

Deepening the Integration of Caribbean Economies in Latin America:

The Experience of Belize

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ENABLING ENVIRONMENT

- The integration countries of the English-speaking Caribbean has been a long-standing objective.



- The establishment of the Association of Caribbean States (ACS)
- ACS membership included the Caribbean States plus those Latin American States that border on the Caribbean Sea.
- The latter include the Republic of Colombia, Venezuela and countries on the Caribbean coast of Central America.
- The ACS is still functioning well.



CARICOM BILATERAL TRADE AGREEMENTS

The *CARICOM-Venezuela Agreement on Trade, Economic and Technical Cooperation* (1992)

The *CARICOM-Columbia Agreement on Trade and Technical Cooperation* (1994)

The *CARICOM-Cuba Trade and Economic Co-operation Agreement* (2000)



The *CARICOM-Costa Rica Free Trade Agreement* (2004)

The *CARICOM-Dominican Republic Free Trade Agreement* (2004)





BELIZE- CENTRAL AMERICA

Belize is geographically situated in Central America and is a member of CARICOM and is a part of the CARICOM Single Market and Economy (CSME). It is a part of the Central American Integration System (SICA) but participates only in the political arm of SICA.

In the trade and investment outreach to Latin America, Belize is party to trade agreements with Costa Rica, Dominican Republic, Venezuela and Colombia

On its own, Belize used the special dispensation provided through Article 80(5) of the Revised Treaty of Chaguaramas to conclude a limited trade agreement with Guatemala



BELIZE - GUATEMALA

- Belize currently has a Partial Scope Agreement (PSA) in place with Guatemala since 2010
- Products include orange juice, spirited, whether or not sugared, sweetened or frozen, kidney beans, fresh fish, livers and roes, frozen shrimps and prawns, in shell or not, fish, crustaceans, molluscs, aquatic invertebrates, meat and edible meat offal, live poultry, live swine, bovine animals, and maize (corn)
- PSA is currently being expanded in its scope of coverage – i.e. to increase the number of goods to benefit from preferential market access in Guatemala.
- Belize is also pursuing a similar PSA with El Salvador.
- The other Central American Republics have already expressed interest in PSAs with Belize – these include Honduras and Nicaragua.

Belize- Guatemala Context

Western Belize shares land border with Guatemala; the trade agreement was done as part of the confidence building measure resulting from the Claim on Belize by Guatemala; and secondary to that, trade and investment exchanges between the two countries.

Trade facilitation remains a key missing feature of the trade between the two sides

A large part of Belizean exports ends up in Guatemala through informal trade

Belize –El Salvador

- Currently, El Salvador is also interested in establishing formal trading relations with Belize; the dynamics are different between Guatemala and El Salvador, and relations with El Salvador tend to be more peaceful; have a lot of their citizens living in Belize .
- El Salvador's interest is more geared towards trade with CARICOM, with Belize as a launching pad for operations
- Belize's own interests is to seek out El Salvador's market for its excess production of grains and other commodities; the possibility of producing specialized grains/legumes only for El Salvador's consumption has also been floated (El Salvador exports a lot of its agricultural products to the USA; Belize would therefore supply El Salvador's local demand for same products
- Trade with El Salvador will take off especially if trade facilitation measures are attended to at the Belize-Guatemala border; goods would need to be transported by road to El Salvador through Guatemala
- Belize is also keenly interested in investments from El Salvador and sees that country as a source of potential joint ventures and partnership between our private sector; absent the fear and distrust held by many Belizeans against Guatemalan citizens, genuine partnerships should be more easily fostered between Salvadoran and Belizean private citizens





Belize -Mexico

There is currently no CARICOM-Mexico trade agreement in place and trade is taking place under non-preferential terms only

Belize has been pursuing a trade agreement with Mexico for some time now, but this has not materialized primarily because Mexico is not interested in a PSA but wants a full Free Trade Agreement

Belize has decided to take up the challenge and is now pursuing a more comprehensive Trade and Economic Cooperation Agreement with Mexico

This can be the first step to realizing the role as a bridge between CARICOM and Mexico

Deeper Integration

Daily many Guatemalan children attend Belize's primary schools and high schools and there is a rush at the border as children and adolescents cross into Belizean territory to attend schools

Additionally, as a SIDS country, the goods from Central America and Mexico fill up the shelves in every store/supermarket in Belize

With the ongoing Amnesty programme, even more citizens from Central America (est 40,000 persons) will formally make Belize their home

Trade and investment with Latin America remain a long standing priority for Belize and at various intervals (on assumption of SICA PPT and CARICOM Chairmanship) it has sought to rekindle CARICOM's interest specifically in Central America but this remain a work in progress





SIECA

- The Secretariat for Central American Economic Integration (SIECA, per its Spanish acronym) is the technical and administrative body of the Central American Economic Integration Process, that acts as judicial person in accordance with international law.
- SIECA serves as liaison to the other Economic Subsystem Secretariats while coordinating with the Central American Integration System (SICA, for its Spanish acronym) General Secretariat.
- SIECA, Belize recently expressed interest in two areas of integration only: the Transportation programme and the Payments system.
- Both are important to Belize's trade relations even without an agreement

The Way Forward

- With more than 50% of Belizeans now living in poverty, the rebuilding efforts following the COVID-19 Pandemic, and increasing added on inflation resulting from geopolitical tensions in Europe, and the relentless toll of climate change, we are pressured to look at old and existing allies through different lens
- It is time for the Caribbean to seriously rethink and retake the matter of deeper integration within Latin America; Belize is to some extent doing so already
- This should be done through a Community approach, the opportunity to engage is presenting itself and we are seizing it.
- Like us, who seek to chart our own development path, Central America is seeking to do the same. We cannot allow fear, differences in culture or language to hold us back. It is only by starting the journey to get to know one another better that we can begin to understand the real growth prospects and see how best to capitalize on these.

Thank You