



BELIZE CHAMBER OF COMMERCE & INDUSTRY

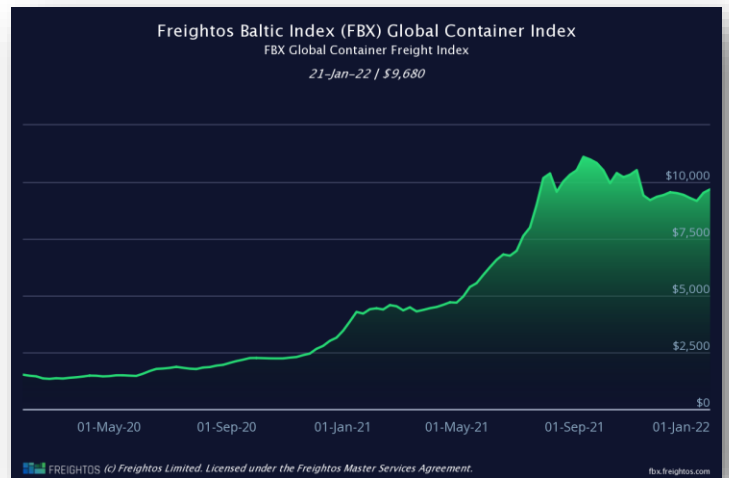
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Impact of Disruption at Port of Belize Limited on Consumers and Businesses

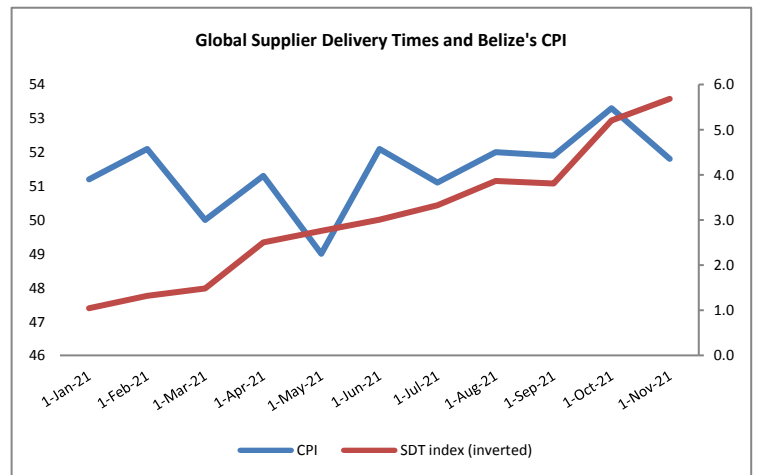
- For Immediate Release -

The Belize Chamber of Commerce and Industry (BCCI) expresses the business community’s grave concern and frustration with the repeat disruptions at **the Port of Belize Limited (PBL)**, the most recent of which has the **potential to worsen an already strained economy that has already pushed up consumer prices to levels that this country has not seen since August 2008.**

Belize’s inflation rate was 5.7% in November 2021, the highest reported in over a decade because of the effects of the COVID-19 pandemic. The sharp increase in goods prices is attributable to the knock-on effects from higher shipping costs, which stem from supply-chain bottlenecks triggered by the pandemic’s impact on global markets.



While there are minor signs that the situation is subsiding, elevated shipping costs continue to hover well above pre-pandemic levels. The *Freightos’ Baltic Index (FBX) Global Container Index* reports that logistics-industry capacity constraints, labor shortages in key origin markets, and backlogs throughout the global network have pushed container costs up from a **pre-pandemic average of about US\$2,500 to approximately US \$10,000 at present, representing a 300% increase.**



These shipping-industry backlogs are measured by indices such as IHS Markit's Suppliers Delivery Index (SDI), which examines whether delivery times are "on average, slower, faster, or unchanged." Globally, the SDI has signaled a slowdown in delivery times. Slower delivery directly impacts costs that eventually pass through to manufacturers and final consumers.

With this context and more in mind, the Belize Chamber of Commerce and Industry (BCCI) urges local stakeholders associated with the shipping industry to professionally address all issues using the dispute resolution processes available, rather than further impacting the accessibility or affordability of goods to the Belizean people. Such impacts on people and businesses add to an already precarious economic situation. The fact is that when shipping liners are forced to leave our ports without offloading their cargo, the costs fall on importers and consumers. This results in severe impact on households, firms, and the government.

First, there is a delay in essential imports. This is equally concerning for households and manufacturers, as consumer goods and goods used in local manufacturing account for 28% and 38% of Belize's imports, respectively. Delays put local factories at risk of not supplying their local and foreign customers on time since exports are also shipped by these vessels. As a result, these disruptions also threaten Belize's foreign exchange earnings.

Most of Belize's imports enter the country via the Belize City port. Unfortunately, in instances such as these, the vessels calling on the port would have to either return to their port of origin, divert to a nearby port for overland shipping or cancel their sailing altogether, all of which causes shortages and higher costs. The current standoff will result in zero imports and exports via PBL this week, or an estimated 700 containers failing to reach their final destination. When the ships are able to return, the importers and exporters may bear the repeat costs associated with the delivery.

Finally, the Government of Belize, for its part, loses much-needed revenues derived from duties and taxes.

The port and the work of the stevedores are deemed essential services. This is why there is established an *Essential Services Arbitration Tribunal*, the appropriate mechanism via which differences between the stevedores and PBL should be addressed. Moreover, *Section 15* of the Settlement of Dispute in Essential Services Act is clear:

*An employer shall not declare or take part in a lock-out and a worker shall not take part in a strike in connection with any trade dispute, unless the dispute has been reported to the Minister in accordance with the provisions of this Act and a period of twenty-one days has elapsed since the date of the report **and the dispute has not during that time been referred by the Minister for settlement in accordance with the provisions of this Act** (Emphasis added).*

The dispute between the parties is [currently before the Tribunal](#), on which the BCCI sits as a member. It is expected that the country's busiest port will operate at maximum capacity while the dispute is being resolved through this legal mechanism to meet the needs of the Belizean people.

There is, therefore, no acceptable reason for strike activity, threats or intimidation while negotiations continue. Instead, Belizean consumers and manufacturers will suffer increased hardship as such illegal actions threaten to depress a just-recovering economy, which still must contend with the spinoffs from the ongoing pandemic. We call on all parties to consider their effect on the economy and to avoid its further disruption, follow the mechanism established under law via which the parties are expected to address their differences.

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