

# Starting A Business In Belize

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Whether it's large or small, starting a business in Belize is a great idea. The type and size of your business all depends on your target market. If you're catering to local Belizeans, bear in mind that the country has a small population of around 330,000. However, the country is a major tourist destination, thus if that's your primary interest, your target market is much larger.

Belize is close to the USA, which means it's easy to travel to, having direct flights from, New York, California, Georgia, Florida, and Texas. The main language in Belize is English/ Kriol however, most locals speak English and/or Spanish, two of the most common languages in the world. The country has links to both Central America and the Caribbean, which allows us to benefit from trade agreements within both regions.

Belize has many opportunities for tapping into new industries as it's still fairly young and is considered a developing nation. Real Estate Property is relatively inexpensive for rental or purchase. Minimum wage, although one of the highest in the region, is still low when compared to rates in developed nations.

The Belize government provides many incentives to businesses that plan to contribute to the betterment of the economy, by providing jobs to Belizeans. These include tax holidays and import and export duty exemptions.

There is also a lot of undeveloped land in the country which provides many opportunities for those who want to venture into manufacturing or agriculture. This means that you will be further away from a city or town but the land will be much cheaper.

## Legal Requirements

Anyone wishing to generate income in Belize must receive some type of work permit. The costs of this varies greatly so our best advice would be to consult with one of the local lawyers to learn the different types, prices and steps to attain the type of permit that will suit your needs. According to BELTRAIDE, non-nationals of Belize are not permitted to own a business that is not registered under the Companies Act and/or the Business Name Act.

All the legal processes to start operating your business can take an average of 44 days to complete. Thus

we recommend that you use this time to explore the country, do some market research and do some networking.

**The process is as follows:**

Find a Location for your business

Register your local company or existing overseas company

Apply for a trade licence

Apply for a work permit

Register with Social Security

Register with General Sales Tax (GST)

Register for Business Tax to receive your Tax Identification Number (TIN)

These individual steps can take anywhere from 2 days to 3 weeks (Trade License). Depending on the type of business you wish to open, you may be required to obtain additional permits, so be sure to discuss this with your lawyer.

## **Industries and Business Types**

The two largest industries in Belize are tourism and agriculture. The fishing and sugar cane industries are generally reserved for Belizeans. Most of the larger, more luxurious businesses in the tourism industry are owned by non-nationals. All other industries are basically undeveloped or under-utilized thus many opportunities exist to enter and capture these markets.

The call centre and entertainment industries are starting to emerge and are rapidly growing, however they are still relatively small industries. With so much land available, Belize is ideal for tapping into new crop markets which do not exist in Belize. Some of our greater crop products are Citrus, Banana, and Rice, and we've recently started to export more crops such as papaya and chocolate.

Small and Micro Businesses account for at least 90% of all businesses in Belize. This is another great area for small investors, including retirees, to venture into. It is not uncommon for businesses to be

owned by one family or two close friends. Family matters a lot in Belize compared to some other countries. It's also very common, in tourist destinations, to find small businesses owned and managed by non-national couples.

## **Business Culture and Workforce**

Belize has a very laid back culture, everyone is said to operate "on Belize time". This generally means that it's common to wait a little longer than average for things to get done. Belizeans also have a more casual approach to business, so leave your suits at home. The country is too hot for suits anyway.

The workforce in Belize is about one third of the population which amounts to approximately 100,000 Belizeans. Jobs in Belize are few. Thus many skilled Belizeans have moved overseas to find work because it's been difficult for many new graduates, and even older experienced workers to find employment. The minimum wage is pretty low and ranges between \$3.00 and \$3.50 although the average graduate, with at least an Associates' Degree, would expect to be paid a minimum of between \$4.44 and \$6.25 an hour.

The cost of living however, is much less than in the US and many other countries. The average family pays less than \$600 for rent even in Belize City – the most populated area. The most expense a family would incur would be related to transportation, groceries (if mostly imported items are bought), medical and educational (if private facilities are preferred).

## **Financing**

Starting a new life in a different country can be very challenging and a bit expensive at the beginning. However, Belize has five local banks and five international banks ready and willing to assist you.

As a non-national you will have to be residing in the country for at least 6 months to a year or apply for permission from the Central Bank of Belize to be able to open an account at a local bank. Therefore it's wise to start by setting up an account with an International Bank.

The main benefit of opening an account at an International Bank is the fact that you can maintain your account in US dollars. While you can also maintain an account in US dollars at a local bank, eventually, you would need to prove that your business is generating most of its income in USD. Additionally, you would need to prove that your business will be using a lot of USD to pay for goods and services to be

able to maintain a USD account with a local bank. Thus as mentioned before, it's advisable that you open an account with an International Bank to be able to maintain your account in USD.

Belizean international banks offer various types of credit facilities, such as loans, overdraft drafts, lines of credit and credit cards which you can take advantage of to help you finance and operate your business. The interest rates are at around 9% per annum which may seem steep when compared to US banks, but these are fairly average in the line of business. You should discuss the options and requirements for each type of facility with your prospective/current international banker.

## The other side of the Investment coin

There are too many things to tell you in one article, however the best advice to offer anyone wishing to invest in Belize is to visit the country and explore it as a local would instead of viewing it from a tourist perspective. You will come to realize that life is very different in tourist destinations as opposed to the cities and other towns. Although you can get access to a lot of “American” products, it's important to note that the availability of these products is not always reliable. However, many Belizeans travel to the nearby city of Chetumal, right across the Mexico-Belize border, where there's a wider variety of products at around the same prices, sometimes a little better, than in Belize.

The country also has a very ethically and culturally diverse population who live “in perfect harmony”. The Belizean way of life is very different from that of the US and the region. If you've been to other post English colonies and other Caribbean countries, the way of life is very similar. This laid back lifestyle makes for a good way to avoid or combat stress as you step out from the office and can instantly be immersed in the breathtaking wonder of Belize.

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