

## Belize Chamber of Commerce & Industry

Annual Report 2017



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In April 2016, you entrusted to me the great responsibility of leading the Belize Chamber of Commerce and Industry. Though daunting and perhaps even somewhat intimidating in the face of it all, I can say with pride that we have always remained steadfast and resolute in the pursuit of a sustainable path for Belize's development.

Along this journey, we came to the realization that the greatest hindrance to our progress as a nation does not come solely from natural disasters such as hurricanes, floods, and challenges related to climate change. Instead, the greatest obstacle to our national development comes from man-made disasters orchestrated by our elected officials, public officers and interested citizenry engaging in and entertaining corruption.

Undoubtedly, this corruption feeds the violence in our streets, the unmitigated trafficking in people and drugs, the illicit enrichment of those in public trust, the money laundering, the poverty, the fear, insecurity, and the feeling of impunity and helplessness in our communities. The red and blue blindfolds must be removed if we are to unite against corruption and the corrupt, regardless of who they are.

As we review our achievements and accomplishments, we pledge to continue working tirelessly to promote the interest of the private sector. And even as we do this, we recognize that corruption presents the single most decisive obstacle and threat. We are convinced that widespread success in the fight against corruption is fundamentally indispensable to secure our future and that of our children. The rugged landscape and the darkening horizon dim the path we must follow, and starkly remind us that so much hangs on those thin threads of hope that we still nurture.

In keeping with our triple C philosophy – **Connect, Capacitate,** and Champion - we organized our initiatives and accomplishments of the past twelve months accordingly.

ACTIVITIES	CONNECT	CAPACITATE	CHAMPION	STATUS / COMMENTS
Economic and Tax			<b>√</b>	GOB advised that submissions
Reform Committee				were received too late and
tasked with making				therefore not considered
recommendations for				
GOB annual Budget				\ \(\)
aimed at minimizing				Sec. Of
leakages and improve				

GOB Revenues,				
Reduce Expenditures,				
and stimulate				
Economic Growth				
				NA and a making or anticipation and
BCCI Luncheon for	$\checkmark$		✓	Membership participation and
members to review				input was great
draft				
recommendations				
that would assist in				
shaping BCCI's Budget				
Submissions to GOB				
Media Rounds to	$\checkmark$	✓	✓	Very Good Reviews
discuss the BCCI's				
Budget interventions				
Letters to Dr. Barnett			✓	Receipt of all letters was
to request BCCI's				acknowledged, but no
involvement early in				invitation to the table to make
the 2018/19 Budget				recommendations
Process				
Several meetings with			$\checkmark$	Executive Summary presented
the Financial				to Minister of Finance and the
Secretary to discuss				Financial Secretary.
GST challenges faced				
by various sectors of				
membership				
Participated on the			$\checkmark$	Ongoing
Steering Committee				
for the Country				
National				
Transportation Master				
Plan (CNTMP)				
Anti-Corruption		<b>✓</b>	$\checkmark$	Successful
Committee-				All a comments of the comments
Facilitated a Logo				
Competition				
Social Security Board		<b>√</b>	<b>√</b>	Successful
Facilitated Tertiary				
level debate on the				A STATE OF THE STA
importance of Belize's				The same of the
signing onto UNCAC				A STATE OF THE PARTY OF THE PAR
UNDP Project -	<b>√</b>	<b>√</b>	<b>√</b>	Ongoing
Supporting UNCAC	-			
Implementation in				
Belize				
Gerardo Noto UNDP	<b>✓</b>		<b>✓</b>	Successful
office in Panama	•		•	The same of
spoke to BCCI				1
		1		

Membership					
Meeting Media	<b>√</b>	<b>√</b>	<b>√</b>	Ongoing	
Partners to discuss		·			
their role in					
combatting					
corruption.					
BCCI's Constitution		-/	-/	Successfully Completed	
updated		•	•	Cassessan, Compressa	
Senator's Terms of				Successfully Completed	
Reference drafted		<b>V</b>	•	Successium Completed	
Procedure for				Successfully Completed	
		<b>V</b>	<b>V</b>	Successibily Completed	
choosing BCCI Senator					
Candidate					
Signing of the Toledo	✓		✓	Successfully Completed and	
Chapter				continue to operate	
Women's		✓	✓	Highlighted women owned	
Empowerment				businesses and their	
Seminar				contribution.	
Quality Poultry	$\checkmark$	✓		Very Educational &	
Chicken - BCCI				Enlightening	
Executive Council					
Tour					
Citrus Products of	<b>√</b>	<b>√</b>		Very Educational &	
Belize Limited - BCCI	·	,		Enlightening	
Executive Council				Carl Carl	
Tour					
Meeting with the	1	1	1	Ongoing	
Unions to discuss	•	•	•		
areas of common					
interest					
Applied to the MIF for		./		Application Successful- project	
project on Increasing		•		in the process of	
Private Sector Climate				implementation	
Change Resilience				mplementation	
Meeting with				Ongoing	
President UB to	V			Oligoliig	
discuss areas of					
common interest				Ongoing	
Several engagements			✓	Ongoing	
with Leader of				The state of the s	
Opposition to discuss					
areas of concerns to					
the Private Sector					
Made representation	$\checkmark$		✓	Trade License Bill was	
at House Committee				suspended from being passed	
Meeting for two Bills				until further notice. Building	
before the House for				Act was passed with our inputs	

consideration - Trade				included.
License Reform Act &				iliciadea.
Building Act				
Commencement of				Successful and Ongoing
'Business Perspective'	•	<b>V</b>	•	Successful and Offgoing
weekly Radio/TV show				
in partnership with				
Love FM aimed at				
bringing to light the				
economic issues				
affecting the private				
sector				
Continue to dialogue				Ongoing
with GOB on the			V	Singoing
promised re-				
configuration of the				
Public Accounts				
Committee (PAC) to				
include Social Partners				
Commence		1	<b>/</b>	Ongoing
discussions with the		•	•	
National Trade Union				
Congress of Belize				
(NTCUB) to agree on				
an acceptable re-draft				
of the Occupational				7.50
Safety & Health (OSH)				1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Bill				
Commence internal		✓	<b>√</b>	Ongoing
discussions regarding		,		
the topic of minimum				
wage				
Mixer held to discuss	<b>√</b>	<b>√</b>	<b>√</b>	Ongoing
the proposed Social				A SECTION AND ADDRESS OF THE PARTY OF THE PA
Security change in				
Salary wage bands				
and the effects on				
Private Sector				Marine Marine
Tax Reform Discussion		✓	✓	Ongoing
with GOB				AND LONG
Conference facilities	✓			Ongoing
re-opened at				
competitive rates,				
with departure of				
Atlantic Bank from the				
second floor				

MOU Signed:				
Chamber of the Americas	✓			Successfully Completed
Development Finance Corporation	✓			Successfully Completed
Press Releases:	✓	✓	✓	
Fuel Prices			✓	https://www.belize.org/wp- content/uploads/Increase-in- Pump-Prices-of-Fuel.pdf
Corruption Hinders Development – Integrity Commission	✓		✓	https://www.belize.org/wp- content/uploads/Break-The- Corruption-Chaindocxpdf
Is Economic Growth Really a priority – 2017/18 Budget		<b>√</b>	<b>√</b>	https://www.belize.org/wp- content/uploads/Is-Economic- Growth-Really-A-Priority-press- releasepdf
BCCI/ COTA MOU	<b>√</b>			https://www.belize.org/wp- content/uploads/BCCI-COTA- Strategic-Alliance-Final-6-17- 2017.pdf
Special Select Committee			<b>√</b>	https://www.belize.org/wp- content/uploads/Prime- Minister%E2%80%99s- Response-on-Special-Select- Committeepdf
Corruption Chain			<b>√</b>	https://www.belize.org/wp- content/uploads/Break-The- Corruption-Chaindocxpdf
Rule of Law Adherence			<b>√</b>	https://www.belize.org/wp- content/uploads/Underscoring- the-need-for-the-rule-of- law.pdf
90 Million for Nothing- UHS CCJ Ruling			✓	https://www.belize.org/wp- content/uploads/UHS-Press- Releasepdf
Debt Burden		<b>✓</b>	<b>√</b>	https://www.belize.org/wp- content/uploads/The- Challenge-Ahead.pdf
Active Private Sector Representation in 60+ Policy Making Committees	✓	<b>√</b>	<b>✓</b>	



Another year has flown by; it feels like not too long ago we were writing 2016's overview. 2017 was a very exciting and busy year at the Chamber as we worked incessantly to fulfil the obligations of our Triple C philosophy: to Connect, to Capacitate and to Champion.

Erview

Early in the year we formed an Economic and Tax Committee with a view to brainstorm and make recommendations to the Government of Belize to be taken into consideration for the 2017/18 General

Revenue Appropriations Bill. These were presented to the Ministry of Finance in February of 2017. Our submission followed three thematic areas: 1. *Cut Expenditure*, 2. *Plug the Leaks* and 3. *Stimulate Growth*. Members of the Executive Council made presentations in the media regarding our interventions. Recognizing that being included in the budget preparations process in February – One month before the end of March deadline – did not give us the opportunity to have meaningful consultations regarding the Budget, the Chamber wrote to the Ministry of Finance in August in August 2017 requesting to be involved in the preparation Process for the 2018/19 budget inception. We followed up with two other correspondences but we were not successful.

The Chamber initiated several meetings with the Financial Secretary following reports from members in the Productive Sector and the Real Estate Sector on issues that they were experiencing with the GST. Our members were able to put their issues directly to the Financial Secretary who promised to review the processes and try to simplify the language in the GST Act to avoid discretionary interpretations by different GST officers.

Your Chamber had initiated discussion with the Belize City Council regarding the spike in Trade License fees in 2015. We worked along with a team from the Ministry of Local Government and the Mayors Association in an effort to develop a predictable formula to assess the Trade License. This led to the Trade Licensing (Amendment) Bill being read in the House of Representatives in 2017. The Chamber made representation at the House Committee as we were not satisfied that the issue of calculating Annual Rental Value was fair and predictable. The trade license discussion continues and your Chamber remains plugged into the conversation.

The Chamber continues to sit on over sixty policy-making bodies including the Tax Reform Committee, the Project Steering Committee for the Comprehensive National Transportation Master Plan, the

Economic Development Council, The Social Security Board, the Labour Advisory Board and the National Council for Technical and Vocational Education Training to name a few. We represent the Employers' and Business Sector's views on these committees and from time to time come to you, our members, for consultation either through business mixers, surveys or face to face.



In September 2016, the BCCI launched its Anti-Corruption Agenda. In December of 2016 Belize acceded to the United Nations Convention Against Corruption (UNCAC). For the one-year anniversary of the signing of the UNCAC, the Chamber was very active in the activities to commemorate this. We partnered with the Social Security Board in their tertiary level countrywide debates. We also have representation on the UNCAC committee and were very active in the application process for a CARSI Project proposal. Our representative on the Project Committee participated in a South/South Technical Exchange in Jamaica where the topic was "Strengthening the National Systems for Implementation of UNCAC in Belize". The Chamber also supported by soliciting from you our members, prizes for the Essay Contest, Jingle Competition and Mascot Competition

leading up to the one year anniversary.

When this president took office in April 2016, based on your feedback, he made a commitment to the membership to review and revise the process of selecting the BCCI's candidate for the Business Senator position. This was done and circulated to membership and was accepted. We also proposed a Terms of Reference to the Belize Business Bureau to which we would expect the Business Senator to abide. We await their comments.



Recognizing the need to better serve

businesses country wide, the Chamber made a conscious effort to expand our reach to the districts. We had always appointed Focal Points to provide information to businesses in the districts, but we went one step further and signed an MOU with the Toledo Association of Businesses to become our first Chamber Chapter.

The Executive Council also toured two of our major industries in 2017 namely Quality Poultry Products in Spanish Lookout and Citrus Products of Belize in Dangriga.

In October 2017, the BCCI and the IDB signed a Technical Cooperation Agreement for a project that we were successful in acquiring, entitled "Proadapt Belize- Increasing Climate Change Resilience and Related Business Opportunities". The primary objective of the project is to increase private sector climate resilience in Belize.



In the year 2017 the Chamber organized and executed three Expo's. These were the Belizean Roots Expo held in the Village of Western Paradise, Belize City in April, The Expo Belize Marketplace held during the September Celebrations in Belize City and the Christmas Expo Extravaganza held at the SCA Multipurpose Centre in Belize City in December.

Throughout the year in accordance with our purpose to Champion the Chamber had to speak out on several issues. In November of 2017 we condemned both political parties for their roles in burdening the Belizean people with a debt of ninety million dollars for the "UHS Guarantee" we underscored the need for Rule of Law to prevail and for the Government of Belize to adhere to the ruling of the Caribbean Court of Justice. The Chamber also called for the Government of Belize to formalize a long-term fuel pricing policy and to seriously examine a National Tax Reform Strategy.

In order to maximize the resources available to us and build capacity for our members the Chamber signed a Memorandums of understanding with the Chamber of the Americas and the Development Finance Corporation. This enabled all parties to foster connections and develop mutually beneficial initiatives.

Your Chamber remains engaged in the Economic Eco system of Belize and will continue to advocate for an environment that enables the sustainability and growth of businesses. When the Private Sector is thriving and vibrant the result is sustainable economic growth. "Strength and Growth come only through continuous effort and struggle," Napoleon Hill.

## Connects

The Belize Chamber of Commerce & Industry Connects members nationally, regionally and internationally. The BCCI organized several trade missions, which connected our members to different buyers and sellers to introduce their products, increase their sales and to improve their competitiveness.

#### **Expo Belize Market Place**

The Expo Belize Market Place celebrated its 21<sup>st</sup> Anniversary on September 15<sup>th</sup> and 16<sup>th</sup> at the ITVET Campus on Freetown Road in Belize City, with 104 companies participating in 190 booths and with more than 14,000 Expo visitors to the Expo. This year's Expo shared the usual focus which, was to offer BCCl's membership a wonderful opportunity to update the Belizean public of their accomplishments and services throughout the past years. Expo Belize Market Place is known to be Belize's largest business Expo where local businesses showcase their finest



products, offer deals, giveaways and much more.



The Expo has evolved over the years into a vibrant market place, where businesses have an audience to test and develop business ideas. This year's Expo consisted of businesses coming from as far North as Corozal Town and as far south as Punta Gorda and the Cayes. The BCCI Invited the public to

take advantage of the local food, drinks, giveaways, handicrafts and amazing deals that was offered only at the Expo and also exciting

Entertainment by DJ Fadda Jesse, Supa Furia Band, Harrison Dawgie King and live performances by Supa G and TR Shine with special host, DJ Dalla.

And since it was our 21<sup>st</sup> anniversary, the BCCI raffled 21 gate prizes on both days of the expo. Visitors had two chances to win cash prizes, groceries and a round-trip ticket to the United States Courtesy United Airlines.



#### **Merida Expo**

The Belize Chamber of Commerce & Industry, along with the Belize Tourism Board (BTB) and Naledo Belize Limited; showcased their services and products in the areas of trade and tourism at the Merida Chamber of Commerce (MCC), Services and Tourism Expoferia Del Comercio 2017. This event was held for three days from October 12<sup>th</sup> to 15<sup>th</sup>, 2017 at the Yucatán Siglo XXI Convention Center in Merida.

Mr. Christopher Pech, BCCI's Membership Program Administrator, represented the BCCI at this event and had the honour of sharing the booths with BCCI's member representatives in attendance.





The Belize Chamber of Commerce & Industry (BCCI) kicked off its **2nd National Belizean Black Friday** event countrywide on Friday, November 17<sup>th</sup>, 2017. We had over 35 participating companies from across the country and businesses were happy with the engagement and committed to participating again next year.

Businesses took advantage of this event and offered coupons, deals, give-aways and promotions to help their businesses the end the year in the "Black"; Promote "Buy in Belize" and have their money stay in the country to better our economy and the quality of life for Belizeans; and be part of an initiative that gives back to our community.

#### **Chamber Day**

The BCCI organized two "Chamber Days" in 2017, one in Orange Walk on February 17<sup>th</sup> at the Muffles College High School's Auditorium and one in San Pedro Town on April 28<sup>th</sup> at the San Pedro High School's Auditorium. The Chamber Day is an open day where we share information about the BCCI and the important role we play representing the private sector in Belize. We also welcomed other partners to have informational booths.

Thank you to all our members and partners who made our Chamber Day successful:

- BCCI's Western Union
- Belize Customs & Excise Department
- Department of General Sales Tax
- Labour Department
- Income Tax Department
- Social Security Board





- **Immigration Department**
- **Department of Youth Services**
- Belize Marketing & Development Corp
- Sugar Industry Research & Development Institute
- **BELTRAIDE Export Belize**
- Social Security Board
- Belize Agricultural Health Authority
- **Development Finance Corporation**
- **Galen University**
- UWI, Open Campus Belize
- Centaur Communications Corp Ltd.
- The Juice Bar & Restaurant
- Panda Bubbles
- Belize Chocolate Company









The BCCI supports other community expos such as Corozal Junior College Business Expo held on March 31st, 2017. Each year the Corozal Junior College hosts its Expo known as the CJC Business Expo, which is held in the Corozal District. The objective of the Expo is to expose students to the world of business.

#### **BCCI Chamber Card**

It has been 13 years since the Chamber Discount Card was implemented. A start with 12-member

sponsors in 2004, grew to 31 members in 2017 agreeing to offer discounts on goods and services at their businesses whenever the card is used.

The Chamber discount card also validates businesses as members of the Chamber.

The card is valid for discounts on a wide range of goods and services such as construction, groceries, poultry, printing, marketing and advertisement, Wines & Spirits and medical services, to list a few.



#### **Christmas Expo**

The Belize Chamber of Commerce & Industry hosted its 6<sup>th</sup> Annual Christmas Expo Extravaganza. The Christmas Expo was home to your favourite local businesses that offered Christmas cooking essentials and the best variety of gifts at the lowest prices. The event took place at St. Catherine's Academy Multipurpose Mercy Center, on Marine Parade, Belize City, from 10:00 a.m. to 6:00 p.m. with over 22 companies participating in 33 booths and over 2000 visitors to the Expo.



# Capacitate

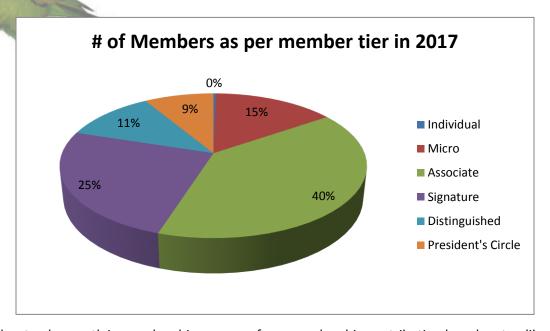
Your Chamber has welcomed strategic partnerships and ventures that could add more value to our membership and exposure to the services we offer. We have found that this model has developed and grown the Chamber to be more relevant and distinguished in the business community we serve. We have on-going Memorandums of Understanding with the media, (Multimedia Limited, The Reporter), the Development Finance Corporation, the University of the West Indies, Open Campus Belize, Chamber of the Americas and Laureate Education. Our other strategic partners are the Belize American Chamber of Commerce of Florida, Image Pro and other media member houses such as Krem Radio and Television and Great Belize Productions (Channel 5). We are grateful to all of you for giving the Chamber your dedicated support.

In 2017, we saw an increase in our membership. We had 324 members in 2017 as compared to 2016 with 293 members. In addition to our Corporate member tiers, Group of Companies and Associations can join the Chamber and have each of their companies or entire membership of their Associations respectively be recognized as members. Sixty-four (64) new members joined the Chamber family and of these 5 were Associations. We welcomed the Belize Livestock Producers Association, Association of Professional Engineers of Belize, Chamber of the Americas, Toledo Association of Businesses and the Belize American Chamber of Commerce of Florida.

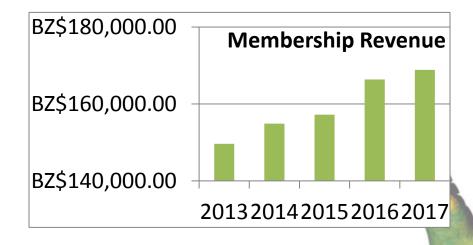
Table 1 below indicates that we have had a steady increase in the number of both renewals and new members each year.



Figure 1 shows that a majority of our members still fall within the Associate tier, a tier which offers a basic membership benefit package. Nevertheless, more members are seeing the value of starting at the Signature (starter) tier and upgrading to higher tiers which offers access to directly influencing policies, access to exclusive business opportunities and deep savings on Chamber services. The Micro tier which was introduced in 2014 has grown significantly to 49 members. As the name implies, this tier represents those businesses that are fairly small.

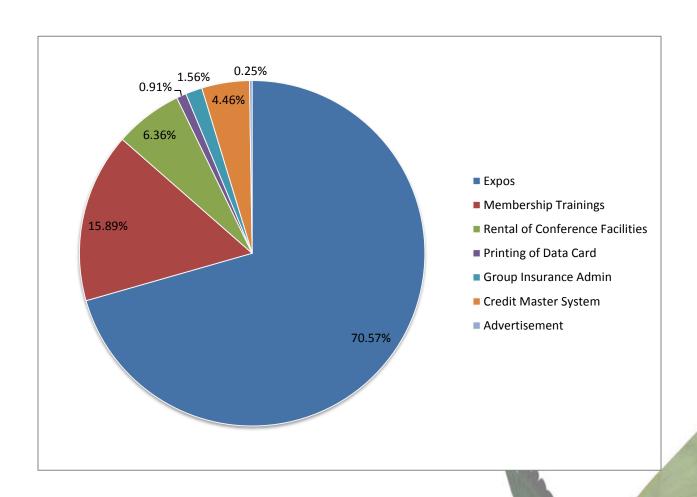


With the steady growth in membership, revenue from membership contribution has also steadily grown.



#### **REVENUE OF MEMBERSHIP SERVICES**

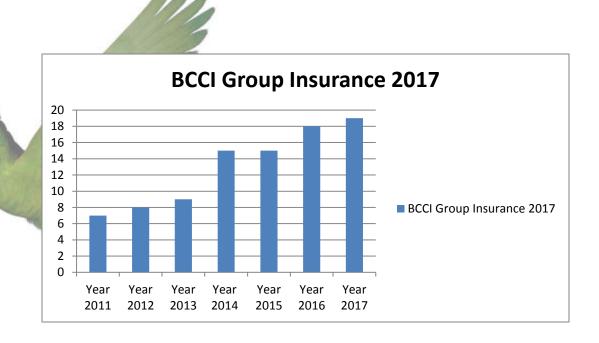
The chart below shows our top six (6) paid services that the Chamber offers to its members and revenue contribution from each one. The organizing of expos still remains prominent; especially our Expo Belize Market Place which fulfils our mandate to connect you to viable business opportunities. Last year we celebrated our 21<sup>st</sup> Anniversary in organizing the Expo Belize Market Place. Our second most demanded service is our Trainings and Sensitization sessions. This fulfils our mandate to keep you Capacitated.



#### **Trainings offered in 2017**

Date	Торіс	Facilitator	# of Persons Attended
January 17th	Mindfulness in the Workplace	BTEC	25
February 9th	Records Management	UWI	20
February 24th	Marketing & Sales	UWI	14
March 16th	Grammar & Report Writing	UWI	18
March 30th	Safety in the Workplace	BTEC	22
March 29th	Roles & Responsibilities of a New Supervisor	UWI	19
May 4th	Superior Customer Service	BTEC	17
June 17th	The 7 Pillars of Online Marketing	BTEC	22
June 1st	Presentation & Public Speaking	Glessima	14
June 8th	Conflict Management	UWI	15
August 3rd	Time Management	BTEC	15
August 24th	Writing & Analysing Financial Reports	UWI	13
August 31st	Best Practices in Marketing	Laura Weller	21
October 26th	Strategic Planning & Management	UWI	15
	TOTAL		250

In 2011, the BCCI successfully signed with Sagicor Capital Life Insurance Company Limited, a special group Life and Health Insurance benefit package which benefits our SME members. This is an affordable plan which offers both employers and employees and their dependents coverage. The plan has Life coverage of \$25,000 or \$50,000 and Medical coverage of \$1 million, \$50,000 or \$25,000. You can choose your desired option of coverage, which can be combined. Our plan is now managed by the Broker, Diversified Life Solutions.



#### **BUSINESS MIXERS**

**BCCI's 97<sup>th</sup> AGM with Special Guest Speaker:** 

Prime Minister Rt. Honourable Dean Barrow

who spoke on the: "Economic Growth of the Country"

Thursday, April 27<sup>th</sup>, 2017







Budget Consultation Meeting with Members, February 7<sup>th</sup>, 2017







**Competition Policy & Law Business Mixer by the Directorate General** of Foreign Trade and BCCI January 25<sup>th</sup>, 2017





BCCI's collaboration with the Directorate General of Foreign Trade

Private Sector's input to Develop Belize Trade Policy, May 23<sup>rd</sup>





Business Luncheon by Legacy Limited & BCCI
"Super Bond III and Beyond, a Sustainable Program for Debt
Management", March 23<sup>rd</sup>





### Roundtable Discussion: Ethical Decision Making for Business Success by BCCI & University of the West Indies, Open Campus Belize January 26th





## Skills Towards Employment & Productivity" by Ministry of Human Development & BCCI March 2<sup>nd</sup> and April 12<sup>th</sup> Belize City and Orange Walk Town respectively





### BELIZE CHAMBER OF COMMERCE AND INDUSTRY (BCCI) AND THE INTER-AMERICAN DEVELOPMENT BANK (IDB) PARTNER TO IMPACT CLIMATE CHANGE

In October 2017, the Belize Chamber of Commerce and Industry (BCCI) and the Inter-American Development Bank (IDB), signed the Technical Cooperation Agreement for the project entitled *Proadapt Belize – Increasing Climate Change Resilience and Related Business Opportunities.* 

The primary objective of the project is to increase private sector climate resilience in Belize. The project is funded by the Multilateral Investment Fund (MIF), a member of the IDB Group through the PROADAPT funding structure. PROADAPT was created to pilot and support the development of new and innovative methodologies; tools and business models to help micro, small and medium enterprises (MSMEs) in Latin America and the Caribbean increase their climate resilience and take advantage of related businesses.

The project will develop practical business models and tools to help MSMEs in Belize anticipate and prepare for climate-related threats to their assets, value chains and local communities, to become more climate-resilient, and to tap into an increasing number of market opportunities as risks from climate change increase.

The expected impact of the project is far reaching and includes improvement in the resilience of buildings, flood-proofing of waste and waste water management systems, protection of coastal areas, and diversification of energy services with renewable sources.

The Project will be implemented as a pilot in metropolitan Belize City and in San Pedro Town and Caye Caulker commencing in the second quarter of 2018. The Project has a total value of US \$341,500 of which US \$203,000 is from the IDB/MIF and the remaining US \$138,500 is counterpart funding from the BCCI and its primary stakeholders. The execution period for this Project is two and a half years and the BCCI is the executing agency.





The BCCI and its members were invited by the Broward County and the Belize American Chamber of Commerce of Florida (BACCOF) to participate in the Florida International Trade & Cultural Expo (FITCE) from October 17-18, 2017 at the Greater Ft. Lauderdale/ Broward County Convention Center in Fort Lauderdale, Miami.

Former Presidents and more than 50 countries of 7 continents participated in FITCE. Local and international companies gathered at the expo to have that unique opportunity to engage with key leaders,

experts and attendees from around the world to participate in dialogues relating to international trade, foreign direct investment and culture. The goal of FITCE is to expand Broward County as the premier importing and exporting trading capital, while helping to establish new businesses and nurture existing businesses to spur continued growth.

Your Chamber presented on Doing Business with Belize and had an exhibit space encouraging trade and investment, making business connections and showcasing local products of Belize.

On the 19<sup>th</sup> of October, the BCCI and our Toledo Chapter also participated in the Minority Enterprise Development Week (MEDWeek) business matchmaking conference in Miramar, Miami. MEDWeek had participation from the U.S. Caribbean, Central and South America, Europe and Africa. This event recognizes the strengths and contributions and honours the achievements of minority business enterprises.





#### LABOUR

With honour your Chamber commemorates 20 years of serving the country as the official International Labour Organization (ILO) Employer representative. Serving in this capacity has given us the privilege and respect to work alongside the Government of Belize and Trade Union representatives in Tripartism on labour policies and legislation.



Your Chamber has been lobbying and advocating to the Ministry of Labour to reactivate the Labour Tripartite bodies with the aim to review and amend labour legislations that would make it more conducive to doing business in Belize. As a result, these committees were reactivated on Feb 15<sup>th</sup>, 2017 and are now fully functional. Your Chamber has an in-house Labour Sub Council made up of you our members, which has been reviewing the Occupational Safety and Health Bill since the first hearing in

January 2014. A draft position paper is being put together. We await the position of the National Trade Union Congress of Belize (NTUCB) to further discuss and come to an agreement that is both amenable for both employers and employees. It is in our best interest to have safe policies for both employers and employees in the workplace. In 2017, your Chamber with the sponsorship of the International Labour Organization invested in "Train the Trainers course on The Essentials of Occupational Safety and Health" to launch a calendar of trainings in 2018 to better educate you, our members on OSH.

We have also been a long-standing member of the Caribbean Employers' Confederation (CEC), which has added value to our Chamber in serving dual role as a business support organization and an employer's representative. Through our membership with the CEC, we have been able

to dialogue, share knowledge and experiences with 17 other Employers Organizations across the Caribbean Region. The CEC and the Caribbean Congress of Labour (CCL) have jointly participated in carrying out an EUfunded project with technical assistance from ILO to strengthen the capacity of both organizations. This project oversaw several workshops across the member states of CEC



and CCL of which Belize was also a recipient. The "Productivity Improvements for a Small and Micro Enterprises" workshop was held on 24<sup>th</sup> January 2017 at the BCCl's Conference room. Over 40 of our members participated, learning about the productivity and competitiveness issues in Belize; measures that could be modelled from ILO's best practices and tools and policies and legislations that could make it more conducive to productivity. Through your participation in a Social Dialogue Survey, ILO was able to understand the needs of Belize and organize a Social Dialogue and Business Continuity workshop in Belize on 21<sup>st</sup> and 22<sup>nd</sup> November.

ILO also supported the funding of a Skills Gap Survey and Report with the purpose of reviewing Belize's education curriculum in the fields of Agriculture and Information and Communication (ICT) and to identify gaps in the competences that are being sought in the labour market. The Report will be launched in 2018.

CEC and CCL also facilitated a Bi-partite Regional Meeting from September 26<sup>th</sup> – 29<sup>th</sup> where 13 countries across the Caribbean with representatives from both Employer Organizations and Trade Union from each country were present. Several positions and conclusions were adopted to continue working together with bipartite consultation and formulation of joint social and economic policies.







Trade Licensing Reform: Making strides, albeit slowly

After almost a half of decade of working the halls of Belmopan, last year finally showed signs of legislative movement as it pertains to one of the essential reform initiatives that the Belize Chamber of Commerce and Industry (BCCI) has been championing: the standardization of the trade licensing regime.

Trade Licensing (Amendment) Bill, 2017 BELIZE: TRADE LICENSING (AMENDMENT) BILL, 2017 ARRANGEMENT OF CLAUSES 1. Short title. 2. Amendment of section 2. 3. Amendment of section 6. 4. Amendment of section 10. 5. Amendment of section 14. 6. Amendment of section 18. 7. Amendment of section 24. 8. Amendment of section 29. 9. Amendment of section 30. 10. Amendment of section 31. 11. Amendment of section 32

Working closely with Economic the Development Council (EDC), the private sector managed to secure the first reading of the Trade Licensing (Amendment) Bill, 2017. Naturally, the highlight of the amendment is the change to Section 24 of the original Trade Act, which authorized Licensing authorities to charge trade license as onequarter of a business's annual rent. The new Section 24(1) reads:

"The annual licence fee payable in respect of carrying on any trade shall be as follows: (a) the appropriate fixed fee as set out in the *Fifth Schedule* in relation to the applicable municipality, or (b) where the annual value is

greater than the threshold listed for the applicable municipality, an amount equal to one-fourth of the annual value of the premises in which the trade is carried on."

While Section 24(1) (b) still contains vestiges of the old regime, it is imperative that we underscore that a significant part of the pause to the parliamentary procedure was to bring about a fixed-fee solution for all parties. Speaking of Fixed Fees, the fixed-fee structure mentioned in Section 24 (a) seeks to eliminate the current reality of arbitrary reassessments.

Currently, with the help of the Inter-American Development Bank (IDB), a consultation process is being carried out with all relevant stakeholders to "fine tune" the calculation methodology that will govern the fixed-fee regime.

#### **Skills Gap Analysis**

There are a few recurring themes when it comes to discussions on ways to boost Belize's

potential growth. Typically, a mention of the need to boost labour productivity is not far behind. Fundamentally, an adequately trained workforce is indispensable, but the real trick is establishing exactly what is "adequate".

To answer that adequacy question, the Belize Chamber of Commerce and Industry (BCCI), in partnership with the International Labour Organization (ILO), has completed the first in a series of skills gap studies. Particularly, the study

looked at the Information and Communication Technology (ICT) and Agriculture sectors. While acknowledging the significance of on-the-job training and other informal sources of skills, the study investigated the curricula mismatch between skills needed in the aforementioned sectors and that which is supplied via the relevant educational institutions.

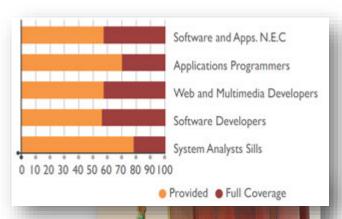
For example, based on the results of the survey among professionals at tertiary level institutions, there are signs that training for software and applications developers need some improvement in areas of *Web and Media Development*, and *Software Development*. Within the primary sector, it was also revealed that

there is no institution that offers any formalized, long-term training in Fisheries Science, despite the growing significance of this sector in Belize.

This first study is a part of BCCI's continuing efforts and commitment to partner with both the Government of Belize (GOB), and academia to work towards addressing these gaps, and by so doing, helping to address the labour productivity weaknesses that are constant concern for the Belizean economy.

#### **Reduction in Tariffs for Packaging Items**

The BCCI's continuing lobby for tax reforms to assist the Belizean economy's productive sector has begun to show some signs of paying off, as for Fiscal Year 2017/18 the government





lowered the tariff rates on thirty-three categories of packaging items and some classifications of machinery.

The full list, which can be found in the amended *First Schedule* of the Customs and Excise Duties (Amendment) (2) Act, 2017, reduces the majority of the rates for the included commodities to zero per cent. The BCCI had also received commitment from the Prime Minister and Minister of Finance that additional efforts will be made to obtain the relevant approval from CARICOM's Council for Trade and Economic Development (COTED).

Both the current and anticipated reductions are useful, as it helps to reduce the cost of doing business. The BCCI intends to continue working with Government to ensure that the aforementioned commitment is honoured.





Our long-time members would recall our late-evening televised program, the Business Perspective (BP). It had been on a bit of a hiatus for a few years, but it is our pleasure to announce its return to the airwaves since October last year. In partnership with RSV Limited, the once evening show returns to your TV sets as part of the weekly early morning TV line up as a unique hour-and-a-half segment during the *Love TV/FM Morning Show*.

he Billion-Dollar Question:

Airing 6:30am to 8:00am on every Tuesday, Co-hosts Kay Menzies and Dyon Elliott discuss all things business. That said, a mainstay of the show is to regularly feature movers and shakers in the Belizean economic policy space. These include representatives from the Ministry of Economic Development who are leading the implementation of the Growth and Sustainable Development Strategy (GSDS) 2016-2020, and principals of the Economic Development Council (EDC)'s secretariat who are on the front-line of private-public sector-led reform efforts.

Central to the show's make up is the promotion of small businesses, providing a space for up-and-coming entrepreneurs to share their story with the nation, with the expressed goal to motivate the potential entrepreneurs into action.

But it's not only the TV scene that is getting its regular dose of business talk. In close partnership with *The Reporter Newspaper*, the BCCI has also implemented a weekly Business Perspective column in the newspaper. Like the morning show, the column is all things business, and regularly looks at the big and micro picture of doing business in Belize.

#### The Institutionalization of the Economic Development Council

As the old adage goes, "those who do not learn from history are doomed to repeat it". When it comes to taking care of business, it is important that past occurrences are treated as useful object lessons. We could all recall the ephemeral lifespan of the incipient entity known as the National Economic Council (NEC) in the early 2000's. Recognizing the significance of a body that can bridge the dialogue between public and private sectors, that is one repeat that cannot be afforded.

To this end, another fruit of the continued lobbying efforts of the private sector is the institutionalization of the NEC's successor, the Economic Development Council (EDC). With technical assistance from multilateral partners and programs, the enshrining of the EDC into law is an important step, as it greatly minimizes the ease with which the Government of Belize is likely to be doomed to a repeat of history.

And why should we care whether or not the EDC sticks around? While bureaucratic speed is quite an oxymoronic statement, the advisory council and its secretariat provides an enshrined-in-law platform for private- and public-sector to discuss needed economic reforms that increases the level of business friendliness in Belizean economy. It is this type of discourse that has led to several recently legislated changes, including the Trade licensing (Amendment) Bill, 2017, and the amendment to the Central Building Act. Also, in the works is the Comprehensive National Transportation Master Plan.





As we come to the close of another Financial Year; the Finance, Administration & Human Resources Department encountered several challenges. Despite these challenges we also had rewarding times in 2017.

We continue to work on building our staff's capacity by creating opportunities to enable them to partake in several training sessions and receive certification in various fields. Some of these trainings were one day or weekly sessions; whichever it was, staff were more than willing to participate and enhance their skills. In September we received sponsorship from the



International Labour Organization to attend the National Labour Policy and Employment training in Turin, Italy; our Chief Executive Officer attended the training. In December our Manager of Member Relations also attended the Essentials of Occupational Safety and Health Course at the ITC Compound in Turin, Italy. Six other countries and twelve participants were part of this course. MMR received her certificate, certifying her to deliver EOSH training activities using ITC-ILO methodologies and materials

Throughout the year we engaged with each other through staff socials. We had our quarterly staff meetings concerns and updates were shared. These meetings were very interesting and intense at times as we discussed various ideas in working together daily as a BCCI family and in the best interest of the Chamber. Throughout the year we celebrated birthdays and farewells. We welcomed two new staff members — Mr. Dyon Elliott our *new* Chief Policy Analyst and Ms. Dennisia Francisco our Manager of Business Development. Staff activities were concluded for 2017 with a grand Christmas Dinner provided where each member of our team contributed.



At the end of this event the *Employee of the Year* was announced; our Marketing Public Relations Officer, Ms. Viannie Reyes was voted on by her peers. She was presented with a small cash prize and a certificate which will be displayed in the lobby, by the CEO. Certificates were also presented for Perfect Attendance to Ms. Danette Burns and Ms. Ruth Gillett.

In June we partnered with Edward P. Yorke High School in hosting an Office Practice Student for the period of two weeks. The High School representative and the student thanked the Chamber for being a part of their program.

Banking restrictions created some challenges for our subagents this led to the advent of the BCCI Heritage Bank prepaid card. We also added two new Western Union Sub-agents to our network; they are: Charlton Cable-PG and Misericordia De Dios-OW.

The rental agreement with our former tenant expired on 07<sup>th</sup> April 2017 therefore we now have an office space



available for rent. In 2016 the Board of Trustees gave permission to list the Regent Street Property for sale; after a bidding process it is listed with Century 21. In September ground works were done on the Regent Street property and we now have parking spaces available for rent. The property is also available to rent for outdoor events.

BCCI's website and billing system were upgraded in 2017. We received 3 bids from Web Developers therefore presentations were made. In the end Jason Bevans Web Development was selected by members of the Board.

A resolution was passed by the membership at the 2017 AGM to change the Auditor from PKF Belize Limited to BDO Belize LLP (previously named Horwath Belize LLP).



In conclusion, the year 2017 was prosperous through working with our partners who were there for their Chamber; listening and negotiating with us through the challenges of 2017. We are grateful for all their support. Once again through this medium we would like to salute our employees for all their hard work and dedication as we join together fulfill the demands of the day-to-day operations of the Chamber. We look forward to a successful new year with the support of our employees and you our members.

"Behind every successful woman is a tribe of other successful women, who have her back".



December 2017 marked the beginning of the Silver Anniversary year of Western Union international doing business in Belize through its partnership with the Belize Chamber of Commerce and Industry. Since BCCI became a master agent of Western Union International, it has permanently changed the money transfer landscape in Belize making it more manageable for the average person to confidently wire modest to large amounts of money to and from Belize to almost any country in the world in a matter of minutes. Twenty-five years ago, there was only one Western Union, located on Regent Street, Belize City and today, there are now twenty-six BCCI Western Union sub-agents located country wide including the Cayes. Most importantly, two new sub-agents joined in 2017: one in Punta Gorda Town and the other in Orange Walk District.





As expected, BCCI Western Union has had to evolve as the global financial and regulatory systems evolved. The rise in criminal activities such as terrorist financing and money laundering has required BCCI Western Union to also put in place policies and mechanisms to protect its clients in Belize and abroad. To this end, BCCI Western Union has undertaken to

train its sub-agents and its clients on how to identify, report, and avert transactions that appear to be financing terrorism, laundering money, or defrauding others. In this regard, BCCI has held three sub-agent rallies and four one-on-one meetings in 2017 where these matters are addressed. BCCI Western Union values its clients and prioritizes their safety and the safety of their money. BCCI Western Union also values the long-standing relationship it has cultivated with its clients and invites them to join in celebrating twenty-five years of hassle-free money transfers.



















# MINUTES OF THE ANNUAL GENERAL MEETING (AGM)

of the

# BELIZE CHAMBER OF COMMERCE & INDUSTRY (BCCI)

April 27th, 2017 at the Radisson Fort George Hotel

## 1.0 Call to Order

The meeting was chaired by VP Commerce, Mr. Rufino Lin and commenced at 5:50 p.m. with the singing of the national anthem by Ms. Briannie Young which was followed with a prayer by Reverend Ilona Smiling.

## 2.0 Head table guests

Present at the head table were: Guest Speaker - Prime Minister - Rt. Hon. Dean O Barrow, Mr. Nikita Usher - President and Mr. Rufino Lin - VP Commerce.

# 3.0 Welcome

Ms. Jane Longsworth - Councillor gave the welcome address.

# 4.0 Video Presentation

A video presentation was shown to members on the Year in Review - 2016.

# 5.0 President's Report

"Good Evening, with Protocol already established I shall proceed.

It is truly amazing how time has flown by so quickly. It is almost exactly one year ago, just two days short, at the 96<sup>th</sup> AGM that we elected for a two-year period a new executive council and a new President. Today marks the mid-point of that two-year term and it is my distinct honour and privilege, as your President, to stand before you tonight, to present an overview of the first year.

The day after its election, the EC immediately got down to the business of organizing itself to:

- Fulfill the wide scope of the BCCIs oversight responsibilities
- To lay out a plan of action encompassing the core needs and interests of its membership
- To define advocacy priorities, including the enabling fundamentals of the private sector

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We also appointed two Past Presidents as ex-officio members to serve along with the EC. Their collective experience and leadership have been a ready source of strength, continuity, and guidance. They have repeatedly proven the merits of this decision, and I can honestly say that we have no regrets in having them aboard. So many times in our short tenure, we have had to rely on their leadership and experience for guidance.

You elected a very dynamic, professional, and balanced EC, one with strong representation from all sectors of the BCCI – Commerce, Services, and Industry. It is something special, as the President of the BCCI, to lead such a team of committed and dedicated professionals.

One of our first accomplishments was signing an MOU with the National Celebrations Commission under the National Institute of Cultural and History (NICH) where the dates of the BCCI Market Expo and Carnival Road March were established. This MOU ensures that from 2016 to 2030 the dates of both events in the month of September will not clash. Our membership and the public will now be able to enjoy each event at their pleasure and plan their participation accordingly. This arrangement also enables our security forces to provide better support services in maintaining law and order

We tinkered with the opportunity to develop a SWOT analysis of the private sector to understand better the strengths, weaknesses, opportunities and threats of each sector. We completed a high-level first pass for each sector, but recognized that only the direct input from the wider membership will capture the true picture of each attribute for each sector. Our vice presidents will continue to lead this effort and engage your support to complete this initiative in the coming months.

Activities like these are very captivating, thought provoking and challenging given the depth and scope of knowledge and input it requires. I can say that while we were in the middle of the SWOT analysis process, the dark clouds of corruption exposed by the Auditor General's 2011-2013 report galvanized the EC to change course and focus on combatting corruption's evil spell head-on. In this, the EC was equally encouraged by the renewed grassroots interest in good governance, and the wide outcry demanding absolute transparency and accountability in public office.

The BCCl continued along the path of taking the leadership position in the Anti-Corruption movement demanding from the Government, all political parties and powers a commitment to the principles of Good Governance. The BCCl has not stopped believing that sustainable development is only achievable within a framework of good governance in public and private sector institutions and that this framework must emanate from a Government that is genuinely and absolutely inspired and guided by transparency and accountability.

The renewed grassroots interest in good governance was most evident when the BCCI was completing its plans to launch its Anti-Corruption campaign at the Business Expo in September 2016. The aim of its Anti-Corruption movement was to get the Government to

agree accession to the UNCAC by December 9, 2016. The overwhelming support from Media, Social Partners including the Unions, NGOs, and other stakeholders was encouraging to say the very least. Conscious of the strength of this over-powering support your EC requested a formal meeting with PM Barrow in August 2016 to share details of our Anti-Corruption Campaign. During this meeting the BCCI requested the following, all of which were agreed upon but with some conditions:

- Government's commitment to sign the United Nations Convention against Corruption (UNCAC) on International Anti-Corruption Day,
- · Government's resolve to appoint members of and activate the Integrity Commission;
- The drafting of the amendments to the law to reconstitute the Public Accounts Committee (PAC), and taking the necessary steps to ensure the passage of amendments to the law to reconstitute the PAC;

Then came the revelations of the Auditor General in her Report titled Special Audit - Visa Immigration and Nationality Department for period 2011-2013 and the need for the appointment of a Special Select Senate Committee to investigate and report its findings. Your EC, convinced that the original terms of reference of the Special Select Senate Committee would not have achieved much nor secured transparency, hosted in October 2016 a Special General Meeting to seek guidance from the membership. At this Special General Meeting, the majority of members attending reviewed and approved two important resolutions aimed to strike at the heart of government resistance to objectively fight corruption in public office.

These resolutions gave the EC the powers to demand a stronger terms of reference for the Senate Special Select Committee appointed to investigate the findings of Auditor General in her Report titled Special Audit - Visa Immigration and Nationality Department for period 2011-2013. The resolutions also renewed our demand for the implementation of the good governance measures discussed above within a specified timeframe. In addition, they called for GOB to sign the Commencement Order for the appointment of the 13th Senator, which had formed a part of BNTU list of demands to GOB. As you all know, all these good governance demands have always been in the center of our strategic vision year after year.

With the OSH Bill forming a part of the BNTU demands in October, the EC made every effort to convince the BNTU that the OSH Bill if passed in its current form would be more destructive than beneficial and therefore the BCCI committed to review and revert with a less burdensome version. The EC appointed an internal select committee chaired by Mrs. Claudette El Ters to review and overhaul the draft OSH Bill to ensure it was balanced and fair to both employer and employee. This exercise is now completed and we are in a position to engage the NTUCB with a view to finalizing a draft that will provide for reasonable workplace safety without jeopardizing businesses or jobs or causing further increases in taxation, since GOB is also an employer subject to any OSH law that is passed. It is our aim that together with the NTUCB, we will then submit the revised draft to GOB.

Since its election, your EC has also been working diligently and tirelessly on the comprehensive revision of the Chamber's own constitution, with a view to making it more effective and efficient. Mrs. Ashanti Martin has led the team charged with this task. It has meant many weekends away from our families, but our commitment to getting it done was paramount. The revision of our Constitution is in keeping with the resolutions passed at our AGM of 2016 and the Secretariat circulated a working draft on April 12, for membership input and feedback. The next step after membership input is to submit to AG Ministry for finalization.

In response to member suggestions, we have also undertaken to establish a Terms of Reference for the Private Sector Senator as well as a review of the current method for the selection of the BCCI's candidate for the Business Sector Senator. It is noteworthy that of the four social partner Senators, the selection and appointment of the Business Sector Senator follows the most democratic process. However, we are seeking to improve the process further for additional democracy and transparency. Once again, we have circulated these for your review and comments.

I am happy to advise that the NGO community contacted us for guidance in selecting their Senator in January 2017.

In the hope and anticipation that GOB would engage the Private Sector in the Budget Consultation exercise, I appointed a working committee in late December to commence work in this regard. Mr. Marcello Blake chaired the committee and concluded its work in January after close consultation with several other sectors. A comprehensive submission using the three prong approach; Enhance & Improve GOB Revenue, Cost Savings for GOB and Stimulate Economic Growth was prepared and presented to membership at a luncheon hosted at the Fort George Hotel and then later to the GOB Budget team. For whatever reason, GOB proceeded with its budget exercise completely ignoring our suggestions.

We truly believe that these suggestions could make tremendous differences in the lives of Belizeans. However, as a former sportsman I am a firm believer that it is never over until it is over - and so if shelving our suggestions was intended to dissuade and discourage the BCCI, then my message is, 'when it comes to matters like these, it will NEVER be over between GOB and the BCCI..."

Our continuous Membership Drive resulted in the Toledo Chapter of the BCCI inaugurated in February. Mr. Darius Avila heads this Chapter, which has 10 Financial Members. Over the last year, we have had a number of businesses expressing interest in becoming members of our Organization, which has resulted in growth of membership by 5.5% when compared to 2015 this same time. The BCCl is currently working on establishing another Chapter in San Pedro.

The BCCI Financial position remains healthy, which you will be able to see for yourselves in the presentation to follow, with Western Union continuing to be the major contributor. This is of course not without challenges, de-risking being the main one and

others included but not limited to the acceptable exchange rate for US\$, requirements to become a Western Union Agent, the time it takes to approve Agents, scarcity of US currency just to name a few. On a disappointing note, Atlantic Bank Ltd. did not renew their lease contract for the second floor of the building and therefore the BCCl is on the market to find a tenant. We also engaged the Trustee Committee and sought permission to advertise the property on Regent Street for sale with a view that if successful the financial situation can improve even further and be more sustainable.

The BCCI also faced its own internal challenges, which included the departure of three (3) senior staff from the Secretariat; two positions have been successfully backfilled. We have been unsuccessful in replacing the post of Business Development Officer and therefore it shall be re-advertised. In late December, the EC received the resignation from our Treasurer – Mrs. Claudette El Ters. Mrs. El Ters after serving the BCCI executive for eight consecutive years expressed that her decision was in an effort to address the increased demands in her family business. Whilst I have personally thanked her for her years of service with the BCCI, tonight I would like to ask our Membership to join me in publicly expressing a special thank you for her unwavering dedication and enormous contribution to the cause.

This created a void in the EC and therefore with the approval from the EC, I immediately transferred Mr. Marcello Blake from the post of VP-Commerce to the post of Treasurer, as accounting is his strength. Mr. Rufino Lin was elevated from Councilor to the post of VP Commerce. Carlo Habet accepted the invitation to serve as councilor being the next highest Commerce candidate in the last election.

Your Chamber has and continues to tackle actively a number of issues, a list too long to mention at this time; and on so many occasions, we have consulted with you - our membership. We are always gratified for the many responses and even healthy criticisms we have received. We will continue to reach out to you requesting your valuable input - it makes us better. While we may not always adopt all your recommendations, we certainly value them. We have done our utmost best to represent the many viewpoints. The BCCI also continues to actively participate in a number of established and core national committees to promote and maintain private sector interest.

As you can perhaps conclude the role of President of this leading Private sector, advocacy organization comes with its own demands almost like a full-time job. You can therefore imagine how complicated it is to split a 24-hour day to manage both full-time demanding roles: the Presidency of the BCCI, and my Senior Management Post at CPBL. However, I always reminded myself of the biblical text, "To whom much is given much is expected".

The great responsibility entrusted to me is humbling. Despite my humanity, 1 will continue resolute in this quest, the pursuit of a sustainable path for Belize's development. The accounts of hurricanes, floods, draught, public sector mismanagement and corruption in public office, or any of the other negatives brought about by external shocks will not be enough, together, to bring discouragement. I choose rather to see a bright future for

Belize and to work tirelessly to lay the foundation for such a future of which the anticorruption movement is fundamentally indispensable.

Before sitting down, I must publicly express my heartfelt thank you to some very special people:

- To our EC for their complete dedication, for the countless hours of personal time and resources so selflessly offered to the development and success of your Chamber over the last year.
- To our Business Senator who continues to work tirelessly and closely with our EC in advancing the views of the business community. Despite the many who have tried to shut him up, he has persevered steadfast. His courage and contributions are exemplary and profoundly appreciated.
- To our Secretariat for a stellar job in maintaining the day-to-day business of the BCCI and keeping the EC abreast.
- To my Employer who have afforded me the time away from work to deal with BCCI matters
- To my wife and kids who has been understanding and accommodating. This is a true blessing.
- To the Good Lord, the Good Shepherd, who has kept me safe and sound; poised and sharp, committed and strong every step of the way

Ladies and Gentlemen, the first year of our tenure is a real testimony to the famous quote:

"Teamwork divides the tasks and multiplies the Success".

Once again, thank you all for your presence here tonight and we look forward to your continued support. God Bless and Good Night!!!!!!!

# 6.0 Review and Confirmation of Minutes

Mrs. Kim Aikman reviewed the minutes of the 2016 AGM. The minutes were confirmed upon a motion by Mr. Jose Coye and seconded by Mr. Ricardo Diaz.

# 7.0 Presentation of 2016 Financial Statements

Treasurer – Mr. Marcello Blake presented the financials. He informed the members of the corrections on Pages 3, 6 and 7 done by our Auditors PKF. A motion to adopt the Financials was made by Mrs. Claudette El Ters and seconded by Ms. Karen Diaz.

# 8.0 Resolution to Change Auditors

The resolution to change Chamber's Auditors was presented by Mr. Giacomo Sanchez. – VP Services. The resolution was accepted by Mr. Carlo Habet and seconded by Mr. Arturo Vasquez.

## 9.0 Presentation of Awards

The Secretariat Award was presented to Mr. Rufino Lin. An award was also presented to Mrs. Claudette El Ters for her years of service to the Chamber as Treasurer on the Executive Council. Toledo Association of Businesses received an award as the first Chamber Chapter and Silk Naturelle Spa and Products received a Certificate as the most participatory Micro Member for 2016.

Raffles were done of \$150 and \$100 respectively from Way Printing. First prize was won by Mr. Armando Cowo of BAP and second prize by Mr. Jose Cove.

## 10.0 Presentation by Guest Speaker

Good evening, Mr. President and Executives of the BCCI's Chamber, Members, Guests.

Thank you for inviting me to share my sense of the business climate, the macro economy, and a few of my Administration's actions and plans for sustaining and broadening Belize's economic expansion.

To some extent, a degree often underestimated both government and the private sector grapple with conditions that are uncontrollable, or at least unpredictable. For example, at the start of our tenure nine years ago, the Great Recession and the unusual oil price spike that wobbled the global economy, especially small economies in the American orbit such as Belize, was surely not something we had bargained for. It was an unexpected crisis, made worse by the inability to forecast and prepare beforehand.

Thus, as a consequence both of international factors and local vagaries-such as citrus disease, European sugar quota elimination or hurricane damage- it is well said that calibrating national economic policy is a dicey, inherently fraught pursuit. And without a doubt, every constituency-private sector, labor, NGOs, Churches - at some point feels itself shortchanged, and clamors for greater attention.

This is intrinsic to a full-bodied democracy.

Also, while the business of government is not unlike your business, there is one fundamental difference: In our case all citizens, individual and corporate, are mandatory customers. Therefore governments, at least those that seek to retain legitimacy, do not have the option of discarding unprofitable clients.

Given the volatile context in which the conduct of governance and development must be pursued then, I believe our record of progress over the last nine years to be really quite remarkable. The Belizean economy, with the exception of 2016's 1.6% contraction, has grown every single year since 2008. This notwithstanding that already cited gravest of threats to the world's commercial and financial system which confronted us at the very start of our term. And even last year's tightening was in circumstances that saw the entire region slide by .9%. In fact ECLAC reported that the resource rich, hitherto roaring South American economies, declined by 2.2%. Viewed in this frame Belize's average growth

during my Administration's overall tenure of 2% in real terms, puts us in the best in class category.

To elaborate, this constant growth has added \$1.4b of annual economic activity since 2008, provided an estimated 18,000 jobs in the last 5 years, and expanded credit to the private sector by \$280m. According to the Central Bank, a key part of this mix has been the \$2.5b in gross FDI Belize has attracted between 2008 and 2016, with a 319 million inflow last year.

And for a specific and more immediately contextual statistic, in just the last several weeks this Administration, in the face of forbidding odds, leveraged a second successful renegotiation of the billion dollar super bond. The result reduced by a quarter the net present value of this debt and averted a certain amortization wall in 2019. It also provided the platform for tailoring a national budget that stiffens the fiscal stance of the official sector and stabilizes the overall public debt, while still swelling the spending power of public servants. ALL this while avoiding the bitter and ultimately regressive recipes of the IMF.

Both S&P and Moody's, in the aftermath of the super bond re-negotiation, upgraded Belize's long term foreign and local currency ratings, and concluded that the risk of a credit event is now low. This is a momentous win for the business community and all Belizeans.

It is also important to point out that the 280m growth of private sector credit since 2008 which I earlier referenced is a complement to, and part and parcel of, the private sector's buoyancy and ingenuity. Buoyancy and ingenuity, all the more noteworthy given the constraining conditions of our relatively tiny, dispersed population and the considerable export barriers that remain for small economies like ours. This healthy expansion in credit is, though, only one ply in the wider narrative of a commercial banking system that under my Administration has been brought back from the brink.

The sagas of the super bond and the revelations of secret contracts in the context of the battles relating to our public utilities, are well known. But the authorities, for very obvious reasons of confidence, had refrained over the years since 2008, while the banking recovery was proceeding, from a public accounting of the legacy of mismanagement which had penalized savers and borrowers alike.

What regulators thought was \$96m in bad bank loans at the start of 2008 turned out to be double that amount by 2009 and more than triple that level by 2010. This was not because business had turned sour but because the loans were shady from the start. At its peak in 2011, over \$322m in non-performing loans infected the books of our banks, posing the most dangerous systemic threat ever faced by Belize's banking community.

In the face of this the CBB moved. It bolstered bad loan provisions by more than 50% over the last 5 years, which allowed some \$185m in non-performing loans to be written off without any evident loss of confidence.

And now I am pleased to report that as of February of this year, the system-wide non-performing loans ratio has shrunk to 2.65%. This is one of the lowest levels in the entire hemisphere, and down from a peak of 20% in February of 2011.

I have spent some time on this since credit and capital intermediation, private sector sages often remind us, is the lifeblood of the commercial economy. Thus, this astonishing and previously unheralded banking revival is one that should make us all proud.

Also, I prompt you to take into account that our economic expansion and banking recovery have been achieved without putting a hurt on either the value of the Belize dollar (inflation has been at unprecedented lows, averaging less than 1% during the last 7 years) or the cost of money. In fact, the weighted average borrowing rate has fallen by a third to 9.6% in January of this year, down from over 14% at the start of 2008.

And even after the SSB's recent purchase of utility shares, excess liquidity in the commercial banking system, available for every manner of commercial financing, is still an approximate \$400 m.

The CBB, having recently launched the new Automated Payment and Securities Settlement System, is now amplifying this forward momentum by engaging with the Bankers' Association to safeguard the recovery of the critical correspondent banking relationships; by consulting broadly on the issuance of innovative domestic securities; by implementing a modern Credit Reporting System; by activating the new money lenders regulations; and by constructing the first planks of a domestic capital markets platform. This last will radically reshape the efficiency with which domestic capital streams from savers and depositors to entrepreneurs and developers.

Also, our confidence that the economy would bounce back in 2017, trumpeted during the recent Budget Presentation, is already being vindicated by early signals of expansion. For example, first quarter estimates show that sugar production rose by 27% (from 59k to 75k long tons), banana production surged by 52% (from 850k to 1.3m boxes), shrimp increased by 57% (from 241k to 380k pounds) and tourism continues its spectacular, multi-year growth with overnight and cruise arrivals increasing by 2.5% and 8.7% respectively.

Neither these signs of a robust rebound in 2017 nor any of the achievements since 2008 that I have mentioned should, however, give you any impression that I am satisfied with the current speed of doing business; or that I am unconcerned about further tax reforms or achieving greater efficiencies in the public sector; or that there is any slackening of resolve to slay the hydra-headed monster of corruption.

In all these regards, I know we can do better.

And the determination to do better is why we will next month be moving legislation in the National Assembly to enshrine the Economic Development Council. This will make enhancing mass-scale service delivery, while rooting out dishonesty. With astonishing results, that country is in the final year of a US\$150b campaign to combat corruption with e-government and digitization tools.

The start we have already made here at home has seen the completion of arrangements for the relocation of the ASYCUDA servers from Customs to CITO's hosting facility in Belmopan. The Ministry of Natural Resources ICT system, and responsibility for its administration, will also be transferred to CITO. We as well wish to bring Immigration on to CITO's network, but this must await finalization of new premises for the Department.

Going back to Lands, I need to mention here that terms are being concluded for the appointment of a Commissioner of Stamps. The remit of that office will be to determine the all-important but currently bottleneck issue of the proper stamp duty valuation for land transfers, and to recommend a completely new land tax regime.

One other notable, near term EDC priority is worthy of mention: the National Transportation Master Plan, to be completed this August. Since 2008, an estimated \$650m has been invested by this Administration in Works infrastructure improvements. These include the rehabilitation of almost 200 miles of major highways and rural roads; 21 new bridges and 40 upgraded bridges; 350 major culverts repaired or replaced; and hundreds of streets resurfaced, uplifting every municipality. Add to this the almost \$500m that the three major utility companies will spend on capital projects in the 6-year period from 2016 to 2021; and the major IFI-funded projects such as the Link Road, the Caracol Road, the upgrade to the road and the new bridge between Belize City and the PGIA, the improvements to the Hummingbird and George Price Highways; and the multiple BIL-led construction of community and sporting facilities. When it is all totaled even the most cynical observer must yield to the immensity and impact of our infrastructure drive.

How will these policies and investments further touch and change your business?

Well, among the many features that should nourish optimism I will focus on just two. First, our economy remains uniquely diversified, with no less than 9 subsectors supplementing the major well known sectors. It is a dynamic medley that allows Belize to withstand the unavoidable down-cycles of business and commerce. And second, public sector expenditure and investments have been on an exceptionally resilient trajectory averaging annually 26% of national output over the last 8 years. Thus, even during the recent mild downturn, recurrent revenues edged upwards by 6%, year on year. This notwithstanding that direct taxes on profits have fallen as a percentage of overall tax collection, that dividend taxes remain unchanged, and that there continues to be no tax whatever on capital gains or interest income.

It is true that our overall tax take is a shade higher than in some other regional countries, and the private sector can perhaps point to that with some apprehension. On the other hand we can also ask why it is that under 5000 companies are on the tax rolls. Also, less

than 1 in 5 citizens actually pay income taxes, and safety net spending on education, health and security eats up 48 cents of every recurrent revenue dollar. These too are factors that no doubt provoke the private sector. But I am persuaded that ultimately efforts at middle class tax containment and investment in social programs which empower especially the less well off, are what help to distinguish us from more volatile and oligarchical states.

In any case, for the remainder of this, my final term, we shall remain relentless in the pursuit of commercial and industrial expansion and an increase in overall output. In so doing we will carefully balance the interests of prospective investors with those of you who are already invested. And If just a slice of the greater than \$1.5b in the more than 25 pipeline projects announced by the Ministry of Investment during last month's Budget debate materializes, Belize can certainly expect higher than average growth over the next 24 months.

Since this will be my last opportunity to address your annual gathering, I close by saying how thankful I am for what has in the main been a constructive relationship with the Chamber. Also, on an individual level many of you have offered me personal support over these years. Naturally, I am particularly grateful for that. And when the chroniclers look back at the post-2008 economic period, my hope for the narrative is simple: that it will show that a stable business environment prevailed, largely free of rampant cronyism and secret contracts; that my Administration was bold without gambling on the public purse; and that we struck a reasonable balance between rewarding entrepreneurship on the one hand, and protecting society's disadvantaged on the other.

This is the construct we continue to pursue, reserving stakes for the moneyed as well as the marginalized, for the producer as well as the patron, and for the public as well as the private branches of the economy.

Thank you.

11.0 Presentation of Gift to Guest Speaker - The President - Mr. Nikita Usher presented a gift on behalf of the Chamber to the Prime Minister for being our Guest Speaker.

12.0 Thank You

The official thank you was done by Mr. Rufino Lin - VP Commerce.

Approved by:

Mrs. Ashahti Arthurs-Martin - Secretary

Prepared by:

Ms. Ruth Gillett - Senior Administrator

Financial Statements

Year ended 31 December 2017

# Belize Chamber of Commerce & Industry Index to the financial statements

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Independent auditor's report to the shareholders of Belize Chamber of Commerce & Industry

#### Opinion

We have audited the accompanying financial statements of Belize Chamber of Commerce & Industry (Chamber) which comprise of the statement of net assets as at 31 December 2017 and the statement of activities, statement of cash flows and statement of expenses by functional area for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Belize Chamber of Commerce & Industry as of 31 December 2017, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards for small and medium size entities (IFRS for SMEs).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Chamber in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Other matters

The financial statements of the Belize Chamber of Commerce and Industry for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion in those statements dated 31 March 2017.

#### Responsibility of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Chamber ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Chamber or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Chamber's financial reporting process.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we:

- (i) exercise professional judgement and maintain professional skepticism throughout the audit;
- (ii) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (iii) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- (iv) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (v) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we should conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- (vi) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (vii) obtain sufficient audit evidence regarding the financial information of the Chamber to express an opinion on the financial statements. We remain solely responsible for our audit opinion
- (viii) communicate with those charged with governance regarding, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Belize LLP.
BDO Belize LLP

28 February 2018

# Statement of net assets

As at 31 December (In Belize Dollars)

ASSETS			
Current assets	Note	2017	2016
Cash and cash equivalents		279,258	281,506
Endowment Fund account	4	100,000	100,000
Trade and other receivables	6	726,689	573,780
Non-current assets		1,105,947	955,286
Property and equipment	7	2,742,478	2,820,571
Total assets	_	3,848,425	3 775 957
	_	3,040,423	3,775,857
LIABILITIES AND NET ASSETS Current liabilities			
Bank overdraft	8	216,334	190,503
Trade and other payables	9	567,354	470,540
Borrowings	10	119,746	110,021
		903,434	771,064
Non-current liabilities			
Borrowings	10	713,757	833,503
Severance provision	11	79,213	49,983
		792,970	883,486
Total liabilities		1,696,404	1,654,550
Net assets			
Unrestricted funds		2,052,021	2,021,307
Endowment reserve fund, restricted	12	100,000	100,000
Total net assets	_	2,152,021	2,121,307
Total liabilities and net assets	-	3,848,425	3,775,857
		-,,	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,

Approved on behalf of the Executive Council:

President

Spolake - Treasure

# Statement of activities

As at 31 December (In Belize Dollars)

Support Membership dues         -         168,875         168,875         168,875         166,379           Revenues BCCI's share of Western Union transfer charges         879,047         -         879,047         936,356           Collection fees (Collection fees (Collectio	Supports & revenue	Notes	Western Union	General office	2017 Total unrestricted	2016 Total unrestricted
BCCI's share of Western Union         879,047         -         879,047         936,356 transfer charges           Collection fees         -         34,647         34,647         36,090 (Loss)/gain on disposal Interest income         -         (276)         (276)         14,914 disposal (276)           Interest income         218         518         736         2,935 disposal (279,421)           Net contributions from EXPO and other services         -         99,704         99,704 disposal (279,421)           Net contributions from EXPO and other services         (229)         139,108 disposal (13,8879 disposal (14,724)         114,724 disposal (15,837 disposal (13,814) disposal (15,837 disposal (13,814) disposal (15,837 disposal (13,814)	• •		-	168,875	168,875	166,379
Collection fees (Loss)/gain on (Loss)/gain on disposal Interest income         -         34,647 (276)         34,647 (276)         36,090 (14,914)           Interest income Rental income         218         518         736         2,935           Rental income Net contributions from EXPO and other services         (229)         139,108         138,879         114,724           Services Sundry income         55         15,782         15,837         13,814           Total supports and revenue         879,091         458,358         1,337,449         1,564,633           Expenses Administration         (268,670)         (896,334)         (1,165,004)         (1,195,918)           Financial         13         -         (75,979)         (75,979)         (84,914)           Taxes         14         (52,743)         (13,009)         (65,752)         (71,201)           Change in unrestricted fund         557,678         (526,964)         30,714         212,600           Unrestricted fund-1 January 2017         2,021,307         1,808,707	BCCI's share of		879,047	-	879,047	936,356
Interest income 218 518 736 2,935 Rental income - 99,704 99,704 279,421 Net contributions from EXPO and other (229) 139,108 138,879 114,724 services Sundry income 55 15,782 15,837 13,814 Total supports and revenue 879,091 458,358 1,337,449 1,564,633  Expenses Administration (268,670) (896,334) (1,165,004) (1,195,918) Financial 13 - (75,979) (75,979) (84,914)  Taxes 14 (52,743) (13,009) (65,752) (71,201) Change in unrestricted fund Unrestricted fund-1 January 2017 2,021,307 1,808,707	Collection fees (Loss)/gain on		-	,	•	,
from EXPO and other services Sundry income 55 15,782 15,837 13,814 Total supports and revenue 879,091 458,358 1,337,449 1,564,633  Expenses Administration (268,670) (896,334) (1,165,004) (1,195,918) Financial 13 - (75,979) (75,979) (84,914) Taxes 14 (52,743) (13,009) (65,752) (71,201) Change in unrestricted fund 557,678 (526,964) 30,714 212,600  Unrestricted fund-1 January 2017 2,021,307 1,808,707	Interest income Rental income		218			
Total supports and revenue 879,091 458,358 1,337,449 1,564,633  Expenses Administration (268,670) (896,334) (1,165,004) (1,195,918) Financial 13 - (75,979) (75,979) (84,914) 610,421 (513,955) 96,466 283,801 Taxes 14 (52,743) (13,009) (65,752) (71,201) Change in unrestricted fund 557,678 (526,964) 30,714 212,600  Unrestricted fund-1 January 2017 2,021,307 1,808,707	from EXPO and other services		, ,	ŕ		·
Administration       (268,670)       (896,334)       (1,165,004)       (1,195,918)         Financial       13       -       (75,979)       (75,979)       (84,914)         610,421       (513,955)       96,466       283,801         Taxes       14       (52,743)       (13,009)       (65,752)       (71,201)         Change in unrestricted fund       557,678       (526,964)       30,714       212,600         Unrestricted fund-1 January 2017       2,021,307       1,808,707	Total supports and			· · · · · · · · · · · · · · · · · · ·		
Taxes 14 (52,743) (13,009) (65,752) (71,201) Change in unrestricted fund 557,678 (526,964) 30,714 212,600 Unrestricted fund-1 January 2017 2,021,307 1,808,707	Administration		(268,670)			
Taxes         14         (52,743)         (13,009)         (65,752)         (71,201)           Change in unrestricted fund         557,678         (526,964)         30,714         212,600           Unrestricted fund-1 January 2017         2,021,307         1,808,707	Financial	13	-			
Change in unrestricted fund         557,678         (526,964)         30,714         212,600           Unrestricted fund-1 January 2017         2,021,307         1,808,707	Taxes	14	,	` ' '	•	· ·
				(526,964)		
Unrestricted fund - 31 December 2017 2,052,021 2,021,307	Unrestricted fund-1 Ja	nuary 2017	7		2,021,307	1,808,707
	Unrestricted fund - 31	December	2017	-	2,052,021	2,021,307

## Statement of cash flows

For the year ended 31 December (In *Belize* Dollars)

	Notes	2017	2016
Cash flows from operating activities		20.744	242 400
Change in unrestricted funds		30,714	212,600
Adjustments for non-cash income and expense items: -Depreciation	7	102 252	102 571
-Loss/(gain) on disposal of property and equipment	,	103,253 276	103,571
-Taxes		65, <b>7</b> 52	(14,914)
-Interest income			71,201 (2,935)
-Interest expense		(736) 75,979	84,914
-Severance pay provision	11	29,230	18,047
-severance pay provision	'' _	304,468	472,484
Changes in working capital:		304,400	472,404
-(Increase) in trade and other receivables	6	(152,909)	(237,617)
-Increase in trade and other payables	9	96,814	, , ,
	7		96,824
Cash provided by operations Taxes paid		248,373	331,691
Interest income received		(65,752)	(71,201)
· -		736 (75.070)	2,935
Interest paid	ggebrusen	(75,979)	(84,914)
Net cash generated by operating activities		107,378	178,511
Cash flows from investing activities			
Purchases of property and equipment	7	(25,436)	(90,037)
Proceeds from disposal of property and equipment		-	16,875
Net cash (used in) investing activities		(25,436)	(73,162)
Cash flows from financing activities			
Repayment of borrowings		(110,021)	(101,086)
Net cash (used in) financing activities		(110,021)	(101,086)
Net (decrease)/increase in cash and cash equivalents	_	(28,079)	4,263
Cash and cash equivalents, beginning of the year		91,003	86,740
Cash and cash equivalents, end of the year	<u>-</u>	62,924	91,003
Represented by			
Cash and bank balances		279,258	281,506
Bank overdraft		(216,334)	(190,503)
		62,924	91,003
		UL, 727	71,003

# Statement of expenses by functional area

For the year ended 31 December (In Belize Dollars)

	Western Union	General office	2017 Total Expenses	<b>2016</b> T <b>o</b> tal Expenses
ADMINISTRATION				
Advertising and promotion	43,048	22,788	65,836	84,074
Annual general meeting expenses	, -	10,853	10,853	11,769
Audit		18,000	18,000	19,000
Bad Debts	-		-	, -
Bank charges	19,468	2,023	21,491	27,531
Depreciation	-	103,253	103,253	103,571
Donations and subscriptions	-	4,093	4,093	7,572
Electricity and water	15,999	22,763	38,762	47,409
GST input tax disallowed	_	1,486	1,486	5,965
Insurance	11,089	42,252	53,341	54,645
Members and board meetings	60	38,291	38,351	34,071
Miscellaneous expenses	2,533	3,429	5,962	11,854
Motor vehicle expenses	•	22,328	22,328	18,064
Office cleaning	-	12,747	12,747	12,958
Office expenses	800	4,211	5,011	3,777
Personnel costs	90,964	437,029	527,993	509,295
Professional fees	-	600	600	763
Property taxes	-	9,269	9,269	9,447
Rent	-	7,368	7,368	7,972
Repairs and maintenance	95	60,760	60,855	61,308
Security	20,975	27,484	48,459	49,132
Stationery, postage and office supplies	14,891	19,184	34,075	41,908
Telephone	38,700	14,610	53,310	56,006
Training	, <u>-</u>		<i>-</i>	637
Travel, local and international	10,048	11,513	21,561	17,190
	268,670	896,334	1,165,004	1,195,918

Notes to the financial statements (In Belize Dollars)

#### 1. General Information

The Belize Chamber of Commerce and Industry (Chamber) is a private sector initiative whose objective is to promote free enterprise development across all sectors of the Belizean economy including commerce, industry, manufacturing, agri-business, the professions and trades.

The Chamber is a private, non-profit, non-partisan, membership organization established by statute - the Belize Chamber of Commerce and Industry Act (the Act), Chapter 308 of the Laws of Belize, Revised Edition 2000. This Act repealed and replaced the Chamber of Commerce Act of 1923. The office of the Chamber is located at #4792 Coney Drive, Belize City, Belize.

The Chamber and Western Union (WU) established domestic and international money transfer services for Belize under a joint agreement in 1993, whereby the Chamber and WU share transfer charges levied on money transfers. This activity continues to be the main source of revenue for the Chamber.

These financial statements were authorized by the Executive Council for issue on 15 March 2018.

#### 2. Summary of Significant Accounting Policies

#### Basis of preparing the financial statements

The financial statements of the Chamber have been prepared in accordance with 'International Financial Reporting Standard for Small and Medium-sized Entities' (IFRS for SMEs). They have been prepared under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Chamber's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Note 3.

The financial statements have been prepared on the going concern basis which assumes that the Chamber will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continuing support received from the members of the Chamber, its Western Union partner and its bankers.

Notes to the financial statements (In Belize Dollars)

#### 2. Summary of Significant Accounting Policies (continued)

#### Foreign currency translation

#### Functional and presentation

Items included in the financial statements are measured using the currency of the primary economic environment in which the Chamber operates ('the functional currency'). The financial statements are presented in Belize dollars which is the Chamber's functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Activities. The official exchange rate for the Belize dollar is fixed at BZ\$2 to US\$1.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Activities within "Loss on Exchange". All other foreign exchange gains and losses are presented in the Statement of Activities within the particular support, revenue or operating expense.

#### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less and a bank overdraft which is presented in the statement of net assets within current liabilities.

#### Trade receivables

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Chamber will not be able to collect all amounts due according to the original terms of the receivables.

#### Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the financial statements (In Belize Dollars)

#### 2. Summary of Significant Accounting Policies (continued)

#### Property and equipment (continued)

The Chamber adds to the carrying amount of an item of property and equipment the cost of replacing parts of such an item when the cost incurred for the replacement part is expected to provide incremental future benefits to the Chamber. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of activities during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Strata building

50 years

Office furniture, fixtures and equipment

4 and 10 years

**Vehicles** 

5 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the classification 'Revenues' in the Statement of Activities.

#### Impairment of non-financial assets other than inventories

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the financial statements (In Belize Dollars)

#### 2. Summary of Significant Accounting Policies (continued)

#### **Borrowings**

Borrowings are recognized initially at the transaction price, that is, the present value of cash payable to the bank. Borrowings are subsequently stated at amortized cost. Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Chamber has an unconditional right to defer settlement of the liability for at least *twelve* months after the reporting date.

#### Trade payables

Trade payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

#### Employee benefit obligations

Termination benefit - severance

The Chamber recognizes termination benefits in accordance with the Labour Act (the Act), Chapter 297 of the Substantive Laws of Belize.

The Act was revised in April 2011 to require that employees who have been employed for (a) five to ten years be paid severance pay of one week's pay for each year of service if retiring on or after 60 years of age or on medical grounds or if terminated for other than good or sufficient cause and (b) employees with more that ten years be paid severance pay of one week's pay for each year of service prior to April 30, 2011 and two weeks pay for each year of service thereafter. The revision became effective on May 1, 2011.

#### Support and revenue recognition

Support and revenues comprise the fair value of the consideration received or receivable from membership dues, grants and revenues from income-generating activities in the ordinary course of the Chamber's activities. Revenues are shown net of general sales tax and discounts.

The Chamber recognizes support and revenues when the amounts of such support and revenues can be reliably measured; it is probable that future economic benefits will flow to the Chamber; and specific criteria have been met for each of the Chamber's activities, as described in the following page.

Notes to the financial statements (In Belize Dollars)

#### 2. Summary of Significant Accounting Policies (continued)

### Support and revenue recognition (continued)

#### (a) Grant support

Grants are recognized when there is reasonable assurance that the Chamber will comply with the conditions attached to the grant and the grant will be received.

Support for future periods is accounted for as deferred income or support.

### (b) Membership dues and revenues

Membership dues are recognized as income when received but, dues received in respect of future periods are deferred. All other revenue is recognized when earned.

#### (c) Interest income

Interest income is recognized using the effective interest method.

#### (d) Rental income

Rental income under an operating lease is recognized in the statement of activities income on a straight-line basis over the lease term and is recognized within the classification 'Revenues' in the Statement of Activities.

#### **Taxes**

The tax expense for the period comprises current tax. The tax charge is calculated on the basis of the tax laws enacted at the statement of net assets date. Management evaluates situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

Taxes are based on monthly gross revenue receipts and are payable within the following month.

Complying with deferred taxation accounting pursuant to Section 29 of International Financial Reporting Standard for Small and Medium-sized Entities is not applicable.

Notes to the financial statements (In Belize Dollars)

#### 2. Summary of Significant Accounting Policies (continued)

#### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of activities on a straight-line basis over the period of the lease.

The Chamber, as lessor under operating leases, leases out office space in its Coney Drive building. Rental income from the lease is recognized in accordance with the accounting policy described in Note 2.

#### Comparative information

Where necessary, comparative amounts have been reclassified to conform with changes in presentation in the current year.

## 3. Information about key sources of estimation uncertainty and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including future expectations.

## Key sources of estimation uncertainty

The organization makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year would be the estimated collectability of accounts receivable, particularly from Western Union sub-agents and management's assessment as to the impairment of assets.

#### 4. Endowment Fund account

The Endowment Fund account which is a restricted cash balance, is held in a bank savings account. See Note 12 for more detail.

Notes to the financial statements (In Belize Dollars)

#### 5. Financial risk factors

The Chamber's activities expose it to a variety of risks including credit risk and liquidity risk.

#### Credit risk

The Chamber has no significant concentrations of credit risk. Sales are made in cash or on credit terms. Credit sales are made to customers with appropriate credit histories.

## Liquidity risk

Liquidity risk management involves maintaining significant cash and cash equivalents and having funding available through adequate and committed credit facilities.

#### 6. Trade and other receivables

	2017	2016
Western Union and sub-agents	593,309	417,034
Western Union - shared cost on advertising	<b>26</b> ,356	110,510
Others	83,1 <b>7</b> 8	73, <b>6</b> 81
Prepayments	34,422	27,123
Employees loans receivable	1,620	3,032
	738,885	631,380
Less: bad debt provision	(12,196)	(57,600)
	<b>7</b> 26,689	573,780
Movement in the bad debt provision:	2017	2016
At 1 January 2017	57,600	57,600
Amounts written off during the year	(45,404)	-
At 31 December 2017	12,196	57,600

Notes to the financial statements (In Belize Dollars)

## 7. Property and equipment

		Charaka land	Office furniture, fixtures,	Makar	÷
	Land	Strata land and building	and equipment	Motor Vehicles	Total
Cost or valuation					
At 1 January 2016	853,848	2,045,938	429,925	166,871	3,496,582
A <b>d</b> ditions	-	•	25,436		25,436
Disposals	<b></b>	<u>.</u>	(276)	_	(276)
At 31 December 2017	853,848	2,045,938	455,085	166,871	3,521,742
Accumulated depreciation				·	
At 1 January 2016	-	(305,655)	(315,989)	(54,367)	(676,011)
Charge for the year		(41,087)	(31,125)	(31,041)	(103,253)
At 31 December 2017	-	(346,742)	(347,114)	(85,408)	(779,264)
Net book values	252 840	4 (00 40)	407.074	04 443	2 7 42 470
At 31 December 2017	853,848	1,699,196	107,971	81,463	2,742,478
At 31 December 2016	853,848	1,740,283	113,936	112,504	2,820,571

#### 8. Bank Overdraft

Bank overdraft and other facilities are secured by a mortgage over the Chamber's strata titles 4792 (Hi and H3), Block 16, Caribbean Shores stamped to secure \$400,000 and mortgage over the Chamber's Regent Street property stamped to secure \$450,000.

## 9. Trade and other payables

	2017	2016
Trade Payables	16,658	27,911
Other payables and accruals	78,341	96,712
Stamp duties on money transfers payable	60,818	51,383
Western Union Settlements for sub-agents	335,74 <b>6</b>	205,568
Western Union sub-agents' share of transfer charges	<b>6</b> 1,373	60,267
Deferred revenue - membership dues	14,418	28,699
	567,354	470,540

Notes to the financial statements (In Belize Dollars)

#### 10. Borrowings

1

Bank loan with interest at 8.5% per annum, secured, repayable by 59 monthly instalments of \$15,500 inclusive of interest and one payment of \$564,582.42 to be rolled over at maturity in March 2020.

	or you your iz to be round over at materies in mare.	. 2020.	2017	2016
	Atlantic Bank Loan		833,503	943,524
	Less: current portion		(119,746)	(110,021)
	·	_	713,757	833,503
	Loan's repayable as follow:	2018	119,746	
	. ,	2019	130,330	
		2020	141,851	
		There	,	
		after	441,576.00	
11.	Severance provision			
			2017	2016
	Employee benefit obligation			
	At 1 January		49,983	31,936
	increase in provision during the year		29,230	18,047
	At 31 December		79,213	49,983
			<del></del>	• • • • • • • • • • • • • • • • • • • •

#### 12. Endowment reserve fund, restricted

The Government of Belize and the United States of America were parties to a U.S. funded programme designated as the Economic Stabilization Fund (ESF) Local Currency Programme, whereby assistance was provided to the country of Belize. In February 1993, an allocation of BZ\$100,000 of the Private Sector Development Fund was earmarked under the ESF for the Chamber to as seed capital for the establishment of an Endowment Fund. In April 1996, an agreement between the Government of Belize and the Chamber was formally executed establishing the Endowment Fund. The purpose of the Endowment Fund is to assist private sector developmental activities.

#### 13. Financial expense

	2017	2016
Interest Expense	75,979	84,914

Notes to the financial statements (In Belize Dollars)

#### 14. Taxes

On 29 June 1998, the Government of Belize passed the Income Tax (Amendment) Act, (the Act). The Act which became effective 1 July 1998 replaced Corporate Tax with a Business Tax chargeable on gross trading receipts. The amendment made civic organizations such as the Chamber (which were wholly-exempt from taxation under the previous tax regime) chargeable to business tax on membership dues and receipts from revenue-generating activities.

Business tax is levied on the various categories of income at the rates set out from time to time in the Ninths Schedule to the Act.

## 15. Employees' salaries and benefits

•	2017	2016
Wages and salaries	417,664	412,512
Social security costs	13,063	12,934
Severance	29,230	18,047
Staff benefits	68,036	65,802
	527,993	509,295

#### 16. Key management compensation

Key management includes the Executive Council and key	2017	2016
members of management. Total compensation paid to key		
management for employee services was -	96,000	98,268

#### 17. Commitments and contingencies

The Belize Chamber of Commerce and Industry signed a Technical Cooperation Agreement with the Inter-American Development Bank in October 2017 for a project entitled, Pre-adapt Belize-Increasing Climate Change. The BCCI is to manage project funding in the sum of US\$203,000.00. The BCCI will provide counterpart funding of US\$138,000.00 for this project. The duration is for three years.