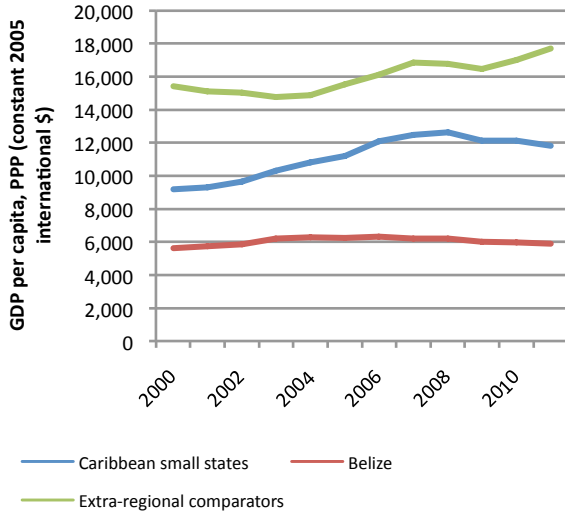


A Snap-Shot of the Private Sector In Belize 2013

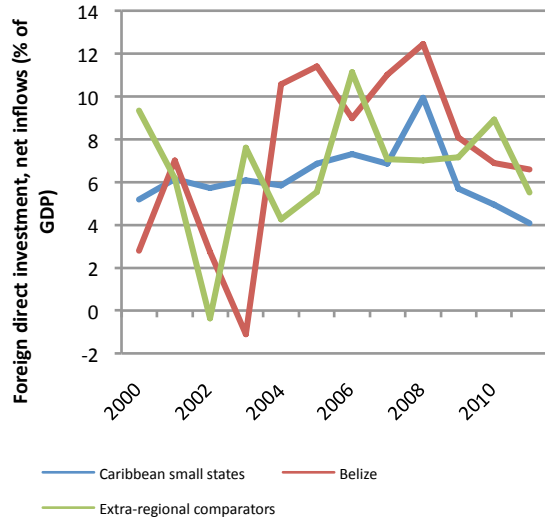
GDP Per Capita

Belize's income per capita is low relative to Caribbean and comparator economies. In addition, the country's income per capita has not significantly changed since 2000.



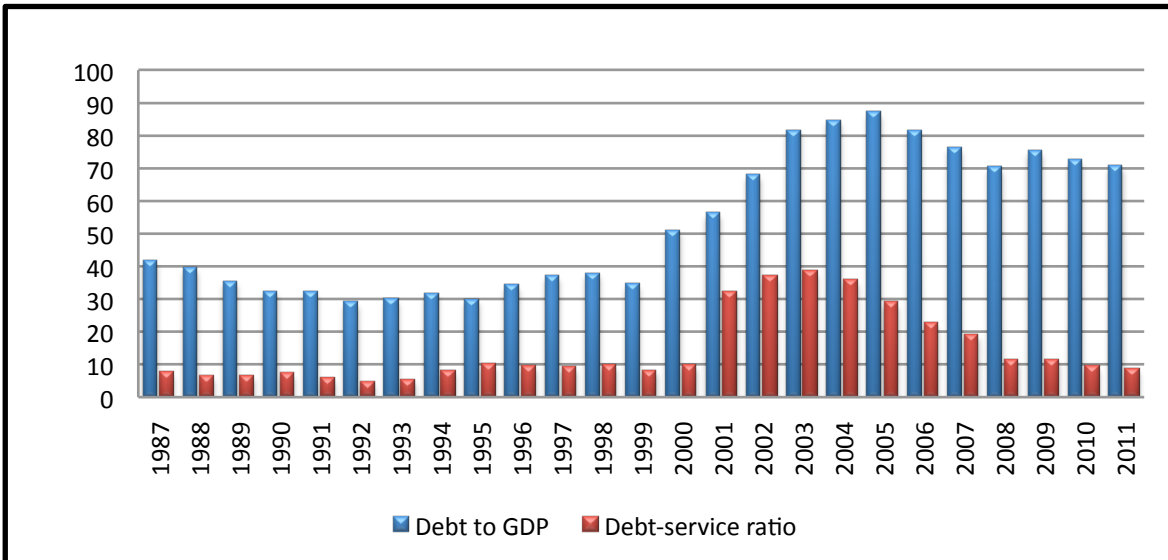
Foreign Direct Investment

In spite of stagnation in growth, significant investments in tourism and oil have been recorded during the last few years. FDI is high compared to other Caribbean countries and extra-regional comparators.



*Caribbean small states aggregate: includes Antigua and Barbuda, The Bahamas, Barbados, Belize, Guyana, Suriname, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago.

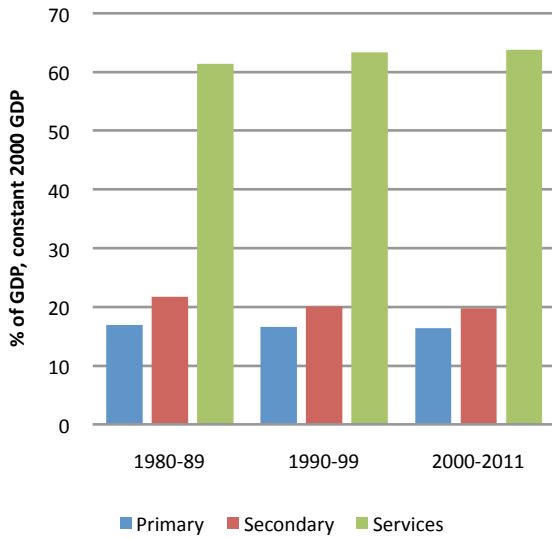
**Extra-regional comparators are Seychelles, Palau, Malta and Mauritius



Source: Central Bank of Belize

Sectoral Composition of GDP

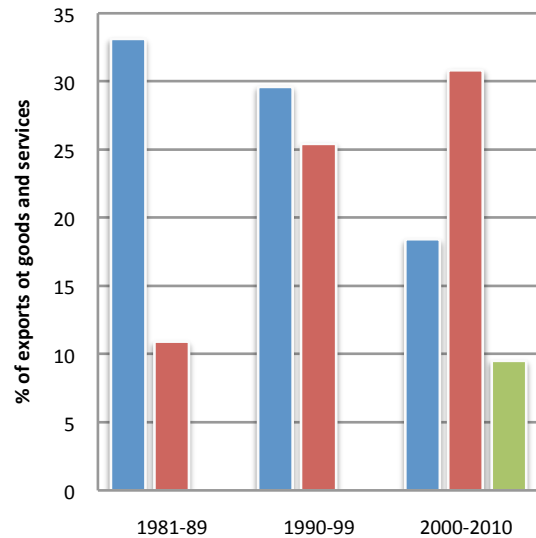
Over time the sectoral composition of GDP has remained stable. There have been small declines in the agriculture sector, while tourism and oil are growing



Source: Statistical Institute of Belize

Exports of Goods and Services

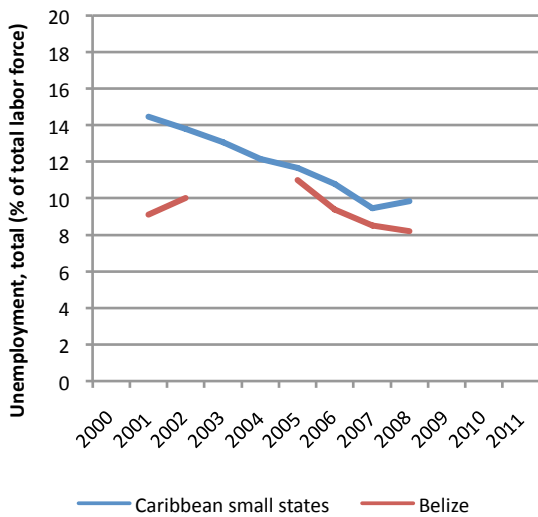
The structure of exports is changing as the tourism industry develops and discoveries of oil reserves trigger investments in exploration and extraction. The most important agricultural exports include bananas (15% of total), fruit juices (11%), and raw sugar (9%).



Source: Compete Caribbean Private Sector Assessment Report

Unemployment

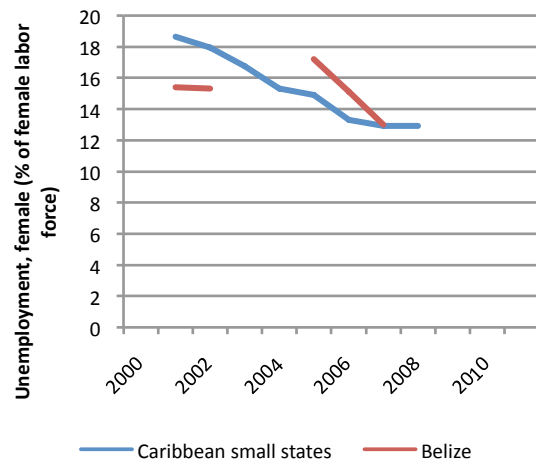
Unemployment is lower than other Caribbean economies, but education is also low. Almost 3/4 of the labour force have only primary (28.8%) or less education (45.9%) Almost 1/3 of the employed labor force (30.9%) work in clerical, service and sales jobs, and about 1/4 of the employed work in occupations such as cleaners, food preparation assistants, agricultural, fishery and construction laborers.



Source: World Bank, World Development Indicators.

Women and Work

Unemployment is higher for females but the situation is slowly improving. Belize's labor force in 2002 was 31% female compared to 41% in 2012



Opportunities to accelerate private sector growth

Currently Belize economy relies on two main engines of growth: agriculture and tourism. The traditional agricultural sector is becoming less relevant due in part to the changing trade relationship for the banana and sugar industries between Belize and the EU. A large expansion of foreign debt led to a debt rescheduling in 2007 and again in 2012. Belize’s challenge is to lower external debt and open up space for private sector investment. The country offers many opportunities for growth and private sector expansion. The Private Sector in Belize is large by Caribbean regional standards: it represents more than 92% of employment, exceeds two-thirds of credit and four-fifths of consumption. The private sector is represented by small number of large and medium sized businesses and a very large number of micro, small and medium (MSMEs). MSMEs generate over 70% of private sector employment and incomes and contribute significantly to GDP. In terms of output, it is estimated that MSMEs account for over 70% of main export crops and an even higher percentage of domestic food crops.

<p style="text-align: center;">The Largest and fast growing sectors</p> <ul style="list-style-type: none"> • Tourism. The sector is dominated by MSMEs and with small hotels, many of which have less than 12 rooms and employ less than 10 people. The cruise ship sector is growing, but currently affected by limited port facilities • ICT business processing outsourcing such as accounting, human resources and customer service, is growing. Exports are estimated at over US\$6 million. • Financial services, more than 15,000 International Business Companies registered as legislation is modern, user-friendly, and designed with the offshore investor in mind. • There is potential for agro-processing if there is success in diversifying away from primary agriculture. • The creation of free zones, such as Corozal Free Zone (CFZ), offer investment opportunities and create jobs. 	<p style="text-align: center;">The challenges of the business climate</p> <ul style="list-style-type: none"> • According to the World Economic Forum Global Competitiveness Report Belize places at 123 out of 142 countries. Its lowest marks are in business sophistication and innovation and highest in health and primary education. • The report notes that the top five most problematic factors for doing business cited by the private sector were: crime and theft; tax rates; access to financing; corruption; and inefficient government bureaucracy. • The World Bank Doing Business report notes the difficulties in starting a business, on which Belize ranks 22 out of 35 countries in the Western Hemisphere. Belize ranks high in dealing with construction permits (20) and also ranks well in paying taxes and resolving insolvency. Belize is poorly ranked in the areas of enforcing contracts, starting a business and registering property.
<p style="text-align: center;">Government priorities as identified by government</p> <p>The Government’s priority is to address the acute fiscal situation that led to a debt rescheduling in 2012. The lack of resources impacts private sector development as foreign investors perceive country risk is high and public goods and services such as health, security and infrastructure can suffer.</p> <p>While the role of the private sector in the national development strategy, National Development Framework for Belize, 2010-2030, is not yet clearly articulated, the Medium Term Development Strategy (MTDS) for Belize for 2010-2013 has eight private sector development goals:</p> <ol style="list-style-type: none"> 1. The development of an enterprise culture and expansion of MSME’S 2. Investment promotion and marketing of priority areas identified under the first national economic strategy. 3. Improved agriculture, agro-sector and manufacturing 4. Promotion of tourism and other related services 5. Expansion into gaming 6. Development of export financing 7. Better export quality and certification management 8. Export and trade competency development. 	<p style="text-align: center;">Priorities actions to expand business as identified in the Complete Caribbean Private Sector Assessment Report</p> <ul style="list-style-type: none"> • Improve macroeconomic stability by improving fiscal and debt management • Establish a credit bureau to expand credit to small and medium enterprises and to lower requirements on real estate collateral on most loans • Establish programs that develop skills in the labor market that are demanded by expanding sectors, in energy, agriculture and ICT and tourism • Reform the tax system by providing a leveled field for all market participants instead of current practices of providing ad hoc tax breaks • Improve property rights—property registration, enforcing contracts and regulatory changes in agencies which slow down investment and changes in legislation

