



**ACTION PLAN OF BELIZE PREPARED AT THE WORKSHOP FOR  
PRIVATE/PUBLIC AGREEMENT FOR THE ELABORATION AND  
IMPLEMENTATION OF SHORT SEA SHIPPING IN MESOAMERICA**

**Belize City, Belize  
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## Presentation

### Workshop Objectives

Prepare, review and validate with private and public sector the Action Plan to implement Short Sea Shipping to:

- Facilitate the market for SSS potential service providers in Mesoamerica within a regulatory scope and port conditions required, including border process and the integration with road transportation that allows a self-sustaining operation.
- Support the providers interested to establish SSS services, communicating their characteristics to potential users.

### Background

The initiative for a Feasibility Study for the Development of Short Sea Shipping in Mesoamerica (SSS) began at The Villahermosa Declaration, approved at the X Summit of Heads of State and Government of the Mechanism of Tuxtla Dialogue and Agreement. Held in June 2008, within the Puebla Panama Plan, agreed, *“Instruct the competent agencies to plan and implement a project for the development of short sea shipping, under the coordination of Panama”*. Meanwhile, in the Declaration of Guanacaste approved in the XI Summit of Head of States and Government of the Mechanism of Tuxtla Dialogue and Agreement, held in July 2009, within the Mesoamerican Integration and Development Project (MP) issues, agreed, *“Conduct a feasibility study and diagnostics for the infrastructure and port services necessary for Short Sea Shipping implementation in Mesoamerica. This project is coordinated by Panama, with the support of Central American Commission for Maritime Transport (COCATRAM)”*.

After the validation workshop and the results of the INECON feasibility study presentation held on April and November 2011, respectively, it concluded that could be a business case for, in the first instance, the private operation of a SSS service in the Pacific coast and subsequently in the Atlantic. In order to accomplish the feasibility conditions indicated by the study the service should benefit from a facilitating regulatory framework, fast and low cost port processes for the ship, cargo, transshipment and border controls.

Subsequently, the Regional Technical Commission on Transportation indicated that **the Maritime and Port Sub Commission of the Regional Technical Commission shall be instructed, with the support of COCATRAM and together with the Inter-Institutional Technical Group, to review the action plan proposed by the technical cooperation on Short Sea Shipping in Mesoamerica and provide their considerations to the Technical Group created by the Executive Commission held last November 22. Thereby, including the participation of the commercial sector and private shipping lines, in such task.**

Therefore, IDB, expecting the 10 Mesoamerican countries (México, Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panamá, Colombia y Dominican Republic) legitimize the project, has decided to constitute COCATRAM as the executing agency of this process, supported by the Panama Maritime Authority (PMA) and IDB.

## **Workshop Methodology**

The key actor's mix of each country was composed by public and private organizations:

Public Sector: Maritime and Port Authorities, Customs, Ministries of Health, Ministries of Agriculture, Ministries of Transportation, Ministries of Commerce, Free Zones Administrations.

Private Sector:

Potential Providers: Shipping lines and agencies, logistics companies, and road transportation.

Potential Users: Exporters and importers, producers, manufacturers, chambers of commerce and business associations.

Ports: Terminal Operators.

The final list of organizations and their representatives invited at the workshop was generated through the Presidential Commissioners of the Mesoamerican Integration and Development Project. Afterward, the invitees were requested to be prepared to generate information related to the workshop objectives according to their operations of their organizations. In order to ensure that all participants comply with the required information of the study, the workshop organizers presented the background and feasibility study results.

During session 1 of the workshop the participants were divided into groups accordingly to the classification defined previously and asked to generate information according to the following approaches:

**GROUP 1 - Users and cargo owners.** Conditions y Characteristics of SSS services Intraregional Cargo Throughput.

**GROUP 2 – Shipping Lines.** Identification of Government Institutional Barriers to the Development of SSS.

**GRUPO 3 – Ports.** Port Terminals Required Facilities and Infrastructure Conditions for SSS Vessels and Cargo.

**GRUPO 4 – Road Transportation.** Characteristics of Road Transportation Services SSS Intraregional Cargo.

**GRUPO 5 – Government Institutions** Actions required to facilitating regional SSS services instauration.

Later, it followed a general plenary, each group explaining the information requested. The information generated constituted a diagnostic of the current situation for the development and implementation of short-distance maritime transport.

In the session 2 the groups described the necessary recommendations corresponding to the issues, barriers or difficulties described in the session 1 that subsequently was taken to plenary. The inputs of the session 1 and 2 of the activity, constituted the fundamental base of the action plan with the corresponding responsible institutions and time frames for its execution. The time windows were framed up to three years for the short term, between three and five years for the medium term and more than five years for the long term.

After the sessions 1 and 2, through the plenary process, they were discussed and managed the topics directed to know and/or recommend actions on:

- Establishment and Development of Open Market Policies and Necessary Conditions for the Offering of Competitive TMCD and Terrestrial Services.
- Proposal for Implementation of the Maritime TIM in Mesoamerica.
- Evaluation of Potential Nodes for an effective implementation of the TMCD.
- Communication Plan as Support to Potential Providers to Inform about the Offer to Potential Clients.

The program of the workshop is found in **Anexo 3**.

### **Belize Action Plan**

The following Action Plan is the result of the analysis and agreement among the workshop representatives. The actions are in the same as the information generated according to the recommendations issued by each group and then the responsible entities to carry out the actions with the agreed time frame for the same. It is worth highlighting that in this workshop customs was absent. To remedy this, the present participants will carry out an extraordinary event organized by the government to achieve the public-private consensus proposed in the objectives.

**Belize Action Plan for Short Sea Shipping Implementation**

**Summary of Public Private Agreement**

Section 1 – Fundamentals for the Introduction of SSS in Mesoamerica	Section 2 – Recommendations for Introduction and Operation of SSS Services	Responsible	Timeframe
<p>1) Belize requirement for SSS services are more for break bulk (raw/semi-finished) versus containerized products for exports,</p> <p>2) High cost of maritime transportation and the impact on product competitiveness,</p> <p>3) Limited availability of service routes from/to Belize-Mesoamerican countries,</p> <p>4) Limited options (road v. sea) for trading within immediate Mesoamerican region,</p> <p>5) Limited amount and type of products available for export (portfolio of product offers),</p> <p>6) Difficulty in access to/from primary markets (US) versus wider Mesoamerica,</p> <p>7) Challenging regulatory requirements into C.A. &amp; Mesoamerican markets</p>	<p>1) Conduct a study of break bulk cargo trade to get better grasp of trade realities,</p> <p>2.) (It is included in other actions in the plan)</p> <p>3) &amp; 5) Promote and increase the production of exportable variety/types of products available for trade (need for assistance in sales/marketing in order to increase production and volumes),</p> <p>6) Increase trade promotion/facilitation with other Mesoamerican countries (Public/Private, B-2-B) to increase opportunities for trade,</p> <p>7) Develop/encourage training/education programs on Doing Business with C.A. &amp; Mesoamerica Countries (covering regulatory requirements for import/export, payment, etc.)</p>	<p>1)BELTRAIDE/BCCI/Private Sector/</p> <p>3 to 7 Belize Port Authority</p>	<p>1) Short term;</p> <p>2) short to medium, 3 &amp; 5) medium term;</p> <p>6) Short to medium,</p> <p>7) Short term</p>
<p>1. Expansion of the current facility in order than more than one vessel can be work at the same time in order that the carrier can maintain their frequency.</p>	<p>1. Belize government and port operators will analyze the possibilities that could exist, in terms of volume, for the transition of road transport to SSS converting bulk to containers.</p>	<p>1. The Government and the ports specifically Ministry of Transport and Port Authority of Belize. Belize Port Authority/Ministry of Transport Port of Belize Limited Port of Big Creek</p>	<p>1. Short Term</p>
<p>1. Trade Facilitation: Barriers on customs, OIRSA, Immigration, Brokerage (ASYCUDA), and Export Logistics Infrastructure on Mesoamerican ports of destination. Governmental barriers are not an issue in Belize.</p>	<p>1.1 Request the removal of non-tariff barriers (Customs delays) at destination ports in Guatemala</p> <p>1.2 Request the removal of restrictions that prohibit Belizean vessels from loading at the cabotage berth in Puerto Cortez, Honduras.</p>	<p>1.1 The consult workshop will send the information related to Guatemala</p> <p>1.2 Ministry of Foreign Trade/Foreign Affairs. The workshop team will consult Belizean issue related to loading at cabotage berth in Puerto Cortez.</p>	<p>1.1 Short Term</p> <p>1.2 Short Term</p>
<p>2. Infrastructure: Berth (1-PBL, 3-PBC; harbour works (7m-PBC; 10m-PBL). At port of Big Creek we can accomodate 3 vessels working at the same time with a size of 140 meters. At port of Belize we accomodate one ship at a time (size 168 mts).</p>	<p>Not apply</p>	<p>Not apply</p>	<p>Not apply</p>
<p>3. Superstructure: Cranes, container handling equipment, dock trucks, reefer stations, warehousing (limitations on bulk handling equip). Both ports are capacity to handle containerized cargo but limited in bulk handling cargo, from a storage point of view. Equipment acquisition requirement is minnimal for bulk cargo. Both terminals have the capacity to handle SSS services.</p>	<p>Not apply</p>	<p>Not apply</p>	<p>Not apply</p>

<b>Belize Action Plan for Short Sea Shipping Implementation</b>			
<b>Summary of Public Private Agreement</b>			
<b>Section 1 – Fundamentals for the Introduction of SSS in Mesoamerica</b>	<b>Section 2 – Recommendations for Introduction and Operation of SSS Services</b>	<b>Responsible</b>	<b>Timeframe</b>
4. Labor cost remains the same regardless of cargo origin. The cost of labor is high relative to the region. There is a Union Labor in Port of Belize. A union labor which have a very strong collective agreements. (impediment: cost and efficiency)	4.1 Reduction of gang size and working hours at the Port of Belize Ltd 4.2 Establishment of efficiency standards for container operations at Belizean ports	4.1 Belize Port Authority , Labor Department, Port of Belize Ltd 4.2 Port Companies and Port authority	4.1 Short term 4.1 Short term
5. Tariffs are established in law and the port operators are able to reduce them without legal constraint. (Ability to reduce tariff without legal constraints but they don't). The port charges are regulated but the shipping/freight is not.	5.1 Conduct of regional tariff study to help improve competitiveness (every five years)  5.2 Explore the PPP platform for the expansion and maintenance of harbor works in order to be able to service larger vessels whilst stabilizing/reducing tariffs	5.1 Belize Port Authority, Ministry of Transport and Port Companies  5.2 Belize Port Authority, Ministry of Transport, Ministry of Finance and Port Companies	5.1 Midterm  5.2 Mid - long term
1. Ensure enough equipment to meet the demand.  2. Proper road development needs to be in place in order to deliver the cargo in a timely manner. Linking from the production areas to the port is not adequate to meet this demand.	1. Invest in new and existing roads in order to minimize the impact on the main routes that the increase traffic/weight will bring.  2. Government to put tax incentives in place to attract new truckers to participate in increased volumes because the number of truckers available at this time would not be enough.	1. Ministry of Works  2. Ministry of Finance	Medium Term
1) Need to improve trade facilitation. One key element is certainty of operation, get approval ahead of time. Certainty of treatment is critical for trade facilitation. 2) Sign onto the Trade Facilitation Protocol of the WTO and those constraints should be dealt with under the Protocol 3) Establishing a Mesoamerican regional agreement for minimum standards for secondary ports and SSS services (national treatment with international conventions between Mesoamerican countries). 4) Complete and implement national master plan on transportation with focus on national road network  5) Consider the accession to SIECA to better position ourselves to deal with emerging and new issues and trends in order to increase trade.	1 & 2) Ratify the WTO Protocol on Trade Facilitation  3) Lead the negotiations for the establishment of a Mesoamerican regional agreement for minimum standards for secondary ports and SSS service  4) Where focusing on the preparation of the study  5) Continue to consider accession to SIECA	1) 2) Ministry of Trade & Min of Finance (Customs Department)  3) Ministry of Works and Transport and Port Authority)  4)Office of the Prime Minister, Minister of Works & Transport, Ministry of Tourism, Civil Aviation, & Min of Economic Development & Min of Trade  5) Min of Trade and Min of Foreign Affairs	1) 2015 to ratify and 2020 to implement all obligations - 2015 - short term 2) 2020 - medium term 3) to be ratify on 2016  4) to complete the master plan by mid 2016 and thereafter will break into tranches for implementation of as yet undefined time frame - long term 5) accession to SIECA - short to medium term - 2-3 years

<b>Maritime TIM Proposal</b>	
Belize can't make a decision for the implementation of TIM because of lack of information and its implication on the current system.	
<b>Open Market Policies on Shipping and road Transportation Services.</b>	
There are no restriction policies for SSS service.	
<b>Potential maritime nodes and products</b>	
<b>Ports</b>	<b>Products</b>
<p>Port of Belize and Port of Big Creek as potential ports for SSS services</p> <p>Taking in consideration that there is a partial scope agreement between Belize and El Salvador, explore the possibility of using the route Port of Belize/Port of Big Creek - Santo Tomas de Castilla/Puerto Cortez - El Salvador.</p> <p>With Mexico Puerto Morelos or Progreso.  With Honduras Cortez y Santo Tomas de Castilla  With Costa Rica and Panama.</p>	<p>The president of the Belizean Chamber of Commerce, Mr Arturo Vasquez will submit the list of products to be traded with MA region by March 18th.</p>
<b>Communication Plan</b>	
<ol style="list-style-type: none"> <li>1. Use of Government offices websites</li> <li>2. Meetings with key players</li> <li>3. Use of Chamber of Commerce website</li> <li>4. Media rounds</li> <li>5. Port operators' websites.</li> <li>6. Print media</li> </ol>	