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## SMALL STATES IN TRANSITION – FROM VULNERABILITY TO COMPETITIVENESS

# BELIZE

## NATIONAL EXPORT STRATEGY: SCOPE, FOCUS AND PROCESS

## **Introduction**

Execution of the duties of Export Promotion and Investment promotion are carried out primarily by the Belize Trade and Investment Development Service (BELTRAIDE). The major challenge at this time is building stronger alliances with the private sector and strengthening relations with relevant Agencies and other Ministries. Consultations have commenced through various mediums and plans are in place to maximize these for 2004. To address the issue of whether to use the network approach or the one-stop-approach is difficult as even the network approach as suggested, as the best practice has not been fully utilized. Need less to say that a National Export Strategy has not been established; however consultations and Forums such as these are beneficial in accomplishing this. Developing a National Export Strategy is only one aspect of a National Strategy Plan that needs to be developed for Belize.

## **Defining National Export Strategy: Scope, Focus and Process**

Developing a national Export strategy requires firstly identifying the objectives for the country as it relates to exports; these objectives define focus. These would be objectives supported by all organizations, agencies and Ministries relevant to exports. These entities are the scope of the National Export Strategy, these entities may be giving technical assistance, financial assistance and assistance with marketing to the industries, the scope also includes the industries. All these are also defined as the trade support network. The process in carrying out the export strategy includes; reviewing the current responsibilities of the entities as they relate to exports, making recommendations if necessary to streamline the responsibilities and make them more effective in achieving the country's objectives with regard to exports. The coordination of all these is that of the Trade Promotion Organization in the country.

## **Where is Belize with regard to a National Export Strategy**

Although a National Export Strategy has not been formally developed for Belize, efforts are currently in place that would meet that end. Currently consultations are being done through different forums that have direct or in-direct responsibility for Export. These forums include the National Trade Negotiating Commission (NTNC), which meets bi-monthly to review and discuss with the private sector and other relevant agencies issues on trade agreements under the different trade forums such as FTAA, CSME, WTO, ACP/EU and Belize's Bi-laterals.

A decision was made at the last meeting to form a committee to look at a Belize's Exports. This would be led by BELTRAIDE's Export Promotion Department and include members of all the export sectors, the Ministry of Agriculture and Fisheries, the Ministry of Foreign Trade, the Chamber of Commerce and Industry, the Belize Business Bureau and other relevant Agencies. This committee would encompass the majority of institutions that would then form the Trade support network.

The Export Promotion Department of BELTRAIDE main responsibilities are:

- 1.) Developing sector profiles for non-traditional commodities, this is done in collaboration with the Ministry of Agriculture and Fisheries.
- 2.) Follow and implement the export promotion component of the IDB capacity building project for trade and export promotion.
- 3.) Establish a consultative mechanism to support exporters by
  - a.) The promotion of new Associations
  - b.) Work with intermediaries such as BAHA and MAF in order to facilitate exports.
  - c.) Developing a proposal to look at export financing, as it is urgency for exports.

- 4.) Prepare an exporters manual that will encompass a guide and a directory.
- 5.) Coordinate and carry out export driven trade shows and missions.
- 6.) Engage Belize's missions abroad to assist with market information and liaising on any technical assistance, conferences and forums available through international agencies that are relevant to export promotion.

A factor that will help in identifying the objectives for Belize as it relates to exports is a project funded by the IDB to provide capacity building for Trade and Export Promotion. This project involves several components including the identification of priority sectors for exports, a guide for participation in international export promotion events, the creation of a consultative export forum. The end to all these components is to develop an Export Promotion Plan. It is hoped that the consultancies for these components will also identify the necessary technical assistance needed to enhance exports to make them more competitive and to meet international standards.

There are also other organizations relevant to exports that have their own strategies and plans in place to support export initiatives. These organizations include the Belize Agricultural Health Authority (BAHA) which is the competent authority for animal, plant, quarantine and food safety and certifies goods for export. The Belize Tourism Board whose major mandate is that of tourism promotion which attracts foreign exchange. The Ministry of Agriculture and Fisheries (MAF) gives extension and other services to farmers to make them export ready. The Belize Commodities Secretariat whose mandate is to assist all commodities including the traditional commodities of citrus, bananas and sugar with trade and marketing issues. The Belize Chamber of Commerce that represents the private sector is currently carrying out a project that looks at the trade potential between Belize and Guatemala. The Belize Business Bureau also representing the private sector coordinates an annual trade show, BELPRO Conex, geared specifically toward export promotion.

It is the responsibility of the BELTRAIDE as the TPO to identify all the organizations relevant to exports, commence consultation with the end to develop a National Export Strategy. Defining the roles of these organizations is crucial as it reduces duplication of effort and human resources are utilized more efficiently. Developing a National Export Strategy that is supported by all organizations and the private sector promotes public and private sector synergy and ownership of objectives.

### **Challenges and Constraints**

As mentioned in the introduction the major challenge was developing the confidence of the private sector. In March 2003 the responsibilities of Export Promotion and Investment Promotion were combined with Trade Negotiations under the Ministry of Investment and Foreign Trade. My previous notion was that this amalgamation was necessary as all these are inter-related and cannot function efficiently being separate. I have been proven to be wrong, as of January 5<sup>th</sup> 2004, the responsibilities of Export and Investment Promotion have been re-aligned to form the ministry of Tourism, Investment and Culture. Sufficient time has not elapsed for me to give what the benefits are by this new challenge. The responsibility of Trade Negotiations remains under the Ministry of Foreign Trade.

After much consultation with the private sector and developing some confidence as to the objectives of BELTRAIDE, the task now is to deal with all the administrative implication of change and convince the private sector that the objectives remain the same. Tourism is currently one of the major foreign exchange earners and over forty percent of the investments facilitated through BELTRAIDE have been in the tourism sector. This re-alignment should be effective if tourism promotion is somehow combined with export and investment promotion. Tourism Promotion is currently carried out by the Belize Tourist Board. This would be advantageous in numerous ways, these include: reduction of operating cost and utilization of human resource.

One major consideration that needs to be taken by combining Export, Investment and Tourism Promotion is that it is essential to not underplay the productive sector with export potential. It is easy to just focus on tourism as a mechanism is already in place. Consultations and collaboration with the Ministry of Foreign Trade, which is responsible for the policy aspect of trade, should continue as it is essential for Export Promotion to be kept abreast of the rising issues within the different trade arenas. What is also important is for the agenda of the private sector to be tabled in these consultations. This should be realized through continued participation in the NTNC meeting and the Trade Technical Team meetings.

BELTRAIDE should coordinate the trade support network but as coordinator of the trade support network it is also faced with many challenges. Due to the bureaucracy of the public sector and the tendency to be territorial, promoting the sharing of information is difficult. Ensuring that the responsibilities of other organization are implemented can be arduous as it involves constant follow up and utmost diplomacy from the TPO. Any effort implemented by the trade support network cannot be implemented without the full cooperation of all organizations involved. Even though BELTRAIDE would be responsible for coordinating the trade support network, it is vital that the private sector play an active role in this implementation.

## **Conclusion**

In reviewing where Belize is with regard to a National Export Strategy, the network approach would work better as it utilizes what is currently in place. If the responsibilities of Export Promotion, Investment promotion and Tourism promotion is combined under one Agency this would lead to more of a one-stop approach. However to carry out an export strategy with the one-stop approach as described in the proposition to include export finance and thereby operate as a bank would entail much research and would not be realized in the near future. Therefore an Export Strategy for Belize should be looked at by utilizing the network approach and eventually phasing in the one-stop approach with the aforementioned conditions in place. The implication of this phase in process is not known and hopefully will be addressed at this forum.