



Maritime and Coastal Tourism in Belize



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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.

2. The tourism sector in Belize: key facts

BELIZE'S TOURISM AND TRAVEL IN A NUTSHELL (2002-17)

	2007	2012	2017	CAGR 10y
EXPORTS VALUE (USD MLN.)	270.8	282.2	409.2	4%
TOTAL SERVICES EXPORTS (USD MLN)	400.0	406.6	581.4	4%
SHARE OF SERVICES EXPORTS	68%	69%	70%	
CONTRIBUTION TO GDP, DIRECT*	21%	18%	22%	
CONTRIBUTION TO EMPLOYMENT, DIRECT			13%	
N. OF STOPOVER TOURIST ARRIVALS	251'422	277'135	385'583	5%
HERFINDAHL-HIRSCHMAN-INDEX (NATIONALITY OF ARRIVALS)	0.430	0.469	0.493	
N. OF DIRECT FLIGHT DESTINATIONS	4	5	9	

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

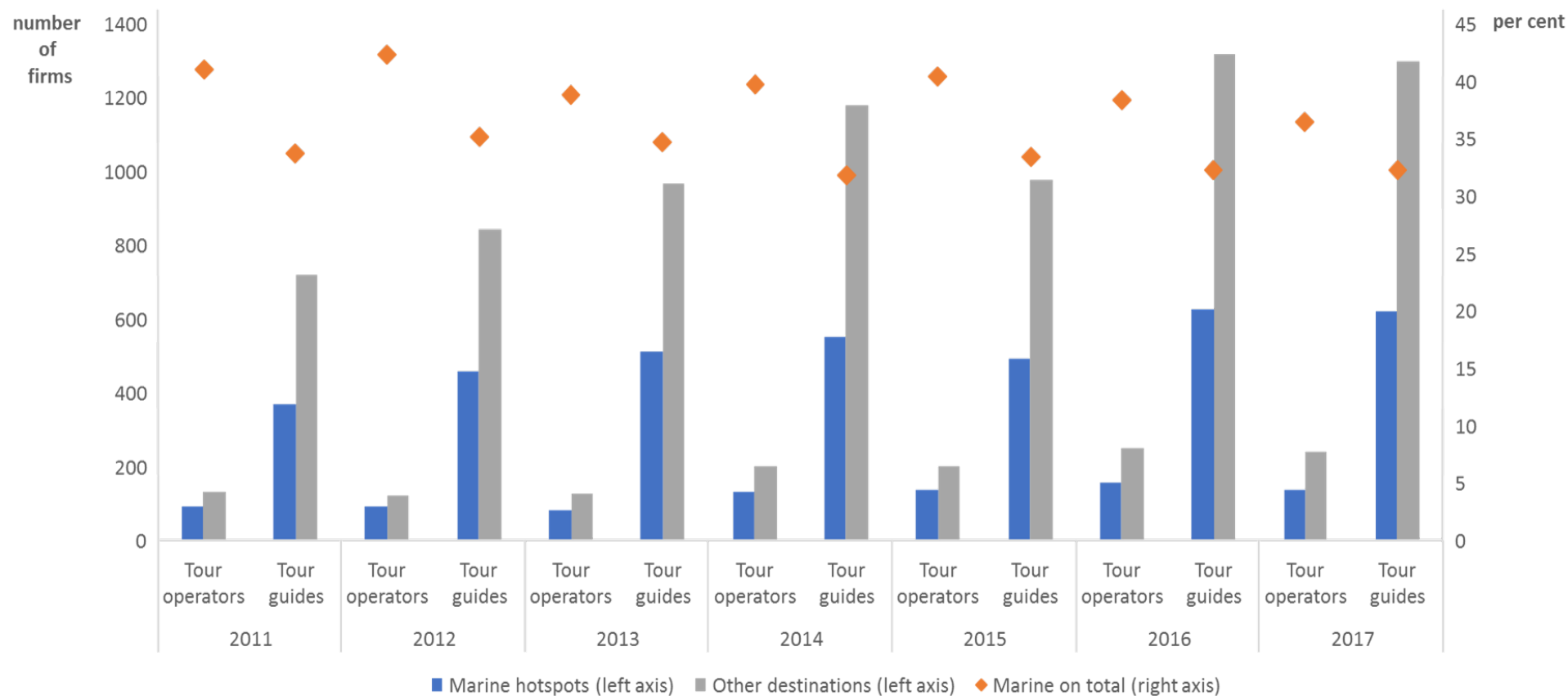
Note: Data points of stopover arrivals and HHI for 2017 are 2016; share of employment for 2017 is 2018. *If also indirect and induced effects are considered, tourism contribution to GDP may raise to up to 40%.

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**, perhaps **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

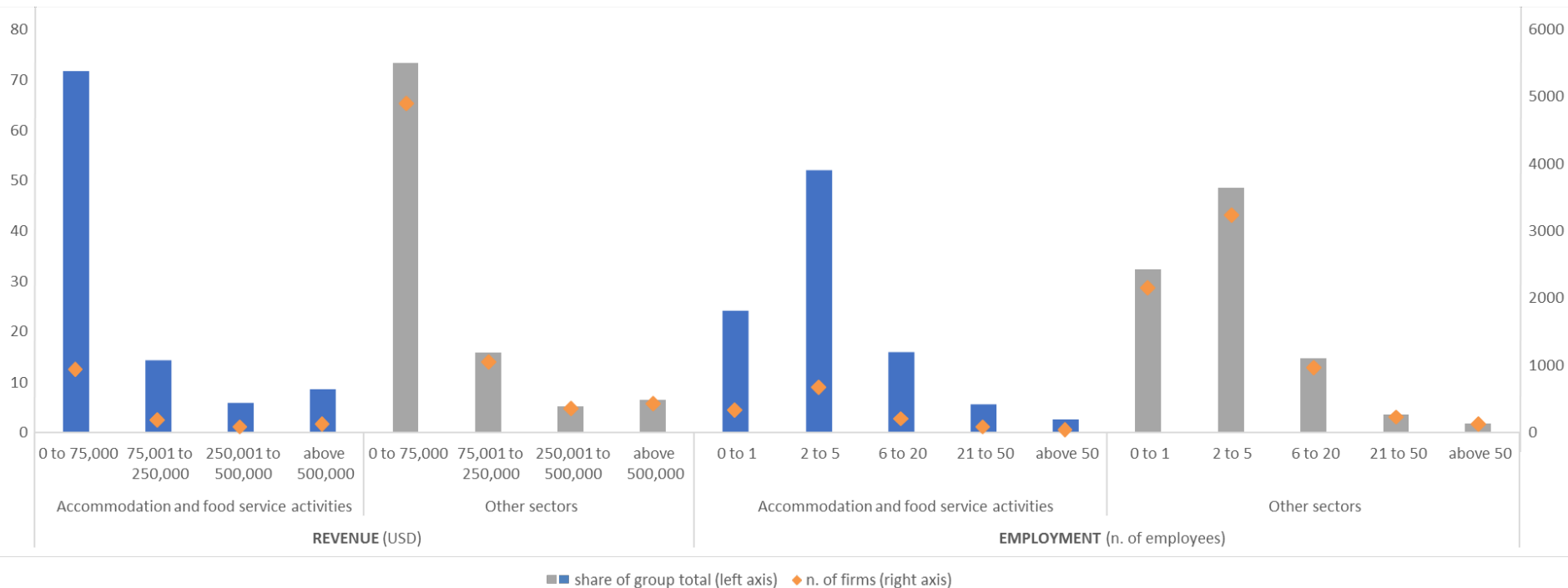


Source: UNCTAD analysis on data Belize Tourism Board (2018).

- 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.

5. Linking fisheries and tourism: accommodation and food services

SIZE OF ESTABLISHMENTS: ACCOMMODATION AND FOOD SERVICE VS OTHER SECTORS, 2016

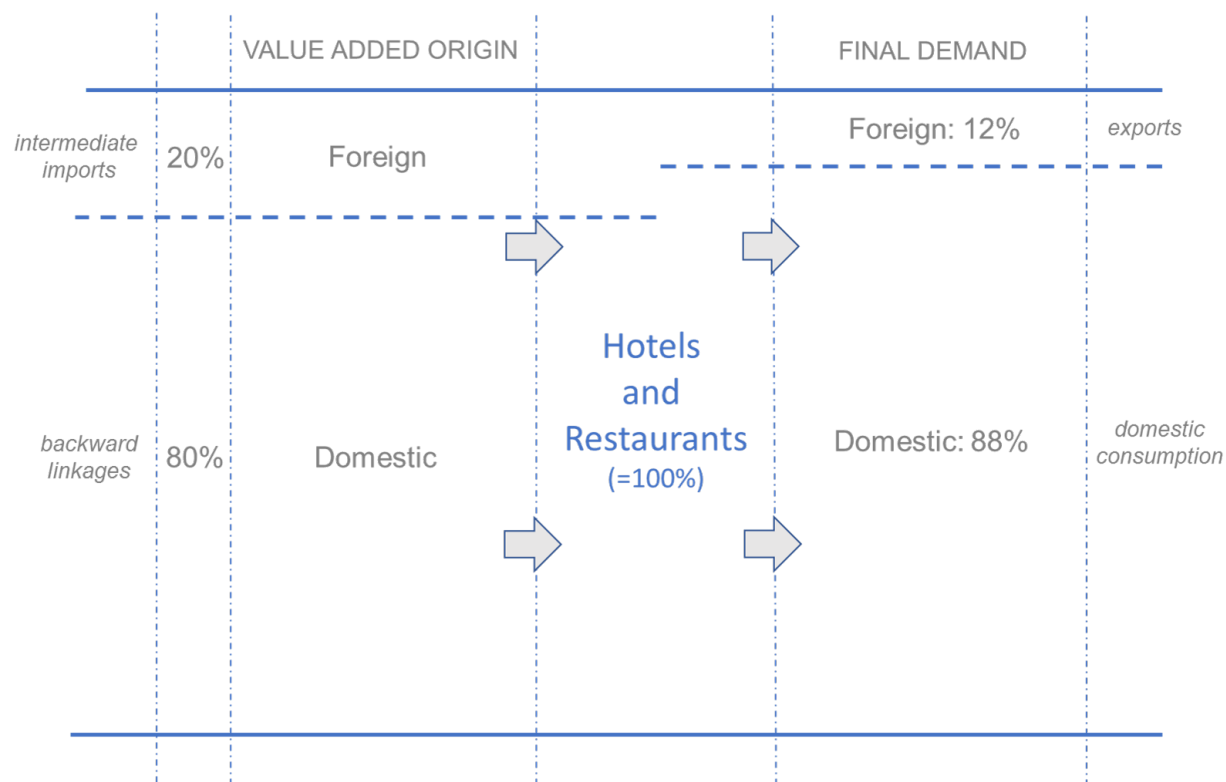


Source: UNCTAD analysis on data Statistical Institute of Belize, Business Establishment Survey (2016)

- **3/4** 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.

6. Buyer-supplier linkages: hotels and restaurants

VALUE ADDED CONTENT OF HOTELS AND RESTAURANTS EXPORTS: FOREIGN VS. DOMESTIC, 2015

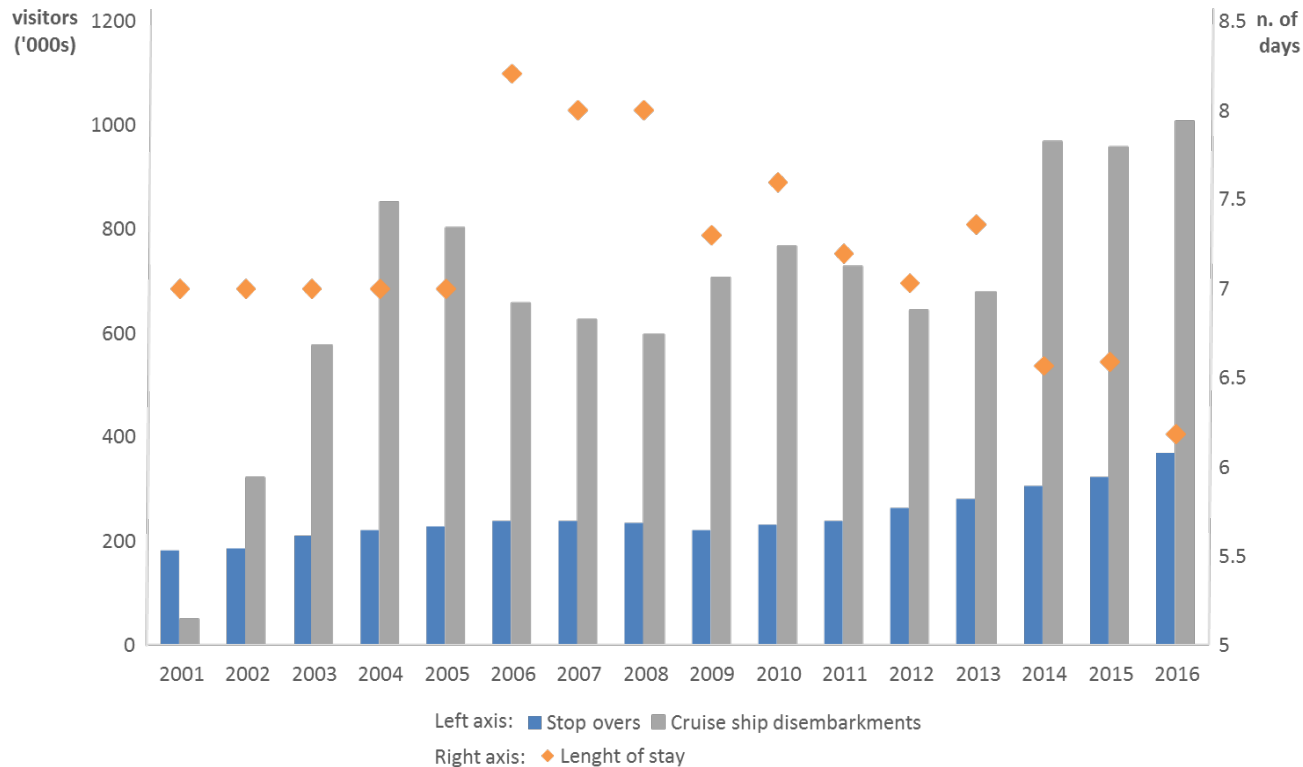


Source: UNCTAD analysis on data UNCTAD Eora-GVC Database, 2018

- 20% hotels and restaurants' exports value 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.

7. A snapshot on markets: Type of arrivals

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

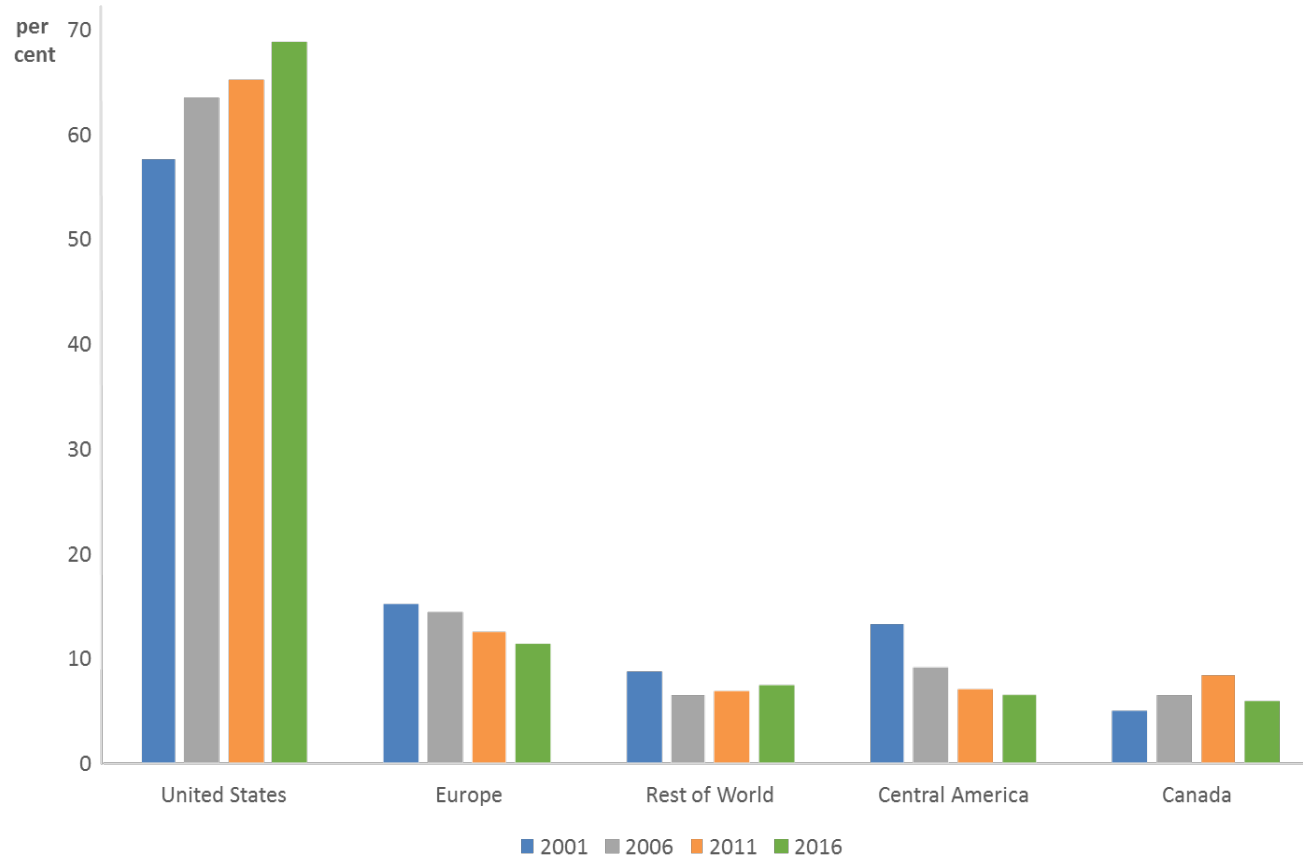


Source: UNCTAD analysis on data Statistical Institute of Belize and Belize Tourism Board (2018).

- 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

8. A snapshot on markets: Nationality of arrivals

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

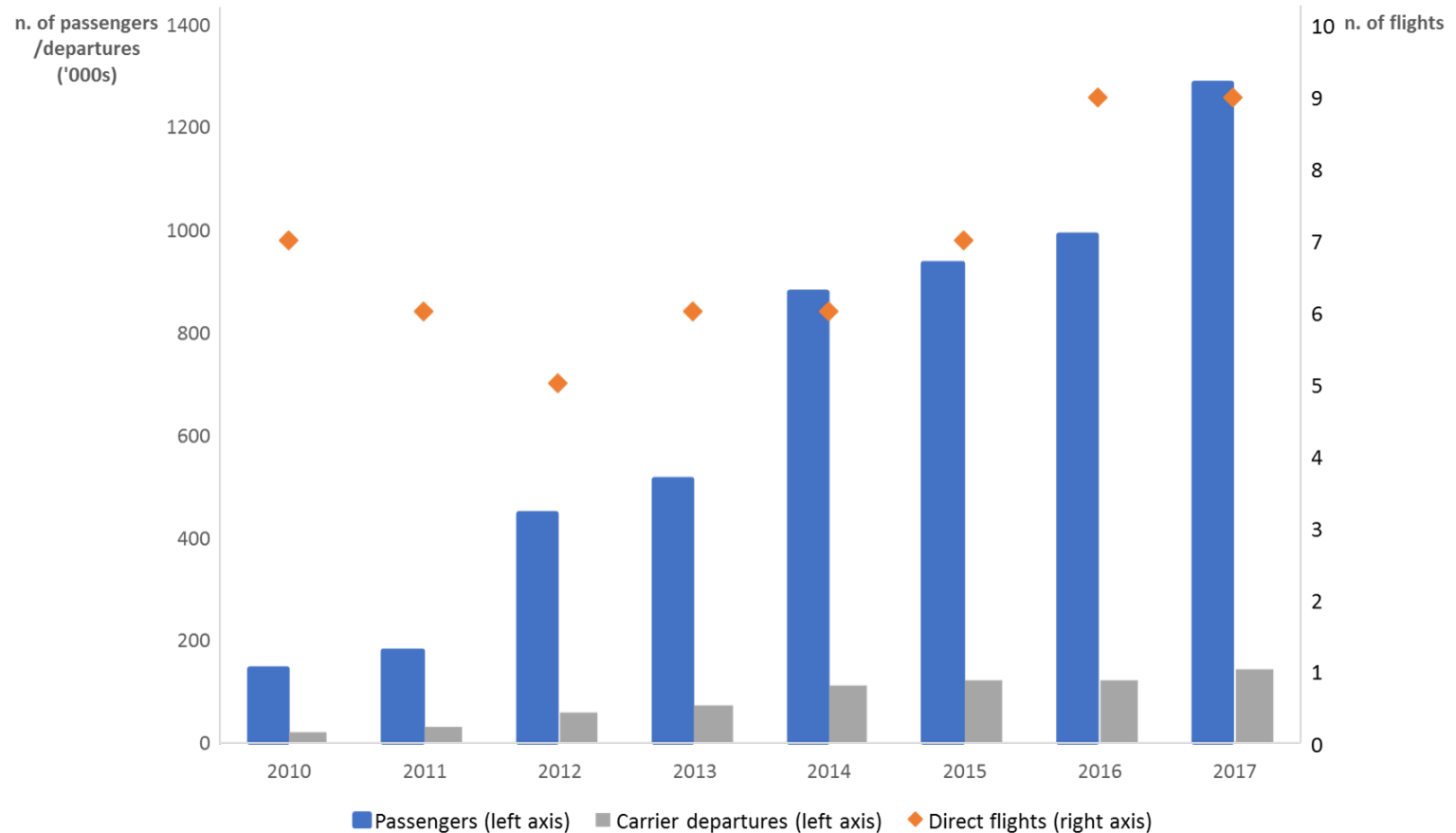


Source: UNCTAD analysis on data Statistical Institute of Belize and Belize Tourism Board (2018).

- 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%).

9. Air connectivity

AIR PASSENGERS, CARRIER DEPARTURES AND DIRECT FLIGHT DESTINATIONS, 2010-17

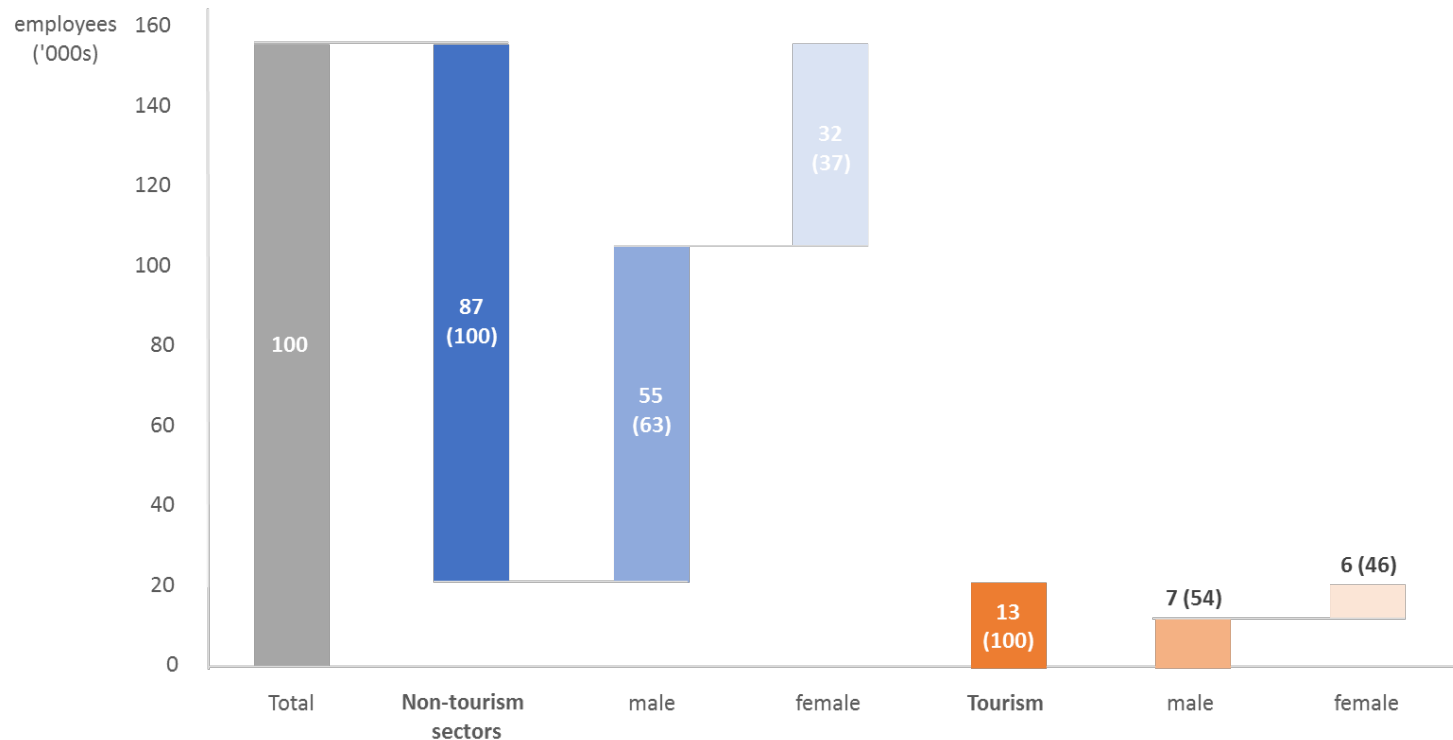


Source: UNCTAD analysis on data IATA Air Transport Statistics; ICAO Civil Aviation Statistics and staff estimates

- 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).

10. Tourism as a means to advance a gender-equal society

TOURISM AND NON-TOURISM EMPLOYMENT, BY GENDER, 2018



Legend: "..." : per cent of total; (...): per cent of subtotal

Source: UNCTAD analysis on data Statistical Institute of Belize (SIB), Labour Force Survey (April 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%)

11. International regulatory issues

- 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)
- b. The Economic Partnership Agreement between the EU and CARIFOURM (2008). Tourism Commitments in the services schedule.

Belize has not Free Trade Agreement with the United States.

Key findings

- 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 employs 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