

Beautiful Belize: A Market With Potential

By Daniel Orellana and Frank Coolidge

Belize may be the second smallest country in Central America, but it offers opportunities for exporters able to overcome risks and willing to explore new markets.

Belize at a Glance

Belize has a population of 243,000. The United States is the country's main trading partner. In 2000, the United States exported \$32 million in agricultural products to Belize. Consumer-oriented foods were top sellers, especially snacks, fruit and vegetable juices and chilled meats.

The United States is also a major consumer of Belizean goods, buying \$67 million in imports, mainly sugar and bananas. But sales disparity does not mean the country lacks market potential—if several barriers are lifted.

Benefits To Consider

Why might U.S. exporters consider shipping to Belize? It's nearby, and strongly influenced by North American culture. It's directly accessible by air and sea, and English is the official language.

Since 1976, the Belizean dollar has been pegged to the U.S. dollar at two to one. Belize's per capita income level, \$2,800, is among the highest in Central America.

A Country of Challenges

But there are requirements to challenge exporters. To protect local agricultural production, the government requires import licenses on 27 products, including eggs, meats and potatoes. Procedures for obtain-

ing import licenses are cumbersome and lack transparency; the U.S. government has work to do to achieve more open trade and product access.

Belize bars imports of many products, such as rice, beans, flour, pepper sauce, peanut butter and citrus; imports are permitted only if there is a declared national shortage. Import duties on food products are high, averaging 20 percent; a further tax of 18 percent is levied on all food items.

Market Outlets

The supermarket concept in Belize is more mature than elsewhere in Central America. A growing number of shoppers use medium-size supermarkets, though so far Belize has only two major chains.

But Belize has limitations in distribution and storing of refrigerated products. Outside the capital, Belmopan, lack of refrigerated transport and the high costs of equipment and electricity curtail market opportunities.

However, there is good access to cold storage in the hotel and restaurant industries, which cater almost exclusively to tourists. These businesses also tend to have wider latitude to import raw materials than supermarkets do.

Most consumer product sales at the high end of the tourism industry take place on Belize's islands. There may be an opportunity to run a supply service to the islands, but costs haven't been calculated.

In the last few years, over 10,000 Chinese have settled in Belize, creating a potential niche market for U.S. producers of Asian foods.

There is a trend toward more small convenience stores attached to gas stations, creating opportunities for snacks and other ready-to-eat products.



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Potential in Processed Foods

Processed foods offer further opportunities. Belize can supply only a fraction of the products needed by its processed food industry.

Until recently, Belize imported about \$5.7 million in dairy products and \$1.2 million in meat products from Europe per year. But due to bovine spongiform encephalopathy concerns, Belize has prohibited imports from these countries—creating an opening for \$6.9 million worth of products. U.S. firms now have a better chance to compete for this market.

Another option with potential would be for a U.S. firm to form a joint venture with a Belizean firm to build and operate a food processing plant. The products would have immediate access to Caribbean countries and highway links to the rest of Central America.

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