BELIZE

Publisher: IGM INVESTMENTS.
General Director: Margarita Fernández, Regional Director: Gloria Berrios, Project Manager: Petra Barna, Business Journalist: Sachel Martínez.
Acknowledgements: McNab Visual Strategies, Alobi Young.

IGM IMVESTMENTS INDEPENDENT SUPPLEMENT FOR MIAMI HERALD
www.igminvestments.com

Bordered by Mexico in the north, Guatemala in the West and the Caribbean Sea in the East, Belize is the only English-speaking country in Central America. With a total gross domestic product (GDP) of USD 1.86 billion, Belize is characterized by sustaining itself in a small economy, based mainly on agriculture, commerce, tourism and construction.

Belize remains relatively dependent on the agricultural sector, which accounts for around 30% of its GDP and delivers 70% of export earnings. Its main exports are bananas, sugar, marine products, citrus, and animal feed. Non- traditional sectors include the production of cacao, corn, hot pepper sauces, processed jams, jellies, extracts, and pastes. The U.S. remains its largest single destination with a market share of around 39%, followed by the UK with around 20%. Other major trading partners for exports include the EU and CARICOM.

Its extensive rainforests, Maya ruins, wildlife and largest barrier reef in the Western Hemisphere have made this small nation gain momentum as an internationally renowned tourism destination in the region. Today, tourism is the primary foreign exchange earner. According to the World Travel and Tourism Council (WTTC), travel and tourism accounted for over 38% of GDP in 2016, a figure set to rise to over 47% by 2027.

Cruise ship arrivals have flourished in recent years. In an interview with IGM Investments, Brian Lin, Senior Manager of Investment Development at Belize Trade and Investment Development Service (BELTRAIDE), said **"Belize is hitting over a million cruise passenger arrivals per year. Mass tourism operators such as Royal Caribbean, Carnival Cruise Lines, and Norwegian Cruise have flooded the country with an increased number of visitors, and this is also having an impact on direct employment in the country. In 2016, the contribution of tourism was over 34% of total employment -50,000 jobs-, and this is expected to rise to around 43.2% in nine years".**

As Lin told IGM Investments, "this year we continue to see an upward trend in the hospitality and tourism sector". International flights and connections are on also on the rise, and this trend is increasing investor appetite, especially from North America. Large companies in the hospitality sector such as Hilton or Marriot are already investing in the country, and are bringing other players under their umbrella, he explained.

FINANCE p.1
SOLID INVESTMENTS FOR THE FUTURE
INFRASTRUCTURE p.2
OPPORTUNITIES IN PARADISE
COMMERCE p.2
MARKETS TO EXPLORE

Photography: McNab Visual Designs

FACT FILE

Capital: Belmopan

Oficial Language: English

Currency: Belizian dolar

Population: 374.681 (2017) BANCO MUNDIAL

Weather range:from 50°F to 95°F with an annual mean of 79°F. November to January are traditionally the coolest months with a 75°F average and May to September are the warmest at about a 81°F average.

Territorial Extension:22 9662 km²

International Airports: Philip S. W. Goldson

SOLID INVESTMENTS FOR THE FUTURE

The financial services sector, particularly international financial services, is a budding sector in Belize's economy. According to the Central Bank of Belize (CBB), Belize's financial system is small, consisting of five domestic commercial banks, six international banks, a mutual fund, seventeen insurance companies, and nine credit unions overall. The Law of International Commercial Companies maintains a safe and modern financial service industry in the country, and the sector has matured over the years with improved cooperation among an increasing number of countries and jurisdictions shedding much-needed light on the industry. Today it has modern instruments for asset protection, investment banking, mutual funds, and mutual insurance.

Leopoldo Romero
General Manager
TTCU

commercial banks.

CBB also regulates interest rates, overall lending rates remain relatively high. The average personal and commercial lending rates were 11.63% and 9.51% respectively at the end of 2016, and the weighted average interest rate at the end of 2016 was 9.66% compared to 10% at the end of 2015.

The Credit Unions Act of 2002 significantly expanded the potential scope of credit union operations, and created greater similarities between these institutions and the commercial banks.

Credit unions have had a huge impact on low-income areas where people can save and borrow to improve their situation. This is the case of Toledo Teacher Credit Union. With 17 years of experience, it has witnessed unprecedented growth in membership and assets. With a total of 8,500 members, this credit union gives financial services including shares, deposits, fixed deposits, loans and ATM services.

The Teacher's Credit Union was an idea from a group of teachers that in 2000 came together with the initial investment. The business opened to the entire public a year and a half later, experiencing a fantastic growth following a growing demand for financial alternatives from low-income individuals.

As **Leopoldo Romero, General Manager of Toledo Teacher Credit Union** explained to IGM Investments, in their new 2023 plan they are focusing on moving their assets to $25 million, increasing their loan portfolio and providing more credit to more people. "We want to grow in membership and assets, and to expand to other areas in the country where there are no financial institutions to provide these services" he said. Romero highlighted their progress and their network system that allows members to access their money in any part of the country, using any of the existing credit unions. Their impact on society is also seen through their different programs, such as their new scholarship program for children of their members to go to high school or their collaboration with different associations in the area that help the elderly and help schools with donations to help their with their feeding program.

"We want to grow in membership and assets, and to expand to other areas in the country where there are no financial institutions to provide these services"

Belize has onshore as well as offshore financial activities. Generally, Belizean citizens and foreigners with official residency status are allowed to deposit and borrow only from onshore banks while non-residents are only allowed to use offshore banks.

The Central Bank of Belize (CBB) regulates the liquidity and cash reserve requirements, and monitors interest rates of the

GROSS DOMESTIC PRODUCT BY INDUSTRIAL ORIGIN

$mn

	2016R	2017R	
PRIMARY INDUSTRIES	269.6	292.8	
Agriculture and Forestry	229.2	255.5	
Fishing	29.4	28.6	
Mining and Quarrying	11.0	8.7	
SECONDARY INDUSTRIES	394.0	396.6	
Manufacturing	158.6	160.2	
Electricity and Water Supply	145.2	149.6	
Construction	90.2	86.8	
TERTIARY INDUSTRIES	1,845.1	1,895.8	
Wholesale and Retail Trade and Repairs	539.4	576.5	
Hotels and Restaurants	104.7	108.3	
Transportation and Communication	286.6	286.5	
Financial Intermediation	316.4	300.9	
Real Estate, Renting and Business Services	164.5	177.8	
Community, Social and Personal Services	146.3	146.5	
General Government Services	287.2	299.3	
Less: Financial Services Indirectly Measured	160.6	156.5	
All Industries at Basic Prices	2,348.1		2,428.7
Taxes less subsidies on Products	421.5	380.7	
GDP at Market Prices	2,769.6		2,809.5

Toledo Teachers CREDIT UNION LTD.
Better Service. Lower Cost!

OPPORTUNITIES IN PARADISE

Although the infrastructure sector in Belize has been improving steadily over the past three decades, a massive increase in tourism is leading to a boom in real estate, and an increasing need to speed up the development of infrastructure in the country.

Belize has over 1,500 miles of roads, of which only 303 are paved. Two of its four main

highways provide border crossing into Mexico and Guatemala, and all the main towns are connected to the capital, Belmopan, and to Belize City. This small nation has ten ports of entry, the largest of which is at Belize City, with other main southern ports at Pun-ta Gorda and Big Creek. Nine miles from Belize City is Philip Goldson International Air-port, which handles most of the country's commercial air traffic and is served by four in-ternational carriers: Grupo Taca, American Airlines, Air Canada and Continental Airlines.

Infrastructure and the road network in the country has improved since the 1980s; a US$14.7 million renovation of the Southern Highway began in 1998, and another US$8.5 million was allocated for the construction of a bypass road and two bridges in the north. Recently, Taiwan presented a BZ$8 million grant to assist the development of in-frastructure in the country.

Although there has been progress in the country's infrastructure development, some roads, including major sections of highway, are vulnerable to damage during the rainy season, and there is a long way to go to support Belize´s significant growth in tourism.

In this respect, companies like **South West Construction, a construction company** estab-lished in 1993, are contributing to the development of Belize´s roads, marinas, bridges, and other infrastructure-related projects used by thousands of people. Their services in-clude excavation, land clearing and development, road construction, seawalls and pil-ings, construction, and reclaiming coastal land, as well as transporting heavy equipment and hazardous materials.

In an interview with **Peter Dueck, the owner of the company**, who started in this line of business at the very early age of 12, he explained South West Construction also special-ises in the construction and development of residential and commercial projects, both in coastal and inland terrain.

In the past years their activity has increased following the arrival of foreigners for retire-ment and investments in hotels and restaurants. More recently, they have been working on more extensive projects where they have been involved from the very start until the end; from excavation to building sea walls and working with different types of concrete. "I anticipate us getting more jobs and projects working for bigger investors who need us to do the project from beginning to end" he told IGM Investments. South Western Construc-tion looks for properties for an investor, designs it depending on their construction inter-ests -apartments, hotels or resorts-, they then evaluate the land and conclude how to get the most value of that land. An assessment of what materials are needed, planning and organizing the project are all areas they have expertise in. "It is about developing with the concept of getting the best value for our customer, making their investment profitable", he said. South Western Construction has also been gaining more experience and equip-ment, something that will likely help them thrive in the future. "We have received a lot of recommendations for projects, this will bring us more contracts and projects in the future, the recommendation from society to investors," he concluded.

Some of their key projects include works for Mahogany Bay, a luxury resort and beach club in San Pedro, and the excavation and retaining walls for Itz'ana Resort, a new de-velopment for retirement and vacation in Placencia. They have also worked in new de-velopments in Placencia with investors from Miami where they filled the land and did the retaining walls, getting it ready for construction. Along the lines of farming work, they did land clearing, drainage and road works for Santander.

Tourism in Belize has been increasing steadily over the last few years, with 420,000 visi-tors in 2017, over 10% increase compared to the previous year. This is having a serious impact on the real estate sector, which is experiencing a tremendous boom. Earlier this year, Marriott and Four Seasons announced their first hotel and residential projects in Belize, a country that has traditionally been avoided by big chains. The real estate sector is rapidly attracting the high-end segment; Hollywood legends like Leonardo DiCaprio and Francis Ford Coppola already own properties in Belize. There are no restrictions on foreigners buying property in the country, and property taxes are extremely low. Addi-tionally, foreigners residing in Belize pay no taxes on income earned abroad. All this has attracted international attention and a surge of American retirees is hungry to buy proper-ties in the country.

"It is about developing with the concept of getting the best value for our customer, making their investment profitable"

COMMERCE

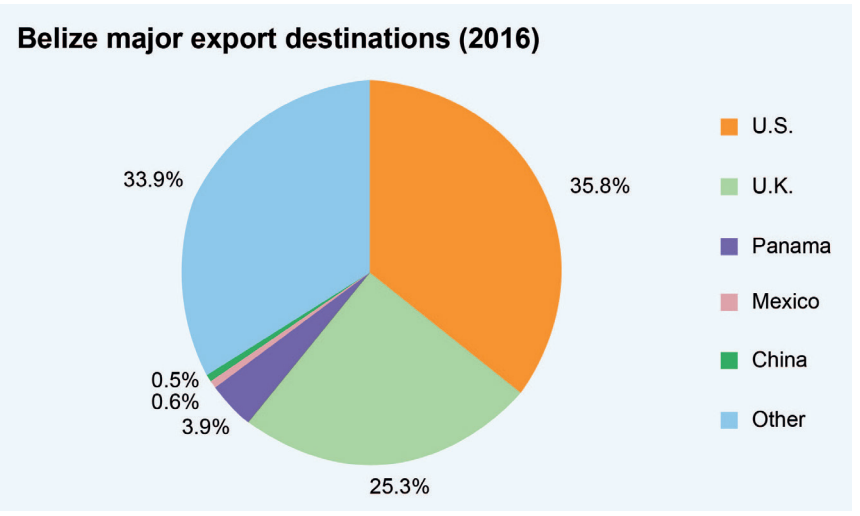
MARKETS TO EXPLORE

Trade has become key in achieving a sustainable and equitable economic development for Belize´s population. As a CARICOM member state, Belize is a party to five bilateral trade agreements with a number of countries, including Cuba, Colombia, Dominican Republic, Costa Rica, and Venezuela. Although Belize does not have a Free Trade Agreement (FTA) with the United States or Canada, it has unilateral preferential arrangements with both countries under the Caribbean Basin Economic Recovery Act (CBERA) of the United States and Caribbean – Canada Trade agreement (CARIBCAN). It is also a party to the Economic Partnership Agreement (EPA) between the European Union and CARIFORUM, an agreement that not only covers traditional areas of FTAs including trade in goods, services, intellectual property, but also development support.

With its production and capacity expanding, Belize's top export markets include the United States, the United Kingdom, Central America, some European Union countries such as Holland and the larger CARICOM markets including Jamaica, Trinidad, and Barbados.

Since achieving political independence in 1981, Belize's external trade has increased and diversified substantially, with sugar, orange concentrate, bananas, marine products and crude oil among its top exports.

Antonio Habet
Director
Brothers Habet LTD



"We believe the relationship between company and customers should be mutually beneficial and are constantly working at becoming more competitive; although we are big on service we also want to have the best prices"

As Belize continues to access new markets, trade will lead to many benefits for the country, developing its private sector and attracting more investors.

Although big international retailers are becoming more predominant in the country, some family businesses like Brothers Habet have held strong in the market for over 68 years. Brothers Habet specializes in hardware and building supplies, something that is flourishing thanks to the increase in tourism and the development of construction that has come with it. They are the exclusive distributor of worldwide renowned brands such as Sherwin-Williams, Berger, Stanley Black & Decker, General Electric, and many others.

In an interview with **Antonio Habet, Director of Brothers Habet**, he explained their vision to modernize and continue to expand throughout the country, improving their involvement with customers in other districts. "We believe the relationship between company and customers should be mutually beneficial and are constantly working at becoming more competitive; although we are big on service we also want to have the best prices" he said. Despite the competition, Habet sees huge potential for growth. "We see where we can continue to grow and with an increase in effort and efficiency, we can grow exponentially" he told IGM Investments. But their ambition goes beyond sales figures. Brothers Habet have worked with social partners such as the Red Cross, The Rotary Clubs of Belize, St. Ignatius Parish... as their involvement with the community plays a key role in the company "we want to be an example of honesty and integrity to all businesses," he said.

brothers HABET LTD.
... all your Building needs under one Roof!!!
RETAIL
115 BARRACK RD.
224-5423/5427
sales@brothershabet.bz
WHOLESALE
4 MLS. GEORGE PRICE HWY.
222-4964/4965
wholesale@brothershabet.bz
www.brothershabet.bz