Belize

* Located in Central America, bordering the Caribbean Sea, between Guatemala and Mexico, with a population of 300,000, Belize ranks 180 out of 227 countries in the size of its economy, with a GDP of $2.8b and a per capita income average of $7,895, the second highest in Central America, according to the CIA World Factbook. Belize was the site of several Mayan city states (until their decline at the end of the first millennium, A.D.) which remain a popular tourist destination. Current concerns include the country's heavy foreign debt burden, high unemployment, growing involvement in the Mexican and South American drug trade, high crime rates, and one of the highest prevalence of HIV/AIDS.

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| * Tourism is the number one foreign exchange earner in this small economy, followed by exports of marine products, citrus, cane sugar, bananas, and garments. Both tourism and sugar production have decreased significantly during the recession.
* Belize ranks below average in Global Competitiveness with a score of 3.52 and a rank of 123rd of 142 countries.
* Belize ranks 77 in the 2011 Index of Economic Freedom, falling 2 points from last year and 93 in the World Bank Ease of Doing Business, due primarily to widespread corruption and a decreased ability to protect property rights.
* In February 2007, the government restructured nearly all of its public external commercial debt, which helped reduce interest payments and relieved some of the country's liquidity concerns. Government spending has increased to 29.1% of GDP and public debt has risen to 80% of GDP, causing a reduction in the 2010 limited government score of 1.5 points to 74.6 on the Heritage Foundation’s scale of 100.
* The trade weighted tariff is relatively low at 5.9% and the barriers to trade are few, although there is a sizeable trade deficit, earning Belize a trade freedom score of 78.1 out of 100, or 85th in the world, by Heritage Foundation, up nearly 7 points from 2010.
* Foreign investment is generally encouraged, (currently totaling $97.5m) although new investments must be approved by the central bank and the government influences the allocation of credit through quasi-banks, resulting in investment freedom and financial freedom scores of 50 out of 100, or ranks of 97th and 72nd, respectively, in the world by the Heritage Foundation.
* The government influences allocation of credit through quasi-government banks. According to the CIA World Factbook, there is little discrimination against foreign investment, which currently totals $97.5m although new investment must be approved by the central bank.
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* Transparency International scores Belize 3.1 out of 7 in judicial independence, with a judicial system structured constitutionally to be independent, but that is practically is often controlled by the Executive branch.
* Corruption is widespread, with little control, rated .07 out of 7 by Transparency International, with 7 being a very transparent.

**A New Life and Business in Belize** by Eoin Bassett, October 26, 2011

When she first arrived in Belize last January, Sharon Hiebing was confused.

“Because of the low cost of almost everything, the possibilities are endless. For instance, I’ve started two businesses since arriving. One is Red Roof Property Management, where we handle leasing and the management of rental homes, as well as caretaking and house-sitting services for absentee owners. This business can be run out of my home, and it cost me less than $2,500 to start up (furniture, supplies, marketing, licensing, etc.). Try doing that in the U.S.

“The other business is an online venture, called Wealth Ships’ Expat Relocation Consulting. Because it’s almost entirely done via the Internet, I can take it with me wherever I go. The important point is that in Belize, I was able to create a new existence for myself simply based on what I had just experienced and where I was living. Opportunities like that did not present themselves to me in the States.” <http://internationalliving.com/2011/10/a-new-life-and-business-in-belize/>

**The National Debt and Poverty in Belize,** International Business Wiki, June 8, 2011

Belize is a country that faces some pretty harsh economic problems. While Belize has experienced excellent gains in real GDP growth over the past five years, with growth ranging from 3.5 percent to 3.8 percent, its GDP growth masks some larger problems. One of these problems is the country’s national debt, which currently equals a staggering 73,500,000,000,000 percent of GDP. National debt this high is not sustainable, and thus actions must be taken to lower the national debt.

A key goal in the short-term to lower the national debt involves the reduction of poverty. The percentage of the population below the poverty line is currently 33.5 percent of the population. Poverty is highest in Toledo, Belize, with a poverty rate of 79 percent and lowest in the Belize District, with a poverty rate of 24.8 percent. Average family income in Belize sometimes falls as low as… $317 dollars per year. Some of the methods being used to help achieve this goal currently involve $4.2 million in various projects designed to reduce poverty and donations from international donors.

Large amounts of the elderly are currently living below the poverty level. A big reason for this is because of what is considered elderly in Belize and the age at which social security is received in Belize. In Belize, people over the age of 55 are considered elderly. The elderly often cannot obtain jobs because no one will hire them. Compounding the problem being able to get a job at this age is that social security will not be given out until a person reaches the age of 65. This combination of factors can lead to increasing levels of poverty among the elderly.

…Illiteracy is a problem that has grown from the lack of quality education in Belize. While the government says that literacy rates are often said to be as high as 76 percent. In the Stann Creek and Toledo Districts, literacy is only rated at 32 percent. Some educators believe that the reason for such high illiteracy rates is that not enough class time is dedicated to oral English and reading. People who are illiterate are much more likely to live in poverty, so it is important to improve illiteracy rates.

The Belize government needs to figure out how to keep more of their younger population in school, because educating their youth would be the first step toward helping to eliminate their substantial national debt and helping the country of Belize grow. <http://internationalbusiness.wikia.com/wiki/The_National_Debt_and_Poverty_in_Belize>