insurance Act 2004.

4.79. The international (offshore) insurance industry is governed by the International Insurance Act 2000, Chapter 269. There were no changes to the Act during the review period, although there are plans under way to revise the international insurance legislation in early 2017. Supervision of international insurance businesses, previously the responsibility of the International Financial Services Commission (IFSC), is now being aligned with that of the domestic insurance sector, so

⁴³ Central Bank of Belize (2015), *2015 Annual Report and Statement of Accounts*.

that the Core Principles of the International Association of Insurance Supervisors (IAIS) will also be applicable. As of August 2015, the OSI (the domestic insurance regulator) was also appointed supervisor of the international insurance sector, thus creating one single supervisor for the insurance industry.

4.80. There are 15 international insurance companies licensed to operate out of Belize (compared to 14 in 2010).⁴⁴ Only foreigners are allowed to own international insurance companies. These may offer a wide range of insurance and reinsurance services exclusively to non-residents. However, they are not allowed to do business in export processing and free zones. International insurance companies are not subject to exchange rate controls or income tax.

4.4.3 Telecommunications

4.4.3.1 Main features

4.81. Belize's telecommunications sector remains relatively less developed than most of its regional counterparts.⁴⁵ Fixed-line teledensity and mobile penetration are lower than in neighbouring countries, while Internet connections are slow and prices are among the highest in the region. Moreover, access to Internet is not easily available in rural areas. During the review period, fixed-telephone subscriptions continued to fall in line with international trends; the number of mobile subscriptions increased rapidly until 2011, but has declined since then, and a similar trend has been reported for broadband subscriptions since 2013. On the other hand, the number of Internet users increased by 65% between 2009 and 2015 (Table 4.12).

Table 4.12 Selected telecommunications indicators, 2009-15

(Per 100 inhabitants)

	2009	2010	2011	2012	2013	2014	2015
Fixed-telephone subscriptions	10.3	9.8	9.1	7.8	7.2	6.7	6.0
Mobile-cellular subscriptions	53.7	62.9	70.3	53.2	52.6	50.7	48.91
Fixed Internet subscriptions	2.6	3.0	..	..	..	..	..
Fixed broadband subscriptions	2.7	2.9	3.1	3.1	3.0	2.9	2.8
Internet users	27.2	28.2	30.7	31.0	33.6	38.7	41.5

.. Not available.

Source: International Telecommunications Union, Statistics, Time Series by Country (until 2015). Viewed at: <http://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>.

4.82. Prices for telecommunication services in Belize have declined since 2009 (by an estimated 50%); nevertheless they remain high by global and regional standards. In 2014, the International Telecommunications Union (ITU) ranked Belize in the 135th place out of 170 countries for the overall affordability of its information and communication technology (ICT) services (including fixed and mobile telephone as well as broadband Internet services).⁴⁶ In these rankings, the costs of ITC services in Belize were higher than in all other CARICOM partners (except Haiti).⁴⁷

4.83. Although Belize's telecommunications sector was opened up to competition in 2003, in practice, state-owned Belize Telemedia Ltd. (BTL) remains the only provider of fixed-line services

⁴⁴ Information provided by the authorities.

⁴⁵ In 2015, Belize ranked 29th (out of 33) in the ICT Development Index Regional Rank for the Americas. ITU, *ICT Development Index 2015*. Viewed at: <http://www.itu.int/net4/ITU-D/idi/2015/#idi2015byregion-tab>.

⁴⁶ The ITU's report on the affordability of ICT services worldwide is based on the tariffs of fixed telephone, mobile cellular and fixed broadband Internet services. Each country's overall ranking is based on the relative price of these three services as a percentage of gross national income (GNI) per capita. ITU, *Measuring the Information Society Report 2015*. Viewed at: <http://www.itu.int/en/ITU-D/Statistics/Documents/publications/misr2015/MISR2015-w5.pdf>.

⁴⁷ Other CARICOM countries' rankings were: Trinidad and Tobago (30); The Bahamas (48); St. Kitts and Nevis (71); Barbados (82); Suriname (84); Antigua and Barbuda (89); Jamaica (100); Grenada (103); Dominica (107); St. Lucia (110); St. Vincent and the Grenadines (111); Guyana (112); and Haiti (152). Montserrat's ranking was not available.

and is the dominant operator of mobile⁴⁸ and broadband Internet services. Its main competitor, Speednet Communications Limited (Smart), was granted a licence in 2003 and entered the market in 2005; it provides mobile services and wireless Internet access. There are 25 other licenced operators (not all of them active) offering specific telecom services, of which 14 Internet services providers (IPS) and six Internet network licensees.⁴⁹

4.84. In 2009, the Government nationalized BTL, retaining the majority of the shares.⁵⁰ Lengthy legal proceedings took place regarding agreements signed between the Government and BTL in 2005 as well as on the amount of compensation that the current Government should pay for BTL's nationalization.⁵¹ In an initial agreement reached with BTL's former shareholders in September 2015, the Government paid a partial settlement of BZ\$65 million based on its share value estimate. In mid-2016, an international arbitration tribunal issued a final ruling setting the compensation figure at BZ\$458 million.⁵² The Government was due to pay half of the outstanding amount in July 2016 and the rest one year later.

4.85. Years of insufficient competition in the market resulted in underinvestment, with the country's telecom infrastructure lagging behind. Currently, however, growing competition from Speednet, ISPs and other market players has prompted BTL to launch a reform strategy ("New BTL") aiming to become a more competitive and commercially oriented operator and offer better quality and cheaper prices to consumers. Since 2014, BTL has taken steps to modernize its networks infrastructure and improve broadband connectivity and quality. In 2016, BTL signed a contract with a global telecom company to upgrade its nationwide network with LTE technology for its DigiCell mobile brand. The LTE network was expected to be operational by end-2016.⁵³

4.86. The Government has also adopted measures to improve affordability of telecom services. In September 2014, it set the GST rate at 0% on all Internet services.⁵⁴ Most notably, in a bid to improve competition, the Government required BTL to open its networks to VoIP services in April 2013.

4.87. A positive development in Belize's telecommunication sector since the last review was the establishment of the country's first Internet Exchange Point (IXP) in April 2016. The advantages of setting up this national IXP are to improve delivery and reduce the cost of local internet traffic by eliminating the expensive and inefficient practice of sending domestically bound traffic through overseas IXPs.

4.4.3.2 Institutional and regulatory framework

4.88. The telecommunication sector is governed by the Belize Telecommunications Act, 2002 (Cap. 229) and related regulations.⁵⁵ The Act opened up to competition the telecommunications market without distinction between national and foreign investors.

4.89. The Public Utilities Commission (PUC) is the sector's regulator.⁵⁶ Under the Belize Telecommunication Act, PUC's responsibilities include issuing licences and determining the

⁴⁸ It has been estimated that BTL held a 61% share of the mobile market by the end of 2015. BMI Research online information. Viewed at: <http://www.telecomsinsight.com/industry-trend-analysis-btl-smart-nationwide-lte-launch-positive-for-belite-telecom>.

⁴⁹ Public Utilities Commission online information. Viewed at: <http://www.puc.bz/index.php/publications/telecom-sector>.

⁵⁰ Nationalization was effected through the Belize Telecommunications (Assumption of Control over Belize Telemedia Limited) Order, Statutory Instrument No. 104 of 2009. The Government currently holds 63% of BTL's share capital, but in June 2016 agreed to sell BZ\$15 million in BTL shares to the Social Security Board.

⁵¹ In March 2009, the Public Utilities Commission challenged the validity of the agreements in the Supreme Court of Belize. To date, there has been no hearing regarding the PUC's challenge.

⁵² Of the total amount due, 40% is to be paid in foreign currency and 60% will be paid in Belizean dollars and be held by a trust appointed by the former shareholders. EIU online information. Viewed at: <http://country.eiu.com/article.aspx?articleid=1404378324&Country=Belize&topic=Economy&subtopic=Forecast&subsubtopic=Fiscal+policy+outlook&u=1&pid=814404265&oid=814404265&uid=1>.

⁵³ BMI Research online information. Viewed at: <http://www.telecomsinsight.com/industry-trend-analysis-btl-smart-nationwide-lte-launch-positive-for-belite-telecom>.

⁵⁴ Statutory Instrument No. 49, 27 September 2014.

⁵⁵ The Belize Telecommunications Act and other regulations may be consulted at the Public Utilities Commission's website at: <http://www.puc.bz/index.php/publications/telecom-sector/telecom-laws-of-belize>.

conditions attached to them, setting performance standards (including quality of service and interconnection), managing the radio frequency spectrum, regulating rates and tariffs, managing the universal service fund, investigating consumer complaints, and solving disputes between industry operators.⁵⁷ In 2014, the Telecommunications Act was amended to establish that all regulations developed by the PUC require the approval of the Minister responsible for public utilities.

4.90. The Belize Telecommunications (Licensing Classification Authorization and Fee Structure) Regulations (2002) establish two types of licence: individual licences and class licences. Individual licences are specific to an operator and cover the basic public switched telephone network services (PSTN), mobile and wireless services, and any service requiring frequency spectrum. Class licences are issued where individual licenses are not justified but there is still a need to place certain conditions on the provision of the services; they are issued as general authorizations by the PUC, set the same conditions to all licensees, and apply to services such as data transmission, resale, internet, value-added services and private networks.⁵⁸ In the last TPR, the authorities indicated that they intended to review the licensing regulations in order to set out more clearly the services covered by each type of licence. Draft amendments were prepared in this regard but were never promulgated. The regulations require PUC to grant licences on non-discriminatory terms. All licences are granted for a period of 15 years. Annual licence fees are payable to the PUC as from the second year at a rate of 1.5% of gross revenues from the previous year.

4.91. Under the Belize Telecommunications Act (section 22), licensed services providers are required, when requested, to enter into interconnection and infrastructure sharing agreements. Interconnection must be assured at any technically feasible point in the network, in a reasonable time-frame, on non-discriminatory and transparent terms, and at cost-oriented charges (based on incremental cost). The Interconnection and Infrastructure Sharing Regulations Order (2010) further develops the legal obligations of licensees in this respect.⁵⁹ Telecom services providers may reach agreements between themselves regarding interconnection, and these agreements must be submitted to the PUC for final approval.⁶⁰ Where services providers fail to reach agreement within 60 days of a request for interconnection, one or both parties may request the PUC to intervene and establish binding tariffs and other terms and conditions. In 2011, BTL and Speednet reached an interconnection agreement that they had been negotiating for some time.

4.92. The PUC is empowered to regulate rates and tariffs for telecom services in cases where there is a sole or dominant service provider, where cross-subsidization is practiced by a sole or dominant service provider, or where anti-competitive practices are detected.⁶¹ In 2011, the PUC issued the Belize Telecommunications (Tariffs, Fees and Charges) Regulations containing detailed provisions on principles and methodologies for the determination of tariffs, rates, fees and charges in the above-mentioned three cases. Except for the rates regulated by the PUC, all other rates for telecommunication services are to be determined by the market. In 2004, the PUC exercised its power to regulate rates and issued a decision on tariffs regarding fixed-line domestic and international calls. There were no new tariff decisions taken during the review period.

4.93. Number portability is not implemented. The authorities indicated that there is not enough demand from the public for it.

⁵⁶ The PUC is composed of six commissioners appointed by Cabinet. Two commissioners are appointed every two years.

⁵⁷ In 2010, the PUC was involved in a dispute between BTL and Speednet over infrastructure sharing. In 2014, Speednet again requested the PUC to settle a dispute as an infrastructure sharing issue, but the PUC determined that the matter was a provider-consumer issue. There were no other disputes during the review period.

⁵⁸ Section 4 of the Telecommunications (Licensing Classification, Authorization, and Fee Structure) Regulations, 2002, Statutory Instrument No. 110 of 2002.

⁵⁹ Belize Telecommunications Interconnection and Infrastructure Sharing Regulations Order (Amended), 2010.

⁶⁰ The authorities indicated that some licensees had executed interconnection agreements without formal approval by the PUC and that this was being addressed by the regulator.

⁶¹ Section 26 of the Belize Telecommunications Act, 2002.

4.94. The PUC is responsible for regulating the universal service obligation and may establish a universal service fund into which telecom services providers must contribute.⁶² No such fund has been set up yet. The authorities indicated that all services providers have universal service obligations within authorized areas.

4.95. The importation or use of certain telecommunications equipment (as specified in a Schedule) is prohibited, unless the PUC issues a permit in respect of that type of equipment.⁶³ Applications must be submitted in writing. The PUC may take up to three months to review the application, test samples and grant type approval for the equipment. The PUC may recognize type approvals granted by other countries.

4.96. The business tax on telecommunication services operators is levied at a rate of 19% of receipts from the provision of telecommunication services.

4.4.4 Transport

4.97. The transport sector accounts for around 4% of GDP. The extent and quality of transport infrastructure in Belize lags behind other countries in the region.⁶⁴ Deficiencies in road and port infrastructure represent a costly impediment to trade and tourism. However, in recent years the Government has mobilized bilateral and multilateral financing for transport infrastructure, particularly in the road network to connect key tourist centres. In March 2013, it announced a BZ\$60 million infrastructure project to be implemented by a new state-owned company, Belize Infrastructure Limited.⁶⁵ Also, a first National Transportation Master Plan was launched in 2014, which is to be implemented in three phases, spanning beyond 2030; one of its main objectives is to increase Belize's connectivity to international markets.

4.98. The Ministry of Works and Transport is the main government entity responsible for policy formulation and implementation in the sector, but other agencies are also involved including the Ministry of Tourism and Civil Aviation; Ministry of Strategy and Finance; the Ministry of Energy, Science and Technology; and the Belize Port Authority. Improved transport infrastructure is crucial to increase Belize's connectivity and economic integration in the region, as well as to support growth in the tourism sector.

4.4.4.1 Air transport and airports

4.4.4.1.1 Main features

4.99. Belize's air transport system consists of the Philip S. W. Goldson International Airport (PGIA), located 16 km outside Belize City; 15 public (government-owned) aerodromes (of which the municipal aerodromes of Belize City, San Pedro, Dangriga, Caye Caulker, Placencia, Corozal and Punta Gorda serve commercial airlines); and over 20 privately owned aerodromes, including a heliport.

4.100. The PGIA is owned by the Government, but has been privately managed since 2004 by the Belize Airport Concession Company Limited (a consortium of Belizean investors) under a 30-year concession contract. In recent years, PGIA's runway was extended (to 9,700 feet, or 2,981 meters) in order to accommodate larger aircraft, while other projects are under way to improve airport capacity with a view to diversifying the sources of tourism. In 2016, the Government launched a project to upgrade air traffic control facilities and radar systems, and air traffic control officials have been trained and their number increased. The PGIA provides services to over 550,000 passengers a year, out of which nearly 256,000 are international arrivals (2015).⁶⁶

⁶² Sections 33 and 34 of Belize Telecommunications Act, 2002.

⁶³ Telecommunications (Importation and Distribution of Type Approved Telecommunications, Broadcasting and Radio Communication Equipment) Regulations, 2002, S.I. 152 (Revised edition 2003).

⁶⁴ Belize was ranked 100th (out of 142 countries) on basic infrastructure provision in the WEF Global Competitiveness Index (GCI) for 2011-12. GCI data on Belize for more recent years is not available.

⁶⁵ IDB (2014), *Private Sector Assessment of Belize*. Viewed at: <http://competecaribbean.org/wp-content/uploads/2015/02/2014-Belize-Private-Sector-Assessment-Report.pdf>.

⁶⁶ PGIA online information. Viewed at: <http://www.pgibelize.com/statistics.htm>.

4.101. The public domestic aerodromes are managed by the Belize Airports Authority (BAA). Modernization of the municipal aerodrome in Belize City has been recently completed, and work to improve the municipal airport in Placencia is ongoing.

4.102. Aero Dispatch Services Limited, a private domestic company, is the only authorized agent to provide ground handling services at PGIA. Aero Dispatch Services Ltd. operates under a private contract.

4.103. Five international carriers provide direct flights connecting Belize with several U.S. and Central American cities. These are: American Airlines (Los Angeles, Dallas, Miami, and Charlotte); Delta Airlines (Atlanta and Los Angeles); Southwest Airlines (Houston); Avianca (El Salvador); and Copa Airlines (Panama City). However, there are no direct air links with Europe. Achieving this would greatly improve Belize's air connectivity and help boost tourism.

4.104. Belize has two domestic regular airlines: Tropic Air and Mayan Island Air. Tropic Air offers internal and regional scheduled services. In recent years, Tropic Air has expanded its regional routes which now include: Roatan, San Pedro Sula and Tegucigalpa in Honduras; Guatemala City and Flores in Guatemala; and Cancun and Merida in Mexico. Maya Island Air has ceased its regional flights, and only operates within Belize. There are also three charter companies (Javier's Flying Service, Caribee Air Service Limited and Astrum Helicopters) providing internal air services. All these companies (regular and charter) are privately owned.

4.105. Passengers departing from the PGIA on international flights are subject to a departure tax, which is levied at a rate of US\$35.50 for non-Belizean citizens and non-residents; and BZ\$35.00 for Belizean citizens and permanent residents. The taxes are collected and retained by the Belize Airport Concession Company.

4.4.4.1.2 Institutional and regulatory framework

4.106. The Ministry of Tourism and Civil Aviation is responsible for the air transport sector. The Department of Civil Aviation, under the Ministry, is the regulatory and oversight body in all civil aviation matters. Its main function is to ensure the safety of air aviation and promote the development of the civil aviation industry. The Director of Civil Aviation is responsible for issuing licences for commercial and non-commercial aviation services and aircraft. Other responsibilities of the Department of Civil Aviation include licensing of personnel, overseeing aerodromes safety as well as providing air traffic control services and aeronautical information services.⁶⁷

4.107. The authorities indicated that so far licences/certificates have been granted to: 1 international airport operator; 15 domestic public aerodromes; 5 national airlines of which 2 are commercial (Tropic Air and Mayan Island Air); 60 aircraft; and 5 aircraft maintenance organizations. Local and foreign private investors may apply to the Department of Civil Aviation for a licence to operate an aerodrome as long as they meet the requirements set out in the Civil Aviation Act, including the approvals from the Ministry of National Security, the Department of the Environment and the Lands Department; they must also meet relevant ICAO aerodrome standards. There are no equity limitations on the participation of foreign investment in airlines registered in Belize.

4.108. Domestically registered airlines must be repaired and maintained either by companies certified by the Department of Civil Aviation to provide these services within Belize, or by companies abroad that have been approved by the Department of Civil Aviation. Belize does not regulate the provision of computer reservation services.

4.109. The Belize Airport Authority (BAA) is a statutory board that manages the Government aerodromes/airstrips, except the international airport which, although owned by the BAA, is operated under a concession by a private consortium (see above). BAA's functions include managing the day-to-day operations of these airports, the establishment of fee structures for the

⁶⁷ Belize Department of Civil Aviation online information. Viewed at: <http://www.civilaviation.gov.bz>.

services provided by airports (e.g. air traffic control and aeronautical information), and the provision, maintenance and expansion of airport infrastructure.⁶⁸

4.110. The air transport sector is primarily governed by the Civil Aviation Act (2000), Cap. 239. There were no fundamental changes made to the Act during the review period. The authorities indicated that they have plans to amend the Civil Aviation Act on matters pertaining to safety management, accident investigation and enforcement; but work is still in the drafting phase. A number of new regulations were issued under the Belize Civil Aviation Regulations (BCARs). There were also minor changes to the Belize Airports Authority Regulations regarding the implementation of the passenger user fee for domestic flights, which was increased from BZ\$5.00 in 2012 to BZ\$6.00 in 2015 for every flight; the fee is paid to the BAA.⁶⁹

4.111. Belize is a contracting State of the International Civil Aviation Organization, and a member of the Corporación Centroamericana de Servicios de Navegación Aérea (COCESNA), which provides regional aerial navigation and air traffic control services.⁷⁰ In addition, Belize is a signatory to two regional air services agreements (ASA). One is the Multilateral Agreement Concerning the Operation of Air Services within the Caribbean Community (CARICOM-MASA), which entered into force in November 1998 and seeks to maximize for CARICOM air carriers the economic and social benefits arising from aviation activities to, from, and within the Caribbean Community.⁷¹ The other is the Air Transport Agreement among the Member States and Associate Members of the Association of Caribbean States⁷² (ATA); it entered into force in September 2008 initially for eight states, including Belize, and two territories.⁷³

4.112. At the bilateral level, Belize maintains ASAs with Austria (2001); the United Kingdom; and the United States (1977), which is a Bermuda II-type agreement.⁷⁴ Recently, Belize concluded an ASA with Mexico, which is now pending ratification by the Belizean Parliament. Currently, Belize's ASAs have a restrictive scope, covering at the most 3rd and 4th freedom rights. Although there are no legal restrictions on the provision of cabotage by foreign airlines, Belize's general policy is to not allow it. The authorities indicated, nevertheless, that they are gradually moving in the direction of some liberalization and are considering negotiating an open-skies agreement with the United States. There are also bilateral negotiations under way with Guatemala, Panama and the United Arab Emirates, and talks are expected to start with Canada in the near future.

4.4.4.2 Maritime transport and ports

4.4.4.2.1 Main features

4.113. Belize's main ports of entry are the Port of Belize Ltd. (Belize City) and the Port of Big Creek (Stann Creek district); together they handle around 90% of import shipments and a substantial part of exports.⁷⁵ There are two other ports handling cargo (Puma Energy and WitConcrete) and four passenger ports (Fort Street Tourism Village, Punta Gorda, Saca Chispas, and Harvest Caye, which opened operations in November 2016). Fort Street Tourism Village in Belize City handles 99% of passenger calls. Most Belizean ports are privately run, either by national or foreign entities (Table 4.13).

⁶⁸ Belize Airport Authority online information. Viewed at: <http://belizeairportauthority.com/function-and-responsibilities/>.

⁶⁹ Belize Airports Authority (Domestic Flights) (Passenger User Fees) (Amendment) Regulations 2015, Statutory Instrument No. 16 of 2015; and Belize Airports Authority (Domestic Flights) (Passenger user Fees) (Amendment) Regulations 2012, Statutory Instrument No. 84 of 2012.

⁷⁰ For more information on COCESNA, see: <http://cocesna.org/>.

⁷¹ CARICOM online information. Viewed at: <http://caricom.org/about-caricom/who-we-are/our-governance/about-the-secretariat/offices/office-of-the-general-council/treaties-and-agreements/multilateral-agreement-concerning-the-operation-of-air-services-within-the-caribbean-community>.

⁷² The Association of Caribbean States (ACS) is a union of nations centered on the Caribbean Basin, with twenty-five member states and seven associate members.

⁷³ The text of the ATA can be found at: http://www.acs-aec.org/sites/default/files/Final_ATA_En.pdf.

⁷⁴ A Bermuda II-type agreement is a highly restrictive bilateral agreement, where normally capacity and fares are pre-determined. The term originates from the revision to the original Bermuda I agreement, which was the first bilateral ASA negotiated between the United Kingdom and the U.S. after World War II.

⁷⁵ Inter-American Development Bank (2011). *Existing Issues of Transport in Belize City*, Annex O3. Viewed at: https://www.google.ch/?gws_rd=ssl#q=Existing+issues+of+Transport+in+Belize+city+2011.

Table 4.13 Belize ports, 2016

Name and location	Cargo/passengers	Operated by
Belize City Port, Belize District	Containerized, bulk and break-bulk cargo; mainly manufactured products	Port of Belize Ltd., local private company
Port of Big Creek, Stann Creek District	General cargo and break-bulk. Exports of bananas, citrus and crude oil	Banana Enterprises Ltd., local private company
Puma Energy, Belize City	Bulk importation of petroleum products	Puma Energy, foreign private company
Wit Concrete, Belize City	Bulk exports of molasses	Belize Sugar Industries/American Sugar Refineries Ltd., private company
Fort Street Tourism Village, Belize City	Cruise terminal	Carnival Cruise Line (foreign publicly traded company) and Diamonds International, subsidiary of Almond Diamonds Ltd.
Punta Gorda Port, Toledo District	Passenger port	Border Management Agency, public sector statutory body under the Ministry of Tourism and Civil Aviation
Saca Chispas Port, San Pedro	Passenger port	Border Management Agency, public sector statutory body under the Ministry of Tourism and Civil Aviation
Harvest Caye, Placencia	Cruise terminal	Norwegian Cruise Line Holdings Ltd., foreign publicly traded company

Source: Information provided by the Belize Port Authority.

4.114. The Port of Belize Ltd. is the largest in the country; it has deep-water facilities allowing it to handle containerized cargo (mainly manufactured imports from the U.S.), as well as an increasingly high traffic of cruise ships. Some ten major shipping lines operate cargo services to Belize City port. The port is operated by a local private company, Port of Belize Limited (PBL). PBL used to also manage the Commerce Bight Port in Dangriga under a lease contract, but in 2013 the Government terminated the contract and took over Commerce Bight port facilities. Currently, PBL is under receivership.

4.115. The Port of Big Creek is the second largest and handles bulk and break-bulk. It is mainly used for the export of bananas, and is owned and operated by Banana Enterprises Limited, a private company registered in Belize. It also exports citrus and crude oil, and imports general cargo. In 2015, the consolidated throughput of Port of Belize Ltd. and Port of Big Creek was 554,485 metric tons, down from 720,487 in 2014, due in part to a significant drop in commodities exports (Table 4.14).

Table 4.14 Port of Belize Ltd.^a and Port of Big Creek: consolidated annual ship calls and cargo throughput, 2010-15

Year	Ship calls	Import	Export	Throughput (metric tons)	TEUs
2010	406	403,712	580,545	984,257	53,826
2011	375	438,010	533,013	971,023	39,655
2012	226	371,202	431,521	802,723	50,223
2013	422	401,906	436,576	838,482	54,848
2014	366	334,661	385,826	720,487	48,016
2015	328	270,704	283,781	554,485	58,941

a Figures for the Port of Belize Ltd. include also the throughput from the ports of Wit Concrete and Puma Energy.

Source: Information provided by Belize Port Authority.

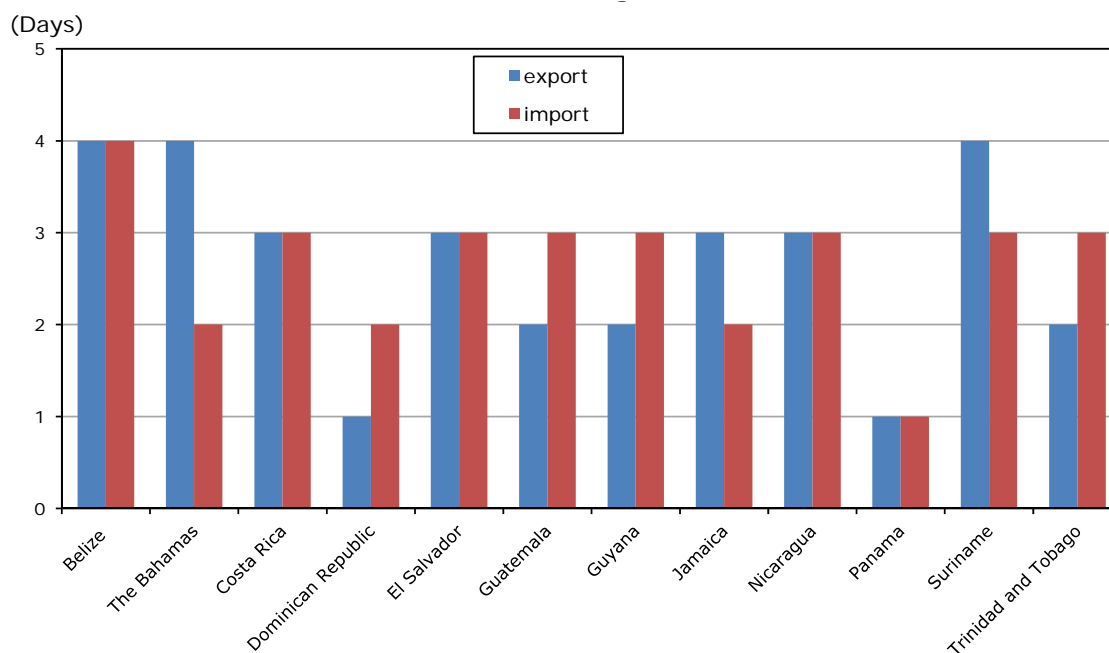
4.116. A new development since the last TPR is the construction of the Harvest Caye cruise terminal as part of an island resort project in southern Belize undertaken by Norwegian Cruise Line

Holdings Ltd. The US\$50 million investment has benefited from fiscal incentives (exemptions from import duties and GST tax). The cruise terminal started operations in November 2016.

4.117. Belizean ports face a number of challenges. In addition to the coral reef barrier that limits the berthing for larger ships such as Panmax, the ports face infrastructure deficiencies (e.g. lack of cold storage facilities), burdensome bureaucratic procedures, delays in loading and unloading, and relatively high port charges, all of which raise trading costs and affect their competitiveness.⁷⁶

4.118. According to the World Bank's Doing Business Report 2015, the time and the costs of port and terminal handling for both imports and exports in Belize are among the longest and highest among comparable countries in region (Chart 4.2 and Chart 4.3). Another study suggests that Belize is losing business to regional ports, such as Puerto Barrios in Guatemala.⁷⁷ This helps explain, at least in part, the declining trend in the throughput figures of Belize's major ports.

Chart 4.2 Time required for port and terminal handling, 2015



Source: World Bank (2015), *Doing Business Report 2015*.

4.119. The main laws governing the maritime transport sector are the Port Authority Act (2000) Cap 233, the Harbours and Merchant Shipping Act (2003) Cap 234, the Harbours and Merchant Shipping Amendment Act (2007), and the Merchant Ships (Registration) Act 2010. There have been no legislation or policy changes in the sector since the last TPR, but the authorities indicated that several draft laws are waiting to be submitted to Cabinet in areas such as Port State Control (inspection of foreign vessels) and water taxis. Belize is not a signatory to any bilateral or plurilateral maritime agreements that provide for preferential treatment.

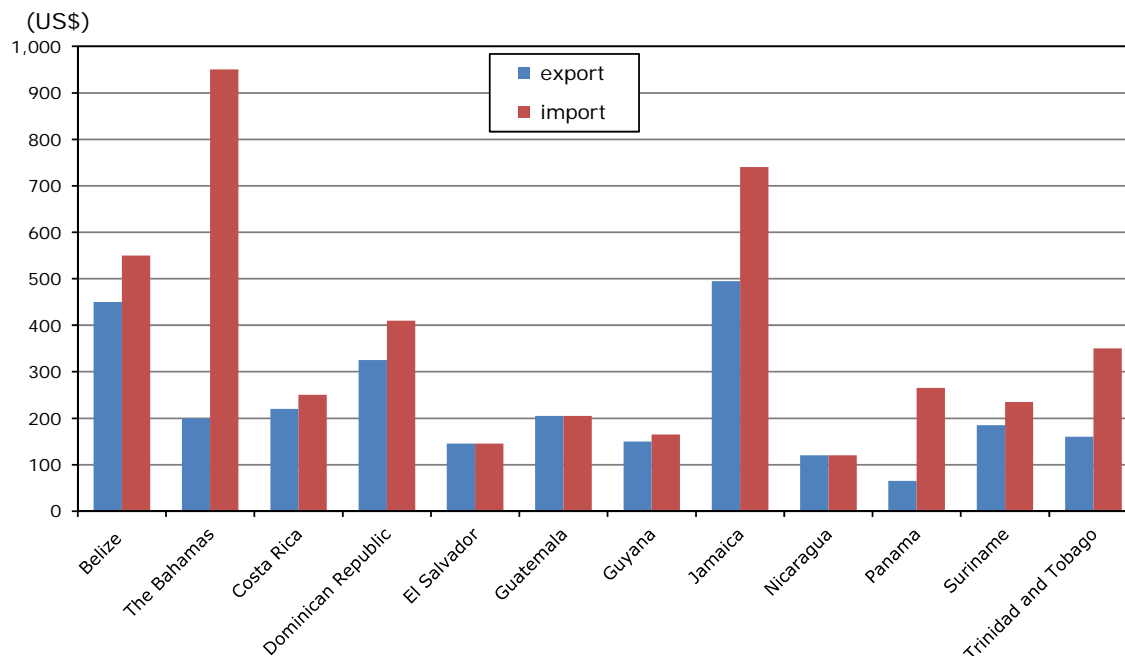
4.120. The Belize Port Authority (BPA), under the Ministry of Works and Transport, is the primary regulatory body for ports and maritime transport. BPA administers the Port Authority Act, under which it is responsible for matters such as aids of navigation, ports inspection, compliance with international conventions relating to safety and security of ships and ports (ISPS), pilotage regulation and participation in approval of port fees, among others. BPA is also responsible for administering the Harbours and Merchant Shipping Act dealing with inspection of foreign and domestic ships, certification of seafarers and implementation of the International Maritime

⁷⁶ IDB (2013), *Transport Sector in Belize*, Technical Note No. IDB-TN-607, December. Viewed at: <https://publications.iadb.org/handle/11319/6022>.

⁷⁷ Inter-American Development Bank (2011). *Existing Issues of Transport in Belize City*, Annex 03. Viewed at: https://www.google.ch/?gws_rd=ssl#q=Existing+issues+of+Transport+in+Belize+city+2011.

Organization (IMO) conventions (in particular MARPOL and SOLAS). The domestic fleet comprises 5,616 registered vessels (under 65 feet); a total of 6,581 masters of vessels have been licensed and registered.⁷⁸

Chart 4.3 Cost of port and terminal handling, 2015



Source: World Bank (2015), *Doing Business Report 2015*.

4.4.4.2.2 Institutional and regulatory framework

4.121. The International Merchant Marine Registry of Belize (IMMARBE) issues registration under the Belizean flag to international vessels through its headquarters in Belize City and offices abroad. No restrictions apply on ownership, investment or personnel for registration.⁷⁹ A department of the Ministry of Finance, IMMARBE was operated until recently by a foreign company under a Management Services Agreement with the Government. However, in June 2013, the Ministry of Finance announced the termination of the agreement and the takeover of IMMARBE by the Belizean Government.⁸⁰ The registry had some 940 ships at the end of 2012⁸¹; in 2015, the number of registered vessels was 879.⁸²

4.122. Belizean laws do not contain provisions restricting the provision of maritime cabotage to service providers based on nationality, residency or registration criteria. Foreign shipping companies may provide these services. Such services consist mainly of passenger transport between Belize City and the islands.

4.123. There are no legal restrictions concerning foreign ownership or operation of ports, and the same conditions apply to domestic and foreign companies. The Minister responsible for ports (the Minister of Works and Transport) has the authority to delineate and appoint harbours and ports in Belize⁸³, and to declare a port public. However ports may be privately owned and operated. Under the Port Authority Act Cap 233, the Minister may, after consultation with the BPA, grant a licence to any person, corporation, or other body to construct and operate a private port subject to such terms, conditions and restrictions and on the payment of such fees as the Minister may consider

⁷⁸ Information provided by the BPA.

⁷⁹ IMMARBE, viewed at: <http://www.immarbe.com/operational-information/registration-department/>.

⁸⁰ Shortly before the takeover, Belize had been blacklisted by the European Union on allegations of illegal, unreported and unregulated (IUU) fishing on the high seas by foreign-owned Belize-flagged vessels.

⁸¹ Seatrade online article, "Belize Government nationalizes the ship registry", 12 June 2013. Viewed at: <http://www.seatrade-maritime.com/news/americas/belize-government-nationalises-the-ship-registry.html#>.

⁸² Information provided by the authorities of Belize.

⁸³ Article 3 of the Harbours and Merchant Shipping Act and Article 20 of the Port Authority Act.

appropriate. The licence may be for a period not exceeding 30 years and must define the limits of the port and make provision for the collection of tariffs and fees.

4.124. The process for establishing port fees follows several steps: the port wishing to change fees submits a proposal to the BPA, which considers it and consults with stake holders. The proposal then goes to the Minister responsible for ports, and finally to the Cabinet for approval. As mentioned before, Belize's port fees are among the highest in the region, which impairs its competitiveness and may be a deterrent to maritime transport activity.

4.4.5 Tourism

4.4.5.1 Main features

4.125. The tourism sector is the mainstay of the Belizean economy. According to the World Travel and Tourism Council, the travel and tourism industry directly contributed 14.7% to GDP in 2015, while its total contribution to the economy was 38.6%. Moreover, the industry is a major foreign exchange earner, captures a significant share of capital investment, and accounts for over a third of total exports (Table 4.15).

Table 4.15 Belize: Absolute and relative contribution of the tourism sector, 2015

	Absolute contribution	Relative contribution (% of total)
Direct contribution to GDP (US\$ million)	255.8	14.7
Total contribution to GDP (US\$ million)	674.5	38.6
Direct contribution to employment ('000 jobs)	18.2	13.1
Total contribution to employment ('000 jobs)	48.5	34.8
Capital investment (US\$ million)	93.4	28.9
Visitor exports ^a (US\$ million)	396.5	34.5

a Money spent by foreign visitors in Belize.

Source: World Travel and Tourism Council, *Travel & Tourism. Economic Impact 2016. Belize*. Viewed at: <https://www.wttc.org/-/media/files/reports/economic%20impact%20research/countries%202016/belize2016.pdf>.

4.126. With its white sand, unspoilt coastal line and the second largest coral reef in the world, Belize has traditionally been a beach and marine destination receiving a constant flow of overnight tourists, who stay on average 6.6 days. Since the early 2000s, the country has also become an important receptor of single-day cruise ship tourists, with almost 75% of all visitors arriving in cruise ships. Belize has also expanded its offer of tourism products to include nature and culture based eco-tourism activities. While the tourism industry has shown good performance during the review period, it faces a number of challenges, one of them being the loss of correspondent banking relationships by several local banks in recent times. The authorities have indicated that this situation affects the movement of funds across borders, which is of paramount importance to the tourism industry.

4.127. The number of overnight tourist arrivals has grown steadily since 2010, reaching just over 341,000 in 2015. The United States continues to be the largest inbound market, accounting for 63% of all overnight tourist arrivals in 2015, followed by Europe – especially the United Kingdom – (12%), Canada (7%), Guatemala (4.4%) and Mexico (1.9%) (Table 4.16). The hotel occupancy rate, although higher in 2015 than in 2010, remains low at just over 42.7%. There is a lack of international-standard hotels and restaurant facilities.

4.128. In 2015, 75% of overnight visitors entered Belize through the Philip S. W. Goldson International Airport (PGIA). The same year, 12% of visitors arrived through the Santa Elena border (Corozal District) with Mexico, 10% through the border with Guatemala, and the rest through seaports.⁸⁴

⁸⁴ Information provided by the Belize Tourism Board.

Table 4.16 Key tourism indicators 2010-15

	2010	2011	2012	2013	2014	2015
Overnight visitor arrivals	241,919	250,263	277,135	294,177	321,220	341,126
United States	145,872	156,293	176,642	183,513	199,320	215,183
EU	30,025	30,142	29,362	32,191	38,905	40,945
Canada	18,246	20,093	24,223	26,713	26,397	24,026
Belizeans living abroad	8,817	10,157	12,102	11,489	13,858	15,170
Guatemala	12,448	7,423	7,048	8,860	9,630	9,271
Mexico	4,840	5,598	5,162	5,842	6,938	6,674
Other	21,672	20,557	22,594	25,567	26,171	29,859
Cruise visitor arrivals	764,628	727,878	640,734	677,350	968,131	957,975
Total arrivals	1,006,547	978,141	917,869	971,527	1,289,351	1,299,101
Number of port calls	279	269	236	229	345	325
Hotel occupancy rate (%)	34.9	39.6	42.1	46.5	47.3	42.7
Average length of stay (days)	7.3	7.2	7.0	7.4	6.7	6.6

Source: Information provided by the Belize Tourism Board.

4.129. The growth in the number of cruise ship tourists – dependent on the operational plans of cruise companies and competition from other Caribbean destinations – has shown a less steady trend. After reaching a peak of 968,131 visitors in 2014 (345 ship calls), the number of cruise tourists decreased slightly to 957,975 in 2015 (325 ship calls). It is estimated that cruise tourists spend almost US\$78 per person.⁸⁵ Most cruise traffic disembarks in Belize City, with approximately 3,000 passengers per cruise on a three times per week basis; this puts considerable pressure on the city's transportation system, waste disposal and other infrastructures.⁸⁶ An increase in cruise traffic is expected as a result of the opening of the new Harvest Caye Cruise Port in November of 2016.

4.130. In order to increase the economic and social returns from tourism and diversify tourism products, in recent years Belize has actively promoted tourism to its Mayan archaeological sites and nature-based tourist attractions. In 2015, the Mayan ruins received almost 334,000 visitors (up from 200,500 in 2010) and the national parks and reserves were visited by some 63,500 tourists (up from 48,600 in 2010). In the same year, over 360 tour operators and 1500 tour guides conducted business in Belize.⁸⁷

4.4.5.2 Institutional and regulatory framework

4.131. The responsibility for the tourism sector resides primarily with the Ministry of Tourism and Civil Aviation. The Belize Tourism Board (BTB) is a statutory body within the Ministry in charge of researching, planning, development and promoting the tourism industry on a national and international level. The BTB is governed by a Board of Directors appointed by the Minister of Tourism, nine of which belong to the private sector. Other governmental entities involved in tourism include the Ministry of Natural Resources and the Environment; the Ministry of Agriculture and Fisheries; the Ministry of Works and Transport; the Coastal Zone Management Authority; BELTRAIDE; and the National Institute of Culture and History (NICH).⁸⁸ Private stakeholders such as the Belize Tourism Industry Association (BTIA) and the Belize Hotel Association (BHA), and several environmental NGOs complement the institutional framework for tourism.

⁸⁵ Business Research and Economic Advisors (BREA), *Economic Contribution to Cruise Tourism to the Destination Economies, Volume I Aggregate Analysis*. Viewed at: <http://www.f-cca.com/downloads/2015-cruise-analysis-volume-1.pdf>.

⁸⁶ IDB (2011), *Annex 05 – Existing Issues of Tourism in Belize City*. Viewed at: http://www.google.ch/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEWjr16bZjc3OAhWoKJoKHylBCbMQFggcMAA&url=http%3A%2F%2Fbelizecitycouncil.org%2Fresourcesmodule%2Fdownload_resource%2Fid%2F146%2Fsrc%2F%40random4dc1b261cfd1d%2F&usg=AFQjCNHpvzxWHw7GPJNVZ2X9c9-6PgJVEg&sig2=UmhSrMQHM2OmKAX21oeAsw&bvm=bv.129759880,d.bGg.

⁸⁷ Information provided by the Belize Tourism Board.

⁸⁸ Since the previous TPR, the NICH has been moved to the Ministry of Youth, Sports and Culture.

4.132. Several pieces of legislation govern the tourism industry, the main ones being: Belize National Tourism Council Act (2000)⁸⁹; Belize Tourism Board Act (2000) and Subsidiary Tour Guide and Tour Operator Regulations; Belize Hotels and Tourist Accommodation Act (2000); Belize Hotels and Tourist Accommodation Act Subsidiary Laws (2003) on hotel minimum standards; Belize Timeshare Act (2007); Border Management Agency Act (1999) and subsidiary laws; and Retired Persons (Incentives) (Amendment) Act (2001).

4.133. There have been no fundamental changes to the regulatory framework since the last review. The only changes were the declaration of the Marco Gonzalez complex as the first Maya Site National Park and amendments to the Immigration and Nationality Act to relax visa requirements for citizens from Argentina, Bolivia, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Japan, Morocco, Paraguay, Peru and the Republic of Korea. The Ministry of Tourism and Civil Aviation is currently assessing the tourism legal framework in order to align it under an overarching National Tourism Act to serve as a galvanizing instrument for long-term planning and development for the industry. The new legal instrument would include the areas of climate change, investment regime (public-private partnerships), developing new destinations and building local participation in the industry via economic opportunities.

4.134. The tourism industry is guided by the National Sustainable Tourism Master Plan 2030 (NTSMP), endorsed by the Cabinet in October 2012. Based on a diagnostic study, the NSTMP sets guidelines for the development of the tourism sector, including government reforms and public-private investments to ensure tourism is developed in a sustainable way. Some of the technical studies and works laid out in NSTMP are already under way: analytical reports have been prepared on tourism taxation, the country's tourism brand, and standards for the operation and classification of hotels and tour operators, while upgrades in tourism infrastructure have been undertaken.

4.135. The Sustainable Tourism Programme (STP II)⁹⁰, launched in March 2016, is designed to support the implementation of the NSTMP, with the aim of increasing tourism's contribution to the economy. The STP II focuses on promoting investments in key emerging tourist destinations and on institutional strengthening and capacity building for policy-making, destination planning and management.⁹¹ Key components of the STP II are to restore and expand visitor facilities at several archaeological sites and support the development of nature-based tourist attractions and services.

4.136. Generally, there are no restrictions on foreign investment in tourism related-activities. However, tour operating companies must be at least 51% Belizean-owned, and only Belizean citizens or permanent residents may be tour guides.

4.137. Hotels, tour operators, and tour guides must obtain a licence and register with the BTB in order to operate in Belize.⁹² Hotels and all lodgings are required to levy a hotel tax of 9%. The tax is charged daily, and paid monthly to the BTB. All hotels and lodgings are subject to an annual application fee of BZ\$25 and a licensing fee of BZ\$5 per room.

4.138. Tourism activities may be eligible for import duty concessions under the Fiscal Incentives Act (Section 3). As a first stop for existing and prospective investments, BELTRAIDE acts as a bridge between investors and the Government; it may recommend to the Ministry of Finance that an import duty waiver be granted to an eligible tourism-related investment on the importation of qualifying items required for its operation. For example, tour operators may be granted an import duty exemption for the importation of tour vans and other tourism-related vehicles.

4.139. As part of Belize's efforts to diversify its tourist offer, BELTRAIDE is now promoting investment in the development of medical tourism. The idea is to build upon the country's

⁸⁹ The Act established the Belize National Tourism Council (BNTC) as a policy-making entity for the sector comprising representatives of government and industry. Currently, the BNTC is not operational.

⁹⁰ The Sustainable Tourism Program (STP I) was implemented in 2013, leading to the development of the NSTMP. In January 2016, a loan agreement was executed between IDB and the Government of Belize for implementation of the STP II.

⁹¹ IDB online information, "Discovering Belize". Viewed at: <http://www.iadb.org/en/mapamericas/belize-old/discovering-belize,7789.html>.

⁹² BTB online information. Viewed at: <https://btb.travelbelize.org/btb/licensing-and-registration>.

experience with dental tourism, and exploit factors such as proximity to the U.S. market, being an English speaking country and the possibility to cater for a large community of foreign retirees.

4.140. Belize has both natural and cultural resources that make it an attractive tourist destination, with significant growth potential. However, the development of the tourism industries faces a number of constraints, including insufficient quality of tourism facilities and services, lack of technical skills, and poor land and air connectivity. The authorities also note challenges relating to climate change and safety and security issues. They seek to address these shortcomings through the implementation of the National Sustainable Tourism Master Plan.

5 APPENDIX TABLES

Table A1.1 Merchandise exports by HS sections and main chapters, 2010-15

(US\$ million and %)

Description	2010	2011	2012	2013	2014	2015
Total exports	305	379	403	416	365	329
Exports	270	328	339	334	307	268
Re-exports	35	52	63	81	58	61
	(% of total exports)					
1 - Live animals; animal products	8.7	6.4	7.2	13.6	15.7	13.6
03. Fish and crustaceans, molluscs and other aquatic invertebrates	8.7	6.3	7.2	13.6	15.7	13.5
01. Live animals	0.0	0.0	0.0	0.0	0.0	0.1
2 - Vegetable products	18.9	15.3	17.0	17.7	19.4	21.0
08. Edible fruit and nuts; peel of citrus fruit or melons	15.9	12.4	13.4	14.6	16.0	17.2
07. Edible vegetables and certain roots and tubers	2.0	1.7	1.7	2.0	2.7	2.9
11. Products of the milling industry; malt; starches; inulin; wheat gluten	0.3	0.9	0.6	0.8	0.6	0.5
09. Coffee, tea, maté and spices	0.0	0.0	0.0	0.0	0.1	0.2
12. Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit	0.0	0.0	0.1	0.1	0.1	0.2
3 - Animal or vegetable fats and oils; prepared edible fats	0.0	0.0	0.0	0.0	0.0	0.0
4 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco	26.0	24.6	34.4	31.6	34.4	41.1
17. Sugars and sugar confectionery	10.7	9.8	13.9	13.9	15.9	21.4
20. Preparations of vegetables, fruit, nuts or other parts of plants	14.3	13.3	19.3	13.2	12.7	13.9
23. Residues and waste from the food industries	0.0	0.1	0.1	3.3	3.4	2.0
24. Tobacco and manufactured tobacco substitutes	0.2	0.2	0.2	0.1	1.0	1.9
22. Beverages, spirits and vinegar	0.4	0.9	0.6	0.8	0.8	1.2
21. Miscellaneous edible preparations	0.2	0.3	0.2	0.3	0.6	0.5
5 - Mineral products	35.7	40.8	26.0	19.9	16.2	8.2
27. Mineral fuels, mineral oils and products of their distillation	35.7	40.5	25.4	19.4	16.0	8.2
6 - Products of the chemical or allied industries	0.7	1.4	1.6	0.7	1.5	2.2
33. Essential oils and resinoids; perfumery, cosmetic or toilet preparations	0.7	1.2	1.5	0.6	1.3	2.1
7 - Plastics and articles thereof; rubber and articles thereof	0.0	0.0	0.1	0.1	0.4	1.0
39. Plastics and articles thereof	0.0	0.0	0.0	0.1	0.3	0.9
8 - Raw hides and skins, leather, furskins and articles thereof; travel goods, handbags; articles of animal gut	0.0	0.0	0.0	0.0	0.3	0.4
42. Articles of leather; travel goods, handbags; articles of animal gut	0.0	0.0	0.0	0.0	0.3	0.4
9 - Wood and articles of wood; wood charcoal; cork and articles of cork	1.3	1.6	1.4	0.7	1.0	1.5
44. Wood and articles of wood; wood charcoal	1.3	1.6	1.4	0.7	1.0	1.5
10 - Pulp of wood or of other fibrous cellulosic material; paper and paperboard and articles thereof	0.5	0.4	0.2	0.2	0.2	0.1
11 - Textiles and textile articles	0.0	0.1	0.1	0.1	1.2	0.7
61. Articles of apparel and clothing accessories, knitted or crocheted	0.0	0.0	0.0	0.0	0.7	0.5
62. Articles of apparel and clothing accessories, not knitted or crocheted	0.0	0.1	0.0	0.0	0.4	0.1
12 - Footwear, headgear, umbrellas; prepared feathers and articles; artificial flowers	0.0	0.0	0.0	0.0	0.1	0.1
13 - Articles of stone, plaster, cement, etc.; ceramic products; glass and glassware	0.0	0.0	0.0	0.0	0.1	0.1
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals	0.4	0.5	0.2	0.1	1.0	0.7
71. Natural or cultured pearls, precious or semi-precious stones, precious metals	0.4	0.5	0.2	0.1	1.0	0.7

Description	2010	2011	2012	2013	2014	2015
15 - Base metals and articles of base metal	0.7	0.5	1.0	0.5	0.8	1.4
73. Articles of iron or steel	0.1	0.1	0.4	0.1	0.5	1.2
72. Iron and steel	0.3	0.3	0.2	0.2	0.2	0.1
82. Tools, implements, cutlery, spoons and forks, of base metal.	0.3	0.2	0.3	0.2	0.1	0.1
16 - Machinery and mechanical appliances; electrical equipment; television image and sound recorders	0.9	1.0	1.3	2.2	3.7	4.6
84. Nuclear reactors, boilers, machinery and mechanical appliances	0.4	0.5	1.2	1.2	3.5	4.3
85. Electrical machinery and equipment; sound recorders and reproducers	0.4	0.5	0.1	1.0	0.2	0.3
17 - Vehicles, aircraft, vessels and associated transport equipment	0.2	0.8	0.7	0.5	1.4	1.2
87. Vehicles other than railway or tramway rolling-stock, parts and accessories	0.2	0.6	0.4	0.3	1.1	0.6
89. Ships, boats and floating structures	0.0	0.1	0.2	0.2	0.2	0.4
18 - Optical, photographic, precision, medical or surgical instruments; clocks and watches; musical instruments	0.4	0.7	0.5	0.4	1.5	1.2
90. Optical, photographic, cinematographic, measuring, precision, medical or surgical instruments and apparatus	0.1	0.5	0.4	0.4	1.0	0.7
91. Clocks and watches and parts thereof	0.3	0.2	0.0	0.0	0.5	0.5
19 - Arms and ammunition	0.0	0.0	0.0	0.0	0.0	0.0
20 - Miscellaneous manufactured articles	0.0	0.0	0.0	0.3	0.3	0.5
95. Toys, games and sports requisites; parts and accessories thereof	0.0	0.0	0.0	0.3	0.2	0.5
21 - Works of art, collectors' pieces and antiques	0.5	0.0	0.0	0.0	0.0	0.0
Others	4.9	5.9	8.3	11.2	0.6	0.1

Source: WTO Secretariat estimates based on data provided by the authorities.

Table A1.2 Merchandise imports by HS sections and main HS chapters, 2010–15

(US\$ million and %)

Description	2010	2011	2012	2013	2014	2015
Total imports	702	799	861	931	1,003	1,030
	(% of total imports)					
1 - Live animals; animal products	2.1	2.1	2.3	2.0	2.4	2.2
04. Dairy produce; birds' eggs; natural honey; edible products of animal origin	1.9	1.9	2.0	1.8	2.1	1.9
02. Meat and edible meat offal	0.2	0.2	0.1	0.2	0.2	0.2
01. Live animals	0.1	0.1	0.0	0.1	0.1	0.1
2 - Vegetable products	2.1	2.0	2.4	2.4	2.5	2.2
10. Cereals	1.2	1.1	1.4	1.3	1.2	0.9
11. Products of the milling industry; malt; starches; inulin; wheat gluten	0.3	0.3	0.3	0.4	0.5	0.5
09. Coffee, tea, maté and spices	0.1	0.1	0.1	0.1	0.2	0.3
07. Edible vegetables and certain roots and tubers	0.3	0.3	0.3	0.3	0.3	0.3
3 - Animal or vegetable fats and oils; prepared edible fats	1.0	1.2	1.3	1.2	1.4	1.6
15. Animal or vegetable fats and oils and their cleavage products	1.0	1.2	1.3	1.2	1.4	1.6
4 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco	8.1	7.4	8.5	8.6	16.6	15.0
24. Tobacco and manufactured tobacco substitutes	0.5	0.4	0.8	1.0	5.9	5.4
22. Beverages, spirits and vinegar	1.2	1.4	1.5	1.5	2.5	2.4
23. Residues and waste from the food industries	1.7	1.4	1.6	1.5	3.2	2.2
21. Miscellaneous edible preparations	1.9	1.6	1.9	2.1	2.1	2.2
19. Preparations of cereals, flour, starch or milk	1.3	1.1	1.2	1.2	1.3	1.4
5 - Mineral products	17.5	17.3	17.6	17.0	16.7	12.5
27. Mineral fuels, mineral oils and products of their distillation	16.0	15.6	16.1	15.3	15.1	11.3
25. Salt; sulphur; earths and stone; plastering materials, lime and cement	1.5	1.6	1.5	1.7	1.5	1.3
6 - Products of the chemical or allied industries	8.2	7.9	8.4	8.0	7.9	8.0
38. Miscellaneous chemical products	1.9	1.9	2.1	2.0	1.9	1.9
31. Fertilizers	1.8	2.6	2.6	2.1	1.9	1.8
30. Pharmaceutical products	1.3	0.9	1.1	1.2	1.0	1.3
32. Tanning or dyeing extracts and their derivatives; dyes, pigments and paints	1.0	0.8	0.8	0.9	0.9	1.0
7 - Plastics and articles thereof; rubber and articles thereof	4.0	3.7	3.9	4.0	4.8	5.5
39. Plastics and articles thereof	2.8	2.6	2.7	2.8	3.4	3.9
40. Rubber and articles thereof	1.3	1.1	1.3	1.2	1.4	1.6
8 - Raw hides and skins, leather, furskins and articles thereof; travel goods, handbags; articles of animal gut	0.2	0.2	0.2	0.2	2.3	2.1
42. Articles of leather; travel goods, handbags; articles of animal gut	0.2	0.2	0.2	0.2	2.3	2.1
9 - Wood and articles of wood; wood charcoal; cork and articles of cork	0.8	1.0	0.6	0.8	1.0	1.1
44. Wood and articles of wood; wood charcoal	0.8	1.0	0.6	0.8	1.0	1.1
10 - Pulp of wood or of other fibrous cellulosic material; paper and paperboard and articles thereof	3.6	3.2	2.7	2.7	2.4	2.3
48. Paper and paperboard; articles of paper pulp, of paper or of paperboard	3.1	2.7	2.2	2.2	1.9	1.8
49. Printed books, newspapers, pictures and other products of the printing industry	0.5	0.5	0.5	0.5	0.5	0.5
11 - Textiles and textile articles	1.2	1.4	1.4	1.5	6.5	6.5
62. Articles of apparel and clothing accessories, not knitted or crocheted	0.4	0.4	0.4	0.3	2.7	3.1
61. Articles of apparel and clothing accessories, knitted or crocheted	0.1	0.2	0.1	0.2	2.6	2.2
63. Other made up textile articles	0.4	0.4	0.6	0.7	0.9	0.9

Description	2010	2011	2012	2013	2014	2015
12 - Footwear, headgear, umbrellas; prepared feathers and articles; artificial flowers	0.4	0.4	0.4	0.4	2.2	2.1
64. Footwear, gaiters and the like; parts of such articles	0.4	0.4	0.4	0.4	2.0	1.9
13 - Articles of stone, plaster, cement, etc.; ceramic products; glass and glassware	1.1	1.0	1.1	1.3	1.3	1.4
70. Glass and glassware	0.4	0.4	0.4	0.6	0.5	0.6
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals	0.8	0.5	0.2	1.0	0.4	0.5
15 - Base metals and articles of base metal	6.4	5.2	5.1	5.0	6.1	6.7
73. Articles of iron or steel	2.6	2.5	1.8	1.8	2.9	3.1
72. Iron and steel	2.2	1.5	2.0	1.9	1.9	2.1
16 - Machinery and mechanical appliances; electrical equipment; television image and sound recorders	12.0	9.0	11.5	12.0	13.6	16.5
84. Nuclear reactors, boilers, machinery and mechanical appliances	6.9	5.5	6.8	7.8	9.1	10.6
85. Electrical machinery and equipment; sound recorders and reproducers	5.1	3.6	4.7	4.2	4.5	5.9
17 - Vehicles, aircraft, vessels and associated transport equipment	4.6	5.8	5.6	6.5	7.9	9.1
87. Vehicles other than railway or tramway rolling-stock, parts and accessories	3.7	4.1	5.1	6.0	6.9	7.9
89. Ships, boats and floating structures	0.5	1.0	0.4	0.3	0.4	0.8
18 - Optical, photographic, precision, medical or surgical instruments; clocks and watches; musical instruments	0.9	0.9	0.9	1.4	1.3	1.6
90. Optical, photographic, cinematographic, measuring, precision, medical or surgical instruments and apparatus	0.6	0.6	0.7	0.9	1.0	1.3
19 - Arms and ammunition	0.1	0.1	0.1	0.1	0.1	0.1
20 - Miscellaneous manufactured articles	1.3	1.2	1.3	1.4	2.5	2.8
94. Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	0.8	0.7	0.8	0.9	1.1	1.2
95. Toys, games and sports requisites; parts and accessories thereof	0.3	0.3	0.3	0.3	0.8	0.9
21 - Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.0	0.0	0.0
Others	23.5	28.4	24.5	22.6	0.3	0.2

Source: WTO Secretariat estimates based on data provided by the authorities.

Table A1.3 Merchandise exports by trading partner, 2010–15

(US\$ million and %)

Description	2010	2011	2012	2013	2014	2015
Total exports	305	379	403	416	365	329
Exports	270	328	339	334	307	268
Re-exports	35	52	63	81	58	61
	(% of exports)					
Americas	69.4	77.1	63.9	57.0	61.3	61.4
United States	46.8	58.4	45.7	38.7	37.7	40.2
Other America	22.6	18.7	18.2	18.3	23.6	21.2
Mexico	2.9	1.9	1.4	3.4	7.7	4.6
Trinidad and Tobago	2.5	2.6	4.0	4.8	3.8	4.1
Jamaica	2.4	2.7	3.5	4.7	4.1	3.6
Virgin Islands, British	0.0	0.0	0.0	0.0	0.1	2.6
Guatemala	8.2	6.8	5.7	1.3	2.6	1.9
Guyana	0.2	0.3	0.8	1.6	1.4	0.9
Honduras	0.0	0.1	0.1	0.1	0.1	0.9
Barbados	0.5	0.6	0.4	0.3	0.4	0.6
Canada	0.2	0.3	0.3	0.4	2.4	0.5
Panama	0.2	0.1	0.2	0.4	0.3	0.4
Suriname	0.0	0.1	0.1	0.4	0.2	0.3
Bahamas	0.0	0.0	0.0	0.0	0.0	0.2
Europe	26.6	18.4	29.3	32.1	34.9	35.3
EU-28	26.3	18.2	29.0	32.0	34.3	35.0
United Kingdom	22.5	15.9	19.3	21.4	24.6	24.9
Ireland	0.0	0.0	2.3	3.5	3.9	4.4
Netherlands	3.4	1.8	6.4	5.6	4.6	3.6
Spain	0.1	0.1	0.7	1.0	0.7	1.1
Germany	0.1	0.2	0.3	0.2	0.3	0.9
EFTA	0.3	0.2	0.2	0.1	0.6	0.3
Switzerland	0.3	0.2	0.2	0.1	0.1	0.3
Other Europe	0.0	0.1	0.0	0.1	0.1	0.0
Commonwealth of independent states (CIS) ^a	0.0	0.0	0.0	0.0	0.0	0.0
Africa	0.0	0.0	0.0	0.0	0.0	0.1
Middle East	0.3	0.2	0.0	0.2	0.0	0.2
Israel	0.0	0.0	0.0	0.0	0.0	0.1
United Arab Emirates	0.2	0.2	0.0	0.1	0.0	0.1
Asia	3.3	3.4	6.5	10.6	3.5	2.9
China	0.4	0.8	1.4	3.5	1.6	1.1
Japan	2.7	2.0	3.1	0.9	0.5	0.4
Other Asia	0.2	0.6	1.9	6.2	1.5	1.4
India	0.0	0.0	1.3	5.4	0.4	0.3
Viet Nam	0.0	0.0	0.2	0.3	0.2	0.3
Chinese Taipei	0.0	0.1	0.1	0.2	0.2	0.3
Hong Kong, China	0.1	0.0	0.0	0.0	0.2	0.2
Thailand	0.0	0.0	0.1	0.2	0.1	0.1
Singapore	0.1	0.0	0.0	0.0	0.1	0.1
Other	0.4	0.8	0.4	0.0	0.2	0.0

a Commonwealth of Independent States (CIS) includes Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

Source: UNSD, Comtrade database.

Table A1.4 Merchandise imports by trading partner, 2010–15

(US\$ million and %)

Description	2010	2011	2012	2013	2014	2015
Total imports	702	799	861	931	1,003	1,030
	(% of imports)					
Americas	79.3	73.8	75.3	75.9	76.2	75.2
United States	34.4	31.8	29.9	32.1	31.2	33.8
Other America	44.9	42.0	45.4	43.8	45.0	41.3
Mexico	9.9	9.1	10.7	11.4	10.8	10.6
Netherlands Antilles	13.7	13.1	13.7	12.5	12.4	8.8
Guatemala	7.8	6.8	6.8	6.7	7.9	7.4
Panama	5.1	4.9	4.0	2.8	3.3	3.9
Honduras	1.4	1.4	2.0	1.7	2.1	2.3
Trinidad and Tobago	0.9	0.9	1.9	1.6	1.6	1.5
El Salvador	1.4	1.1	1.2	1.2	1.0	1.1
Costa Rica	1.0	0.9	1.3	1.5	1.0	1.1
Canada	0.8	0.8	0.8	0.6	0.8	0.8
Jamaica	1.0	1.0	0.8	1.0	1.0	0.6
Brazil	0.5	0.4	0.5	0.7	0.6	0.6
Chile	0.2	0.2	0.2	0.3	0.3	0.3
Colombia	0.1	0.3	0.1	0.2	0.3	0.3
Argentina	0.1	0.1	0.1	0.2	0.3	0.3
Saint Vincent and the Grenadines	0.0	0.0	0.0	0.0	0.1	0.3
Europe	5.0	5.2	4.5	5.0	4.9	7.0
EU-28	4.7	4.6	4.2	4.7	4.6	6.1
United Kingdom	1.5	1.5	1.0	1.1	1.3	2.3
Germany	0.3	0.3	0.3	0.5	0.8	1.1
Netherlands	1.5	1.4	1.0	1.0	1.1	0.7
Spain	0.1	0.1	0.1	0.2	0.1	0.4
Austria	0.3	0.5	0.5	0.4	0.4	0.3
EFTA	0.2	0.5	0.3	0.2	0.1	0.2
Switzerland	0.2	0.5	0.3	0.2	0.1	0.2
Other Europe	0.0	0.1	0.1	0.1	0.1	0.7
Turkey	0.0	0.0	0.0	0.1	0.1	0.7
Commonwealth of independent states (CIS) ^a	0.1	0.1	0.1	0.1	0.0	0.0
Africa	0.1	0.1	0.1	0.1	0.3	0.2
South Africa	0.1	0.0	0.1	0.1	0.2	0.2
Middle East	0.1	0.1	0.1	0.3	0.3	0.5
United Arab Emirates	0.0	0.1	0.1	0.2	0.1	0.3
Israel	0.0	0.0	0.0	0.0	0.1	0.2
Asia	15.4	20.6	19.8	18.7	18.3	17.1
China	10.6	14.7	12.8	11.4	10.9	10.1
Japan	0.6	0.9	1.6	1.1	1.2	0.9
Other Asia	4.2	5.0	5.4	6.2	6.3	6.1
India	0.6	1.8	2.4	2.5	2.3	1.9
Hong Kong, China	1.4	0.6	0.5	0.6	0.8	1.4
Korea, Republic of	0.5	0.6	0.6	0.6	0.7	0.6
Viet Nam	0.1	0.3	0.4	0.6	0.6	0.5
Thailand	0.4	0.5	0.4	0.8	0.8	0.5
Other	0.1	0.1	0.1	0.0	0.1	0.0

a Commonwealth of Independent States (CIS) includes Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

Source: UNSD, Comtrade database.

Table A3.1 Items and rates of RRDs

Tariff heading No.	Description of goods	RRD rate
02.10	Meat and edible offal, salted in brine, dried or smoked; edible flours and meals of meat or meat offal	
0210.11.00	Hams, shoulders and cuts thereof, with bone in	10%
0210.12.10	Bacon	10%
11.06	Flour, meal and powder of the dried leguminous vegetables of heading 07.13, of sago or of roots or tubers of heading 07.14 or of the products of Chapter 8	
1106.30.90.10	Dehydrated coconut products	10%
16.01	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products	
1601.00.30	Salami sausage	10%
1601.00.90.13	Pork sausage (including morcia and longaniza)	10%
1601.00.90.14	Beef sausage	10%
16.02	Other prepared or preserved meat, meat offal or blood	
1602.49.90.10	Seasoned ground pork and seasoned meats	10%
1602.50.90.10	Seasoned ground beef and seasoned meats	10%
20.07	Jams, fruit jellies, marmalade, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter	
2007.99.30	Guava jams and jellies	10%
2007.99.50	Nutmeg jams and jellies	10%
2007.99.90	Other jams and jellies	10%
20.08	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included	
2008.11.00	Peanut butter	50%
20.09	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	
	Orange juice:	
	Frozen:	
2009.11.10	Concentrated	40%
2009.11.20	Other (frozen)	40%
	Not frozen, of a Brix value not exceeding 20:	
2009.12.10	For infant use, in packages put up for retail sale	40%
2009.12.20	Other, in packages put up for retail sale, not concentrated	40%
2009.12.30	Other, not concentrated	40%
2009.12.90	Other, concentrated	40%
	Other:	
2009.19.10	For infant use, in packages put up for retail sale	40%
2009.19.20	Other, in packages put up for retail sale	40%
2009.19.90	Not in packages put up for retail sale	40%
	Grapefruit (including pomelo) juice:	
	Of a Brix value not exceeding 20:	
2009.21.10	For infant use, in packages put up for retail sale	40%
2009.21.20	Other, in packages put up for retail sale, not concentrated	40%
2009.21.30	Other, not concentrated	40%
2009.21.90	Other, concentrated	40%
	Other:	
2009.29.10	For infant use, in packages put up for retail sale	40%
2009.29.20	Other, in packages put up for retail sale	40%
2009.29.90	Not in packages put up for retail sale	40%
	Juices of any other single citrus fruit:	
	Of a Brix value not exceeding 20:	
	Lime juice of a Brix value not exceeding 20:	

Tariff heading No.	Description of goods	RRD rate
2009.31.11	For infant use, in packages put up for retail sale	40%
2009.31.12	Other, in packages put up for retail sale, concentrated	40%
2009.31.13	Other, in packages put up for retail sale, not concentrated	40%
2009.31.19	Not in packages put up for retail sale	40%
	Other juice of any single citrus fruit	
	Of a brix value not exceeding 20:	
2009.31.91	For infant use, in packages put up for retail sale	40%
2009.31.92	Other, in packages put up for retail sale	40%
2009.31.99	Not in packages put up for retail sale	40%
	Other	
	Lime juice of a Brix value not exceeding 20:	
2009.39.11	For infant use, in packages put up for retail sale	40%
2009.39.12	Other, in packages put up for retail sale, concentrated	40%
2009.39.13	Other, in packages put up for retail sale, not concentrated	40%
2009.39.19	Not in packages put up for retail sale	40%
	Other juice of any single citrus of a Brix value exceeding 20:	
2009.39.91	For infant use, in packages put up for retail sale	40%
2009.39.92	Other, in packages put up for retail sale	40%
2009.39.99	Not in packages put up for retail sale	40%
	Pineapple juice:	
	Of a Brix value not exceeding 20:	
2009.41.10	For infant use, in packages put up for retail sale	40%
2009.41.30	Other, in packages put up for retail sale	40%
2009.41.40	Not in packages put up for retail sale	40%
	Other:	
2009.49.10	For infant use, in packages put up for retail sale	40%
2009.49.20	Other, in packages put up for retail sale	40%
2009.49.40	Not in packages put up for retail sale	40%
	Tomato juice:	
2009.50.10	For infant use, in packages put up for retail sale	40%
2009.50.90	Other tomato juice (see Chapter Note 4)	40%
	Grape juice (including Grape Must):	
	Of a Brix value not exceeding 30:	
2009.61.10	Concentrated, other than grape must	40%
2009.61.20	Grape Must (see Additional CARICOM Note 3)	40%
2009.61.30	Other, for infant use, in packages put up for retail sale	40%
2009.61.40	Other, in packages put up for retail sale	40%
2009.61.90	Other, not in packages put up for retail sale	40%
	Other:	
2009.69.10	For infant use, in packages put up for retail sale	40%
2009.69.20	Grape Must (see Additional CARICOM Note 3)	40%
2009.69.30	Other, in packages put up for retail sale	40%
2009.69.90	Other, not in packages put up for retail sale	40%
	Apple juice:	
	Of a Brix value not exceeding 20:	
2009.71.10	Concentrated, not in packages for retail sale	40%
2009.71.20	Other, for infant use, in packages put up for retail sale	40%
2009.71.30	Other, in packages put up for retail sale	40%
2009.71.80	Other, not in packages for retail sale	40%
	Other:	
2009.79.10	For infant use, in packages put up for retail sale	40%
2009.79.20	Other, in packages put up for retail sale	40%
2009.79.80	Not in packages put up for retail sale	40%
	Juices of any other single fruit or vegetable:	
	Cranberry juice:	
2009.81.10	For infant use, in packages put up for retail sale	40%
2009.81.90	Other	40%

Tariff heading No.	Description of goods	RRD rate
	Other:	
	Passion fruit juice:	40%
2009.89.11	For infant use, in packages put up for retail sale	40%
2009.89.12	Other, in packages put up for retail sale	40%
2009.89.13	Other, concentrated, not in packages put up for retail sale	40%
2009.89.19	Other	40%
	Tamarind juice:	
2009.89.22	For infant use, in packages put up for retail sale	40%
2009.89.23	Other, in packages put up for retail sale	40%
2009.89.29	Not in packages put up for retail sale	40%
2009.89.30	Other, for infant use, in packages put up for retail sale	40%
2009.89.90	Other	
	Mixtures of juices:	
2009.90.10	Mixtures of grapefruit juice and orange juice, for infant use, in packages put up for retail sale	40%
2009.90.20	Other mixtures of grapefruit juice and other juice	40%
2009.90.30	Other mixtures of orange juice with other juice	40%
2009.90.40	Mixtures of pineapple juice and other juice, for infant use, in packages put up for retail sale	40%
2009.90.50	Other mixtures of pineapple juice with other juice	40%
2009.90.60	Other mixtures of juices, for infant use, in packages put up for retail sale	40%
2009.90.90	Other mixtures of juice	40%
21.05	Ice cream and other edible ice, whether or not containing cocoa	
2105.00.10	Ice cream	50%
22.02	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09	
2202.10.10	Aerated waters	30%
2202.10.90	Other waters	30%
	Other:	
2202.90.10	Beverages containing cocoa	10%
2202.90.20	Malt beverages	10%
2202.90.90	Other	10%
22.03	Beer made from malt	
2203.00.10	Beer	BZ\$30.44/Imp . Gal
2203.00.20	Stout	BZ\$30.44/Imp . Gal
22.06	Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included	
2206.00.90	Other	BZ\$20/Imp. Gal
24.02	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	
2402.20.00	Cigarettes containing tobacco	BZ\$236 per 1,000
68.1	Articles of cement, of concrete or of artificial stone, whether or not reinforced	
6810.11.00.10	Building blocks	20%
71.13	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal	
7113.11.00	Of silver, whether or not plated or clad with other precious metal	10%
7113.19.10	Of gold	10%
7113.19.90	Other	10%
7113.20.00	Of base metal clad with precious metal	10%
71.14	Articles of goldsmiths' and silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal. Of precious metal whether or not plated or clad with precious metal	

Tariff heading No.	Description of goods	RRD rate
7114.11.00	Of silver, whether or not plated or clad with other precious metal	10%
7114.19.00	Of other precious metal, whether or not plated or clad with other precious metal	10%
7114.20.00	Of base metal clad with precious metal	10%
71.16	Articles of natural or cultured pearls, precious or semi-precious stones (natural, synthetic or reconstructed)	
7116.10.00	Of natural or cultured pearls	10%
7116.20.00	Of precious or semi-precious stones (natural, synthetic or reconstructed)	10%
71.17	Imitation jewellery of base metal, whether or not plated with precious metal	
7117.11.00	Cuff-links and studs	10%
7117.19.00	Other imitation jewellery of base metal, whether or not plated with precious metal	10%
7117.90.00	Other imitation jewellery	10%
76.1	Aluminium structures (excluding pre-fabricated buildings of heading 9406.00) and parts of structures (for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, balustrades, pillars and columns); aluminium plates, rods, profiles, tubes and the like, prepared for use in structures	
7610.10.00	Doors, windows and their frames and thresholds for doors (whether unassembled or disassembled)	15%
7610.90.90	Other, hurricane storm shutters and mosquito screens of aluminium	5%

Source: Statutory Instrument No. 37 of 2016.

Table A3.2 Excise duties

Tariff heading No.	Description of goods	RRD rate
17.04	Sugar confectionery (including white chocolate), not containing cocoa	
1704.10.00	Chewing gum, whether or not sugar coated	15%
1704.90.10	Guava cheese	10%
1704.90.90	Other (sugar confectionery)	15%
22.01	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow	
2201.10.10	Mineral waters	BZ\$0.76/Imp. Gal
2201.10.20	Aerated waters	BZ\$0.76/Imp. Gal
22.02	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09	
2202.10.10	Aerated waters	BZ\$0.76/Imp. Gal
22.03	Beer made from malt	
2203.00.10	Beer made from malt	BZ\$6/Imp. Gal
2203.00.20	Stout	BZ\$6/Imp. Gal
22.04	Wine or fresh grapes, including fortified wines; grape must other than that of heading 20.09	
2204.10.00	Sparkling wine	BZ\$20/Imp. Gal
2204.21.00	In containers holding 2 litres or less	BZ\$20/Imp. Gal
2204.29.90	Other	BZ\$20/Imp. Gal
22.05	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances	
2205.10.00	In containers holding 2 litres or less	BZ\$20/Imp. Gal
2205.90.00	Other	BZ\$20/Imp. Gal
22.08	Un-denatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol.: spirits, liqueurs and other spirituous beverages	
2208.20.10	Brandy, in bottles with a strength not exceeding 46% vol.	BZ\$90/Imp. Gal
2208.20.90	Other	BZ\$90/Imp. Gal
2208.30.10	Whiskey, in bottles with a strength not exceeding 46% vol.	BZ\$90/Imp. Gal
2208.30.90	Other, whiskey	BZ\$90/Imp. Gal
2208.40.10	Rum & Tafia, in bottles with a strength not exceeding 46% vol.	BZ\$90/Imp. Gal
2208.40.90	Other	BZ\$90/Imp. Gal
2208.50.10	Gin, in bottles with a strength not exceeding 46% vol.	BZ\$90/Imp. Gal
2208.50.90	Other gin	BZ\$90/Imp. Gal
2208.60.00	Vodka	BZ\$90/Imp. Gal
2208.70.00	Liqueurs and cordials	BZ\$90/Imp. Gal
24.02	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	
2402.10.00	Cigars, cheroots and cigarillos, containing tobacco	BZ\$65 per 1,000
2402.20.00	Cigarettes containing tobacco	BZ\$65 per 1,000
2402.90.00	Other	BZ\$3 per pack
27.09	Petroleum oils and oils obtained from bituminous minerals, crude	
2709.00.90	Crude oil	BZ\$2 BBL (of 35 Imp. Gal)
27.10	Light oils and preparations	
2710.12.13	Motor spirits (gasoline)	BZ\$3.64/Imp. Gal
2710.12.13.10	Gasoline 90 Octane or more (premium)	BZ\$4.04/Imp. Gal
2710.19.11	Kerosene type jet fuel	BZ\$1.27/Imp. Gal
2710.19.14	Diesel oil	BZ\$3.26/Imp. Gal
2710.19.15	Gas oil (other than diesel oil)	BZ\$3.26/Imp. Gal
33.03	Perfumes and toilet waters	
3303.00.90	Other	30%
33.04	Beauty or make-up preparations and preparations for skin care (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations	

Tariff heading No.	Description of goods	RRD rate
3304.10.00	Lip make-up preparations	30%
3304.20.00	Eye make-up preparations	30%
3304.30.00	Manicure or pedicure preparations	30%
3304.91.00	Powders, whether or not compressed	30%
3304.99.10	Sunscreen or sun tan preparations	30%
3304.99.90	Other	30%
33.05	Preparations for use on the hair	
3305.20.00	Preparations for permanent waving or straightening	30%
3305.30.00	Hair lacquers	30%
3305.90.00	Other	30%
33.06	Preparations for oral or dental hygiene, including denture fixative pastes and powders; yarn used to clean between teeth (dental floss), in individual retail packages	
3306.10.90	Other	30%
3306.20.00	Yarn used to clean between teeth (dental floss)	30%
3306.90.00	Other	30%
33.07	Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorizers, whether or not perfumed or having disinfectant properties	
3307.10.00	Pre-shave, shaving or after-shave preparations	30%
3307.30.00	Perfumed bath salts and other bath preparations	30%
3307.41.00	"Agarbatti" and other odoriferous preparations which operate by burning	30%
3307.49.00	Other	30%
3307.90.00	Other pre-shave shaving or after shave preparations	25%
85.25	Transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras and video camera recorders	
8525.80.00	Television cameras, digital cameras and video camera recorders	5%
85.28	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus	
	Projectors:	
8528.61.00	Of a kind solely or principally used in an automatic data processing system of heading 84.71	5%
8528.69.00	Other	5%
87.01	Tractors (other than tractors of heading 87.09)	
8701.20.00	Road tractors for semi-trailers	10%
87.02	Motor vehicles for the transport of ten or more persons, including the driver	
8702.10.10	Coaches, buses and mini-buses, of a seating capacity not exceeding 21 persons (including the driver), completely knocked down for assembly in plants approved for the purpose by the competent authority	5%
8702.10.20	Other coaches, buses and mini-buses, of a seating capacity not exceeding 21 persons (including the driver)	5%
8702.10.30	Coaches, buses and mini-buses, of a seating capacity exceeding 21 persons but not exceeding 29 persons (including the driver), completely knocked down for assembly in plants approved for the purpose by the competent authority	5%
8702.10.40	Other coaches, buses and mini-buses, of a seating capacity exceeding 21 persons but not exceeding 29 persons (including the driver)	5%
8702.10.50	Coaches, buses and mini-buses, of a seating capacity exceeding 29 persons (including the driver), completely knocked down for assembly in plants approved for the purpose by the competent authority	5%
8702.10.60	Other coaches, buses and mini-buses, of a seating capacity exceeding 29 persons (including the driver)	5%
8702.10.90	Other	5%

Tariff heading No.	Description of goods	RRD rate
8702.90.10	Coaches, buses and mini-buses, of a seating capacity not exceeding 21 persons (including the driver), completely knocked down for assembly in plants approved for the purpose by the competent authority	5%
8702.90.20	Other coaches, buses and mini-buses, of a seating capacity not exceeding 21 persons (including the driver)	5%
8702.90.30	Coaches, buses and mini-buses, of a seating capacity exceeding 21 persons but not exceeding 29 persons (including the driver), completely knocked down for assembly in plants approved for the purpose by the competent authority	5%
8702.90.40	Other coaches, buses and mini-buses, of a seating capacity exceeding 21 persons but not exceeding 29 persons (including the driver)	5%
8702.90.50	Coaches, buses and mini-buses, of a seating capacity exceeding 29 persons (including the driver), completely knocked down for assembly in plants approved for the purpose by the competent authority	5%
8702.90.60	Other coaches, buses and mini-buses, of a seating capacity exceeding 29 persons (including the driver)	5%
8702.90.90	Other	5%
87.03	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars	
	Of a cylinder capacity exceeding 3,000 cc:	
8703.24.10	Completely knocked down for assembly in plants approved for the purpose by the competent authority	5%
8703.24.90	Other	5%
8703.33.90	Other	5%
8703.90.00	Other	5%
87.04	Motor vehicles for the transport of goods	
	Other, with compression-ignition internal combustion piston engine (diesel or semi-diesel): g.v.w. not exceeding 5 tonnes, with more than four cylinders and with an engine size greater than 3.0 litres	
8704.21.10	Completely knocked down for assembly in plants approved for the purpose by the competent authority	15%
8704.21.90	Other	15%
	g.v.w. exceeding 5 tonnes but not exceeding 20 tonnes	
8704.22.10	Completely knocked down for assembly in plants approved for the purpose by the competent authority	10%
8704.22.90	Other	10%
	g.v.w. exceeding 20 tonnes	
8704.23.10	Completely knocked down for assembly in plants approved for the purpose by the competent authority	10%
8704.23.90	Other	10%
	Other, with spark-ignition internal combustion piston engine: g.v.w. not exceeding 5 tonnes	
8704.31.10	Completely knocked down for assembly in plants approved for the purpose by the competent authority	15%
8704.31.90	Other	15%
	g.v.w. exceeding 5 tonnes	
8704.32.10	Completely knocked down for assembly in plants approved for the purpose by the competent authority	10%
8704.32.90	Other	10%
8704.90.00	Other	5%
90.06	Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps of heading 85.39	
9006.10.00	Cameras of a kind used for preparing printing plates or cylinders	5%
9006.30.00	Cameras specially designed for underwater use, for aerial survey or for medical or surgical examinations of internal organs; comparison cameras for forensic or criminological purposes	5%
9006.40.00	Instant print cameras	5%
	Other cameras	
9006.51.00	With a through-the-lens viewfinder (single lens reflex (SLR)), for roll film or a width not exceeding 35 mm	5%
9006.52.00	Other, for roll film or a width less than 35 mm	5%

Tariff heading No.	Description of goods	RRD rate
9006.53.00	Other, for roll film or a width of 35 mm	5%
9006.59.00	Other	5%
90.07	Cinematographic cameras and projectors, whether or not incorporating sound recording or reproducing apparatus	
9007.10.00	Cameras Projectors:	5%
9007.20.10	For film of less than 16 mm width or for double 8 mm film	5%
9007.20.90	Other	5%
91.01	Wrist-watches, pocket-watches and other watches, including stop-watches, with case of precious metal or of metal clad with precious metal	
	Wrist-watches, electrically operated, whether or not incorporating a stop-watch facility:	
9101.11.00	With mechanical display only	5%
9101.19.00	Other	5%
	Other wrist-watches, whether or not incorporating a stop-watch facility	
9101.21.00	With automatic winding	5%
9101.29.00	Other	5%
	Other	
9101.91.00	Electrically operated	5%
9101.99.00	Other	5%
91.02	Wrist-watches, pocket watches, and other watches, including stop-watches, other than those of heading 91.01	
	Wrist-watches, electrically operated, whether or not incorporating a stop-watch facility:	
9102.11.00	With mechanical display only	5%
9102.12.00	With opto-electronic display only	5%
9102.19.00	Other	5%
	Other wrist-watches, whether or not incorporating a stop-watch facility	
9102.21.00	With automatic winding	5%
9102.29.00	Other	5%
	Other	
9102.91.00	Electrically operated	5%
9102.99.00	Other	5%
91.13	Watch straps, watch bands and watch bracelets, and parts thereof	
9113.10.00	Of precious metal or of metal clad with precious metal	10%
9302.00.00	Revolvers and pistols, other than those of heading 93.03 or 93.04	20%
93.03	Other firearms and similar devices which operate by the firing of an explosive charge (for example, sporting shotguns and rifles, muzzle-loading firearms, Very pistols, and other devices designed to project only signal flares, pistols and revolvers for firing blank ammunition, captive bolt human killers, line-throwing guns)	
9303.10.00	Muzzle-loading firearms	20%
9303.20.00	Other sporting, hunting or target-shooting shotguns, including combination shotgun-rifles	20%
9303.30.00	Other sporting, hunting or target-shooting rifles	20%
9303.90.00	Other	20%
9304.00.00	Other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading 93.07	20%
93.05	Parts and accessories of articles of heading 93.01 to 93.04	
9305.10.00	Of revolvers or pistols	20%
9305.20.00	Of shotguns or rifles	20%
9305.99.00	Other	20%

Source: Customs and Excise Duties (Amendment) Act 2016.

Table A4.1 Institutional composition of the financial sector in Belize

	Number of Institutions						Asset size (BZ\$ MN)						% of Total assets						% of GDP 2015
	Dec. 2010	Dec. 2011	Dec. 2012	Dec. 2013	Dec. 2014	Dec. 2015	Dec. 2010	Dec. 2011	Dec. 2012	Dec. 2013	Dec. 2014	Dec. 2015	Dec. 2010	Dec. 2011	Dec. 2012	Dec. 2013	Dec. 2014	Dec. 2015	
Depository institutions	26	24	24	24	24	23	4,011	4,317	4,719	4,945	5,335	5,284	91.9	92.4	93.7	93.8	94.0	93.7	153.5
Domestic banks	5	5	5	6	6	6	2,498	2,552	2,760	2,830	2,997	3,249	57.3	54.6	54.8	53.7	52.8	57.6	94.4
International banks	8	7	7	6	6	5	980	1,178	1,308	1,398	1,573	1,204	22.5	25.2	26.0	26.5	27.7	21.3	35.0
Credit unions	13	12	12	12	12	12	533	587	651	717	765	831	12.2	12.6	12.9	13.6	13.5	14.7	24.1
Non-depository FIs	3	2	2	2	1	1	159	145	99	92	91	104	3.6	3.1	2.0	1.7	1.6	1.8	3.0
Development financing	1	1	1	1	1	1	150	144	97	90	91	104	3.4	3.1	2.0	1.7	1.6	1.8	3.0
Microlending	1	1	1	1	0	0	1	1	2	2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unit trust	1	0	0	0	0	0	8	0	0	0	0	0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Domestic insurance companies	13	12	12	13	13	10	193	211	214	234	248	253	4.4	4.5	4.2	4.4	4.4	4.5	7.4
Life	5	5	5	6	6	3	117	131	140	149	162	164	2.7	2.8	2.8	2.8	2.9	2.9	4.8
Non-life	6	5	5	5	5	5	53	56	50	59	60	62	1.2	1.2	1.0	1.1	1.0	1.1	1.8
Composite	2	2	2	2	2	2	23	24	24	26	26	27	0.5	0.5	0.4	0.5	0.5	0.5	0.8
TOTAL	39	38	38	39	38	34	4,363	4,673	5,032	5,271	5,674	5,641	100.0	100.0	100.0	100.0	100.0	100.0	163.9

Source: Information provided by the Central Bank of Belize and the Office of the Supervisor of Insurance and Private Pensions.