



BELIZEAN BUSINESSES REPORT SIGNIFICANT IMPACTS CAUSED BY COVID-19; MOST ADAPT TO CHANGING CONDITIONS TO REMAIN IN OPERATION

In November 2020, the Statistical Institute of Belize (SIB) carried out the Impact of COVID-19 on Business Establishments Survey. This survey was conducted on a sample of approximately 2,500 randomly selected businesses across the country and across all main industry groups, to collect data on the ways in which the COVID-19 pandemic has affected operations and staffing. The sample was selected from the SIB's Statistical Business Register, a listing of all businesses which had been formally registered with either the Social Security Board or the Belize Tax Services Department and, therefore, did not include informal establishments which were not registered with either agency. Data was collected using Computer Assisted Web Interviewing, used for the first time in an SIB survey, in combination with Computer Assisted Telephone Interviewing, yielding a response rate of approximately 50 percent.

BUSINESS DEMOGRAPHICS:

Location

More than one-third of formally registered businesses¹ reported that they were located in the Belize district, followed by the Stann Creek district with 17.7 percent. The Corozal, Orange Walk and Cayo districts accounted for similar shares of the total number of businesses, while the Toledo district had by far the least number of formally registered establishments, with only 4.9 percent (see Table 1).

Industry

More than a half of formally registered businesses indicated that the main economic activity in which they were engaged fell within the services sector, as expected, given the relative contribution of this sector to the country's total economy. Some 18.3 percent of establishments were engaged in 'Wholesale and Retail Trade', while 15.6 percent were engaged in 'Accommodation and Food Service Activities'. 'Agriculture' accounted for the third highest share of all formally registered businesses in the country, at 14 percent. The 'Construction' and 'Manufacturing' industries each accounted for just under 7 percent of total establishments (see Table 2).

Ownership Type

The vast majority of formally registered establishments were sole proprietorships, with almost 70 percent of businesses reporting this form of ownership. Private limited liability companies accounted for approximately 12.6 percent, while 12.4 percent were partnerships. All other ownership types combined accounted for 5.1 percent of all establishments (see Table 3).

COMPOSITION OF WORKFORCE:

Employment Percentage Decrease

Countrywide, the total number of persons employed by formally registered businesses declined sharply by an estimated 35.8 percent between March 2020 and November 2020. The steepest drop was seen in the Orange Walk district, where businesses reported that by November 2020, the size of their staff had been reduced by 66.5 percent in comparison to March 2020. This was followed by the Cayo district, where the number of persons employed by these establishments fell by 48.4 percent. Least impacted were the Belize and Stann Creek districts, both of which saw staffing numbers reduced by about 27 percent (see Table 4).

Full Time vs Part Time Staffing

As of March 2020, when COVID-19 restrictions and safety measures were first introduced, 78.7 percent of formally registered businesses were staffed exclusively by full-time workers, while 21.3 percent employed a combination of full-time and part-time staff. By November 2020, however, almost 90 percent of establishments were staffed by full-time workers only and just 11 percent employed any part-time staff (see Table 5). This indicates that, as businesses scaled back operations and employment, part-time workers likely experienced job loss at a disproportionately higher rate than full-time employees.

Table 1: Distribution of Establishments by District (%), November 2020

District	% of Total Businesses
Corozal	13.7
Orange Walk	14.6
Belize	36.1
Cayo	12.8
Stann Creek	17.7
Toledo	4.9

Source: Statistical Institute of Belize, 2021

Table 2: Distribution of Establishments by Main Industry (%), November 2020

Industry	% of Total Businesses
Agriculture	14.0
Mining	0.2
Manufacturing	6.8
Electricity, gas	0.3
Water supply; sewerage, waste management	0.5
Construction	6.7
Wholesale and retail trade	18.3
Transportation and storage	3.3
Accommodation and food service activities	15.6
Information and communication	1.0
Financial and insurance activities	1.2
Real estate activities	1.1
Professional, scientific, and technical activities	3.2
Administrative and support service activities	5.2
Public administration and defence	0.1
Education	0.9
Human health and social work activities	1.8
Arts, entertainment, and recreation	0.9
Other service activities	3.7
Activities of households as employers	14.9
Activities of extraterritorial organizations and bodies	0.2

Source: Statistical Institute of Belize, 2021

Table 3: Distribution of Establishments by Ownership Type (%), November 2020

Ownership Type	% of Total Businesses
Proprietorship (Individual ownership)	69.6
Partnership	12.4
Public limited liability company	0.3
Private limited liability company/registered company	12.6
Cooperative society	0.4
Foreign company operating unincorporated branch in Belize	0.3
Non-profit institution/charitable organization/Religious	1.2
Other	3.2

Source: Statistical Institute of Belize, 2021

¹ For purposes of this report, the term "formally registered businesses" refers to establishments that are registered with either the Social Security Board, the Belize Tax Services Department, or both.

STATUS OF OPERATIONS:

As of November 2020, approximately 86 percent of formally registered business establishments in the country were able to remain in operation. About 11 percent of establishments indicated that they had closed temporarily due to COVID-19, while about 2 percent had permanently ceased operations. Businesses in the Belize district were most likely to have weathered the adverse economic conditions, with 91 percent reporting that they remained operational as of November 2020. The Cayo district saw the highest percentage of its businesses, some 18.2 percent, being temporarily closed due to COVID-19. The Corozal district experienced the most permanent closures, with 11.9 percent of its businesses reporting that they were no longer operational and would not be reopening (see Table 6).

EFFECTS OF COVID-19 ON BUSINESSES:

Impact on Business Operations

Table 7 below summarizes the extent to which various aspects of business operations were impacted by the COVID-19 pandemic. Some 61.3 percent of establishments reported that they had been highly impacted by decreased demand for their products and services. Similarly, 64.3 percent indicated that they had been highly impacted by reduced weekly revenues. More than 46 percent of businesses had been highly impacted by the cancellation of contracts by customers. Other major effects of the pandemic on establishments included difficulty in sourcing needed items from suppliers, heightened public fears causing customers to stay away from businesses' physical locations, cancellation of important meetings or events, and setbacks resulting from not being able to have all staff on-site (see Table 7).

Table 4: Change in Total Number of Employees by District, March 2020 to November 2020

District	% Change
Corozal	-36.3
Orange Walk	-66.5
Belize	-27.0
Cayo	-48.4
Stann Creek	-27.3
Toledo	-38.2
Total	-35.8

Source: Statistical Institute of Belize, 2021

Table 5: Distribution of Establishments by Composition of Staffing (%), March 2020 vs November 2020

Composition of Staffing	Mar. 2020	Nov. 2020
Only Full-Time Workers	78.7	88.2
Only Part-Time Workers	0.0	0.2
Both Full-Time and Part-Time Workers	21.3	11.6

Source: Statistical Institute of Belize, 2021

Table 6: Distribution of Businesses by District and Operational Status (%), November 2020

District	Status of Operations				
	Continuing to operate	Has temporarily closed or paused operation due to COVID-19	Has temporarily closed or paused operation due to other reason	Has permanently closed or ceased operation due to COVID-19	Has permanently closed or ceased operation due to other reason
Corozal	80.0	4.8	3.4	0.0	11.9
Orange Walk	81.5	17.3	0.3	0.9	0.0
Belize	91.0	8.6	0.1	0.3	0.0
Cayo	81.4	18.2	0.2	0.2	0.0
Stann Creek	89.0	10.8	0.0	0.0	0.2
Toledo	86.3	13.7	0.0	0.0	0.0
Total	86.3	11.2	0.6	0.3	1.7

Source: Statistical Institute of Belize, 2021

Table 7: Distribution of Establishments by Extent of Impacts of COVID-19 on Business Operations (%), November 2020

Specific Effects on Operations	No Impact	Low Impact	Medium Impact	High Impact	Not Applicable	DK/NS*
Decrease in demand for products or services	11.1	5.4	19.2	61.3	3.0	0.1
Increase in demand for products or services	11.4	74.9	4.5	5.2	3.1	0.8
Decrease in weekly revenues/sales/income	9.4	7.3	15.1	64.3	3.4	0.4
Increase in weekly revenues/sales/income	9.8	79.8	3.5	2.7	3.9	0.4
More difficult to obtain needed items from your suppliers	13.3	15.0	17.2	38.7	14.5	1.2
Easier to obtain needed items from your suppliers	17.6	33.8	4.4	27.0	15.3	1.9
Unable to move or ship goods due to disrupted supply chains	12.4	6.5	6.7	20.4	52.0	1.9
Cancellation of contracts with suppliers	16.1	10.4	8.7	18.9	44.7	1.2
Cancellation of contracts by customers	14.5	12.4	8.4	46.2	18.2	0.3
Inability to have staff physically on-site	22.1	14.9	28.7	24.3	9.6	0.4
Reduction in productivity due to remote work	18.4	16.6	25.9	12.8	25.4	1.0
Increased productivity due to remote work	20.9	31.3	2.0	17.8	26.7	1.3
Important meetings, gatherings or events cancelled	10.2	7.7	6.6	30.4	44.4	0.6
Heightened public fear or caution causing customers to avoid this business's physical locations or services	13.0	7.1	18.6	38.9	22.1	0.2
Higher prices for materials, goods, and services from suppliers	15.7	10.4	17.6	21.9	33.7	0.8
Lower prices for materials, goods, and services from suppliers	21.5	22.1	5.3	12.5	37.5	1.1

Source: Statistical Institute of Belize, 2021

Table 8: Distribution of Establishments by Main Industry and Reported Change in Revenue from March 2020 to November 2020 (%)

Industry	Change in Revenues			
	Increased	Decreased	No Change	Not Applicable
Agriculture	0.1	83.6	15.7	0.6
Mining	0.0	77.8	11.1	11.1
Manufacturing	1.9	86.7	7.3	4.1
Electricity, gas	7.4	73.2	19.5	0.0
Water supply; sewerage, waste management	8.9	87.4	3.7	0.0
Construction	1.5	88.1	6.2	4.3
Wholesale and retail trade	2.9	93.9	3.2	0.0
Transportation and storage	1.9	96.6	1.5	0.0
Accommodation and food service activities	0.2	97.6	0.2	2.1
Information and communication	10.8	86.1	1.0	2.1
Financial and insurance activities	22.5	57.5	16.8	3.2
Real estate activities	0.0	97.1	2.9	0.0
Professional, scientific, and technical activities	3.6	81.9	4.0	10.5
Administrative and support service activities	1.1	84.5	10.8	3.6
Public administration and defence	0.0	100.0	0.0	0.0
Education	0.0	96.4	3.6	0.0
Human health and social work activities	1.3	93.4	5.3	0.0
Arts, entertainment, and recreation	3.1	94.4	0.0	2.5
Other service activities	0.7	80.9	14.8	3.5
Activities of households as employers	0.0	93.4	0.0	6.6
Activities of extraterritorial organizations and bodies	12.5	87.5	0.0	0.0

Source: Statistical Institute of Belize, 2021

Changes in Revenues Due to COVID-19

As expected, by November 2020, businesses across all industry groups reported that they had suffered revenue losses, when compared to March 2020. With travel at a virtual standstill for much of the year, 97.6 percent of businesses within the 'Accommodation and Food Services' industry reported reduced revenues. Similarly, the 'Transportation and Storage' industry was severely impacted by measures put into place to restrict travel, with 96.6 percent of establishments in this industry experiencing revenue losses. Within the 'Wholesale and Retail Trade' industry, almost 94 percent of businesses had suffered such losses in revenue when compared to pre-COVID-19 levels in March 2020. Other severely impacted industries included 'Real Estate Activities', 'Education', 'Manufacturing', and 'Agriculture'. The least impacted industry was 'Financial and Insurance Activities', where only 57.5 percent of establishments reported reduced incomes and 22.5 percent reported that revenues had actually increased (see Table 8).

Impact of COVID-19 Safety Measures

Notwithstanding the impacts of the COVID-19 pandemic on operations and revenues, about a half of all formally registered establishments reported that social distancing and other safety measures implemented by the government to slow the spread of the virus had little or no impact on their ability to conduct their business. Some 37.5 percent indicated that these safety measures had negatively impacted their business (see Table 9).

Ability to Continue Operating Under Current Conditions

More than a quarter of businesses reported that they did not know how much longer they could continue operating under present conditions, including continued social distancing and other safety measures. Some 38.3 percent, however, would be able to remain in operation for six months or more, despite current conditions. On the other hand, almost 22 percent indicated that they could not remain either fully or partially operational for any period of time, if current conditions continue (see Table 10).

Adaptations in Response to COVID-19

In the face of adverse conditions resulting from the pandemic and the various safety measures put in place to reduce the spread of the virus, many businesses reported that they had implemented one or more adaptations to various aspects of their operations. More than a quarter indicated that they had added new ways of interacting with their customers. Additionally, 18 percent reported that they had made changes to the way in which they produced their products or delivered their services, while 11.2 percent changed the types of products or services offered. Only 14 percent had implemented no significant changes in response to COVID-19 (see Table 11).

Table 9: Distribution of Establishments by Impact of COVID-19 Measures (%), November 2020

Impact	% of Total Businesses
This business has been negatively impacted by social distancing/quarantine measures	37.5
Social distancing/quarantine measures have had little or no impact on this business	50.7
This business has benefited from social distancing/quarantine measures	2.4

Source: Statistical Institute of Belize, 2021

Table 10: Distribution of Establishments by Length of Time They Would Be Able to Continue Operating Given Present Conditions (%), November 2020

Length of Time Establishment Would Be Able to Continue Operating	% of Total Businesses
Less than one week	1.1
One week to less than 1 month	0.2
1 month to less than 2 months	1.5
2 months to less than 3 months	3.3
3 months to less than 4 months	5.0
4 months to less than 5 months	1.1
5 months to less than 6 months	0.6
6 months or more	38.3
Don't Know	27.0

Source: Statistical Institute of Belize, 2021

Cost-Saving Measures Implemented

As of November 2020, most businesses also implemented one or more cost-saving measures in response to COVID-19. Almost 20 percent of formally registered establishments indicated that they had reduced staff hours or shifts, while 17.7 percent had been forced to lay off staff. Some 15 percent of businesses had adopted other temporary cost saving measures and about 7 percent had resorted to reducing staff salaries or other forms of compensation. Nonetheless, 28 percent of businesses reported that they had not implemented any cost-saving measures (see Table 12).

Table 11: Proportion of Establishments That Implemented Adaptations to Production or Service Delivery (%), November 2020

Adaptations Implemented	% of Total Businesses
Changing the way, you produce your products or services	18.0
Changing the type of products or services offered to customers	11.2
Stop offering at least one product or service	4.0
Start offering at least one new product or service	6.4
Adding new ways to interact with or sell to customers	25.9
Increasing use of virtual platforms for internal meetings and communication	8.0
Increasing use of virtual platforms for external meetings and communication or e-commerce	6.0
Investing in equipment to produce new products or expand existing product lines	2.7
Transition some or all staff to working from home	1.9
Other (Specify)	1.9
None of the above	14.0

Source: Statistical Institute of Belize, 2021

Table 12: Proportion of Establishments That Implemented Cost-Saving Measures (%), November 2020

Measures Implemented	% of Total Businesses
Reduced staff hours or shifts	19.8
Increased staff hours or shifts	0.7
Reduced staff salaries, wages, or other compensation	6.9
Froze salaries, wages, or other compensation	1.3
Increased salaries, wages, or other compensation	0.4
Delayed payment of salaries, wages, or other compensation	2.2
Hired more staff	0.6
Laid off staff	17.7
Introduced temporary cost-saving measures	15.0
Delayed payments to vendors, rent, utilities, or other operating costs	4.8
Invested additional funds to expand the business	1.8
Other (Specify)	1.1
No changes have been implemented	27.6

Source: Statistical Institute of Belize, 2021