

NATIONAL TRADE POLICY FRAMEWORK

2016 - 2026

REVISED EDITION

DIRECTORATE GENERAL FOR FOREIGN TRADE
MINISTRY OF ECONOMIC DEVELOPMENT, PETROLEUM,
INVESTMENT, TRADE & COMMERCE

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DIRECTORATE

GENERAL FOR FOREIGN TRADE, BELIZE

VISION

THE NATIONAL AUTHORITY
LEADING TRADE AND LINKING
THE DOMESTIC SUPPLY CHAIN TO
COMPETE IN THE GLOBAL MARKET

MISSION

TO FOSTER SUSTAINABLE
AND INCLUSIVE ECONOMIC DEVELOPMENT
THROUGH A RESPONSIVE TRADE POLICY THAT
STIMULATES TRADE, ENABLES
INVESTMENT AND FACILITATES BELIZE'S
INTEGRATION INTO THE MULTILATERAL
TRADING SYSTEM

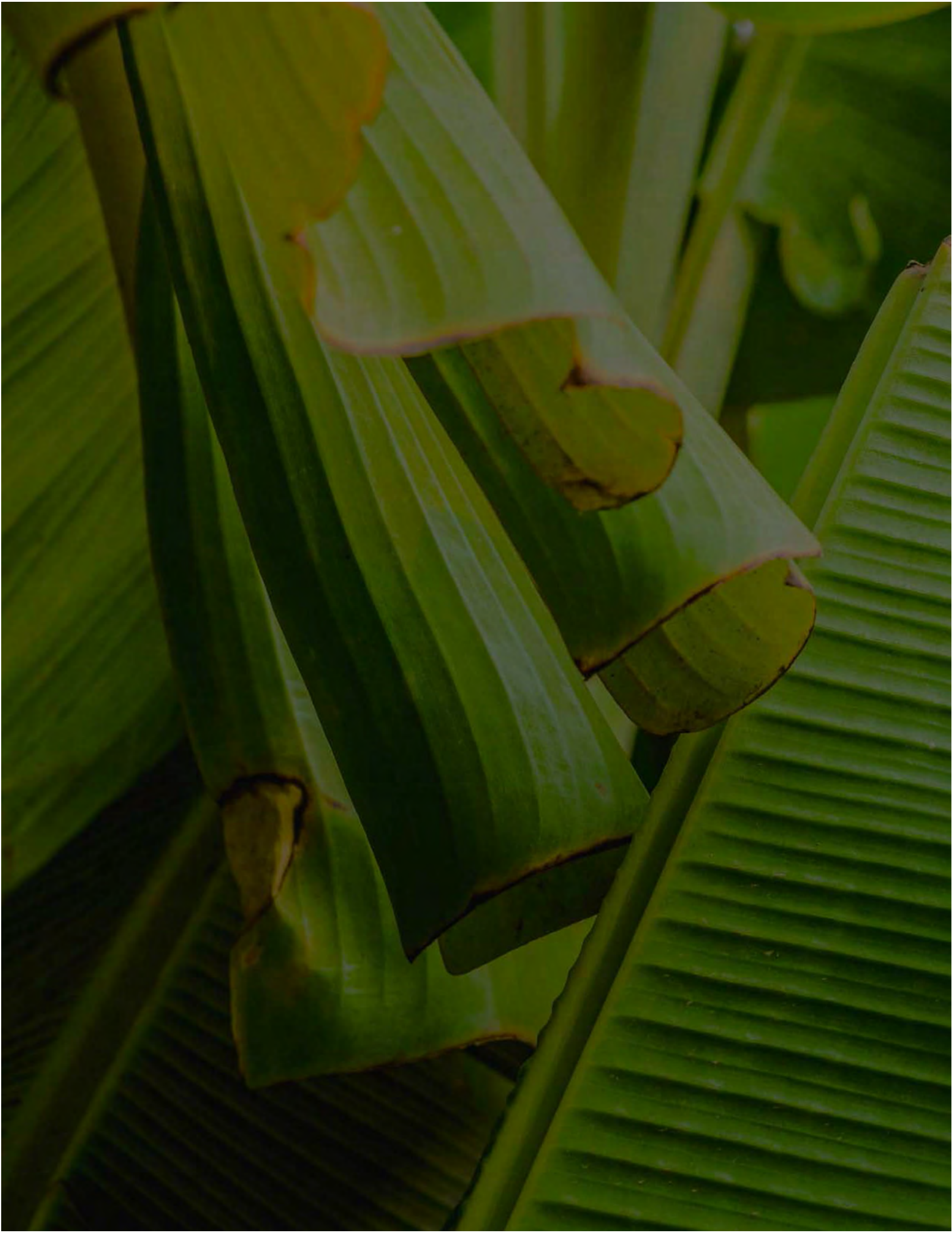


TABLE OF CONTENTS

0.1 EXECUTIVE SUMMARY

0.2 INTRODUCTION

0.3 SUMMARY TABLE

1.0 STRATEGIC GUIDING PRINCIPLES

1.1 Background

1.2 Constraints & Challenges

1.3 Principles

1.3.1. First Principle: Promoting Competitiveness for Producers/Exporters

1.3.2. Second Principle: Strategic Positioning to Attain Asymmetrical Treatment

1.3.3. Third Principle: Continued Support to the Principle of Regionalism

1.4 Regime

2.0 FIRST PILLAR: INSTITUTIONAL CAPACITY

2.1 Constraints & Challenges

2.2 Policy Commitments

First Commitment: Consolidating the Directorate General for Foreign Trade

Second Commitment: Reforming the Consultative Processes

Third Commitment: Consolidating Belize's Foreign Expertise

2.3 Aid- for-Trade

3.0 SECOND PILLAR: SUPPLY CAPACITY

3.1 Constraints & Challenges

3.2 Policy Commitments

Fourth Commitment: Strengthen the "Doing Business" Environment

4.0 THIRD PILLAR: MARKET ACCESS

4.1 Constraints & Challenges

4.2 Policy Commitments

Fifth Commitment: Assessing Belize's Productive Capacity

Sixth Commitment: Diversifying, Consolidating and Improving Market Access

Seventh Commitment: Positioning Belize's Potential in Central America

4.3 Aid- for-Trade

5.0 FOURTH PILLAR: TRADE FACILITATION

5.1 Constraints & Challenges

5.2 Policy Commitments

Eight Commitment: Upgrading Import, Export and Transit Procedures and Administration

Ninth Commitment: Facilitating Formal Trade and Payment Flows

Tenth Commitment: Incorporating Belize into the Central American Logistics System

5.3 Aid- for-Trade

0.1 EXECUTIVE SUMMARY

A consolidated trade policy framework

Since its independence, Belize has adopted a significant number of policy instruments in the foreign trade area, as well as engaged in regional economic integration processes, without having developed a specific policy guideline for their design, implementation and impact assessment.

Such an option could have the advantage of flexibility and affords the feasibility for rapid adaptation to national and international economic developments.

It is clear that the current institutional, social, economic and environmental development challenges that Belize faces require more long-term planning and regular monitoring and evaluation of both the public and the private sector endeavours in foreign trade.

The instruments already adopted and those, for which implementation is in progress should be consolidated, and the coherency of the whole system established.

With those aims, the Ministry has formulated the first National Trade Policy Framework for the country. This Framework will provide the impetus for developing a comprehensive National Trade Policy to guide Belize's trade agenda for the next decade.

General Objectives:

- I. Expansion of Foreign Trade for Sustainable Economic Development
- II. Development of Human Capital and Entrepreneurial Spirit
- III. Achievement of higher living standards for the people of Belize
- IV. Development of efficient productive practices to boost international Competitiveness
- V. Enhancement of Trade Relations with focus on Latin America and the Caribbean

Strategic Guiding Principles

Three guiding principles represents the key principles on which Belize's Trade Policy Framework is based; these are: Promoting Competitiveness for producers and Exporters; Attaining asymmetrical treatment in negotiations; and as a Small and Vulnerable Economy (SVE), continued support for the principle of regionalism.

02. INTRODUCTION

The National Trade Policy Framework has been conceived as a set of policy commitments to be adopted by the Executive, making them mandatory and sustainable over the long-term. This framework shall lend to the drafting of a comprehensive National Trade Policy by 2018 pending the fulfilment of the obligations outlined herein.

The main purpose of this Trade Policy Framework is to guide the actions of both the Government and the private sector in the identified policy areas for the period 2016 – 2026, as well as to adequately organize the processes of the policy cycle and accountability for the trade sector's stakeholders and, largely, the people of Belize.

The Policy Commitments have been categorised into four (4) Policy Pillars, namely:

1. **Institutional Capacity** - To effectively execute this policy framework, Belize must put in place the legislative mandate, technical and administrative mechanisms to operate at the highest levels of expertise and professionalism. The consolidation of The Directorate General for Foreign Trade on these factors would enhance Belize's international negotiating profile.

2. **Supply Capacity** - This pillar seeks to leverage market access by converging policies to support expansion of productive forces for diversifying the export basket; fostering innovation, entrepreneurship, and improving Belize's investment profile.

3. **Market Access** - This pillar focuses on three areas that would expand trading opportunities, such as: assessing Belize's productive capacity to export; diversifying, consolidating and improving access and entry to markets; and positioning Belize as a regional hub between the Caribbean and Central America.

4. **Trade Facilitation** - The Trade Facilitation pillar focus Belize's attention on three key areas: Enhancing procedures and documentation for importation, exportation and transit; Greater facilitation for the formal trade and payment flows; Improving transportation of goods to Central America through their International Transit of Goods system (TIM).

These Four Pillars:

- are guided by three (3) Policy Principles,
- proposes ten (10) Policy Commitments,
- recommends thirty (30) Policy Instruments, and
- are to be implemented under seventy-three (73) specific governmental actions that must be met in order to secure success of this policy.

A proposed structure for the Directorate General for Foreign Trade (DGFT) to successfully implement the Policy Framework over a period of at least fifteen years is presented in Annex I.

0.3

SUMMARY TABLE

STRATEGIC GUIDING PRINCIPLES

PROMOTING COMPETITIVENESS FOR PRODUCERS / EXPORTS

The Strategic Guiding Principles are mandatory and non-negotiable

They guide any Belizean multilateral, regional or bilateral diplomatic action

STRATEGIC POSITIONING TO ATTAIN ASYMMETRICAL TREATMENT

They are regularly updated in "Policy Position Papers" adopted by Cabinet

Their application and respect are regularly assessed by the Directorate General for Foreign Trade

CONTINUED SUPPORT TO THE PRINCIPLE OF REGIONALISM

The Government is accountable to the People of Belize on their deployment

A key component of this framework is regionalism; recognizing the need for joint cooperation with a unified voice in the multilateral trade arena

STRATEGIC PILLARS

INSTITUTIONAL CAPACITY

CONSOLIDATING THE DIRECTORATE GENERAL FOR FOREIGN TRADE

Immediate confirmation of the legal statute and mandate of the Directorate General for Foreign Trade

Urgent mobilization of the necessary resources for the adequate functioning of the Directorate General for Foreign Trade

Priority enhancement of the capacities in negotiation

Priority enhancement of the capacities in compliance

Priority enhancement of the capacities in intelligence

Priority enhancement of the capacities in policy cycle

Priority enhancement of the capacities in aid for trade and project management

	<p>REFORMING THE CONSULTATIVE PROCESSES</p>	<p>Reform of the Trade Technical Team</p> <p>Operationalization of the EPA AND CSME Implementation Committee (EIC)</p> <p>Reform of the Trade Negotiating Team</p> <p>Creation of the Public – Private Foreign Trade Forum</p>
	<p>CONSOLIDATING BELIZE'S FOREIGN TRADE NEGOTIATING EXPERTISE</p>	<p>Consolidate GOB officials' expertise in the field</p> <p>Creation of a Foreign Trade Research Centre</p>
<p><i>Aid for Trade and Funding</i></p>	<p>Identify programmes and sources of funding for long-term technical assistance on the institutional strengthening and capacity building of the DGFT and the negotiation, compliance, intelligence and policy cycle functions, as well as on the reform of the consultation mechanisms, the enhancement of the public-private dialogue, the consolidation of Belize's foreign trade expertise</p>	
<p>SUPPLY CAPACITY</p>	<p>STRENGTHENING THE "DOING BUSINESS" ENVIRONMENT</p>	<p>Establish a National Development Plan</p> <p>Enhance the Doing Business Environment</p>
<p><i>Aid for Trade and Funding</i></p>	<p>Identify programmes and sources of funding for long-term technical assistance for the establishment of the national development plan and the enhancement of the Doing Business environment.</p>	
<p>MARKET ACCESS</p>	<p>ASSESSING BELIZE'S PRODUCTIVE CAPACITY</p>	<p>Assessment of potential for export</p> <p>Preferential Market Access Mapping -Accessible online</p>
	<p>DIVERSIFYING, CONSOLIDATING AND IMPROVING BELIZE'S MARKET ACCESS</p>	<p>Diversification of preferential market access</p> <p>Consolidation of preferential market access</p> <p>Improvement of market access conditions</p> <p>Strategic safeguard of sensitive sectors and industries</p>

	POSITIONING BELIZE'S POTENTIAL IN CENTRAL AMERICA	Integration into SIECA Position Belize as a regional hub
<i>Aid for Trade and Funding</i>	Identify programmes and sources of funding for long-term technical assistance on the necessary assessments and mappings, as well as on the negotiations for the diversification, consolidation and improvement of market access, the development of the safeguards, the process of integration into SIECA and the development of the strategy of positioning Belize as a regional hub	
TRADE FACILITATION	UPGRADING IMPORT, EXPORT AND TRANSIT PROCEDURES AND ADMINISTRATION	Upgrade the export system Upgrade the import system Reform the Belize Bureau of Standards Creation of a single-window
	FACILITATING FORMAL TRADE AND PAYMENT FLOWS	Promoting formal trade Facilitating foreign exchange operations
	INCORPORATING BELIZE INTO CENTRAL AMERICA LOGISTICS SYSTEMS	Adhering to the Mesoamerica TIM system
<i>Aid for Trade and Funding</i>	Identify programmes and sources of funding for long-term technical assistance on the necessary assessments and studies and the enhancement of the capacities of the Ministry in charge of Industry on industrial policy and research, as well as on the costs of the implementation of the TIM system	

1

STRATEGIC GUIDING PRINCIPLES

1.1 Background

1.2 Constraints & Challenges

1.3 Principles

1.3.1. First Principle: Promoting Competitiveness for Producers/Exporters

1.3.2. Second Principle: Strategic Positioning to Attain Asymmetrical Treatment

1.3.3. Third Principle: Continued Support to the Principle of Regionalism

1.4 Regime

1.1 BACKGROUND

The Belize Constitution guarantees the following rights from which the policies of The Government of Belize are derived.

- Protecting and safeguarding the unity, freedom, sovereignty and territorial integrity of Belize;
- Elimination of economic and social privilege and disparity among the citizens of Belize whether by race, colour, creed or sex;
- Protection of the rights of the individual to life, liberty and the pursuit of happiness;
- Preservation of the right of the individual to the ownership of private property and the right to operate private or by the state;
- Ensuring a just system of social security and welfare;
- Protection of the environment;
- Promotion of international peace, security and co-equitable international economic and social order in the world with respect for international law and treaty obligations in the dealings among nations.

Within this framework, Belize has signed the requisite Conventions and adheres to the principles and purposes of the international and regional communities' endeavours towards peace and development, as well as on democracy, human rights, and good governance.

These include:

The Charter of the United Nations;
The Universal Declaration of Human Rights;
The Charter of the Organization of American States;
The Inter American Democratic Charter.

Regarding foreign trade and regional economic integration, Belize is a member of the various multilateral bodies and signatory to the Conventions and agreements which respectively oversee and define the principles and purposes of the international and regional communities' efforts in the spheres of international trade and economic development.

These include:

- The World Trade Organization – WTO;
- The Caribbean Community – CARICOM;
- The CARICOM Single Market and Economy – CSME;

NATIONAL TRADE POLICY FRAMEWORK

- As a member of CARIFORUM, the Economic Partnership Agreement with the European Union;
- The Central America Integration System – SICA.

Belize has participated in a number of Free Trade Agreements as a member state of CARICOM, notwithstanding, the Revised Treaty of Chaguaramas (RTC) makes provision for member states to enter bi-lateral agreements with third parties subject to certain conditions. In recognition of its geographical location and in pursuit of greater economic integration with neighbouring countries, Belize is also pursuing bi-lateral trade agreements with Central America and Mexico. Currently, Belize and Guatemala are already signatories to a Partial Scope Agreement.

As a signatory to the Revised Treaty of Chaguaramas, Belize is empowered under Article 80 to the following:

RTOC Article 80, Paragraph 5

"Nothing in this Treaty shall preclude Belize from concluding arrangements with neighbouring economic groupings provided that treatment not less favourable than that accorded to third States within such groupings shall be accorded to the Member States of the Community, and that the arrangements make adequate provision to guard against the deflection of trade into the rest of CARICOM from the countries of such groupings through Belize."

1.2 CONSTRAINTS AND CHALLENGES

Some of the main constraints and challenges that Belize faces in the multilateral trade policy landscape are:

- Belize export interest are principally agro and agro-processed goods and in most developing countries these are the sectors that are most protected, therefore securing preferential margins is seriously constrained.
- Major economies continue to subsidize their agriculture sector, which is contradictory with the purposes of the liberalization – and the theory of competitive advantage – and the degree of openness achieved by Belize in its multilateral commitments;
- Productive competitiveness is constrained as domestic production does not keep pace with technological advancement.
- Domestic productive sectors are faced with high cost of doing business which is exacerbated by the lack of economies of scale.
- Developed countries have authorized the use of technologies in the agriculture or processed food sector that have not been definitively cleared

NATIONAL TRADE POLICY FRAMEWORK

as safe for human consumption and environmental dissemination as genetically modified organisms – GMO, hormones and trans fats – aimed at enhancing their competitiveness at any price;

- Despite their significant size and enormous capacities in foreign trade, other emergent major economies such as China, India or Brazil- continue occupying the rank of developing countries in the multilateral trade system, which ensures them Special and Differential Treatment, disturbing and threatening the asymmetric situation of the smaller and weaker countries, such as Belize, that really requires such safety net;
- In general, the agendas of the multilateral foreign trade system, including those of the international organizations, are driven by the interests and stakes of the developed countries and major economies;

1.3 PRINCIPLES

With the aim of guiding the deployment of the present Policy Framework, the following Strategic Guiding Principles are adopted:

1.3.1. FIRST PRINCIPLE: PROMOTING COMPETITIVENESS FOR PRODUCERS/EXPORTERS

1.3.11. Background

In a context of increasing market liberalization, the need to improve competitiveness becomes increasingly important. It is necessary that producers/exporters aim to achieve a greater level of international competitiveness to allow for sustained market penetration as local industries develop. Increasing competitiveness will result in making the economy more robust.

1.3.12. Implementation

Considering Belize's significant and particular social, economic and environmental challenges:

- **PROMOTING COMPETITIVENESS IN BELIZE is the first fundamental Guiding Principle of the National Trade Policy Framework.**

Therefore:

- The Principle on promoting competitiveness shall guide Belize's foreign trade policy. Competitiveness is essential if Belize is to capitalize on market opportunities resulting from integration into the regional and multi lateral trading systems. The starting point towards enhanced competitiveness is to ensure that the domestic producers meet the requirements of international markets including standards of quality and safety, having

NATIONAL TRADE POLICY FRAMEWORK

access to affordable financing and lowered cost of doing business. Policies must facilitate new investments including FDI linked to increased productivity, production, transfer of technology, standards, environmental benchmarks, renewable energy usage, and employment in priority sectors;

- The application of this principle includes safeguarding the competitiveness of Belizean industries already established. This will be pursued at the level of the World Trade Organization, based on its principles of fairness and balance in recognition of the special needs of small and vulnerable economies and also within the framework of Belize's trade agreements at the regional and bilateral levels;
- The application of this principle will ensure continued market access for those products that have already attained a level of international competitiveness, and also ensure that emerging products have access to targeted markets;
- Belize shall advocate for the discontinuation of the use of trade distorting agricultural subsidies at the multilateral and regional levels, promoting the necessary alliances and measures to tackle them.

On this basis:

- The Directorate General for Foreign Trade shall keep The Cabinet updated at least annually on the levels and degree of success of domestic measures aimed at improving competitiveness; that update shall be used by the Government of Belize to ensure the full and sound promotion and defence of this principle;

1.3.2. SECOND PRINCIPLE: STRATEGIC POSITIONING TO ATTAIN ASYMMETRICAL TREATMENT

1.3.21. Background

Belize has advocated, promoted and obtained asymmetrical treatment within the framework of its bilateral, regional and multilateral trade agreements and arrangements, as well as within the regional economic integration processes. As a result Belize's exports has occurred mostly under preferential arrangements. Belize has negotiated only one trade agreement so far on a purely bi-lateral basis.

Belize must continue to premise its negotiations on securing asymmetrical treatment to bridge the economic and development disparities with developing and more developed third countries.

1.3.22. Implementation

Considering Belize's significant and particular social, economic and environmental challenges:

- **Strategic positioning for Asymmetrical Treatment is the second fundamental Guiding Principle of the National Foreign Trade Policy Framework.**

NATIONAL TRADE POLICY FRAMEWORK

Therefore:

- Belize shall be guided in its external trade relations, and in its intra-regional trade under the CSME, by the provisions of CHAPTER 7 of the RTC: DISADVANTAGED COUNTRIES, REGIONS AND SECTORS, and in particular the provisions of Section PART III: Special Regime for the Less Developed Countries (LDC), with special reference to Article 164;
- The Government shall engage in foreign trade negotiations or regional economic integration processes or instruments, or cooperation programmes, with states or groups of states that recognize Belize's need for Asymmetrical Treatment;
- The application of this principle includes adopting and defending the necessary measures aimed at safeguarding Belize's national interests in food security, rural livelihoods and economic development;
- The Government shall also constantly advocate for the promotion, strengthening and defence of this principle in the bilateral, regional and multilateral fora.

On this basis:

- The DGFT shall assess as necessary, and report to The Cabinet on the application of this principle in the implementation of Belize's foreign trade policy, diplomacy and cooperation;
- The DGFT shall ensure that this principle, to the extent possible, be reflected in the bilateral, regional and multilateral fora and at the diplomatic, political, social, economic and cooperation levels;
- The Directorate shall define its required level of asymmetry with each trading partner based on:
 - i. the desired modality for trade relations
 - ii. the balance of trade
 - iii. The disparity in the levels of development between Belize and the trading partner.
 - iv. Priority development sectors and sectors their sensitivity to liberalization.

1.3.3. THIRD PRINCIPLE: CONTINUED SUPPORT TO THE PRINCIPLE OF REGIONALISM

1.3.31. Background

As a small developing country, Belize continues to recognize the importance of regionalism in all its forms, and consistently with this recognition it actively participates in the regional integration processes of the Caribbean and of Central America. As a member state of CARICOM and a participant in the CSME, Belize is also a member of SICA and is exploring membership in SIECA. In regards to the CSME, Belize shall seek to ensure compliance

NATIONAL TRADE POLICY FRAMEWORK

with the relevant decisions of the Conference of Heads of Government and provisions of the Revised Treaty of Chaguaramas (RTC), and in particular the Community Trade Policy as provided for under CHAPTER 5: TRADE POLICY.

- All amendments and/or additions to the RTC will also be adopted and reflected in a national trade policy framework for Belize. The authority and functions of the various organs of the community, and in particular of the Conference of Heads of Government, the Council for Trade and Economic Development (COTED) and the Council for Human and Social Development (COHSOD) are also recognized as key elements in the legal and institutional arrangements that constitute the CSME framework and its operational arrangements. Belize is also committed to pursuing its integration into the multilateral trading system as a part of the Caribbean Community;
- The trade liberalization and economic integration processes in which Belize is engaged are intended to foster economic development and progress. However, they could also result in pressures for undesired changes or, even, in threats to the country's natural and cultural uniqueness. For the sake of this, the Directorate in collaboration with respective ministries shall ensure that Belize's peculiarities are safeguarded in any regional integration process it engages in.

1.3.32. Implementation

Considering Belize's constraints in integrating into the global economy, as a single small developing economy the government shall:

- **Continue its commitment to participating in regional integration processes while preserving its Natural and Cultural Uniqueness as the third fundamental guiding principle of the National Foreign Trade Policy Framework.**

Therefore:

- The Government shall continue its participation in the regional integration processes of the CARICOM and Central America, while prioritizing preservation of its environmental and multicultural richness, by proactively implementing the necessary regulatory frameworks or entering into multilateral, regional and bilateral agreements or alliances aimed at ensuring their full deployment.

On this basis:

- The Directorate shall assess, at least annually, and report to Cabinet on the implementation of its participation in the regional integration processes of the CARICOM and of Central America.

1.4 REGIME

The aforementioned three Strategic Guiding Principles are subject to the following rules:

- **The Principles are mandatory and non-negotiable:**
 - The Policy Principles are mandatory.
 - They are not negotiable at any level of the Governmental action.
 - They are only modifiable by the Cabinet.
- **They guide all of Belize's multilateral, regional or bilateral diplomatic action**
 - The Policy Principles guide all Belize's diplomatic action, especially those regarding the representation of Belize before states and international organizations in foreign trade, regional economic integration and development cooperation.
- **They are regularly updated in "Policy Position Papers" adopted by Cabinet**
 - As stated above, the Directorate General for Foreign Trade shall prepare and keep updated the pertinent "Policy Position Papers" for Cabinet's approval that shall be used by the Government of Belize to ensure the full and sound protection of this set of Policy Principles at any level of action.
- **Their application and respect are regularly assessed by the Directorate General for Foreign Trade**
 - The Directorate General for Foreign Trade shall assess, at least annually, and report to Cabinet on the application and respect of these Policy Principles in Belize's trade diplomacy and cooperation.
- **The Government is committed to inform the People of Belize on adherence to the principles**
 - Within the framework of the implementation, assessment and update of the present Policy Framework, and particularly as a principle enshrined in the Public-Private Forum, the Government shall report to the stakeholders and to the people of Belize on its adherence to the principles as stated above.



FIRST PILLAR: INSTITUTIONAL CAPACITY

2.1 Constraints & Challenges

2.2 Policy Commitments

First Commitment: Consolidating the Directorate General for Foreign Trade

Second Commitment: Reforming the Consultative Processes

Third Commitment: Consolidating Belize's Foreign Expertise

2.3 Aid for Trade

2.1 CONSTRAINTS AND CHALLENGES

The main constraints and challenges that Belize faces in the foreign trade institutional capacity are:

- Lack of national prioritization for trade portfolios; including inconsistency in the location of the Directorate General for Foreign Trade within the government structure;
- Inadequate human and financial resources relative to the extent and depth of Belize's commitments, and for the challenges ahead in the areas of negotiation, coordination, compliance and trade intelligence;
- Lack of an internal trade policy review mechanism, including the periodic assessment of the cost and benefits of foreign trade instruments adopted and of the regional economic integration processes;
- Inadequate Public / Private dialogue;
- Intermittent inter-ministerial coordination at the level of heads of department.

Some of the negative effects of this situation are:

- A result of constant relocation amongst Ministries is a loss of equipment and other assets and demoralization of valuable technical personnel leading to high attrition rates;
- Inconsistent participation at regional and multilateral fora which has resulted in absence from decision-making processes and contributes to policy incoherence. National interest and concerns are not articulated at the right place and time resulting in inadequate defence of sensitive sectors and lost opportunities for funding and technical assistance;
- Constrained implementation of important multilateral and regional trade commitments;
- Limited knowledge of the exact cost and benefit to the country resulting from participating in these trade and integration arrangements;
- Segmented and uncoordinated trade intelligence amongst national stakeholders has resulted in suboptimal negotiating positions and missed opportunities for expanding trade and investment;
- Government's consultative efforts are met with limited interest and involvement of some stakeholders and the general public resulting in knowledge gaps on trade and trade related issues;

- Consultative efforts are not adequately funded or supported with results based management tools, including permanent monitoring and evaluation, and reporting methods.

2.2 POLICY COMMITMENTS

FIRST COMMITMENT: CONSOLIDATING THE DIRECTORATE GENERAL FOR FOREIGN TRADE

The success of the establishment, implementation, assessment and update of the National Trade Policy, in order to contribute to meeting the country's development needs, depend mainly on the roles and functions assigned to The Directorate General for Foreign Trade and the resources allocated to it.

With the aim of realizing this commitment, the Government of Belize shall use a set of instruments, as follows:

1. **First Instrument: Immediate confirmation of the legal statute and mandate of the Directorate General for Foreign Trade**

The government shall confirm, in the shortest term and by Cabinet decision:

(1). **LEGAL STATUTE OF THE DGFT:** That its legal statute in the Public Service structure is that of a Directorate General for Foreign Trade (DGFT) with all requisite powers and responsibilities;

(2). **MANDATE OF THE DGFT:** That the Directorate General for Foreign Trade is responsible for the formulation, enactment, coordination and implementation, assessment and update of Belize's Foreign Trade Policy, in the terms of the present Policy Framework and its regulatory instruments;

(3). **TRADE REPRESENTATION AT THE WTO:** The Government of Belize shall ensure:

- Explore the possibility of aligning with the OECS or other CARICOM non-resident for shared resources to field a consistent Belize Trade presence at the WTO in Geneva;

NATIONAL TRADE POLICY FRAMEWORK

- Centralize all activities regarding the implementation of commitments related to the WTO Agreements within the DGFT for: WTO notifications, representations at meetings, providing instructions where required to ensure coherence for the entirety of the Trade Policy.
- The Government shall provide the necessary resources for trade capacity within the DGFT.

(4). **STRENGTHENING OF THE RELATIONSHIP BETWEEN MFA AND THE DGFT:** Improved collaboration and coordination between the Ministry of Foreign Affairs and the Directorate General for Foreign Trade in the areas of diplomacy, trade, international support, trade intelligence and regional integration;

(5). **ONE MINISTRY RESPONSIBLE FOR TRADE, COMMERCE AND INDUSTRY (MTCI):** With portfolio encompassing the areas of foreign trade, export promotion and investment attraction, private sector development, competition and consumer protection so that consistency and complementarity amongst such matters, policies and actions are fully ensured.

2. Second Instrument: Urgent mobilization of the necessary resources for the institutionalization of the DGFT and implementation of the Trade Policy Framework

The Government shall arrange for implementation in the next National Budget 2015 – 2016, the following:

(6). **REVISED STRUCTURE OF THE DGFT:** A revised structure for the Directorate General for Foreign Trade, aimed at supporting an adequate implementation of the proposed Policy Framework;

(7). **APPROPRIATE BUDGETARY ALLOCATIONS FOR THE DGFT:** Provision of the necessary budgetary allocations, aimed at ensuring that the Directorate General has the financial and human resources to meet its revised organizational structure, mandate and current agenda, in the areas of trade policy formulation, foreign trade negotiation, compliance, intelligence and policy cycle management together with the relevant training;

(8). **IDENTIFICATION OF ADDITIONAL HUMAN RESOURCES FOR THE DGFT:** The allocation of resources shall include the identification and mobilization of additional human resources in the most critical areas of the Directorate, as detailed below by function;

(9). **SUPPORT FROM PUBLIC SERVICE TO THE DGFT:** That, if necessary, the Directorate General will review the scope and composition of the administrative support currently received; and request changes required from the Ministry of Public Service.

3. Third Instrument: Priority strengthening of capacity in the area of foreign trade negotiation

The Government shall arrange, so it can be implemented within the new structure, during the period 2015 and beyond:

(10). **IDENTIFICATION OF HUMAN RESOURCES FOR THE NEGOTIATION AND IMPLEMENTATION FUNCTIONS OF THE DGFT INCLUDING:**

NATIONAL TRADE POLICY FRAMEWORK

These functions include:

- i. Developing national strategies and priorities for market access for goods, services and investment
 - ii. Developing and executing projects to better capitalize on donor funding
 - iii. Developing and maintaining a comprehensive trade intelligence profile for Belize.
 - iv. Facilitating national discussions on trade and trade related matters including trade facilitation and export competitiveness
 - v. National coordination of implementation of trade agreements and regional integration initiatives: WTO, CSME, EPA and possibly SIECA.
 - vi. Facilitating greater market penetration of Belize's goods and services into international markets
- The Ministry, with the recommendation of the DGFT, shall secure membership to The Trade Negotiating Team from a cross section government authorities.
 - The Chief Executive Officer, who functions as the Chief Negotiator, shall appoint lead negotiators for all matters of negotiation from the Trade Negotiating Team and supported by Junior Negotiators and Protocol Officers with relevant experience in Trade Negotiations.

(11). SECRETARIAT OF THE TNT: That, besides its permanent functions, the Directorate General will act as the Secretariat of the Trade Negotiation Team.

4. Fourth Instrument: Priority strengthening of capacity in the area of foreign trade Implementation and compliance with obligations

The Government shall confirm, so it can be implemented according to the new structure, during the period 2015 and 2016:

(12). IDENTIFICATION AND TRAINING OF ADDITIONAL HUMAN RESOURCES FOR THE IMPLEMENTATION AND COMPLIANCE FUNCTIONS OF THE DFT: The identification and training of six new Trade Economists, one of whom should be a Senior Economist in multilateral trade, and four others respectively in goods, services/investment, trade intelligence and project development for the implementation of trade agreements such as the CARIFORUM – European Union Economic Partnership Agreement (EPA); and a Coordinator in charge of the relations with the Secretariat for the Central American Economic Integration System (SIECA);

(13). COORDINATION MECHANISM BETWEEN MFA AND THE MTCI ON REGIONAL INTEGRATION: To establish a permanent coordination mechanism between both Ministries regarding the regional integration processes of the Caribbean Community (CARICOM) and the Central American Integration System (SICA), so that Belize's trade and diplomatic interests are harmonized;

NATIONAL TRADE POLICY FRAMEWORK

(14). RESIDENT DELEGATION TO THE WTO: That, within this framework, the Ministry through the DGFT will prepare a cost/benefit evaluation for the establishment of a Resident Delegation to the World Trade Organization in Geneva, Switzerland – and submit its recommendations for Cabinet's approval by December 31st 2016.

5. Fifth Instrument: Priority enhancement of the capacities in the area of foreign trade intelligence

The Government shall confirm for implementation within the new structure no later than later than between 2015 and 2016 the following:

(15). RECRUITMENT OF HUMAN RESOURCES FOR THE TRADE INTELLIGENCE FUNCTION OF THE DGFT: The identification of two foreign trade analysts, one of whom is a senior specialist in economics and or statistics;

- o More resources are needed to strengthen monitoring of the impact on the economy from all trade with focus on preferential agreements and schemes such as: CARIFORUM - EU EPA, CARICOM Bilateral Agreements, and Belize - Guatemala PSA, CBI under the Caribbean Basin Economic Recovery Act (CBERA) and the Caribbean Basin Trade Partnership Act (CBTPA)
- o Identify trading opportunities and possible trading arrangements with a select countries and group of countries: SIECA, Taiwan, Mexico and the existing and future CARICOM bilateral agreements
- o Liaise with the Central Bank, The Statistical Institute of Belize and Customs and Excise Department on compilation of statistics on trade.

(16). URGENT UPDGRADING OF THE INTELLIGENCE SYSTEM: That, within this framework and on an urgent basis, the whole system of production and analysis of foreign trade data and statistics will be reviewed and upgraded to international standards and best practices;

(17). EXTERNAL SUPPORT FOR THE UPGRADE OF THE INTELLIGENCE SYSTEM: That, since this activity is the success factor for the adequate functioning of the policy cycle and the deployment of the negotiation machinery, mainly for export promotion and investment attraction, such review and upgrade will be supported by the Central Bank of Belize, the Statistical Institute of Belize and BELTRAIDE, with their own resources.

6. Sixth Instrument: Priority enhancement of the capacities in the area of foreign trade policy formulation

The Government shall confirm for implementation within the new structure during the period 2015 and 2016, the following:

(18). RECRUITMENT OF HUMAN RESOURCES FOR THE POLICY FORMULATION FUNCTION OF THE DGFT: The identification of two qualified foreign trade policy analysts, one of whom is a senior specialist in policy cycle formulation and analysis;

NATIONAL TRADE POLICY FRAMEWORK

(19). SECRETARIAT FOR TRADE COMMITTEES: That, besides its permanent functions, the Directorate General for Foreign Trade will act as the Secretariat of any trade deliberating body incorporated to assist with executing its mandate as such the DGFT shall be provided with two additional staff that can complement the technical nature of its mandate. (a) Senior Secretary, and (b) a Trade Technical Assistant;

(20). URGENT UPGRADE OF THE TRADE POLICY INSTRUMENTS: That, within this framework and on an urgent basis, the system of formulation, assessment and update of National Trade Policy will be reviewed and adapted to international standards and best practices.

7. Seventh Instrument: Priority enhancement of the capacities in the area of aid for trade and project management

The Government shall confirm for implementation within the new structure, during the period 2015 and 2016 the following:

(21). RECRUITMENT OF HUMAN RESOURCES FOR THE AID-FOR-TRADE AND PROJECT MANAGEMENT FUNCTIONS OF THE DGFT: The identification and recruiting of two Specialist for Project Development and Management;

(22). URGENT UPDATE OF THE AID-FOR-TRADE PLAN OF ACTION: That, within this framework and on an urgent basis, a Plan of Action will be established, aimed at development of new projects and for resource mobilization, as well as developing the Directorate's results-based management tools, including a permanent monitoring, evaluation, and reporting process, by December 31st 2016.

SECOND COMMITMENT: REFORMING THE CONSULTATIVE PROCESSES

The First Commitment must be accompanied by the adequate functioning of the foreign trade coordination and consultation processes that support the Directorate General for Foreign Trade's activities.

It is also necessary to introduce formal mechanisms aimed at dynamic information exchange between public and private sector stakeholders to ensure accountability.

With the aim of realizing this commitment, the Government shall use a set of instruments, as follows:

8. Eight Instrument: Reform of the Trade Technical Team (TTT)

NATIONAL TRADE POLICY FRAMEWORK

In parallel to the implementation of the seven foregoing described Policy Instruments, the Government shall:

(23). **ENGAGE THE INVOLVEMENT OF THE PRIVATE SECTOR IN THE TTT:** Under the responsibility of the Directorate General for Foreign Trade, the Trade Technical Team, should engage the participation of the Private Sector in meetings pertinent to a particular industry or sector;

(24). **TERMS OF REFERENCE FOR THE TTT:** Within this framework, a reviewed composition, as well as specific terms of reference, including the necessary provisions for confidentiality and conflict of interest management, as well as regular meetings and reporting to Cabinet, be prepared and submitted by the Directorate General for Cabinet's approval by September 31th 2016.

9. Ninth Instrument: Operationalization of the EPA AND CSME Implementation Committee (EIC)

Given the importance of the CSME and the CARIFORUM-EU EPA to regional economic reform, the Government shall:

(25). **RE-AFFIRM THE ENGAGEMENT OF THE CEOs and HODS:** Within this framework, under the responsibility of the Directorate General for Foreign Trade, the EIC will be convened Bi-annually for the purpose of stocktake of the process of implementation of the obligations under the CSME and EPA; and to agree on proactive actions to access development assistance in priority sectors under these arrangements.

10. Tenth Instrument: Reform of the Trade Negotiating Team

Simultaneously, the Government shall:

(26). **ENGAGE THE INVOLVEMENT OF THE PRIVATE SECTOR IN THE TNT:** Under the responsibility of the Directorate General for Foreign Trade, the Trade Negotiation Team, will strengthen the foreign trade negotiating process through regular consultations with the Private Sector utilizing the "Room Next Door Principle";

(27). **TERMS OF REFERENCE FOR THE TNT:** Request, that within this framework, a reviewed composition, as well as specific terms of reference, including the necessary provisions for confidentiality and conflict of interest management, as well as regular meetings and reporting to Cabinet, be prepared and submitted by the Directorate for Cabinet's approval by September 31th 2016.

11. Eleventh Instrument: Creation of a National Trade Consultative Forum

Moreover, the Government shall also:

(28). **CREATE A NATIONAL TRADE CONSULTATIVE FORUM:** Under the Coordination of the Directorate General for Foreign Trade, and in conjunction with the Prime Minister's Office for Public-Private Dialogue a Bi-annual National Trade Consultative Forum will be established. The aim of the forum is to ensure broad-based deliberation on Government's trade and trade related issues; and dissemination of pertinent information;

NATIONAL TRADE POLICY FRAMEWORK

(29). **JOINT ORGANIZATION BETWEEN THE DGFT AND THE OFFICE OF THE PRIME MINISTER (OPM):** Confirm that the Forum will be jointly organized by the Directorate General for Foreign Trade and The OPM whom are accountable for the consistency of the process and the relevance of the results to the Cabinet;

(30). **FIRST FORUM TO BE HELD IN 2016:** Arrange that the Directorate General for Foreign Trade and The OPM shall jointly prepare a detailed road map for Cabinet's approval before September 31th 2016 on the organization of the First Forum, to be held during the second semester of 2016.

THIRD COMMITMENT: CONSOLIDATING BELIZE'S FOREIGN TRADE EXPERTISE

The First Commitment must be also accompanied by the consolidation of Belize's officials' expertise in foreign trade.

With the aim of realizing this commitment, the Government shall use the following instrument:

12. **Twelfth Instrument: Consolidate GOB officials' expertise in the trade field**

In parallel to the above-described instruments, the Government shall also ensure:

(31). **TOURS OF DUTY OF GOB ACTORS TO THE TRADE FIELD:** The regular deployment of officials of the Ministry with responsibility for Foreign Trade to the Secretariats of the Commonwealth, CARICOM OECS and SELA as well as Belize's Embassies and High Commissions, and vice-versa, in temporary tours of duty aimed at raising awareness of the potential and issues of Belize's trade with the markets covered.

13. **Thirteenth Instrument: Creation of a Foreign Trade Intelligence and Research Centre**

Along with the previous Instrument, the Government shall ensure the consolidation of Belize's foreign trade expertise, including:

(32). **CREATION OF A FOREIGN TRADE INTELLIGENCE AND RESEARCH CENTRE:** That the experience gathered by the GOB officials in the area be consolidated and shared through the establishment of a Trade Research Centre, in charge of providing technical support for improved trade policy analysis and formulation, including training and the development of projects for funding.

2.3

AID FOR TRADE

With the support of the Ministry of Finance and Economic Development and the Ministry of Foreign Affairs, the Directorate General for Foreign Trade shall identify international programmes and sources of funding, for medium to long-term technical assistance related to the implementation of the First Pillar, contributing to the:

- Institutional strengthening and capacity building of the DGFT and the negotiation coordination, compliance, monitoring, trade intelligence and policy cycle functions;
- Reform of the consultation mechanisms and the public-private dialogue, including support for the organization of the Forum;
- Consolidation of Belize's foreign trade expertise , including business, finance and marketing awareness;
- Creation of a Trade Research Centre.

3

SECOND PILLAR: SUPPLY CAPACITY

3.1 Constraints & Challenges

3.2 Policy Commitments

Fourth Commitment: Strengthen the "Doing Business" Environment

3.1 CONSTRAINTS AND CHALLENGES

The main constraints and challenges that Belize faces regarding supply capacity are:

- Lack of access to affordable financing;
- Inadequate infrastructure (Including ITC, roads and ports);
- High cost of production (including transportation and energy cost);
- Belize's productive structures have largely remained in primary production for export, additionally, product transformation has not exploited the full extent of value chains;
- The related infrastructure as well as the main social processes are oriented to support imports instead of exports, resulting in constrained domestic production;

Some of the main results of this situation are:

- The lack of innovation, entrepreneurship and economic risk-taking spirit amongst the social forces;
- Small and uncompetitive productive sector
- More generally, an inadequate business enabling environment;
- Insufficient infrastructure for export purposes.

3.2 POLICY COMMITMENTS

FOURTH COMMITMENT: STRENGTHEN THE "DOING BUSINESS" ENVIRONMENT

In parallel to the reforms above, the Policy establishes a set of measures regarding the necessary "doing business" environment.

14. Fourteenth Instrument: Establishment of a National Development Plan

First of all, it has become an urgent priority for Belize to establish a National Development Plan, which will articulate the trade, investment and overall sectorial policies at least as follows:

(33). ESTABLISH A NATIONAL DEVELOPMENT PLAN: In consultation with all national stakeholders and in the shortest term, the Government shall launch the preparation and establishment of a National Development Plan which shall be led by the Ministry of Finance and Economic Development;

(34). ADAPT THE CURRENT SECTORIAL STRATEGIES: On such basis and in the medium term the Government shall review and adapt the country's policies, strategies and programmes, including those relating to CARICOM and CARIFORUM.

15. Fifteenth Instrument: Enhance the "Doing Business" Environment

Within the framework of the process of preparation and adoption of the national development plan, it is recommended to focus on:

(35). INFRASTRUCTURE FOR DEVELOPMENT: Within the framework of the National Development Plan, the Government shall review the infrastructure available for the development of the country's economy and the competitiveness regarding trade and investment;

(36). COMPETITIVENESS AND INNOVATION: Within the same framework, the Government shall establish a policy promoting competitiveness and innovation of the country's production of goods and services;

(37). VALUE CHAINS AND CLUSTERS: Within the same framework, it is recommended that the Government gives priority to the development of domestic and regional value chains and clusters related to the country's main strengths.

4

THIRD PILLAR: MARKET ACCESS

4.1 Constraints & Challenges

4.2 Policy Commitments

Fifth Commitment: Assessing Belize's Productive Capacity

Sixth Commitment: Diversifying, Consolidating and Improving Market Access

Seventh Commitment: Positioning Belize's Potential in Central America

4.3 Aid for Trade

4.1 CONSTRAINTS AND CHALLENGES

The main constraints and challenges that Belize face in market access for goods and services are:

- Constant erosion of bilateral preferences for traditional exports in traditional markets, i.e. European Union and Canada;
- Entry into multilateral, regional and bilateral trade liberalization commitments without always being institutionally and/or economically prepared to take advantage of them;
- Underutilized benefits as a Small and Vulnerable Economy, Small Island Developing State in trade negotiations;
- Increasing use of non-tariff barriers – NTBs internationally, including by some of its partners in the Caribbean Community – CARICOM;
- Limited economic benefits resulting from less than full participation within the CARICOM Single Market and Economy;
- Secondary attention to its neighbouring markets inclusive of Central America and Mexico;
- Unexplored economic opportunities in the regional economic integration process led by the Central America Economic Integration (SIECA) Secretariat;
- As mentioned above, inadequate trade intelligence to support the research of new and better opportunities;
- Need for a revised Aid for Trade Strategy.

Some of the main results of this situation are:

- The full scope of Belize's production structure, including its potential for growth are not fully known;
- The challenges in mobilizing production to build export supply capabilities are not fully addressed;
- The current offer in goods and services remains highly limited and requires continued diversification and adjustments to changes in international market demands. Resulting in underutilization of preferential market access for goods;
- Lack of legislative framework to regulate Services Sector development and subsequent cross border trade;

NATIONAL TRADE POLICY FRAMEWORK

- The informal trade with neighbouring markets results in increasing losses of Government revenues;
- The multilateral trade system's favourable exceptions, including designation as a developing country and a small and vulnerable economy, are seriously threatened;
- The development of value-added or basic industrial operations for export is absent.

4.2 POLICY COMMITMENTS

FIFTH COMMITMENT: ASSESSING BELIZE'S PRODUCTIVE CAPACITY

Parallel to the implementation of the institutional capacity arrangements made with respect to the Second Pillar, the Government's first priority is to obtain a reliable assessment of Belize's potential for export.

With the aim of realizing this commitment, the Government shall use a set of instruments, as follows:

16. Sixteenth Instrument: Assessment of potential for export.

The Government shall undertake the necessary research, assessments and analysis leading to the establishment of, at least:

(38). INVENTORY OF CURRENT PRODUCTIVE STRUCTURE: Under the responsibility of the Ministry with responsibility for Foreign Trade in conjunction with the Ministries of Finance and Economic Development, Agriculture and with the support of the Central Bank of Belize, the inventory of the productive structure of Belize, shall be submitted to Cabinet by September 31th 2016;

(39). ASSESSMENT OF POTENTIAL FOR EXPORTS: Under the coordination of the Directorate General for Foreign Trade and with the support of The Ministries of Finance and Economic Development, Agriculture and Sustainable Development and BELTRAIDE, a working group will be established with a mandate to conduct an initial assessment of Belize's potential for exports of goods and services for 2016 – 2026, a summary of which shall be submitted to Cabinet by December 31st 2016. In its work the working group will assess the current

NATIONAL TRADE POLICY FRAMEWORK

situation on market access for goods and services in a selected number of current and targeted export markets.

(40). INTEGRATION OF IDENTIFIED PRIORITY LIST FOR EXPORTS INTO THE NATIONAL POLICY FRAMEWORK: The Ministry with responsibility for Foreign Trade in coordination with the Ministry of Finance and Economic Development, with the support of the Central Bank of Belize, will seek to ensure that the results of the mapping and identification of priorities for productive sector development are included in the National Policy Framework. This should ensure coherence of a national development plan over the period 2016 – 2026 with Belize’s sectorial strategies for, Investment, Small and Medium Enterprises, Agriculture, Services, Tourism and Financial Services for increasing Exports which shall be submitted for Cabinet approval by December 31st 2016.

17. Seventeenth Instrument: Preferential Market Access Mapping – Accessible online

The Government shall undertake the necessary investments leading to, at least:

(41). FREE PUBLIC ACCESS TO MARKET ACCESS DATA ONLINE: The DGFT will ensure the permanent updating and free online access of the mapping; stakeholders, including potential Foreign Investors, can access this information.

SIXTH COMMITMENT: DIVERSIFYING, CONSOLIDATING AND IMPROVING MARKET ACCESS

In parallel with the institutional capacity arrangements made with respect to the Second Pillar, the Government’s first priority is also the diversification and consolidation of preferential market access for Belize’s existing and potential exports.

With the aim of realizing this commitment, the Government shall use a set of instruments, as follows:

18. Eighteenth Instrument: Diversification of Belize’s preferential market access

The Government shall launch a long-term and sustained campaign leading to:

(42). EXPANDED PREFERENTIAL MARKET ACCESS IN THE REGION: Taking advantage of the proximity of regional markets, the Ministry with the responsibility for Foreign Trade will launch and/or finalize negotiations for Partial Scope Agreements with the United States of Mexico, The Republic of El Salvador, the Republic of Nicaragua and the Republic of

NATIONAL TRADE POLICY FRAMEWORK

Honduras, aimed at expanding the preferential market access in the region, by December 31st 2016;

(43). TARGETING THE EMERGING MARKETS FOR PREFERENTIAL MARKET ACCESS: The Ministry with responsibility for Foreign Trade, will undertake studies on the potential for preferential trade agreements and explore trade opportunities with some of the BRICS group of countries such as Brazil. Special focus will be placed on evaluating the additional opportunities for Belize's potential exports of goods and services and attracting investments.

(44). RECOMMENDED MARKET STUDIES OF CENTRAL AND SOUTH AMERICA, ASIA AND NORTH AMERICA: Within this framework and in the medium term, The Ministry with responsibility for Foreign Trade, will undertake studies with emphasis on the following:

- In Central and South America: with Honduras, Nicaragua, Panama, Brazil and Chile, giving particular attention to how these countries, which are also members of regional economic integration processes, and at the same time, maintain independent foreign trade policies.
- In Asia: with Taiwan and Japan.
- In North America: with the USA and Mexico.

(45). CONDITIONS FOR ANY NEW NEGOTIATION: Ensure that, within this framework, and from an economic perspective any new trade negotiation process should be supported by a detailed market study which focuses on a priority list of 100 goods and the supply capability of Belize. The study should also assess the overall costs and benefits and recommend a negotiating strategy. This shall be approved by Cabinet and kept confidential to GOB.

19. Nineteenth Instrument: Consolidation of Belize's preferential market access

The Government of Belize in concert with the CARICOM, shall launch an aggressive campaign to secure existing preferential market access under the CBI initiative as follows:

(46). LOBBYING ACTIVITIES FOR EXISTING TRADE PREFERENCES IN THE USA: Through coordination and in collaboration with CARICOM; the Office of the Prime Minister, the Ministry of Foreign Affairs and the Ministry with responsibility for Foreign Trade, will establish and implement a medium-term work plan on lobbying activities aimed at preserving existing trade preferences in the US markets;

(47). BELIZEAN DIASPORA IN THE USA AND OTHER COUNTRIES INVOLVEMENT IN EXPORT PROMOTION: Through the coordination of the Office of the Prime Minister, the Ministry of Foreign Affairs and the Ministry with responsibility for Foreign Trade a work plan will be established aimed at engaging the Belizean Diaspora in the promotion of exports to the US, including lobbying activities for enterprise creation with the technical and financial support of the states and municipalities where they are located;

(48). SYSTEMATIC REVIEW OF CURRENT MARKET ACCESS: Under the responsibility of the Directorate General for Foreign Trade, launching a medium term Plan of Action aimed at

NATIONAL TRADE POLICY FRAMEWORK

capturing the inherent benefits/opportunities and the cost/obligations of Belize in all its trade and economic cooperation agreements:

- The Revised Treaty of Chaguaramas;
- The Economic Partnership Agreement between the CARIFORUM States and the European Union and the Trade Agreements between CARICOM and Colombia, Costa Rica, Cuba, Venezuela and the Dominican Republic;
- Partial Scope Agreement between Belize and Guatemala.

20. Twentieth Instrument: Improvement of market access conditions

The Government shall launch assertive actions aimed at systematically enhancing the market access conditions, including:

(49). REDUCTION OF NON-TARIFF BARRIERS FOR GOODS: Within the framework of the implementation of Fourteenth and Fifteenth Instruments, as well as in any further trade negotiation, give particular attention to the reduction and elimination where possible of non-tariff barriers to Belize's existing and potential exports;

(50). NEGOTIATING AGREEMENTS BASED ON DEVELOPMENT FRIENDLY RULES OF ORIGIN IN FUTURE TRADE AGREEMENTS: Negotiating soft rules of origin to boost export capacity by optimizing the amount of processing carried-out in Belize which grants the "transformation" level necessary for the purposes of conferring origin on a good, mainly in strategic areas of agro-processing and basic transformation.

21. Twenty First Instrument: Safeguarding of sensitive sectors and industries

In parallel to the use of the Instruments above, the Government shall launch affirmative actions aimed at ensuring the strategic safeguarding of sensitive sectors and industries and leading, at least, to:

(51). INSTITUTIONAL AND LEGAL FRAMEWORK AGAINST UNFAIR COMPETITION: In the medium term and in coordination with the Private Sector, the Ministry with responsibility for Foreign Trade will develop the institutional and legal framework for safeguarding sensitive sectors, industries and products against unfair competition, such as competition law, anti-dumping and countervailing measures and safeguards.

(52). ACTIVITIES BASED ON INVENTORY OF PRODUCTIVE STRUCTURE: Developing the necessary inventories and data bases on the productive structure, which is consistent with the reform of the coordination process with the Private Sector, as well as with the enhancement of the Directorate General for Foreign Trade capacities in trade Intelligence, trade defence and dispute resolution;

(53). INTER MINISTERIAL COORDINATED ACTIONS: The annual Plans of Action of the Ministries in charge of Industry, and of Natural Resources and Agriculture should reflect the actions aimed at supporting the development and regular update of such databases.

SEVENTH COMMITMENT: POSITIONING BELIZE'S POTENTIAL IN CENTRAL AMERICA

In parallel to the diversification and consolidation of preferential market access, and the enhancement of market access conditions, and based on outcomes of feasibility studies Belize shall determine its pursuit of economic integration with Central America.

Based on favourable assessment, the Government will strategically leverage the benefit of Belize being Caribbean in Central America and Central American in the Caribbean, as foreseen in Belize's Constitution with the aim of realizing this Commitment, the Government shall use a set of instruments, as follows:

22. Twenty-second Instrument: Integration into SIECA

The Government shall launch the process leading to the possible accession to the Secretariat for Central American Economic Integration – SIECA, as follows:

(54). **STUDIES ON THE POSSIBILITY OF BELIZE'S ACCESSION INTO SIECA:** The Ministry with responsibility for Foreign Trade in collaboration with the Ministry of Foreign Affairs and the Central American Economic Integration Secretariat – (SIECA) will pursue the necessary studies on the potential costs and benefits of Belize's accession into SIECA;

(55). **LONG-TERM ROADMAP ON THE WAY FORWARD:** Within this framework, the parties will establish a detailed roadmap for the process taking into account Belize's integration into the CSME, and giving special attention to the funding of any necessary institutional reforms and the strengthening of Belize's capacities;

(56). **LED BY THE CEO OF THE Ministry with Responsibility for Foreign Trade:** For the purposes of the activities related to this Instrument and with the aim of ensuring an adequate representation of Belize, the Chief Executive Officer of the Ministry, will be given the rank of Ambassador.

23. Twenty-third Instrument: Positioning Belize as a regional hub for inter-regional trade between the sub-regions of CARICOM and SICA

The Government shall launch a long-term and sustained campaign aimed at positioning Belize as a regional hub, covering, amongst other things:

(57). **RECOMMENDED STUDIES:** As the basis for the coordination of any further action in this issue, conduct the necessary studies on the long-term potential of Belize as a regional hub, including the air, land and maritime transportation infrastructure across the country, the free zones and dry ports serving the borders, and the financial and other business services related;

(58). RE-ORIENTING THE RELATIONSHIP WITH CARICOM: Under the coordination of the Chief Executive Officers of the Ministries in charge of Foreign Affairs, Economic Development, and Trade, establish a specialized sub-committee, to develop Belize's potential as the bridge between the two regional sub-markets, to position Belize as one of CARICOM's primary links to Central America;

4.3 AID FOR TRADE

With the support of the Ministry responsible for Economic Development, the Directorate General for Foreign Trade shall identify programmes and sources of funding, mainly for long-term technical assistance related to the implementation of the First Pillar, contributing to:

- the necessary assessments and mappings, sectorial and market studies, inventories, etc;
- the negotiations for the diversification, consolidation and improvement of market access;
- the development of the legal and institutional framework to regulate unfair competition;
- the process of acceding to SIECA; and
- the development of the strategy of positioning Belize as a regional hub for trade between both sub-regions.



FOURTH PILLAR: TRADE FACILITATION

5.1 Constraints & Challenges

5.2 Policy Commitments

Eight Commitment: Upgrading Import, Export and Transit Procedures and Administration

Ninth Commitment: Facilitating Formal Trade and Payment Flows

Tenth Commitment: Incorporating Belize into the Central American Logistics System

5.3 Aid for Trade

5.1 CONSTRAINTS AND CHALLENGES

The main constraints and challenges that Belize faces in the trade facilitation field are:

- Belize has entered into multilateral, regional and bilateral trade commitments without always being institutionally and economically prepared to implement them;
- Archaic Customs legislation and lack of policy direction that would facilitate expeditious clearance of goods at ports of entry;
- Inadequate bridges, port facilities and road infrastructure;
- In general, the country lacks financial resources to fully comply with such commitments or in key areas of the trade facilitation aspects, mainly regarding the human and technological needs;
- The responsibilities for trade are distributed across different governmental departments and/or agencies making coordination a challenge; furthermore, in some cases, trained human resources are reassigned to non-trade related matters;
- Belize maintains an exchange control system, despite the constraints imposed on the trade and investment sector operations.

Some of the main results of this situation are:

- Incongruence between administrative processes of the various border agencies in the activities related to the management and control of imports and exports;
- Inconsistent application of the procedures regarding Central American transportation and customs systems;
- Lack of standards infrastructure, which does not allow us to effectively access the preferential markets available including CARICOM;
- Growth of the informal exports and imports, with potential significant losses on duties and taxes;
- Informal and high risk financial flows related to the export and import operations, mainly in terms of safety and transparency;
- Unfair practices by trade partners, as NTB, red tape or corruption, are often used intentionally as measures aimed at restricting the flow of goods and services.

5.2 POLICY COMMITMENTS

Together with the commitments in the area of market access, the Policy establishes a set of measures regarding trade facilitation matters, aimed at ensuring effectiveness and efficiency through strategic implementation of the WTO Trade Facilitation Agreement.

24. Twenty-fourth Instrument: Upgrade the export system

The Government shall launch a campaign aimed at adopting international best practices as the basis for export procedures and administration, covering:

(59). ASSESSEMENT OF THE EXPORT SYSTEM: Under the responsibility of the Directorate General for Foreign Trade, a comprehensive assessment of the export procedures and administration system, aimed at establishing the times and costs for the operators, the effects on the competitiveness of their products and its overall efficiency, as well as recommending the adoption of the relevant international best practices;

(60). SIMPLIFICATION OF EXPORT PROCESS: Under the responsibility of the Directorate General for Foreign Trade and in coordination with the Ministry of Finance, Customs and other Border Agencies, simplify the process of exporting aimed at further reducing time and cost for the exporters.

25. Twenty-fifth Instrument: Upgrade the import system

The Government shall launch a campaign aimed at adopting international best practices as the basis for import procedures and administration, covering, at least:

(61). ASSESSEMENT OF THE TIMELINESS AND COSTS OF THE IMPORT SYSTEM: Under the responsibility of the Directorate General for Foreign Trade in coordination with the Ministry of Finance, Customs and other Border Agencies, a comprehensive assessment will be done of the import procedures and administration system, aimed at determining the timeliness and costs for the operators, the effects on the consumers and cost of living, and its overall transparency, as well as recommending the adoption of the relevant international best practices;

(62). EVALUATION OF THE RATIONALE FOR THE IMPORT LICENSING SYSTEM: Within this framework, the government will endeavour to implement the Import Licencing regime in conformity with the WTO Agreement on Import Licencing Procedures.

26. Twenty-sixth instrument: Streamline the MITC to consolidate its Portfolio responsibilities

The Government shall also undertake the necessary measures aimed at consolidating the various roles and functions of the MITC and strengthening of its various departments and units at least, as follows:

(63). TRANSFER OF THE ADMINISTRATION OF THE SUPPLIES CONTROL ACT TO A NEW

NATIONAL TRADE POLICY FRAMEWORK

SUPPLIES CONTROL UNIT UNDER THE MINISTRY WITH RESPONSIBILITY FOR TRADE : Transfer the administration of the Supplies Control Act and any other similar or related system to the Ministry with responsibility for Trade;

(64). SPECIALIZE THE BUREAU OF STANDARDS: Parallel with the foregoing action, upgrade the Bureau of Standards to discharge its functions to establish and administrate the National Quality Infrastructure;

(65). RECOMMENDED FURTHER RECONFIGURING OF THE MINISTRY: In the medium term, consider the possibility of reconfiguring the Ministry of Trade, Investment Promotion, Private Sector Development and Consumer Protection, reorienting it as a Ministry of Trade, Commerce and Industry, simplifying its name and developing real capacities on industrial policy and regulation.

27. Twenty-seventh Instrument: Creation of a single-window

As a result of the assessments listed in the previous Instrument, the Government shall:

(66). CREATE A SINGLE-WINDOW: Under the responsibility of the Ministry of Trade, Commerce and Industry (proposed name), in coordination with the Ministry of Finance, Customs and other Border Agencies create a single-window for the import, export and transit procedures and administration system, which allows the parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements – and, if information is electronic, then individual data elements should only be submitted once, to be operational from January 1st 2019;

(67). ACCESS TO INFORMATION ONLINE: Within the framework of the present commitment and under the responsibility of the Ministry of Trade, establish an inventory of the legislation and forms, and make it accessible online, as from the same date;

(68). SIMPLIFICATION OF PROCEDURES: Within this framework, undertake a review of the procedures applicable in order to simplify them and reduce time and costs, a comprehensive proposal of which shall be submitted to Cabinet's approval by December 31st 2016.

NINTH COMMITMENT: FACILITATING FORMAL TRADE AND PAYMENT FLOWS

As a complement, the Policy establishes a set of measures aimed at facilitating formal trade and payments flows, contributing to addressing the informal trade as well as to comply with current commitments in trade and investment.

28. Twenty-eight Instrument: Promoting formal trade

The Government shall undertake a sound campaign aimed at facilitating and promoting formal trade, including as follows:

(69). **STUDY OF INFORMAL TRADE:** As a key issue regarding the Trade Facilitation Policy aspects, under the responsibility of the Directorate General for Foreign Trade and in coordination with the Belize Customs and Excise Department, the Ministry of Natural Resources and Agriculture and the Statistics Institute of Belize, undertake a study of the informal trade in Belize, both for exports and imports, aimed at making recommendations to facilitate the transition to formal trade of the main operators involved in the informal trade, to be completed by 31st December, 2016;

(70). **FACILITATE FORMAL TRADE:** As a result, undertake the necessary reforms aimed at facilitating the operation of formal trade, giving specific attention to the constraints faced by those involved, and discouraging informal trade;

(71). **CAMPAIGN ON FORMAL TRADE PROMOTION:** As a supporting measure, undertake a campaign of promotion of formal trade and discouragement of informal trade, mainly in the regions affected, the populations involved and at the relevant border areas.

29. Twenty-ninth Instrument: Facilitating foreign exchange operations

In parallel, the Government shall undertake the necessary studies to facilitate foreign exchange operations, at least as follows:

(72). **ASSESSMENT OF THE EXCHANGE CONTROL SYSTEM:** Under the coordination of the Directorate General for Foreign Trade and the support of the Ministry of Finance and Economic Development, undertake a study of the exchange control system in relation to foreign trade, including the constraints on the operators, not only on time and cost involved, but also on the pressure created towards informal solutions or their discouragement to doing business and trade in Belize; taking note of the commitments in current multilateral, regional and bilateral agreements, aimed at making them consistent with the exchange control system.

TENTH COMMITMENT: INCORPORATING BELIZE INTO CENTRAL AMERICAN LOGISTICS SYSTEM

In parallel with the process of accession to SIECA and also under the responsibility of the Ministry of Economic Development, Petroleum, Investment, Trade & Commerce, the Government shall consider the feasibility and possibility of:

30. Thirtieth Instrument: Adhering to the Mesoamerica TIM system

The Government shall implement the necessary measures for the participation by Belize in the International Transportation of Goods System – TIM of the Mesoamerican Integration and Development Project (MIDP), at least as follows:

(73). ASSESSMENT OF THE NECESSARY MEASURES: As an urgent action, undertake the assessment of the feasibility of adopting the TIM system at the borders, with the aim of facilitating the flows of trade in goods through Belizean borders with Central America;

5.2 AID FOR TRADE

With the support of the Ministries of Foreign Affairs and Finance and Economic Development, the Directorate General for Foreign Trade shall identify programmes and sources of funding, mainly for long-term technical assistance related to implementation of the First Pillar, including:

- the necessary assessments and studies;
- the enhancement of the capacities of the Ministry in charge of Industry on industrial policy and research.



DIRECTORATE

GENERAL FOR FOREIGN TRADE, BELIZE



CREATING GLOBAL OPPORTUNITIES

NATIONAL TRADE POLICY FRAMEWORK 2016-2026

REVISED EDITION

DIRECTORATE GENERAL FOR FOREIGN TRADE
MINISTRY OF ECONOMIC DEVELOPMENT, PETROLEUM,
INVESTMENT, TRADE & COMMERCE

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