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Belize Exporter Guide Annual 2004

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Report Highlights:

Belize has opened its market recently and there are new opportunities for U.S. companies to export there. Areas with opportunity include the Hotel, Restaurant and Institutional sector and the Retail sector.

Includes PSD Changes: No
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Unscheduled Report
Guatemala [GT1]
[BH]

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I. ECONOMIC SITUATION

Belize is the second smallest (8,867 square miles) and least populated (2000 estimated population 249,800) country in Central America. It has an open private sector-led economy based primarily on export of agriculture products and services. Tourism is the single largest foreign exchange earner, bringing in \$156.2 million in hard currency in 2003. The tourism industry is followed, in ranking order, by citrus (\$47.5 million), marine products (\$31.6 million), cane sugar (\$29.7 million), and bananas (\$21.4 million). Total GDP for Belize for 2003 is reported by the Central Bank to be \$988.4 million. GDP growth for 2003 was estimated at 9.4% and the average in the last five years has been 8%.

Agricultural economic diversification and expansion of the tourism industry continue to be two of the Government of Belize's (GOB) main economic strategies towards import substitution and increased foreign exchange earnings.

Traditionally, Belize has been a consumer nation, relying heavily on foreign imports. As in past years, the United States continues to be Belize's number one trading partner. In 2003, the United States imported 53.8 percent of Belize's total exports and supplied 48.1 percent of all Belizean imports. 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.

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 United States. American and Continental Airlines provide several daily flights to Miami, Houston, and Dallas. U.S. Air plans to fly four days a week between Belize and Charlotte, North Carolina, starting on November 9. English is the official language, and the Belize dollar has been pegged to the U.S. dollar since May 1976 at the official rate of two Belize dollars to one U.S. dollar.

II. MARKET SIZE

MARKET OVERVIEW

- In 2003 Belize imported \$25.7 million of U.S. agricultural products, up 16% from 2002.
- 40% of family income is dedicated to food purchases.
- Retail food industry represents 60% of all food sales.
- Wet markets are almost non-existent, representing less than 5% of total food sales.
- Tourists spent \$156.2 million in 2003, which represented 16% of GDP.
- The Tourism sector is the fastest growing sector, averaging over 10% a year growth, and accounting for over 5,500 jobs of the 90,000 total jobs in Belize. The Service industry as a whole represents 49,000 jobs.
- Total food purchases are estimated at over \$200 million.
- Total imports of food by Belize in 2003 totaled \$46.6 million.
- Belize has a very small food processing industry, accounting for less than \$15 million.
- The only food sectors that have processing in Belize are juices, deli meats and some dairy products.

DEMOGRAPHICS

- Belize has a small population of only 273,000 inhabitants (est. July 2004).
- 40% of the population is under 14 years of age.
- 60% of the population is under 24 years of age.
- The largest city, Belize City only has 42,000 inhabitants.
- Population growth is projected at 2.4% yearly.
- Belize has a 0% migration rate.
- 94% of the population over 14 is literate.

ADVANTAGES & CHALLENGES

ADVANTAGES	CHALLENGES
English is the official language of Belize.	The Government is very protective and uses import licenses to restrict imports.
\$Belize is pegged to the \$U.S. at 2 to 1.	Import quantities are small: consolidated containers are the best way to do business.
Tourism is growing, and government provides special import permits for materials needed by the tourist industry, including food products.	Except for Belize City, most cities in Belize are under 5,000 inhabitants and most people live on one of the hundreds of islands that make up Belize, which makes distribution very expensive.
Hotels and Restaurants are seeking higher quality products to improve their dishes.	Limited infrastructure, such as cold storage and cold transport.
Few players in the food sector	Few players in the food sector

III. DOING BUSINESS IN BELIZE

BUSINESS CUSTOMS

U.S. 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. Normal business hours for the private sector are from 8:00 a.m. to 12:00 noon and from 1:00 p.m. to 5:00 p.m., Monday through Friday. Government follows the same schedule except that on Fridays government offices close at 4:30 p.m. Appointments are preferred and punctuality is encouraged and appreciated. Business negotiations in Belize tend to be more informal and deals are reached at a slower pace than most U.S. firms are accustomed to.

U.S. businesspersons often are surprised at the accessibility to key decision-makers and the openness and frankness of local buyers. Sales, service and support rank high in the minds of Belizean buyers. U.S. firms, more than other foreign firms, generally have a reputation for providing good service and support. U.S. firms interested in penetrating the Belizean market should make a commitment to offer excellent service support to their buyers, agents or distributors. This commitment should be made clear. Poor or mediocre service often results in lower sales. The Belizean business community is comparatively small and word travels fast about local and foreign firms that offer poor service support.

CONSUMER TASTES

Belizean consumers are accustomed to U.S. products; they have grown up with them. Consumers view U.S. products as being of higher quality. Belize is a very Americanized country and most of its tourists come from the U.S. It has therefore become very accustomed to U.S. products, and in most cases, a product that has been successful in the U.S. will more than likely succeed in Belize.

FOOD STANDARDS AND REGULATIONS

There are various Government agencies in Belize that are involved with the food laws. The Ministry of Agriculture and Fisheries has the legal responsibility for food safety and quarantine. The Ministry of Trade and Industry has responsibility for local production and import quotas. Finally, the Belize Bureau of Standards is responsible for all food standards and labeling laws.

In accordance with section 86 of the Belize Agricultural Health Act, No. 47 of 1999, in April of 2000, the Belize Agricultural Health Authority (BAHA) was launched, and the purpose of this agency was to incorporate and modernize the plant health, animal health and quarantine services of Belize. This agency is still under the umbrella of the Ministry of Agriculture and Fisheries, but on its board of directors there are members from its parent ministry as well as the Ministry of Trade and Industry, and the Bureau of Standards.

For the purpose of shipping food and agricultural products from the U.S., exporters will deal directly with BAHA for all phytosanitary and sanitary issues. BAHA is responsible for approving the import procedure, and when needed will process import applications with other agencies for approvals.

The documentation needed for importing food and agricultural products into Belize are an import permit from BAHA, phytosanitary or sanitary certificate and certificate of origin, commercial invoice and bill of lading. Most plant products will also need a certificate of treatment and inspection by quarantine officials.

Belize does not have a product registration law; therefore the product's sanitary permit number issued by the country of origin is automatically accepted in Belize.

All processed products are required by law to be labeled in English. Since English is the official language, U.S. products fulfill all the requirements almost by default. However U.S. firms should verify that all of the following requirements are met. The label must include:

- The name of the food
- List of ingredients, in descending order
- Net contents and drained weight
- Name and address of the manufacturer
- Country of origin
- Batch/Lot identification
- Use by date and storage instructions
- Instructions for use

General Exemption - A processed food that is prepackaged and labeled in English in accordance with the laws and standards in force in Canada, the Caribbean Community, the European Union, or the United States of America shall be deemed to comply with this standard.

If you would like a copy of the whole report on rules and regulations to import food and agricultural products to Belize please go to the FAS website www.fas.usda.gov and select attaché reports.

TARIFFS

Almost all agricultural products entering Belize have a duty of 40%. However, Belize has been reducing some of its duties in the last few years. As of April 1, 2001 some products have been lowered to 20%. Below is a list of items subject to 20% import duty:

- 02.1 Meat and edible meat offal, salted, in brine, dried or smoked: edible flours and meals of meat or meat offal.
- 03.05 Fish, dried, salted in brine.
- 04.03 Buttermilk, curdled milk and cream, and yogurt.
- 13.02 Vegetable saps and extracts
- 16.01 Sausages and similar products of meat, meat offal or blood; food preparations based on these products.
- 17.04 Sugar confectionary.
- 18.06 Chocolate and other food preparations containing cocoa.
- 19.04 Cereals (such as corn flakes).
- 20. Prepared Fruits and Vegetables.
- 21. Sauces, Soups and Ice Cream.

In addition to the duties that must be paid on imports, some products also have a Revenue Replacement Duty. This is an additional duty placed on particular products and has been in effect since 1996. Below is a list of products and duties that must pay the Revenue Replacement Duty:

· Fruit and Vegetable Juice	25%
· All meat and meat products	10%
· Peanut butter	50%
· Water and non-alcoholic beverages	30%
· Spirits	BLZ\$35.00/ per imperial gallon
· Beer	BLZ\$20.92/ per imperial gallon

ENTRY STRATEGY

The best way to enter the market in Belize is to establish a distributor or agent. Due to the small quantities that are purchased, almost all containers entering Belize are consolidated containers. Most importers work very closely with a consolidator in Miami in order to maximize their purchases. The two supermarket chains that operate in Belize are also importers, distributors and wholesalers. Therefore, when you sell to them you also sell to all the smaller retail outlets through them.

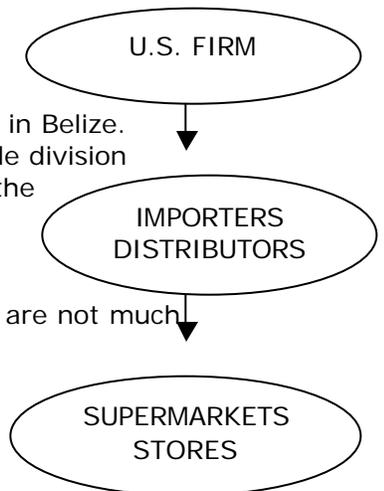
IV. MARKET SECTORS

RETAIL SECTOR

The retail food sector in Belize is estimated to account for about \$100 million worth of sales annually. There are basically two supermarket chains in Belize. Brodie’s is a 112-year-old company with three supermarkets and a wholesale division that supplies both retail and food service in all of Belize. This company is the largest importer of U.S. consumer-ready products. The second largest chain is Save-U with two units and a wholesale division. There are some

single unit supermarkets in Belize City but in the smaller cities those stores are not much bigger than a regular corner store in the U.S.

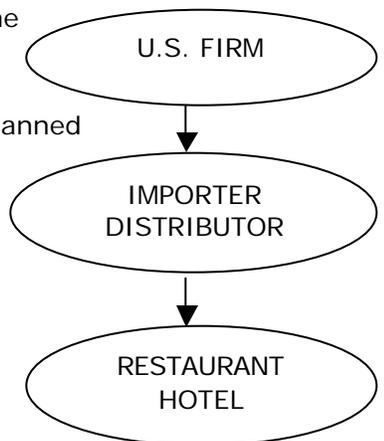
The supermarkets are also the suppliers to many hotels and restaurants. Therefore, companies that provide institutional sizes of their products should also offer them to the supermarkets.



HOTEL, RESTAURANTS AND INSTITUTIONS

This sector is valued at over \$100 million and it is the fastest growing of the three sectors being discussed. Thanks to the growing tourism industry, opportunities are occurring on a regular basis in this sector. Products with the highest potential are meats, cheeses, dressings and institutional-size canned vegetables. This sector also has the added advantage of having special permission from the government to import products that other sectors can't.

Although there are some companies that supply the food service sector, most of the smaller hotels and restaurants will buy product in the supermarket that is packaged for food service. Only the major hotels and restaurants will use a wholesaler as a supplier.



A. FOOD PROCESSING

At this time the food-processing sector in Belize is so small that it does not offer significant opportunities for U.S. companies to supply it.

V. BEST PROSPECTS

Products with the best prospects are:

- Quality meat cuts
- Dairy products
- Snack foods
- Institutional size Dressings & Sauces
- Institutional size Processed Fruits & Vegetables

VI. POST INFORMATION

If you have any questions regarding this report or need assistance exporting to Belize, please contact the U.S. Agricultural Affairs Office at the following address.

Office of Agricultural Affairs, U.S. Embassy
Avenida Reforma 7-01 Zona 10
Guatemala, Ciudad 01010
Tel: (502) 2-332-4030
Fax: (502) 2-331-8293
Email: AgGuatemala@fas.usda.gov

You may also wish to contact:

Commercial Office
United States Embassy
P.O. Box 286
29 Gabourel Lane
Belize City, Belize
Tel: (501) 277-7161
Fax: (501) 271-1468

For further information on exporting U.S. agricultural products to Belize and other countries, please visit the Foreign Agriculture Service home page: www.fas.usda.gov.

VII. LIST OF MAJOR REGULATORY AGENCIES

Name: Nigeli Sosa
Title: Director
Institution: Ministry of Trade and Industry
Address: Administrative Building, Belmopan
Tel: (501) 822-2249

Name: Eugene Waight
Title: Chief Agricultural Officer
Institution: Ministry of Agriculture and Fisheries
Address: Administrative Building, Belmopan
Tel: (501) 822-2241

Name: Nerie T. Sanz
Title: Managing Director
Institution: Belize Agricultural Health Authority
Address: National Agricultural Show Grounds, Belmopan City
Tel/Fax: (501) 822-0197

Name: Dr. Michael DeShield
Title: Director of Food Safety
Institution: Belize Agricultural Health Authority
Address: P.O. Box 181, Belize City, Belize
Tel: (501) 224-4794

Name: Helen Reynolds-Arana
 Title: Director
 Institution: Bureau of Standards
 Address: Regent St., Belize City
 Tel: (501) 227-2314

Name: Gregory Gibson
 Title: Comptroller
 Institution: Belize Customs
 Address: P.O. Box 1530, Belize City
 Tel: (501) 277-7092

VIII. APPENDIX

GENERAL STATISTICS

TOTAL POPULATION	273,000
PER CAPITA GROSS DOMESTIC PRODUCT (GDP)	\$3620
PER CAPITA FOOD EXPENDITURES	\$1098
UNEMPLOYMENT RATE	12.9%
INFLATION RATE	2.9%
EXCHANGE RATE	\$1.00=BZ\$2.00

CONSUMER-READY & EDIBLE FISHERIES PRODUCT IMPORTS

Belize Imports	Imports from the world			Imports from the U.S.			U.S. Market Share		
	Millions 2000	of U.S. 2001	Dollars 2002	Millions 2000	of U.S. 2001	U.S. Dollars 2002	2000	2001	2002
CONSUMER-ORIENTED AGRICULTURAL TOTAL	41	50	43	15	16	16	37%	32%	37%
Snack Foods (Excl. Nuts)	3	2	2	1	1	1	43%	49%	50%
Breakfast Cereals & Pancake Mix	1	1	1	1	1	1	67%	67%	73%
Red Meats, Fresh/Chilled/Frozen	0	0	0	0	0	0	100%	100%	100%
Red Meats, Prepared/Preserved	5	4	4	2	2	1	39%	38%	28%
Poultry Meat	0	0	0	0	0	0	100%	100%	100%
Dairy Products (Excl. Cheese)	7	8	8	1	1	1	8%	7%	8%
Cheese	3	3	4	1	1	1	33%	33%	30%
Eggs & Products	1	1	1	1	1	1	96%	100%	100%
Fresh Fruit	0	1	0	0	0	0	57%	38%	32%
Fresh Vegetables	2	3	2	0	0	0	21%	13%	11%
Processed Fruit & Vegetables	2	2	2	1	1	2	63%	67%	71%
Fruit & Vegetable Juices	1	1	0	0	0	0	36%	29%	45%
Tree Nuts	0	0	0	0	0	0	na%	na%	na%
Wine & Beer	1	8	1	0	0	0	27%	6%	32%
Nursery Products & Cut Flowers	1	0	1	0	0	0	0%	0%	0%
Pet Foods (Dog & Cat Food)	1	1	1	1	1	1	95%	96%	100%
Other Consumer-Oriented Products	13	15	15	6	6	7	47%	41%	45%

FISH & SEAFOOD PRODUCTS	3	0	0	2	0	0	67%	34%	36%
Salmon	0	0	0	0	0	0	na%	na%	na%
Surimi	0	0	0	0	0	0	na%	na%	na%
Crustaceans	1	0	0	1	0	0	92%	na%	na%
Groundfish & Flatfish	0	0	0	0	0	0	na%	na%	na%
Molluscs	1	0	0	1	0	0	100%	27%	28%
Other Fishery Products	0	0	0	0	0	0	19%	30%	28%
AG. PRODUCTS TOTAL	59	69	58	30	31	28	51%	45%	48%
AG. FISH & FOREST TOTAL	65	75	61	35	36	29	54%	48%	48%

SOURCE: UN TRADE DATA (Data not available for 2003)

TOP 15 EXPORTERS OF CONSUMER-READY PRODUCTS

CONSUMER READY IMPORTS	2000	2001	2002
UNITED STATES	15,342	15,900	15,962
MEXICO	6,304	6,287	4,662
NETHERLANDS	3,999	4,293	4,220
JAMAICA	1,500	1,639	2,295
CANADA	1,934	1,818	1,946
BARBADOS	1,421	2,815	1,763
DENMARK	1,787	1,759	1,755
UNITED KINGDOM	2,163	2,003	1,651
FRANCE	1,259	7,618	761
TRINIDAD & TOBAGO	662	549	652
GUATEMALA	538	765	636
HONDURAS	870	43	632
COSTA RICA	410	532	543
VENEZUELA	213	369	230
EL SALVADOR	141	168	161
WORLD	40,828	49,714	42,646

SOURCE: UN TRADE DATA (Data not available for 2003)

NOTE: NO TABLE FOR EDIBLE FISHERIES WAS CREATED SINCE BELIZE IS NOT A NET IMPORTER OF EDIBLE FISHERIES.