



Generous gifts from AMLO and the Mexican people

There's nothing new about Mexico showering Belize with gifts, so it was no surprise when, on a state visit to Belize on Saturday, the president of Mexico, Andrés Manuel López Obrador (called AMLO) poured out the love. Mexico is our good neighbor; they were the first to establish diplomatic relations with us when we became an independent nation in 1981.

After the visit, PM Briceño announced that the president of Mexico promised us three new vocational high schools, similar to the one they gave us in 1983, *Escuela Secundaria Técnica México* in San Roman. Additionally, Agriculture Minister, Hon. Jose Mai, said that very shortly two thousand Belizean small farmers will be receiving financial and technical assistance from Mexico over a four-month period.

The biggest gift of all was the lifting of tariffs on agricultural products from our country. We are a small country with a small local market. It's an economic rule that the greater the number of consumers, the lower the cost of goods, and the smaller the number of consumers, the higher the cost of goods. With the tariffs removed, our agricultural products have found a market of over 120 million people with the most favorable conditions.

It's almost too good to be true. It harks to the days when the countries that form the European Union gave preferential treatment to our sugar and bananas. We couldn't be condemned if we pinched ourselves just a little, because countries are not in the habit of giving away their business.

We shouldn't worry that our neighbor would be endangering its economy in any way with this largesse. Compared to Mexico, Belize is a tiny country. Their population is about 300 times ours, so even if our farmers were competitive with theirs, we

couldn't cause much harm. Our farmers are not competitive with theirs. Mexico is both a temperate and a tropical country and everything we can do in agriculture, they can do better. On top of their natural edge, Mexican farmers, like American farmers, are heavily subsidized. Belize's farmers don't get much financial support from our government.

We must make every effort to capitalize on our neighbor literally throwing open her doors to us. PM Briceño noted that Quintana Roo, the region of Mexico closest to Belize, is not big on agriculture, so there is much potential there for our farmers, particularly our rice, beans, corn, livestock, shrimp, and fish producers. Hopefully he is right. There exists a massive trade differential between Mexico and Belize. World trade reports say we bought US\$ 133 million worth of goods from Mexico in 2020, while they bought only US\$ 12.4 million worth of goods from us.

Livestock production is just about the only area where we come close to competing with the Mexicans, and that's because it is the agroindustry that is least dependent on

foreign inputs. Cattle eat grass and legumes. A lot of grass and legumes grow in Belize.

Since coming to power in November 2020 the PUP government has been pushing to do greater business with Mexico, and it achieved a breakthrough of sorts with the exportation of cattle on the hoof. There was overstocking on the ranches, and the new government got the animals moving to Guatemala, and Mexico. The previous government has charged that the new government promoted trade that was not entirely aboveboard, and that following the process they had set up would eventually have yielded similar results.

The opportunities are great for beef from Belize, but before we get too excited over the zero tariffs incentive, there must be a think tank, thought that must be put in now, to decide how much more of our forest we will give up to raising cattle. We have seen how much damage the new sugar farm in Cayo has done to the jaguar corridor.

Belize is not the only country the Mexican president visited last week. Guatemala, Honduras, and El Salvador were also important stops by AMLO, on a trip the foreign press said was aimed at opening discussions and initiating programs to alleviate economic hardship in our region. Pressures caused by hurricanes and droughts and Covid-19 have exacerbated poverty in Central America, and in recent years caravans of destitute persons have been making their way through Mexico, to get to the USA. Thousands have met stiff US resistance at the Rio Grande, and this has led to numerous humanitarian crises in Mexico. On Saturday, AMLO praised the Belize government and people for our amnesty program that will regularize upward of 40,000 people, most of them Central Americans.

In the effort to stimulate ravaged economies in the region the US government has committed over US\$ 1.2 billion to the private sector in Central America. The US is a great and generous nation, with faults. AMLO also visited Cuba, where he made a call for the US to drop its 6-decades long, stifling economic embargo on that nation, and Mexico has threatened to boycott the 9th Summit of the Americas, set to convene in June. PM Briceño, the current chairman of the Caribbean Community, says the group is insisting that Cuba and Venezuela also get invitations to the summit.

Mexico is pushing free trade as a practical solution to the economic problems in the region, and the removal of tariffs on agricultural exports from Belize might be a sweetener to get us on board. In February the Belize Press Office announced that the Minister of Foreign Affairs, Foreign Trade and Immigration, Hon. Eamon Courtenay had been working with counterparts in Mexico to formalize an agreement that would be "vital for the economic development of Belize, including growth in exports to Mexico." The pro-business *Reporter*, in its editorial last week, stated that in negotiations with our country, Mexico had "made it clear that she prefers a free trade agreement instead of a partial scope agreement covering specified items."

The *Reporter* noted a number of positives that free trade with Mexico would bring and said that while it might be stressful, if we are inventive and do our homework right it is "eminently do-able!" It will take some convincing to make us see how free trade with Mexico could serve Belize. In agriculture, Mexico can do everything better than we can, and their superiority is magnified in almost every other business endeavor, except tourism. We might not be able to go any further than accepting this no-tariffs gift from our neighbor.

Belize has its share of blessings. Our country is one of the most beautiful on the planet; democracy is alive and well in our land; our people have never given up hope that better economic times will come, and while our neighbor to the west and south has been aggressive toward us, to the immediate north of us lies a neighbor that more than makes up for the stress caused by the one that claims our territory. On Saturday our neighbor to the north came through for us again.



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