



THE BUSINESS PERSPECTIVE



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ADVOCACY

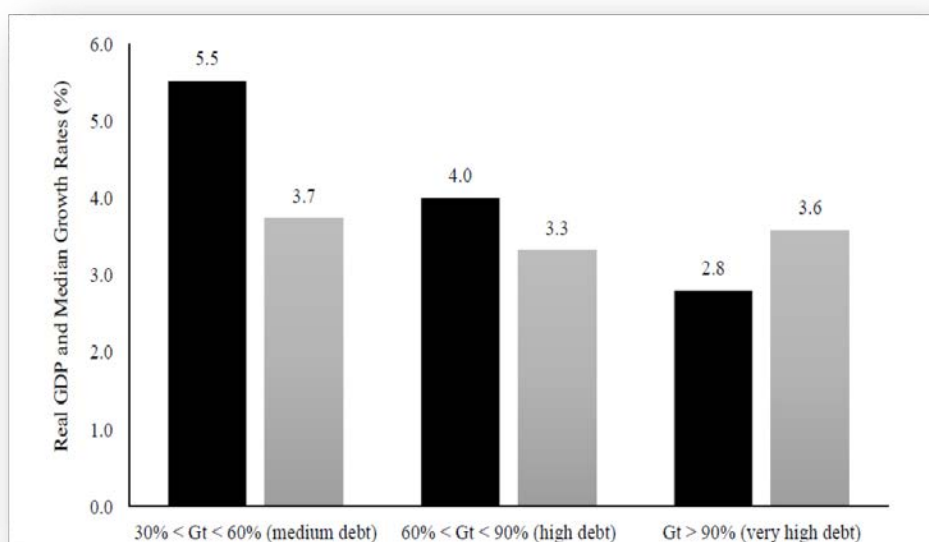
Primary Surplus and Belize's Debt

In the soup of economic statistical variables that often find themselves in the public discourses regarding the health of the Belizean economy, of late one that has been worthy of even more attention is Belize's primary surplus. Defined as the difference between the country's current revenues and non-interest expenses, it is understandable why it is also viewed as what is left to "service debt after the government" had considered the income and expenditure necessary for running the country.

Looked at from the standpoint of what is left to service the country's debts, it then becomes conspicuous as to why it was such an important component in the last super bond restructuring negotiations with the bondholders, who had called for Belize to target a 2 percent primary surplus up to Fiscal Year 2020/21.

To achieve this goal, the government has implemented several revenue measures via amendments to the rates of certain taxes and has cut public investment. As of June 2018, the Central Bank of Belize (CBB) reported:

“For the first quarter (April to June) of the 2018/2019 fiscal year (FY), Central Government’s fiscal adjustments yielded a primary surplus of 1.8% of GDP, up from 0.9% of GDP in the same period of the 2017/2018 FY and an overall surplus of 1.3% of GDP, up from 0.6% of GDP in the comparable period of the 2017/2018 FY. The improved fiscal outturn reflected a 6.5% increase in Central Government’s revenue and grants, stemming from the new tax measures implemented in April, and a 3.3% reduction in total expenditure, as the cutback in capital spending exceeded the increase in current outlays.”



Within that same context, it is of note that the CBB also reported: “Over the first six months of 2018, Central Government’s domestic debt fell by 1.3% to \$1,013.2mn (26.4% of GDP), while the public sector’s external debt rose by 0.5% to \$2,523.6mn (65.6% of GDP). Consequently, the total public sector debt-to-GDP ratio narrowed from 95.0% of GDP at December 2017 to 92.0% of GDP at the end of June.”

Now that was for the first half of the year. It, however, is important to see whether or not the primary balance remains in surplus and whether debt levels continue to decline, even if incrementally. Nevertheless, to confirm the former or the latter, we will simply have to await the updated reports regarding Belize’s fiscal accounts.

Now while there have been disagreements between the private sector and the government over how best to achieve this sort of debt reduction, the common goal for all parties, including the general public, is to ensure that Belize's public debt is, indeed, decreasing, and so at a reasonably rapid pace. Frankly, the school is out on why debt reduction is so pivotal. As has been discussed in this column before, empirical works by CBB's economists have already shown that Belize's growth rate is at least 2 to 3 percentage points higher on average when debt is closer to 60 percent of GDP. As is shown in the image accompanying this article, when Belize's debt levels is between 30 to 60 percent of GDP, growth averages about 5.5 percent; however, only about 2.8 percent when debt is above 90 percent of GDP.

Therefore, debt reduction is a welcome development. However, it becomes quite clear that with debt still elevated above 90 percent as of the time of writing this article, it is also evident that we have some ways to go. To make matters worse, in an environment that is not without its downside risks that ranges from natural disasters to slower-than-expected growth in Belize's major trading partners, there are a myriad of factors that could easily upset this trajectory.

Given these very real risk factors, the issue that is often raised by the private sector is the fact that no government can expect that they will be able to sustain a primary budget surplus and the associated debt reduction by tax measures alone. There is need to improve the business environment to ensure that business growth and private-sector investment are accelerated, because these would help to make economic growth more sustainable. The logic is fairly straightforward: if the economy is growing at a much faster rate than the debt levels, this implies that even at the current tax rates there will be more tax revenues being collected. However, this hinges on the fact that, at the same time, the government is exercising fiscal discipline.

In short, this is an issue that all members of the Belizean society should be keeping a close eye on, because large debt overhangs also has a way of eating into spending on other essential things, including needed social programs or public infrastructure.

Contributor:

Dyon Elliott, Chief Policy Analyst

The BCCI Welcomes its New Members for 2018

1. Southern Choice Butane Limited
2. Triple A Imports
3. Belize International Financial Services Association
4. Northside Medical Centre
5. MARS Distributors
6. SPEED IT
7. A&T
8. Zara's Boutique
9. Chef Ainsley Castro
10. Unique Hand Made Jewelry
11. Sunnyside Bakery
12. OvoBZ
13. D' Chriszelle's Services
14. J.T. Waffle House
15. Glow Pearl Consultants Inc.
16. JMA Rentals Ltd. (d/b/a Budget Rent a Car)
17. Victor Foods Distribution
18. APEX Limited
19. BERT
20. Jun's Meat Shop
21. Mega Bonanza
22. RET International
23. United Belize Advocacy Movement
24. Southwest Airlines



The DFC represents Belize at Feria Internacional PYME Quintana Roo 2018

With invitation from the Belize Chamber of Commerce and Industry (BCCI), the Development Finance Corporation (DFC) represented Belize at this year's **Feria Internacional PYME Quintana Roo, 2018** which was held in Chetumal, Quintana Roo, Mexico on August 2nd and 3rd, 2018.

The two-day fair hosted both an EXPO and presentations geared towards business development and expansion. The international fair hosted representatives from Belize, Haiti, Jamaica and Panama, presenting an ideal environment for business opportunities and partnerships.



For the DFC, it provided valuable insight on how our neighbor and other nations plan to progress in the areas of agriculture, small and medium enterprise (SME) development, renewable energy and energy efficiency (RE/EE), business export and, online marketing for small businesses, to name a few. One such entity was MISOL, a Mexican based Energy Service Consultancy which promotes solar energy solutions particularly for Mexico's tourism industry.



MISOL provided insight that the Industry's need for water heating accounts for over 25% of industry's energy consumption underscoring the need for hotels and other businesses to harness the power of solar to not only reduce long term operational costs, but to collectively reduce greenhouse emissions and the nation's dependence on fossil fuels.

Such efforts mirror that of the DFC and its Strategic Development Goal on Climate Resiliency. The DFC promotes the benefits and encourages the uptake of renewable energy and energy efficiency investments in Belize's Tourism Industry, Manufacturing and other areas of Belize's Productive Sector.

The DFC encourages the participation of Belizean Enterprises in the **2019 Feria Internacional Pyme, Quintana Roo**. It will certainly aid Belizean businesses to foster greater international partnership and export opportunities, supporting Belize's development goals.



Contributor:

Hipolito Bautista III

Manager, Marketing & Communication (Ag.)
Development Finance Corporation



BCCI's Calendar of Training & Events

Presentations

Create a Future with Millennials or Millennials will Create a Future for You **July 12th**



Leadership in the 21st Century **July 19th**



How Leaders can Solve the 5 Pervasive Team Challenges **July 27th**



Trainings

- ♦ Armed Intruder & Robbery Prevention **Aug 2nd**
- ♦ Disciplinary Action: The Importance of Documenting **Aug 9th**
- ♦ The Voice of Leadership **Aug 31st**
- ♦ Writing & Analysing Financial Reports **Oct 3rd**
- ♦ Superior Customer Service **Oct 25th**
- ♦ Key Skills for Leadership Excellence: Critical Techniques to Enhance Leadership Skills **Nov 13th**



GST Compliance Info Sessions in:

- ♦ Dangriga Town—Aug 8th
- ♦ San Pedro Town—Aug 31st
- ♦ Punta Gorda Town—Nov 8th



Business Mixer

The “No” to the ICJ — Aug 16th



ILO & BCCI

Launch of Skills Gap Study

Oct 30th

Mr. Arturo Vasquez, BCCI's Past President hands over copy of study to CEO Mrs. Deborah Domingo from the Ministry of Education

School Presentation -
Escuela Secundaria
Técnica México, Corozal
Nov 23rd





Pro-adapt Belize- Increasing Climate Change Resilience and Related Business Opportunities

The Belize Chamber of Commerce and Industry has received financing from the Inter-American Development Bank (IDB) toward the cost of a private sector focused project named: *Pro-adapt Belize- Increasing Climate Change Resilience and Related Business Opportunities*.

The Project aims to increase private-sector climate resilience in Belize at the enterprise level, while also aiding local providers to capitalize on the growing demand for products and services that help buyers to better manage exposure to flooding, sea level rise, cyclonic winds, heat waves, etc. The direct beneficiaries of this project will be the building/construction sector and the tourism-based communities.

Noteworthy is that the project incorporates both the demand- and supply-side perspectives in one operation. From the demand side, climate resilience is a defensive strategy on the part of enterprises when aiming to enhance their business continuity, and to protect property, value chains and critical infrastructure. From the supply side, climate resilience is a business opportunity for local MSMEs in the form of products and services needed to help customers better manage their exposure to climate risks.

In addition, the project will work with community-based adaptation initiatives on joint interventions to reduce common climate risk vulnerabilities to businesses, households and communities.

Contributor:

Tracy Recinos- Hanson, Project Coordinator



The 22nd Anniversary of the Expo Belize Market Place was indeed a landmark event with 115 companies participating in 200 booths and almost 14,000 visitors at the ITVET Campus on the 15th and the 16th of September. The Expo has evolved over the years into more than just a market place, but also, a place to test and develop new and current business promotions and ideas. Our main stage was also filled with local entertainment such as Ernestine Carballo, Cocono Bwai, Entertainer Boss, DJ Dalla and DJ Fadda Jesse, Terry the Bruk Down Band and Super Furia Band.

The Expo Belize Market Place welcomed 42 new exhibitors. We had the participation of 35 micro businesses, 42 businesses that fell under the Commercial/Industry sector and 32 businesses in the Services/Diplomat and Public sector. The expo also featured an automobile display. There was no shortage of food, drinks and deals for the public to take advantage of and enjoy.

Visitors were encouraged to visit each booth, the more booths they visited they received a free raffle and the opportunity to win any of the 33 gate prizes. Our opening ceremonies had special guest speaker, Mrs. Sahai Arnold, who spoke on her personal experience as a successful young entrepreneur for her business, Sassy's Dessert Factory. In an effort to show appreciation to companies who have participated and sponsored the Chamber's Expo, we presented Certificate of Recognition to thirteen companies at the opening ceremonies on Saturday. These included Bowen & Bowen, Yello, Quality Poultry Products, Citrus Products of Belize Ltd., Embassy of U.S.A. in Belize, Cellular World, T-Shirt Factory, Love FM, Krem Radio, Central TV & Internet, Morning Matters, Studio 7, Brothers Habet, Caribbean Tires and Motors, Way Printing, Wood Stop, United Airlines, and we also issued an award to the youngest exhibitor at this year's expo, Craftastic J.

A warm thank you to all our exhibitors, our sponsors, and to the Belizean public!

Contributor:

Viannie Reyes, Marketing & Public Relations Officer



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223-5330 or email membership@belize.org**

The HR Perspective: “When hard work and intelligence work hand in hand, many things are possible”

As reported in our previous edition of the Business Perspective, the dynamics of the Chamber's staff has been evolving. The Secretariat has had to be creative in filling the gaps created by staff movements. Kudos to the staff who took on the challenge and additional responsibility so as not to compromise the level of service the Chamber offers to its constituents. We hired two new persons to fill the positions of a Customer Service Representative and a Conference Room Coordinator/Marketing Representative.

Trainings

Our Manager of Finance and Administration and the Compliance Officer participated in a Damage Assessment & Needs Analysis Sectorial training held at Dream Valley Belize on 26th July 2018. This training was facilitated by NEMO and UN. The objective of the training is to improve NEMO's capacity in providing sector reports to meet international standards.

Our Chief Policy Analyst attended the course “Public Private Partnerships and Concessions: Design, Implementation and Challenges” held by the Inter-American Institute for Economic and Social Development in Nassau, Bahamas. The course was taught by Dr. Eduardo Engel of the Universidad de Chile.

The Chamber had its 22nd Expo Belize Market Place on 15th & 16th September 2018. Kudos to the staff for all their hard work and dedication in making this Expo a huge success. Everyone worked tirelessly in seeing that things went like clockwork and the marketing was well orchestrated.

Staff Meeting

Our third staff meeting was held on August 15th and our final one on December 6th, 2018.

It goes without saying that our staff is second to none. We continue to work together to ensure the best possible service is provided to you, our members. This is our Chamber and we are proud to be a part of it!

Contributor:

Venesia Neal, Manager of Finance & Administration

Western Union Corner: WU Air App

This September, the Belize Chamber of Commerce and Industry launched the AIR APP. This App allows our customers to start the transaction on their phone once they have downloaded the app from either Google Play or the App store. With the transaction started, they can come into any of our location and complete the transaction.

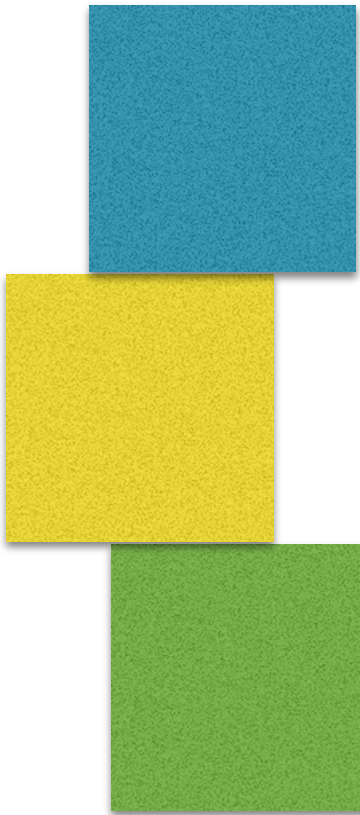
The biggest advantage to this is that customers who start or stage the transaction can take advantage of the price. The rates using the app are a little lower than the regular price and customers have twelve hours to complete the transaction.

When arriving at the location, the customer needs to inform the CSR that they started the transaction on the App, complete the Central Bank form and pay for the transaction. A valid ID still needs to be presented.


Contributor:

Ms. Danette Burns, Western Union Supervisor





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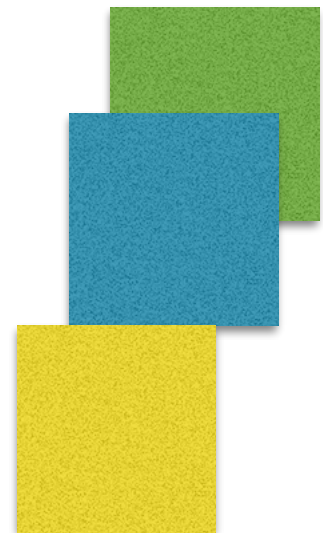
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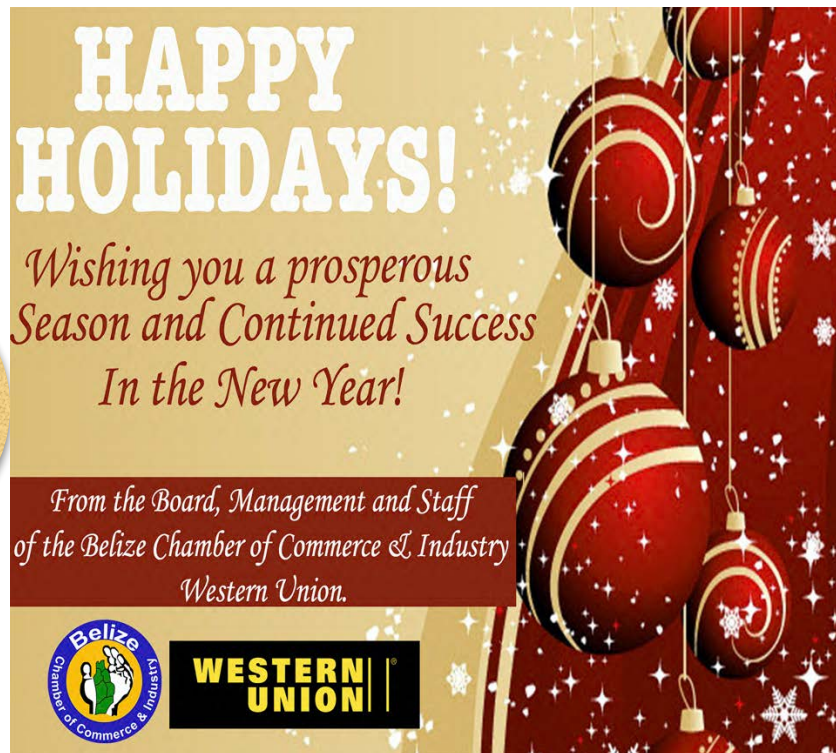
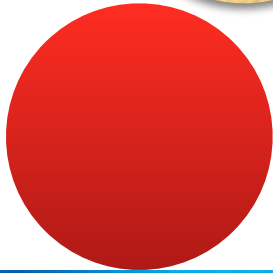
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San Pedro Town Chapter





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