



Doing Business In Belize: A Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Belize

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Market Overview

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- Belize, the second smallest (8,867 square miles) and least populated country in Central America (2005 estimated population, 290,000), has an open, private sector-led economy based primarily on export agriculture and services.
- Tourism continues to be the single largest foreign exchange earner, bringing in \$128.10 million in hard currency in 2004. The tourism industry is followed, in ranking order, by marine products (\$53.36 million), cane sugar (\$40.77 million), citrus (\$39.66 million), and bananas (\$26.504 million).
- Traditionally, Belize has been a consumer nation, relying heavily on imports.
- Imports in 2004 totaled \$514.11 million, while total exports were only \$205.07 million.
- The United States continues to be Belize's number one trading partner.
- In 2004, the United States provided 38.72% of all Belizean imports and accounted for 55% of Belize's total exports.
- These proportions reflected an 86 million U.S. trade surplus with Belize, down 33.3 percent from 2003, when the U.S. enjoyed a 129 million surplus.
- Other major trading partners include Mexico, the United Kingdom, Western Europe, Guatemala, Canada, and the Caricom member states. In the past two years, Taiwan and Japan have emerged as new trading partners with Belize.

Market Challenges

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- Despite having the smallest consumer market in the region, American suppliers should not overlook Belize's unique advantages as a potential trading partner such as its proximity to the United States, strong cultural influences from North America, and excellent air and sea transportation links to the U.S.
- In order to protect certain domestic industries, the government maintains a list of 27 categories of products that require import licenses. This list includes mostly consumer goods, such as flour, rice, beans, dry pasta products, aerated beverages and beer.

Market Opportunities

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- Tourism continues to take on increasing economic importance for Belize. In 2004, tourist arrivals amounted to close to one million, the majority (approximately 90%) comprised of Americans. Revenues from tourism have been increasing for the past three consecutive years: \$98.8 million in 2002, \$112.75 million in 2003, \$128.10 million in 2004. This growth makes tourism the number one source of foreign exchange earnings, followed by the agriculture sector.
- Offshore services show a potential for growth. Since 1990, over 25,000 offshore businesses and trusts have been registered in Belize.
- Of all the primary sector industries, the production of exotic tropical fruits, such as papayas, and shrimp farming (aquaculture) seem to have greatest potential for growth.

Market Entry Strategy

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- The local economy is extremely small. A potential way for American exporters to penetrate the Belizean market is to seek a local importer/wholesaler who would generally act as their agent/distributor in Belize.
- A typical distribution channel for an American-made product involves the U.S. manufacturer or distributor, the local importer or wholesaler (who almost always acts also as the distributor), the retailer, and finally the buyer/consumer.

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Chapter 2: Political and Economic Environment

- For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.
- <http://www.state.gov/r/pa/ei/bgn/1955.htm>

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Using an Agent or Distributor

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- Consistent with U.S. Department of Commerce guidelines, the Economic and Commercial section of the United States Embassy in Belize can assist interested American companies find agents and distributors in the country through the International Partner Search (IPS) service.
- The embassy also provides the Gold Key Service (GKS), another business facilitation program that includes, among several other personalized services, introductions to potential partners.
- The embassy can also supply lists of the major local firms in a particular industry to interested American firms upon request.
- Nominal fees are charged for these services on a cost-recovery basis.
- Interested American companies should contact the U.S. Embassy in Belize (<http://belize.usembassy.gov/>) or the nearest U.S. Commerce Department Export Assistance Center (http://www.export.gov/comm_svc/eac.html) for detailed information.

Establishing an Office

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The following is taken from the laws of Belize, Chapter 206, Part IX. It applies to foreign companies wishing to establish an office in Belize.

A. Overseas companies that establish a place of business within Belize shall, within one month of the establishment of the place of business, deliver the following to the Registrar for registration:

- A certified copy of the charter, statutes or memorandum and articles of the company or other instrument constituting or defining the constitution of the company, and if the instrument is not written in the English language, a certified translation thereof;
- A list of the directors and secretary of the company containing the particulars:
 - ✓ In the case of an individual, his present Christian name and surname and any former Christian name and surname, his usual residential address, his nationality and his business occupation;
 - ✓ In the case of a corporation, its corporate name and registered or principal office; and
 - ✓ With respect to the secretary, or, where there are joint secretaries, with respect to each of them, his present Christian name and surname, any former Christian name and surname and his usual residential address.
- The names and addresses of someone or more persons resident in Belize authorized to accept on behalf of the company service of process and any notices required to be served on the company.

B. Every overseas company shall, in every calendar year, file with the Registrar such a statement in the form of a balance sheet as would, if it were a company incorporated in Belize and having a share capital, be required to be included in the annual summary.

C. Every overseas company shall do the following:

- In every prospectus inviting subscriptions for its shares or debentures in Belize, state the country in which the company is incorporated;
- Conspicuously exhibit on every place where it carries on business in Belize the name of the company and the country in which the company is incorporated;
- Cause the name of the company and of the country in which it is incorporated to be stated in legible characters in all bill heads and letter paper, and in all notices and other official publications of the company; and
- If the liability of the members of the company is limited, cause notice of that fact to be stated in legible characters in every such prospectus as aforesaid and in all bill heads, letter paper, notices and other official publications of the company in Belize, and to be affixed on every place where it carries on business.

In addition, foreign companies are required to pay a registration fee of BZ\$84 (\$42) at the office of the Registrar General in the Supreme Court Building in Belize City.

Franchising

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- Although many Belizeans are familiar with most popular U.S. brand names, franchising remains rare, since competition in the local market is more often based on price than name recognition or perceived quality standards.
- Franchising in Belize currently extends to just a few well-known brand names, including Best Western in the hospitality industry, Coca-Cola and Pepsi in the soft drink industry, Mail Boxes Etc. in the postal service, and Avis, Budget, Hertz and National in the auto rental business.

Direct Marketing

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- Direct marketing in Belize by U.S. companies is rare. Normally, a local representative of the American firm performs all the local marketing functions.

Joint Ventures/Licensing

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- The government generally encourages joint ventures as the preferred mechanism for the employment of foreign capital.

Selling to the Government

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- Suppliers of U.S. products and services generally have little difficulty selling to the GOB.
- In many cases, however, success of the suppliers in selling to the government depends on their political affiliation or personal contacts with the governing party.
- Local suppliers who are not members of the party of the day may not have the opportunity to sell to the government, and whenever they do, they may experience late payments.
- Opportunities exist, however, for selling to local projects that are funded by multilateral financial institutions, such as the Inter-American Development Bank.

Distribution and Sales Channels

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- A typical distribution channel for an American-made product involves (1) the local importer, who is generally also the wholesaler and the distributor, (2) the retailer, and finally (3) the buyer/consumer.
- Goods imported from North America, the Caribbean and Europe enter the country through the port in Belize City, while those imported from neighboring Central American countries enter Belize through the two main inland borders.

Selling Factors/Techniques

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- Most major importers and wholesalers employ local commission agents who sell and deliver the product to the retailer.
- Most major supermarkets also deliver the product to the doorsteps of the customer.
- Personal contact with the clientele, therefore, is always recommended.
- Also, advertising materials need to be in English.

Electronic Commerce

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- Belize enacted electronic transactions legislation in 2003, which allows businesspeople to employ e-commerce to conduct across-the-border transactions.

Trade Promotion and Advertising

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- Advertising in Belize is done mainly through radio, newspapers, magazines, and television, and billboards. The following are links to the major local newspapers and television stations:
- Newspapers
 - Amandala: <http://www.amandala.com.bz/>
 - The Belize Times: <http://www.belizetimes.bz/>
 - The Reporter: <http://www.reporter.bz/>
 - The Guardian: <http://www.guardian.bz/>
- Television Stations
 - Channel Five: <http://www.channel5belize.com/>
 - Channel Seven: <http://www.7newsbelize.com/>

Pricing

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- Certain items, including basic foodstuffs (rice, beans, sugar, bread and flour), butane gas, and fuel, have government price controls (1987 supplies control regulations).
- Most items are subject to two sales tax rates: 14 percent on petroleum products, alcoholic beverages (including beer), tobacco and tobacco products, large fans, air conditioners, yachts, jewelry, perfumery, cosmetics, vehicles over 4 cylinder, stoves and refrigerators of 15 cubic feet, and 9 percent on all other commodities.
- Staple food items such as rice, beans, corn, fresh meat, flour, sugar, eggs, bread and tortilla are sales tax exempted.
- The government has announced that it would repeal the sales tax effective June 30, 2006, and that a new consumption tax (Gross Sales Tax) of 10 percent would immediately come into effect.

Sales Service/Customer Support

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- Sales service in Belize is limited to business establishments dealing with electronic equipment, such as photocopiers, typewriters, computers, and air conditioners.

Protecting Your Intellectual Property

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- Belize has fulfilled its obligation under the World Trade Organization (WTO) to implement the Agreement on Trade-Related Aspects of Intellectual Property (the TRIPS Agreement).
- The Belize Intellectual Property Office ([BELIPO Online](#)) was subsequently established to administer these IPR laws, which include copyrights, industrial designs, patents, trademarks, protection of new plant varieties, and protection of layout - designs (topographies) of integrated circuits.
- However, music and video stores in Belize continue to carry hand-copied tapes for sale or rent. Local television stations and cable companies also continue to pirate American television networks and cable channels with impunity.

Due Diligence

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- Whether the U.S. investor or company plans to open a business, sell, or buy property in Belize, it is always advisable that they seek either background information on the their local partner or conduct a title search on the status of the property before completing the business transaction.
- The Economic and Commercial Section of the U.S. Embassy (<http://belize.usembassy.gov/>) can provide, for a fee, publicly available background information on a Belizean partner or local company in the form of a structured report called the International Company Profile.
- The U.S. investor may want to seek the services of a local accountant or attorney who may be able to assist with the background information and/or property title search.

Local Professional Services

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- The following links are of associations registered in Belize that can be of professional source of information and/or services:
 - The Institute of Chartered Accountants of Belize: <http://www.icab.bz/>
 - The Belize Chamber of Commerce and Industry: <http://www.belize.org/>

- The American Chamber of Commerce of Belize:
<http://www.amchambelize.org/>
- The Belize Tourism Industry Association:
<http://www.btia.org/>

Web Resources

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- <http://belize.usembassy.gov/>
- http://www.export.gov/comm_svc/eac.html
- <http://www.amandala.com.bz/>
- <http://www.belize-times.bz/>
- <http://www.reporter.bz/>
- <http://www.guardian.bz/>
- <http://www.channel5belize.com/>
- <http://www.7newsbelize.com/>
- <http://www.belipo.bz/>
- <http://www.icab.bz/>
- <http://www.belize.org/>
- <http://www.amchambelize.org/>
- <http://www.btia.org/>

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Chapter 4: Leading Sectors for U.S. Export and Investment

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- [\(Food Processing and Packaging Equipment\)](#)
- [\(Consumer Goods\)](#)

Overview

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- Traditionally, Belize has been a consumer nation, relying heavily on imports. Of the \$514.11 million worth of goods that Belize imported in 2004, \$199 million or 38.72% came from the U.S.
- The proximity of Belize to the United States, cultural influences, and strong transportation links give U.S. suppliers a distinct advantage over European and Asian exporters.
- Best prospects for U.S. exports to Belize, therefore, appear to include the following:

Food Processing and Packing Equipment

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- Food processing and packaging equipment: According to the Belize Trade and Investment Development Service (BELTRAIDE) (<http://www.belizeinvest.org.bz/>), the GOB continues to put the agro-processing sector at the top of its list of priority areas for economic development. As such, food processing and packaging equipment is viewed as one of the areas with greatest opportunities for exports from the U.S. to Belize.
- Trade statistics for 2004 reveal that Belize imported close to \$88 million (17% of total imports) worth of machinery and transport equipment, although this covered a wide range of uses well beyond food processing and packaging.

Consumer Goods

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- Consumer goods: Another area with potential for exports from the U.S. to the country is consumer goods. As the smallest economy in the region with the smallest manufacturing base, Belize imports most of its consumable and durable goods, mostly from the U.S.

- Trade statistics for 2004 show that Belize imported about \$56 million worth of consumer goods, a trend that has been consistent for the past five years.

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- Central Statistical Office: <http://www.cso.gov.bz/>
- Belize Trade and Investment Development Service: <http://www.belizeinvest.org.bz/>

Chapter 5: Trade Regulations and Standards

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Import Tariffs

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- In Belize, custom duties are applicable according to the rates set out in the [Customs Tariff and Trade Classification, Chapter 48 Laws of Belize, First Schedule](#). The rates, which range from 0 to 45 percent, with the majority of commodities attracting a rate of 20 percent, are applied based on the customs value (cost, insurance, freight).
- Goods such as machinery and parts, raw materials, textile fabric, chemicals, office equipment (except computers and accessories), attract 0 percent, while hand tools attract either 0 percent or 5 percent based on the customs value.
- The tariff rate on motor vehicles is based on the following: engine capacity for motorcars; weight for pickup trucks, and seating capacity for vans and buses for public transport.
- Also, Belize has in place the Caribbean Community's (CARICOM) common external tariff, which sets the country's import duties on industrial products at an average of 20 percent.
- There are some items that attract a [Revenue Replacement Duty](#) ranging from 5 percent to 40 percent based on the aggregate of the customs value and the import duties.
- Most items are subject to two sales tax rates: 14 percent on petroleum products, alcoholic beverages (including beer), tobacco and tobacco products, large fans, air conditioners, yachts, jewelry, perfumery, cosmetics, vehicles over 4 cylinder, stoves and

refrigerators of 15 cubic feet, and 9 percent on all other commodities.

Trade Barriers

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- In order to protect certain domestic industries, the government maintains a list of 27 categories of products that require import licenses. This list includes mostly consumer goods, such as flour, rice, beans, eggs, sugar, citrus, flour, meats, jam/jelly, dry pasta products, aerated beverages and beer.

Import Requirements and Documentation

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- Import permits are required for certain foodstuffs, live animals, plant and plant materials, and veterinary vaccines from the Belize Agricultural Health Authority (BAHA) (<http://www.baha.bz/>) and the Ministry of Commerce and Industry.
- BAHA also requires phyto-sanitary and zoo-sanitary certificates, health risk analysis documentation, and certificates of origin.
- Importers are required to submit also all original commercial invoices to the Customs Department.

U.S. Export Controls

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- U.S. export certification is required to export firearms and ammunitions to Belize. This certification can be obtained from the U.S. Department of State and/or U.S. Department of Commerce.

Temporary Entry

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- The Belize Customs Department allows temporary entry or in-transit of certain items into Belize.
- Products brought in temporarily or in-transit would generally enter duty-free, providing the products are not modified or transformed while in Belize.
- If, however, the importer later decides to modify or sell the product locally, all necessary duties must be paid at the Belize Customs Department (<http://www.customs.gov.bz/>).

Labeling and Marking Requirements

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- The Belize Bureau of Standards has standard requirements for labeling and marking of locally manufactured and imported products sold in Belize.
- The standard requires that the label affixed to a product shall give detailed information on the good, such as the ingredients used and nutritional facts.

Prohibited and Restricted Imports

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- Certain goods are generally not allowed into Belize unless they originate from another CARICOM member state.
- The list includes peanut butter, jam, jellies, matches, pasta, beans, rice, wheat flour, and pepper sauce.
- Beans and rice, however, like many other locally produced agricultural products, may not be imported at all whenever there is a surplus of these products on the domestic market.

Customs Regulations and Contact Information

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- The Belize Customs Department (<http://www.customs.gov.bz/>) generally uses original commercial invoices and product catalogs to determine the value of goods coming into the country.
- For instance, the valuation unit of the Belize Customs Department uses the U.S. National Automobile Dealers Association (N.A.D.A.) publication, commonly known as the Blue Book, to value used vehicles being imported into Belize.
- There are occasional reports of harassment, pilferage, and requests for bribes in order to facilitate lower valuations.

Standards

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- The Belize Bureau of Standards (BBS) prepares and promotes standards in relation to goods, services and processes.
- As such, the BBS monitors compulsory standards with the aim of preventing the access to the market place of goods that are likely to be a danger to the health or safety of consumers.

Standards Organizations

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- The Belize Bureau of Standards is the only organization that develops standards in Belize.
- NIST **Notify U.S.** Service: Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.
- Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL:
<http://www.nist.gov/notifyus/>

Testing/Conformity Assessment

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- The Belize Agricultural Health Authority (BAHA) (<http://www.baha.bz/>) has certification programs in place, such as the Hazard Analysis and Critical Control Points (HACCP), the Good Agricultural Practices (GAP), the Good Manufacturing Practices (GMP), and the Standard Sanitary Operating Procedures (SSOP).
- BAHA also does Risk Analysis for food safety purposes.

Product Certification

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- The Belize Bureau of Standards, in collaboration with BAHA, requires product certification for certain imported products, mainly foodstuffs such as meats.

Accreditation

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- The Belize Agricultural Health Authority (BAHA) (<http://www.baha.bz/>).

Publication of Technical Regulations

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- The Belize Bureau of Standards publishes notifications on new requirements for product standards in the Belize Gazette, allowing the general public to submit comments on the proposed changes in a timely manner.

Labeling and Marking

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- The Belize Bureau of Standards has standard requirements for labeling and marking of locally manufactured and imported products sold in Belize.
- The standard requires that the label affixed to a product shall give detailed information on the good, such as the ingredients used and nutritional facts.

Contacts

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- Director, The Belize Bureau of Standards, Regent Street, Belize City, Belize, tel: 011-501-227-2314, fax: 011-501-227-0711.
- Dr. Michael DeShield, Director, Food Safety Department, BAHA, St. Joseph Street, Belize City, Belize, tel: 011-501-224-4794, fax: 011-501-224-5230, e-mail: foodsafety@btl.net
- Marco Prouty, Chief, Economic/Political Section, U.S. Embassy - Belize, Gabourel Lane, Belize City, Belize, tel: 011-501-227-7161, fax: 011-501-227-1468, email: ProutyMG@state.gov

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- Belize, as a CARICOM member state, has free trade agreements with a number of countries, including Canada, Colombia, Costa Rica, Cuba, Dominican Republic, and Venezuela.
- In late 2005, Belize and Guatemala completed negotiations on a Partial Scope Trade Agreement. However, neither country has ratified the agreement.
- Belize does not have a FTA with either the U.S. or with any EU member countries. Nevertheless, it enjoys preferential treatment from the U.S. under the Caribbean Basin Initiative (CBI) program and from the European Union under the Cotonou Agreement as an

African, Caribbean, and Pacific (ACP) member state for its major agricultural exports.

Web Resources

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- Belize Agricultural Health Authority:
<http://www.baha.bz/>
- Belize Customs: <http://www.customs.gov.bz/>
- U.S. National Institute of Science and Technology:
<http://www.nist.gov/notifyus/>

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Openness to Foreign Investment

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- The Government of Belize generally welcomes foreign investment that results in diversification of the economic base, employment opportunities, foreign exchange earnings and savings, and the transfer of technology and skills. The government normally gives special consideration through various fiscal incentives to export-oriented businesses established in less-developed areas of the country.
- Although the GOB maintains that it recognizes the importance of creating an enabling environment to attract local and foreign investors as a catalyst to achieve sustained economic growth and facilitate further diversification of the Belizean economy, the Embassy is aware of several disputes involving U.S. investors and government agencies.
- In spite of the establishment of the Belize Trade and Investment Development Service (BELTRAIDE) to serve as a one-stop shop for export and investment assistance, bureaucratic red tape may still be encountered when seeking government fiscal incentives. BELTRAIDE continues to encourage investment in the following sectors of the economy:

- Agriculture, agro-industries, food processing and livestock;
 - Tourism and tourism-related industries;
 - Aquaculture and horticulture;
 - Light-manufacturing industries and offshore assembly plants; and
 - Forestry and forestry-based industries.
- There are several incentives designed to encourage investment in Belize, including the Fiscal Incentives Act, International Business and Public Companies Act, Export Processing Zone Act, and Commercial Free Zone Act. However, some foreign investors have complained that these investment promotions are rarely as open and effective as they are portrayed. Investors do not necessarily have to have development concessions to invest in Belize. Nonetheless, many factor these concessions into their investment decisions to save on local taxes and duties.

Conversion and Transfer Policies

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- According to the Belize Trade and Investment Development Service (BELTRAIDE) (<http://www.belizeinvest.org.bz/>), foreign investors are required to register any investments made in Belize with the Central Bank of Belize to facilitate the repatriation of profits, dividends, etc.
- The GOB allows companies with proper documentation to go directly to the commercial banks to request foreign exchange.
- However, much to the aggravation of foreign investors (and local importers alike), there are occasional shortages of foreign exchange in the commercial banks, which result in some delays in payments for current international transactions.
- Transfer or sale of land in excess of 10 acres to or from non-Belizeans requires the approval of the Minister of Natural Resources, but this is usually not an obstacle.

Expropriation and Compensation

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- There have been no instances in which the government has expropriated a foreign company. However, in 2005 the GOB reached agreement to renationalize the country's sole water utility. Also, there have been several contentious cases in which government, under

- its right of eminent domain, appropriated land that belonged to private property owners, including some foreign investors. These "takings" were ostensibly made for public purposes, but there have been allegations that several were political payoffs.
- Furthermore, although Belizean law requires that the government assess and pay appropriate compensation based on fair market value, such compensation can sometimes take years to settle.
 - Additionally, the GOB and a U.S. investor have been involved in a complex and protracted legal dispute surrounding ownership of the national telecommunications provider.

Dispute Settlement

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- Several disputes in Belize involving U.S. investors currently are before the courts, and have not yet been resolved.
- Belize Commercial Laws cover bankruptcy (<http://www.belize-law.org/>).

Performance Requirements and Incentives

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- According to BELTRAIDE (<http://www.belizeinvest.org.bz/>) the government offers a number of fiscal and other incentives in order to attract private investment. Four of the most popular incentives schemes include: (a) the Fiscal Incentives Act, (b) the International Business and Public Investment Companies Act, (c) the Export Processing Zone Act, and (d) the Commercial Free Zone Act.
- Under the Fiscal Incentives Act, a minimum investment of \$125,000 must be made to qualify for a development concession. Concessions are evaluated based on the investment's contribution to the Belizean economy and its appropriateness in terms of the government's development plan. Investment incentives include:
 - Tax holiday periods for up to 25 years;
 - Exemption from import duties on capital equipment, as well as on imports for export production (duty exemption is not available on personal-use passenger cars or fuel);
 - Exemption from tax on profits earned during the tax holiday (up to an amount equivalent to the shareholder's investment);

- Guaranteed repatriation of initial investment as well as profits and returns from capital gains;
 - Carrying forward of net losses incurred during the tax holiday is permitted upon expiration of the holiday; and
 - Rental of factory shells in an industrial estate on concessionary terms, when available.
- The length and extent of a development concession is determined by several factors, including: (a) the extent of local value added; (b) the projected profitability of the enterprise; (c) foreign exchange earnings or savings; and (d) employment opportunities created.
- Under the International Business Company (IBC) initiative, IBCs, also known as offshore companies, are not allowed to own property or conduct business in Belize, but nonetheless enjoy a host of incentives, including tax exemptions on the following:
 - All income of an IBC;
 - All dividends or other distributions paid by an IBC to persons resident in Belize or elsewhere;
 - All interest, rent, royalties, compensation and other amounts paid by an IBC to persons who are not resident in Belize;
 - Capital gains realized with respect to any shares, debt obligations, or other securities of an IBC by persons who are not resident in Belize.
- Belize's main export processing zone (EPZ) incentives include:
 - Full import duty exemption, extending to all spare parts, office furniture, capital equipment, intermediate goods and service vehicles utilized inside the EPZ;
 - Exemption from capital gains tax, property and land tax, value-added tax, sales and consumption tax, trade turnover, excise tax, foreign exchange tax, and transfer tax;
 - A guaranteed income tax holiday of 20 years with an option to extend and to deduct losses from profits following the tax holiday period;
 - Dividend tax exemption in perpetuity;
 - Opportunity to open foreign currency bank accounts in Belize and abroad;
 - Opportunity to sell, lease, or transfer items, goods, and services within an EPZ;
 - Customs inspection at the zone for expediency;

- Work permits at no cost for all professional and technical staff and, if necessary, for a 20 percent foreign workforce;
- No quotas on imports or any raw material restrictions;
- No trade, import, or export license requirements.
- Belize's main commercial free zone incentives include the following:
 - All merchandise, articles, or other goods entering a CFZ for commercial purposes shall be exempt from import duties and revenue replacement duties;
 - All fuel and goods including building materials, furniture, equipment, supplies and parts required for the proper functioning of a CFZ business shall be exempt from all duties and taxes mentioned above;
 - All imports and exports of a CFZ to or from whatever destination shall be exempt from all customs duties, consumption taxes, excise taxes, or intransit taxes, except those destined for and directly entering areas subject to the national customs territory. Another exception is the social fee charged on the selling price of all CFZ exports to any destination outside the national territory of Belize;
 - Each CFZ business shall open an account in any currency with a duly registered bank of its choice that is located in the CFZ;
 - During the first ten years of its operation, a CFZ business shall be exempt from income tax or capital gains tax or any new corporate tax levied by the GOB, and any dividends paid by a CFZ business shall be exempt from such tax for the first 20 years of its operation; and
 - Where a CFZ business incurs a total net loss over the five-year tax holiday, that loss may be carried forward and deducted against profits in the three years following the tax holiday period.

Right to Private Ownership and Establishment

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- BELTRAIDE (<http://www.belizeinvest.org.bz/>) contends that while government supports and encourages joint venture and partnership investments as a preferred mechanism for investment, the government does allow 100 percent foreign ownership of an enterprise.

- Also, foreigners must obtain approval from the Minister of Natural Resources in order to purchase or hold land in excess of half an acre for urban areas or in excess of ten acres for rural areas.

Protection of Property Rights

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- The Constitution of Belize protects the right to private property. Chapter II, Article (3a) guarantees "protection from arbitrary deprivation of property." Among other documents, records of companies and real estate mortgages are kept in the government's general registry office.
- There are many property disputes involving foreign investors and landowners, because it is often difficult to trace reliably the ownership history or specific borders of land holdings. Title insurance is not commonly available in Belize. Generally, as in the U.S., property buyers will avoid problems by dealing with reputable real estate professionals and lawyers experienced in local property law.
- Belize has fulfilled its obligation under the World Trade Organization (WTO) to implement the Agreement on Trade-Related Aspects of Intellectual Property (the TRIPS Agreement).
- The Belize Intellectual Property Office ([BELIPO Online](#)) was subsequently established to administer these IPR laws, which include copyrights, industrial designs, patents, trademarks, protection of new plant varieties, and protection of layout - designs (topographies) of integrated circuits.
- However, music and video stores in Belize continue to carry hand-copied tapes for sale or rent. Local television stations and cable companies also continue to pirate American television networks and cable channels with impunity.

Transparency of Regulatory System

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- Belize's laws and regulations on tax, labor, customs, and health and safety do not significantly distort or impede the efficient mobilization and allocation of investment capital.
- However, a few investors have found a lack of transparency in the administration of some Belizean laws and procedures, such as compulsory acquisition of

land, investment incentive programs and import licenses.

- Generally, proposed laws and regulations are published in the official government gazette for public comment. Also, persons interested in recommending changes, or object, to the draft laws and regulations, can do so at the Committee meeting of the House of Representatives.
- In order to pay for goods and services procured outside of Belize in a foreign currency, a foreign exchange permit must be obtained from an authorized dealer or directly from the Central Bank of Belize (CBB).
- The CBB also has to grant approval to businesspeople or firms who wish to secure a loan from outside Belize that involves a foreign currency, and for these businesspeople or firms to be able to service repayment of the loan.
- In addition, foreign investors are required to register any investments made in Belize with CBB in order to facilitate the repatriation of profits, dividend, etc. Officially, no person, other than authorized dealers and authorized depositories, may retain any foreign currency in their possession without the consent of the Central Bank.

Efficient Capital Markets and Portfolio Investment

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- Belize's financial system is small. It is limited to five domestic commercial banks, with the largest bank holding \$357.70 million in assets, seven international banks, a parastatal lending institution, which is practically defunct, and several credit unions nationwide.
- The Central Bank of Belize regulates the liquidity and cash reserve requirements as well as the interest rate structure of the commercial banks.
- Interest rates in Belize are relatively high. Current prime lending rates of local banks are high, ranging from 12.6 percent for mortgage loans to 15.5 percent for personal loans. The weighted average in 2004 was 14 percent.

Political Violence

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- Belize has traditionally enjoyed one of the most stable political environments in the region, having

held five trouble-free democratic elections since it attained independence on September 21, 1981.

- However, allegations of government corruption and mismanagement of the economy led to strikes and sporadic riots across the country for most of the first half of 2005, disrupting telecommunications, transport, and public utilities.

Corruption

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- According to Transparency International (TI), the level of corruption (the abuse of public office for private gain) in Belize has only gotten worse over the past three years. In 2003, TI ranked Belize 46 with a score of 4.5, and in 2004, it ranked the country 60 with a score of 3.8. Last year, Belize's ranking fell to 62 with a score of 3.7.
- Belize, like many countries, has excellent anti-corruption laws on its books, but these laws, which come under the Office of the Attorney General, are seldom enforced. One such law is the Prevention of Corruption in Public Life that came into effect in 1994, but that has hardly been enforced. This law requires public officials, such as the Governor-General and members of the national assembly, to disclose in the government gazette their assets, income and liabilities. To date, only a handful of these officials have followed the law.
- In addition, since 1999, the country has had a parliamentary commissioner, known as the Ombudsman, whose primary responsibility is to investigate complaints of official corruption and wrongdoing. However, the Ombudsman has yet to conduct an investigation of official corruption or wrongdoing by an elected official.
- There are occasional reports of requests for bribes from customs officials in order to facilitate lower valuations and thus lower import duties. Bribery is officially considered a criminal act in Belize, but again, laws against bribery are rarely enforced.
- In June 2001 the GOB signed the OAS Inter-American Convention on Corruption and supports the revival of the Committee on Public Probity and Ethics. This committee will be empowered to review implementation of the convention.
- Under U.S. law, American companies and their affiliates are subject to the Foreign Corrupt Practices Act, which strictly prohibits the bribery of foreign officials.

Bilateral Investment Agreements

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- Belize has no bilateral investment treaty (BIT) or tax treaty with the United States. It did sign a mutual legal assistance treaty with the United States in 2000.

OPIC and Other Investment Insurance Programs

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- The Overseas Private Investment Corporation (OPIC) (<http://opic.gov/>) offers political risk insurance, which includes coverage for exchange inconvertibility, expropriation, and war. OPIC also offers financing for qualified investments and is involved in one American franchise in Belize.
- Belize is a member of the Inter-American Development Bank (IDB) and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank.

Labor

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- In 2005, Belize's total population stood at 290,000, of which about 111,000 comprised the labor force. Of this labor force, about 12,000 were unemployed, resulting in an unemployment rate of 11 percent.
- Belize has eight trade unions and an umbrella organization, the National Trade Union Congress of Belize (NTUCB). In general, labor-management relations are relatively good. However, after several years of trying, the Christian Workers Union has yet to be successful in organizing the banana field workers because of employer opposition.
- Foreign investors who have a development concession are permitted to bring in skilled personnel to complement their local labor force, provided that appropriate training programs for Belizean nationals are established.
- Most of the unskilled or semi-skilled workers in commercial agriculture are recent immigrants or migrant workers from neighboring Spanish-speaking countries.
- Belize has adopted 42 ILO core labor standards, including Convention 182 against the worst forms of child labor.

Foreign-Trade Zones/Free Ports

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- According to BELTRAIDE (<http://www.belizeinvest.org.bz/>), the 1990 Export Processing Zone (EPZ) Act of Belize enables companies to operate within special or general export processing zones in the country. Special EPZs are enclosed one-factory operations and general EPZs are enclosed multi-factory operations.
- The Commercial Free Zone (CFZ) Act of 1995 provides for the establishment and operation of CFZs within Belize to foster commercial trade and investment with neighboring countries. Business enterprises generally encouraged under the CFZ scheme include commercial offices, warehouses, manufacturing, insurance services, and financial services.

Foreign Direct Investment Statistics

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- Statistics on foreign direct investment in Belize, by country of origin and sector, are unavailable, including the total amount invested by American investors. The following is, however, a list of the largest American investments in Belize (figures are in U.S. dollars):
 - Innovative Communications Corporation (ICC):
 - Sector: telecommunications
 - Date established: 2004
 - Total amount invested: \$14.25 million
 - Esso Standard Oil S.A. Ltd. - Belize
 - Sector: importer (petroleum products)
 - Date established: 1954
 - Total amount invested: \$12 million
 - Caye Chapel Ventures Ltd.
 - Sector: tourism
 - Date established: 1996
 - Total amount invested: \$10 Million
 - Yalbac Ranch and Cattle Corporation (Belize) Ltd.
 - Sector: timber and agriculture (citrus, cattle)
 - Date established: 1986
 - Total amount invested: \$8 million
 - ADM Belize Mills Ltd.
 - Sector: agro-processing
 - Date established: 1974
 - Total amount invested: \$7 million
 - Nova Companies (Belize) Ltd.
 - Sector: aquaculture (shrimp)

- Date established: 1989
- Total amount invested: \$6 million
- Ramon's Village (Reef Resorts) Ltd.
 - Sector: tourism
 - Date established: 1981
 - Total amount invested: \$5 million
- Texaco Belize Ltd.
 - Sector: importer (petroleum products)
 - Date established: 1964
 - Total amount invested: \$4.5 million
- Williamson Industries Ltd.
 - Sector: manufacturing (garments)
 - Date established: 1961
 - Total amount invested: \$2.5 million
- Paradise Shrimp Farms, Inc.
 - Sector: aquaculture (shrimp)
 - Date established: January 2000
 - Total amount invested: \$2 million

Web Resources

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- The Belize Intellectual Property Office:
<http://belipo.bz/>
- The Belize Trade and Investment Development Service:
<http://www.belizeinvest.org.bz/>
- The Overseas Private Investment Corporation:
<http://opic.gov/>

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Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
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How Do I Get Paid (Methods of Payment)

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- Letters of Credit are the most common forms of payment arrangement used by importers in Belize.

How Does the Banking System Operate

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- Belize's financial system is limited to five commercial banks, seven international banks, a parastatal lending institution, which is practically defunct, and several credit unions nationwide.
- The Central Bank of Belize (CBB) (<http://www.centralbank.org.bz/>) regulates the liquidity and cash reserve requirements as well as the interest rate structure of the commercial banks.
- The CBB also has to grant approval to businesspeople or firms who wish to secure a loan from outside Belize that involves a foreign currency, and for these businesspeople or firms to be able to service repayment of the loan.
- In addition, foreign investors are required to register any investments made in Belize with CBB in order to facilitate the repatriation of profits, dividend, etc. Officially, no person, other than authorized dealers and authorized depositories, may retain any foreign currency in their possession without the consent of the Central Bank.

Foreign-Exchange Controls

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- Foreign exchange controls can be summarized by the following rules and guidelines:
 - Residents and non-residents need permission to buy foreign currency for whatever purpose;

- Authorized dealers (i.e., commercial banks) are allowed to sell foreign currency up to \$2,500 for private travel and up to \$10,000 for business travel per calendar year; requests in excess of these amounts must be approved by the Central Bank of Belize;
- Exporters are required to register their exports with the central bank, guaranteeing delivery of their foreign exchange earnings;
- Authorized dealers may authorize payments for imports, where goods are paid for through letters of credit or bank collection. They may also authorize payments for imports against copies of invoices and customs entries, where the documents show that the goods were obtained on credit;
- Authorized dealers may also approve individual prepayments up to a maximum of \$1,000, in each case, on presentation of the original pro forma invoice and where payment is to be made directly to the supplier;
- All other applications for the prepayment of imports should be forwarded to the Central Bank of Belize accompanied by a copy of the pro forma invoice certified by the importer or his/her agent and by evidence that such advance payment is a condition of the contract. In the absence of such documentary evidence, a declaration by the supplier that the goods will be dispatched immediately on receipt of advance payment;

U.S. Banks and Local Correspondent Banks

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- There are no U.S. banks in Belize.

Project Financing

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- International development agencies such as the World Bank, the Inter-American Development Bank, and the Caribbean Development Bank provide funds for development projects in Belize.
- These projects have generally been aimed at alleviating poverty and improving public health, education, tourism, and roads.
- OPIC and the Export-Import Bank of the United States offer limited financing for American business ventures in Belize and U.S. equipment sales.

- The Central Bank of Belize:
<http://www.centralbank.org.bz/>
- Export-Import Bank of the United States:
<http://www.exim.gov>
- Country Limitation Schedule:
http://www.exim.gov/tools/country/country_limits.html
- The Overseas Private Investment Corporation:
<http://www.opic.gov>
- Trade and Development Agency: <http://www.tda.gov/>
- SBA's Office of International Trade:
<http://www.sba.gov/oit/>
- USDA Commodity Credit Corporation:
<http://www.fsa.usda.gov/cc/default.htm>
- U.S. Agency for International Development:
<http://www.usaid.gov>

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Chapter 8: Business Travel

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Business Customs

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- Foreign businesspeople should not expect to find their Belizean counterparts in suit and tie.
- In Belize City, Belmopan, and the district capitals, the normal business attire is just an open-collar business shirt or a guayabera shirt.
- Appointments are preferred and punctuality is encouraged and appreciated.

Travel Advisory

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- Detailed and updated travel information on Belize is available through the U.S. Department of State Consular Information Sheet at http://www.travel.state.gov/travel/warnings_consular.html

Visa Requirements

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- All U.S. citizens must have a U.S. passport valid for the duration of their visit to Belize. U.S. citizens do not need visas for tourist visits of up to thirty days, but they must have onward or return air tickets and proof of sufficient funds to maintain themselves while in Belize.
- Visitors for purposes other than tourism, or who wish to stay longer than 30 days, must obtain visas from the government of Belize.

- A departure fee is charged upon exiting Belize. A list of departure fees can be found at: <http://www.travelbelize.org/immigration.html#fees>
- U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.
- State Department Visa Website: <http://travel.state.gov/visa/index.html>
- United States Visas.gov: <http://www.unitedstatesvisas.gov/>

Telecommunications

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- Although telecommunication service carries one of the highest rates in the region, it is nonetheless excellent.

Transportation

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- Traveling by road in Belize can be challenging. Belize's highways are two-lane paved roads, and have few markings or reflectors. Even in urban areas, few streets have lane markings, leading many motorists to create as many lanes as possible in any given stretch of street or road.
- The least expensive way to get around in Belize is by public transportation, which for most part, are in poor condition and lack safety equipment. There are, however, several auto rentals, including American franchises such as Avis, Budget, Hertz, and Thrifty.
- In addition, Belize has inexpensive water taxis that travel between the main land and all major island tourist destinations. However, these boats often do not carry sufficient safety equipment, may carry an excess number of passengers and may sail in inclement weather. There are also four small aircraft operators that fly to different parts of Belize.
- International transportation is relatively good with direct flights from Atlanta, Charlotte, Dallas, Houston, and Miami.
- Ports in Belize City and Big Creek handle regularly scheduled shipping from the U.S. and UK.

Language

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- May 22 Sovereign's Day
- September 11 (National Day) St. George's Caye Day
- September 21 Independence Day
- October 9 Day of the Americas
- November 20 Garifuna Settlement Day
- December 25 Christmas Day
- December 26 Boxing Day

Temporary Entry of Materials and Personal Belongings

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- The Belize Customs Department (<http://www.customs.gov.bz/>) allows temporary entry of certain items into Belize, providing that the items are not modified or transformed while in Belize.
- Business people traveling with items such as laptop computers and exhibit materials generally do not have any difficulty in getting a temporary permit to bring in these items into the country.

Web Resources

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- U.S. Department of State Consular Information Sheet at http://www.travel.state.gov/travel/warnings_consular.html
- State Department Visa Website: <http://travel.state.gov/visa/index.html>
- Belize Customs Department: <http://www.customs.gov.bz/>

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Chapter 9: Contacts, Market Research, and Trade Events

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Contacts

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- The American Chamber of Commerce of Belize:
<http://www.amchambelize.org/>
- The Belize Tourism Industry Association:
<http://www.btia.org/>
- The Belize Chamber of Commerce and Industry:
<http://www.belize.org/>
- Ministry of Agriculture and Fisheries:
<http://www.agriculture.gov.bz/>
- Ministry of Natural Resources and the Environment:
<http://www.mnrei.gov.bz/>
- Central Statistical Office: <http://www.cso.gov.bz/>
- The Central Bank of Belize:
<http://www.centralbank.org.bz/>
- The Belize Intellectual Property Office:
<http://belipo.bz/>
- The Belize Trade and Investment Development Service:
<http://www.belizeinvest.org.bz/>
- Belize Agricultural Health Authority:
<http://www.baha.bz/>
- Belize Customs: <http://www.customs.gov.bz/>

Market Research

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- To view market research reports produced by the U.S. Commercial Service please go to the following website:
<http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.
- Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

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- Please click on the link below for information on upcoming trade events:
<http://www.export.gov/tradeevents.html>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.