1. Tourism: global trends and prospects

- **Tourism** is the **largest of all ocean economic sectors**, generating more than a USD 1.6 trillion globally in 2017 (UNWTO, 2018).

- **International tourist arrivals** grew by 7% reaching a **record-high of 1,323 million arrivals in 2017** and are expected to reach to 1.8 trillion by 2030 (UNWTO, 2018).

- **Tourism** accounts for **over one quarter of the GDP** in at least seven **SIDS** and represents 9% of exports (UNWTO, 2014).

**SIDS and coastal developing countries:**

- **Unique assets**: exclusive geographic locations, outstanding natural endowments, cultural heritage richness, that make them unique for visitors

  But also...

- **Unique challenges and vulnerabilities**: remoteness, low connectivity, limited economic diversification, small internal markets, as well as adverse, perhaps recurrent climate events.
## The tourism sector in Belize: key facts

### Belize's Tourism and Travel in a Nutshell (2002-17)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2012</th>
<th>2017</th>
<th>CAGR 10Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exports Value (USD MLN.)</strong></td>
<td>270.8</td>
<td>282.2</td>
<td>409.2</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total Services Exports</strong></td>
<td>400.0</td>
<td>406.6</td>
<td>581.4</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Share of Services Exports</strong></td>
<td>68%</td>
<td>69%</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td><strong>Contribution to GDP, Direct</strong></td>
<td>21%</td>
<td>18%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td><strong>Contribution to Employment, Direct</strong></td>
<td>13%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>N. of Stopover Tourist Arrivals</strong></td>
<td>251'422</td>
<td>277'135</td>
<td>385'583</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Herfindahl-Hirschman-Index (Nationality of Arrivals)</strong></td>
<td>0.430</td>
<td>0.469</td>
<td>0.493</td>
<td></td>
</tr>
<tr>
<td><strong>N. of Direct Flight Destinations</strong></td>
<td>4</td>
<td>5</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** UNCTAD analysis based on data from multiple sources and desk research

**Note:** Data points of stopover arrivals and HHI for 2017 are 2016; share of employment for 2017 is 2018. *If also indirect and induced effects are considered, tourism contribution to GDP may raise to up to 40%.*
3. The importance of maritime and coastal tourism

- **Official statistics** do **not** allow quantifying the **incidence** of maritime and coastal tourism.

- Though, survey statistics point to a **concentration of tourism supply** and **demand** in **few** popular seaside destinations:

  - Of 13,446 bed places available in the country in 2017, half were located in Belize’s top 3 beach spots (Ambergris Caye, Caye Caulker and Placencia).
  
  - These destinations were visited by 42%, 35% and 14% of visitors respectively.
  
  - In 2017, the top 3 most popular tourist attractions in Belize were maritime (the coral reef, marine protected areas and offshore islands).
  
  - They’ve been reportedly visited by 57%, 46% and 42% of visitors
  
  - Snorkelling was the most popular activity, performed by 71% of visitors. Other coastal activities, such as fishing (19%), diving (19%) and sailing (12%), were also relatively popular.

- **Still, some potential** may remain **untapped** (sport fishing):

  - While one out five tourists report to have gone fishing, only 1% of tourists have chosen a fishing lodge as accommodation → limited integration of the maritime tourism offer.
4. A supply-side case: tour operators and guides

**Tour Operators and Guides: Maritime Hotspots vs. Other Destinations, 2011-17**

- **381 active tour operators in 2017, almost twice as many as were in business in 2011 (n=224).** About 40% of them in key maritime hotspots.

- The share of operators in popular maritime hotspots have been diminishing (from 41% in 2011 to 36% in 2017) → possible shift of focus of the tourism offer towards new destinations, such as rainforest and cultural heritage sites, or both.

*Source: UNCTAD analysis on data Belize Tourism Board (2018).*
5. Linking fisheries and tourism: accommodation and food services

**Size of Establishments: Accommodation and Food Service vs Other Sectors, 2016**

- **¾ accommodation and food services firms are located in coastal regions**, where the sector absorbs 18% of all firms → opportunities to link tourists’ consumption with fish harvesting and seafood processing activities.

- **Small-size.** As per the rest of the economy, establishments are predominantly small-sized, the most having annual turnover below 75,000 USD (72%) and between 0 to 5 employees (76%).

- **55% of their sales originate from exports**, almost twice the economy average (28%) → pronounced exposure of firms to foreign (tourist) demand and tastes.

*Source: UNCTAD analysis on data Statistical Institute of Belize, Business Establishment Survey (2016)*
6. Buyer-supplier linkages: hotels and restaurants

**Value Added Content of Hotels and Restaurants Exports: Foreign vs. Domestic, 2015**

- 20% of the value added in hotels and restaurants' exports has foreign origin, as embedded in imports of intermediate goods and services → relatively high degree of backward integration into GVCs (GVCs) (sector global average: 15%).

- Downstream integration is more limited, as the majority of the sector’s output is consumed domestically (88%) → well-developed forward linkages with (domestic) customers, or, most likely, large private household consumption.

*Source: UNCTAD analysis on data UNCTAD Eora-GVC Database, 2018*
7. A snapshot on markets: Type of arrivals

**INTERNATIONAL TOURIST ARRIVALS: STOP OVER VS. CRUISE SHIP, 2001-16**

- Booming tourism markets: between 2001 and 2016, cruise ship disembarkments have increased 20-fold, while stop-over arrivals have doubled.

- Yet, the average length of stay has been declining. In 2016, tourists have spent on average 6.2 days in the country, roughly 25% less than they did 2006 → targeted policy actions to make international tourism more “sticky” and increase visitor expenditure.

*Source: UNCTAD analysis on data Statistical Institute of Belize and Belize Tourism Board (2018).*
8. A snapshot on markets: Nationality of arrivals

**TOP 5 INBOUND TOURIST MARKETS IN 2016, BY STOP OVER ARRIVALS, 2001-16**

- The sector historically depends on a few, perhaps large markets. In 2016, the United States were the primary inbound market and accounted for 69% of stop-over arrivals, followed by Europe (12%) and Central America (7%).

- US-dependence has been increasing over time. Between 2006 and 2016, arrivals from the United States have increased at an average rate of 5% per year, over twice as fast as Europe (2%) and four times faster than Central America (1%).

**Source:** UNCTAD analysis on data Statistical Institute of Belize and Belize Tourism Board (2018).
9. Air connectivity

In 2016, 77% of tourists have reached the country by air, while only 22% did it via ground or sea.

Passengers of carriers registered in the country has increased by 37% annually between 2010 and 2017, reaching an all-time high of 1,385 million in 2017. Similarly did carrier departures (CAGR=32%) and the number of direct flight destinations (from 4 in 2008 to 9 in 2017).

Source: UNCTAD analysis on data IATA Air Transport Statistics; ICAO Civil Aviation Statistics and staff estimates
10. Tourism as a means to advance a gender-equal society

**Tourism and Non-tourism Employment, by Gender, 2018**

- **As of April 2018, the tourism sector employs close to 21,000 Belizeans, corresponding to 13% of national employment, and absorbs a larger share of the employed population in coastal (14%) as opposed to continental (12%) districts.**

- **Tourism employs relatively more women than other sectors of the economy. In 2018, some 46% of employees in the Belizean tourism sector were female, roughly 10% more compared to other sectors (37%).**

**Source:** UNCTAD analysis on data Statistical Institute of Belize (SIB), Labour Force Survey (April 2018).
Surprisingly, Belize is neither a Member nor an Observer of the United Nations World Tourism Organisation (UNWTO).

Belize is Party to the following Agreements:

a. World Trade Organisation (WTO) and goods and services related Uruguay Round Agreements (1994). Belize GATS schedule does not include any bound commitments on tourism services (see Belize GATS schedule GATS/SC/10 and Rev.1 of 2016)


Belize has not Free Trade Agreement with the United States.
• Tourism in Belize is a booming and (relatively) dynamic sector, largely contributing to exports and the economy.

• The sector is an important source of gender-equal employment, as it employees more female than other sectors (46% vs. 37% of the workforce).

• The maritime and coastal segment make up a prominent part of it. Yet, a shift of focus towards multiple destinations, such as rainforest and cultural heritage sites, may be ongoing.

• Belize is home to well-developed (quite dynamic) satellite industries (accommodation and food services) → scope for upstream linkages with fisheries.

• Tourism arrivals have been recording 3-digit growth in the past 15 years (stop overs doubled, cruise-ships increased twenty-fold).

• The average length of stay is diminishing, and the sector increasingly (and historically) depends on the US-market (69% of arrivals in 2017).

• Air connectivity has improved, but key overseas destinations remain unserved.
Areas of improvement

- Explore business models that better integrate subsectors of the blue economy, such as experiential fishery eco-tourism.

- Prioritize stopover over cruise-ship tourism, with a view to maximize tourist length of stay and expenditure.

- Develop policy instruments that promotes matchmaking and linkages between coastal tourism and satellite sectors, such as sport fishing.

- Develop better regulation of fishing licenses for tour operators engaged directly or indirectly in sport or incidental fishing activities.

- Promote enterprise development in the sector, in order to encourage entry of young Belizeans entrepreneurs and improve overall business dynamism.

- Break the chains of US-dependence, by developing a more diversified tourism offer and further improve connectivity with key markets, such as Europe and South America.