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POTENTIAL AND PREREQUISITES FOR ESTABLISHING
AN INTEGRATED WOOD PROCESSING COMPLEX IN BELIZE ^{1/}

by

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The author, Charles M. A. Goethals, undertook a three day mission (from 17 to 20 November 1976) to Belize at the request of UNIDO.

His terms of reference were to:

- assist the local authorities compile the necessary data for the Industrial Project Information Form for woodworking projects for the Meeting to Promote Investment and Industrial Co-operation in Selected Wood-processing Industries at Montreal in May 1977.
- write a short report on the potential for the development of the wood-processing industries in Belize, identifying problems to be solved and suggesting possible assistance by UNIDO.

There is, of course, no doubt that all characteristics of a country like Belize cannot be assimilated in three days. Moreover, it seems that the information communicated by UNDP/UNIDO to the Belizian authorities had not been forwarded to the "Development Finance Corporation" which was the body most concerned with the meeting in Montreal. This resulted in that no visit, no meeting nor background information was prepared at the time of the author's arrival in Belize.

Therefore, the first task of the author was to inform the "Development Finance Corporation" of Belize of the UNIDO Meeting to Promote Investment and Industrial Co-operation in Selected Wood-processing Industries, which will be held at Montreal in May 1977, and to explain the objectives of that meeting.

UNIDO's initiative was appreciated by Mr. Leonides J. Cuellar, Investment Promotion Officer, D.F.C. who served as the author's counterpart. Mr. Cuellar was already prepared to explore possibilities to go in joint ventures with non-nationals who have the expertise and capital needed to develop new wood-processing industries in Belize. His views on the matter were already expressed in the comments he sent to Mr. Ray Fuller, General Manager, D.F.C. (12 October 1976) on the report written by Mr. Antoine V. Bassili "Development of the Secondary Wood-Processing Industries - Belize" (UNIDO/IOD.38 - 20 August 1976).

It is a fact that the potential of Belize's forest resources justify a fully vertically integrated and modern wood-processing industry. The country's geographical location gives it a good position to develop exports.

Well known species have good markets both in North America and in Europe. Lower grades of these species and the wood of the lesser known species can capture markets in the Caribbean countries. The national interest is to sell the wood as finished products, as elaborated and sophisticated as possible.

The project submitted for the Montreal meeting was drafted in a few hours, and is because of this, far from being complete or perfect. But it must be realized that all the possibilities were included in the hope that potential investors and the Development Finance Corporation, will, in their discussions, determine priorities for investments and establish the "product mix" of the complex. Once this has been done, it could open the way to a better visualization of the specific action-oriented aid Belize could request from bilateral or international technical assistance.

It would be advisable to consider the project for a large integrated complex as a concept to be divided in several closely integrated phases or as a series of small specific projects. A rank of priority must be assigned to each product to be manufactured. The priorities given by Mr. Bassili in his report are, in the author's view, correct ones once the primary industry (conversion of logs to planks) has been established. The creation of wood based panel industries cannot be determined (with respect to type of panels, capacity, specifications, grades, etc.) until detailed forest inventories have been established. Particular attention must be given to:

1. the infrastructure of roads and waterways;
2. harbour installations and facilities.

In connexion with this point, the author wants to refer to Mr. Bassili's report and confirms the necessity of the existence of a container service for exporting some of the more sophisticated products competitively.

Conclusion

The concept of such a project is viable but must be elaborated and divided in several phases with indication of priority.

Recommendations

Before attending the Montreal meeting, the Development Finance Corporation, should in consultation with other authorities:

- Divide the project into several phases, selecting the more urgent and more feasible of them to be submitted to investors as top priority;
- Prepare complete information about the forest concessions available in the present time and in the future, since the 16 square miles was taken to be an indication only of the type of forest available;
- Request assistance - if necessary - from bilateral sources in undertaking detailed forest inventories before the concession is handed over to the partner in the joint venture.

At this stage, the author believes that the assistance UNIDO could now give to the D.F.C. of Belize will be to provide the services of experts and/or specialized consulting engineering firms to serve as advisors to the authorities of Belize on short ad hoc missions in their negotiations with the potential investors, for the appraisal of the project's viability, the layout proposed, the offers for equipment and plant, and the design and marketing of products for overseas.

The author wishes to thank Mr. Leonides Cuellar for his invaluable assistance without which it would have been impossible to complete the task in three days.



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