

COUNTRY PROFILE



Belize

GLOBAL RANK: 63rd of 104



Ranked 63rd overall, Belize ranks 71st for Economic Competitiveness, and twenty places higher for Comparative Liveability at 51st, due to a spectacular environmental endowment and a warm climate.

● BACKGROUND

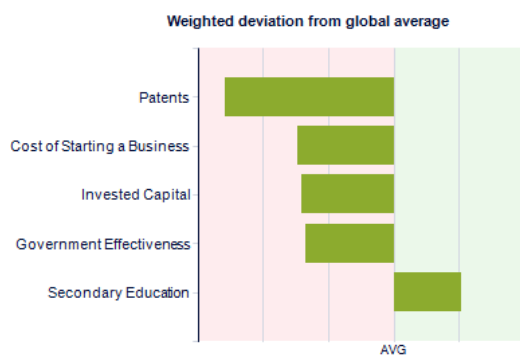
This sparsely-populated Central American nation is home to great ecological diversity, including swamps, jungles, coral reefs, and tropical rainforests. Agricultural exports and tourism are the linchpins of the economy, which grew at an annual rate of 4% from 1999 to 2007. Belize has generally low tax rates and highly flexible labour laws. However, public debt stands at a high \$1.2 billion, and poverty is widespread. Violent crime is a major concern, particularly in Belize City, while narcotics gangs use Belize as a corridor for cocaine shipments to North America.

FAST FACTS

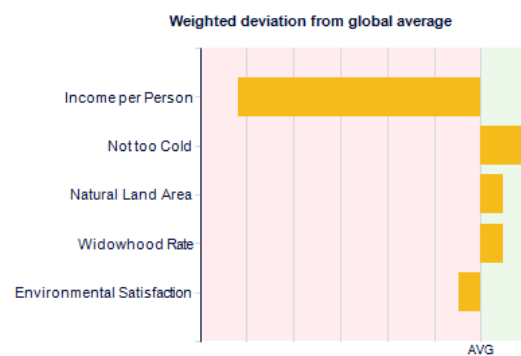
Population:	0.3 million (2008 est.)	FDI (net inflow):	11.41% (2005 est.)
Life Today	6.5 (2007 est.)	Exports	21.82% (2006 est.)
GDP (PPP)	\$2.4 billion (2007 est.)	Imports	55.41% (2006 est.)
GDP (Growth)	2.2% (2007 est.)	Unemployment:	9.4% (2006)
GDP (per Capita)	\$7,900 (2007 est.)	Life Expectancy	68.19 years (2008 est.)
Political System:	Parliamentary Democracy		
Foreign Aid:	0.53% (2006 est.)		

● KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS



COMPARATIVE LIVEABILITY



Belize has a heavily agricultural economy, with recent economic growth rates of around 4%. The banana sector employs more than half of the population. Agriculture makes up around three-quarters of all exports, with sugar accounting for nearly half of this, suggesting a danger of dependency on commodity exports. The trade deficit has become a problem in recent years, mostly as a result of low export prices, highlighting the terms of trade shocks that can result from such an economic structure.

A scarcity of capital investment impedes productivity improvements and diversification. High tariffs are the main barrier to trade freedom, and cumbersome regulations discourage foreign investment in a

Despite low income levels of around \$6,500, similar to other countries in the region, Belize's Comparative Liveability ranks much higher than its Economic Competitiveness. The tropical climate has economic costs but liveability benefits: notably, an extraordinary abundance of nature as well as a warm climate. However, citizens' dissatisfaction with efforts to preserve the environment, as recorded on the Gallup World Poll, is an extremely worrying sign.

Health is an encouraging indicator, with 87%⁹ of people reporting that they are satisfied with the state of their individual health. Another positive factor is Belize's low rate of widowhood, which, taken with good family life and community life scores, paints a picture of strong

wide range of sectors. Other barriers to diversification include a low level of technological adoption, as reflected in the extremely low number of patents granted.

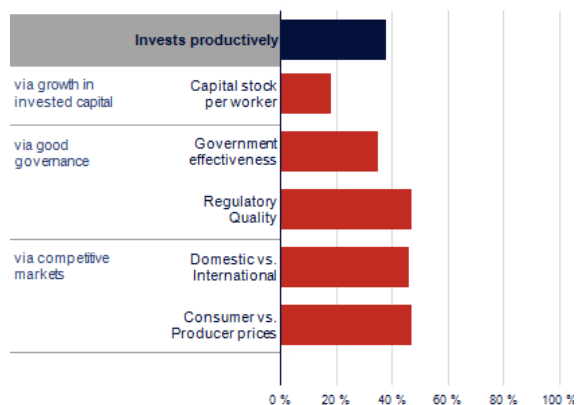
Belize is also rated poorly for government effectiveness. Privatisations have been slow, and mismanagement of state-owned enterprises has put considerable pressure on public finances. This has forced the government to take action on tax exemptions, although tax collection remains rather inefficient.

Despite low tax rates and highly flexible labour laws, entrepreneurship scores remain low, as the costs of starting a business are substantial. Along with expensive energy and a small domestic market, this is a serious constraint on domestic industry. Given these circumstances, it is questionable whether the good levels of mass education will have a significant effect in the future as school-leavers enter the workforce.

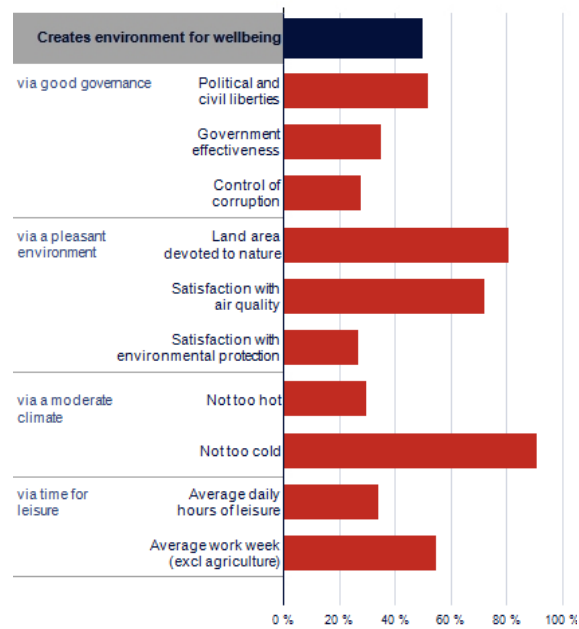
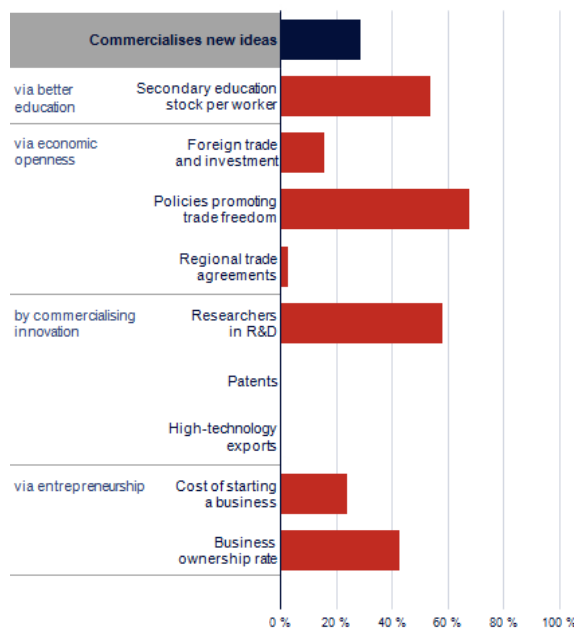
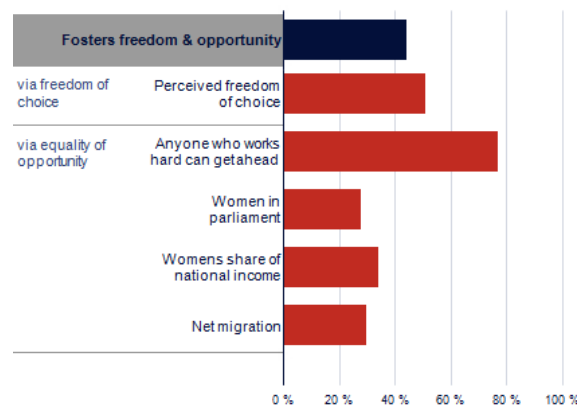
community involvement and a pleasant civic life.

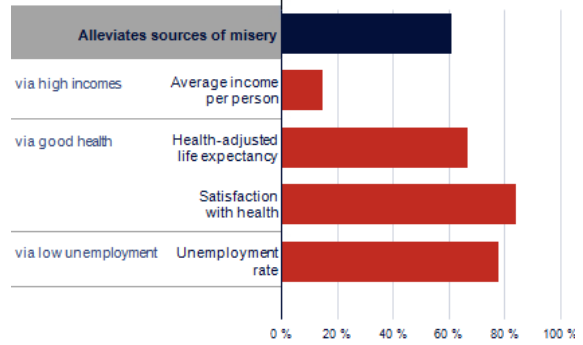
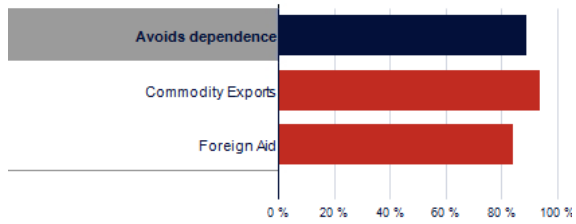
Nevertheless, other problems associated with the region are also present in Belize, as reflected in the mediocre political life score. Political institutions are underdeveloped, and economic decisions are commonly determined by short-term political aims. These factors have allowed activities that are detrimental to Belize's quality of life to continue, such as drug-dealing, smuggling, and money laundering. As in other Central American countries, equality of opportunity is weak: women's share of income is particularly low, at around 40% of that of men.

ECONOMIC COMPETITIVENESS: SCORECARD

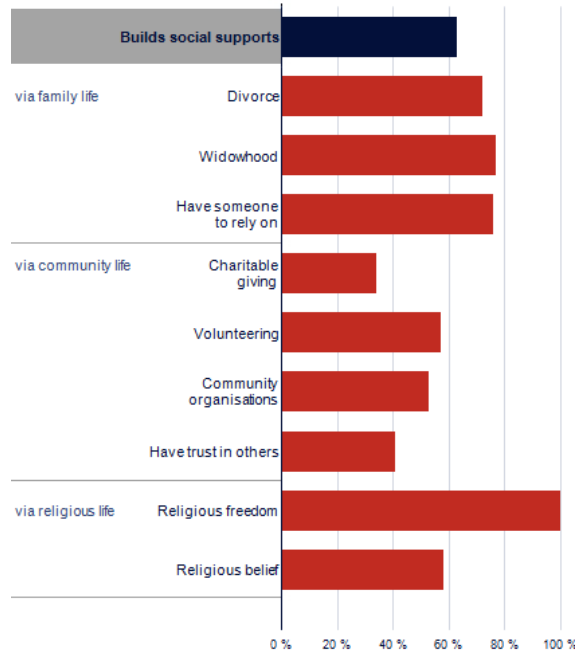


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.