



ET EXTERNAL TRADE

For the month of: June 2020 • Published on: July 29th, 2020

IMPORTS DOWN 38.4%, DOMESTIC EXPORTS UP 41.1% IN JUNE 2020

IMPORTS

JUNE 2020: During the month of June 2020, Belize's imported goods were valued at \$103.7 million, down 38.4 percent or \$64.8 million from the \$168.5 million imported in June of 2019 (see Figure 1). This marked the second month in a row that merchandise imports fell by more than one-third, reflecting the economic downturn, reduced demand, and continued delays in accessing foreign exchange that have resulted from the COVID-19 pandemic.

DECREASING CATEGORIES:

Imports declined across almost all commodity categories during the month, with 'Mineral Fuels and Lubricants', 'Commercial Free Zones' and 'Machinery and Transport Equipment' being the categories with the most substantial reductions (see Figure 2).

Mineral Fuels and Lubricants

The 'Mineral Fuels and Lubricants' category plunged by 63 percent or \$17.1 million, from \$27.3 million in June 2019 to \$10.2 million in June 2020, due mainly to lower world market prices for fuel. Moreover, June of this year saw a notable decrease in imported quantities of bunker C fuel and there were also no imports of kerosene fuel.

Commercial Free Zones

Imports of goods destined for the 'Commercial Free Zones' fell by more than a half or \$16.3 million, from \$29.7 million to \$13.4 million, owing to decreased purchases of a variety of items, including tennis shoes, men's clothing and perfumes.

Machinery and Transport Equipment

With decreased imports of goods such as aviation equipment and motor vehicles, the 'Machinery and Transport Equipment' category dropped by 37 percent or \$11.4 million, from \$30.8 million in June 2019 to \$19.4 million in June 2020.

Other Manufactures

Commodities classified as 'Other Manufactures' declined by 47 percent or \$6.4 million, from \$13.6 million to \$7.2 million, as June of this year saw smaller imports across a number of items, including school bags, metal office furniture and various types books.

Manufactured Goods

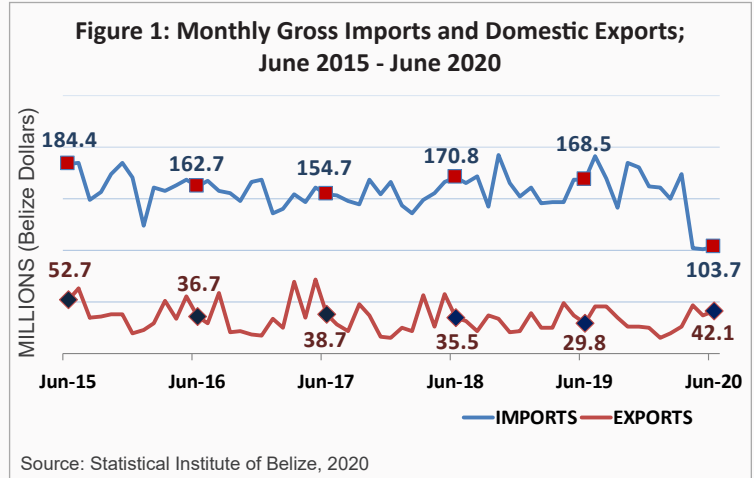
The 'Manufactured Goods' category went down by 25 percent or \$4.9 million, from \$20 million in June of last year to \$15.1 million in June 2020, due to reduced purchases of aluminum cables, galvalume steel coils and tyres.

Chemical Products

Imports of fertilizers and medicines fell notably in June of this year when compared to the same month last year. As a result, the 'Chemical Products' category dropped by 24 percent or \$4.6 million, from \$18.9 million to \$14.3 million.

Designated Processing Areas

Goods destined for the 'Designated Processing Areas' declined by 56 percent, from \$4.6 million in June 2019 to \$2.1 million in June



2020, on account of decreased purchases of metal office furniture and computers.

Beverages and Tobacco

With reduced imports of wines, cigarettes and hard liquor for the month, the 'Beverages and Tobacco' category fell steeply by 69 percent or \$2.5 million, from \$3.7 million in June 2019 to \$1.2 million in June 2020.

INCREASING CATEGORIES:

Food and Live Animals

Imports of 'Food and Live Animals' was the only category to have seen an increase during the month. This category rose by 11 percent from \$15.5 million in June 2019 to \$17.2 million in June 2020, owing to greater imports of food items, including margarine, lard (shortening) and condensed milk, (see Figure 2).

FIRST SIX MONTHS OF THE YEAR: Merchandise imports for period January to June 2020 totaled \$793.7 million, representing a 15.6 percent or \$146.6 million decrease compared to the same period last year.

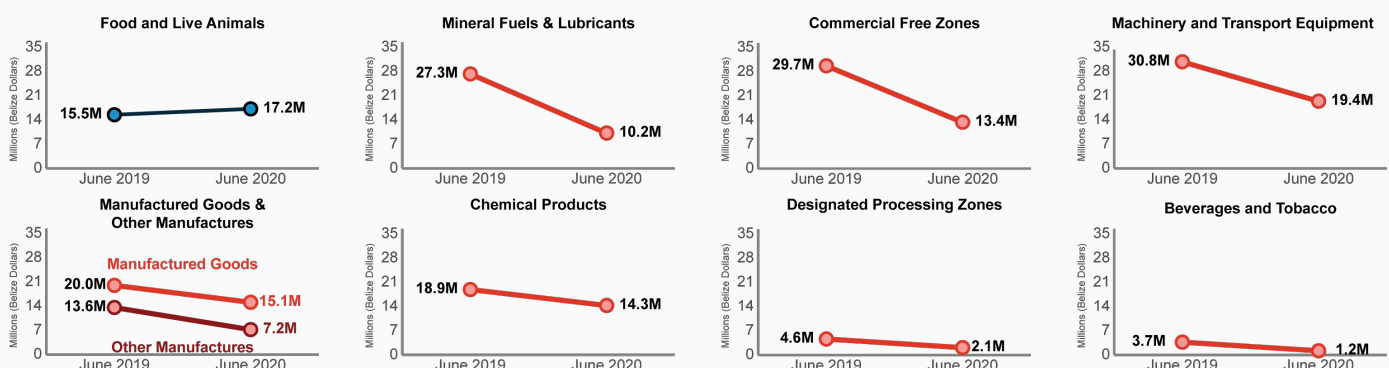
DECREASING CATEGORIES:

Imports dropped across most commodity categories over the first six months of the year, with 'Mineral Fuels and Lubricants', 'Machinery and Transport Equipment' and 'Commercial Free Zones' being the categories that experienced the greatest decline.

Mineral Fuels and Lubricants

The 'Mineral Fuels and Lubricants' category fell markedly by 37 percent or \$53.8 million during the first half of the year, down from \$147.2 million in 2019 to \$93.4 million in 2020. Although there were smaller quantities of most types of fuel imported into the country over the period, this drop was mainly caused by lower fuel prices on the world market.

Figure 2: Composition of Gross Imports by Type; June 2019 and June 2020



Source: Statistical Institute of Belize, 2020

Machinery and Transport Equipment

Imports of 'Machinery and Transport Equipment' decreased by more than \$26 million or 14 percent, from \$186.1 million in 2019 to \$159.8 million in 2020. This was attributable to reduced purchases of aviation equipment, telecommunications equipment and liquid dielectric transformers.

Commercial Free Zones

Imports into the 'Commercial Free Zones' declined by \$25.9 million or almost 18 percent, from \$144.7 million to \$118.8 million, due largely to a drop in purchases of clothing and handbags during the period.

Manufactured Goods

With diminished imports of steel rods, cement and galvalume steel coils, the category of 'Manufactured Goods' went down by \$14.9 million, from \$128.5 million in 2019 to \$113.6 million in 2020.

Other Manufactures

As result of fewer purchases of articles made from plastic, books and other items, the 'Other Manufactures' category decreased by \$13.2 million over the period, from \$67.9 million in 2019 to \$54.7 million in 2020.

Crude Materials

Purchases of 'Crude Materials' dropped by \$6.4 million or more than one-third, from \$17.2 million to \$10.8 million. This was, for the most part, due to smaller imports of treated pine lumber coupled with reduced purchases of used clothing and wooden poles.

Chemical Products

Imports of 'Chemical Products', particularly fertilizers and medicines, including antibiotics, declined by \$6.3 million during the six-month period, from \$88.7 million in 2019 to \$82.4 million in 2020.

Designated Processing Areas

Purchases of goods going into the 'Designated Processing Areas' went down by \$2.9 million over the period, from \$18.6 million to \$15.7 million, owing mainly to decreased purchases of metal furniture and excavators.

INCREASING CATEGORIES:

'Oils and Fats' was the only category to have grown notably over the first six months of the year. Boosted imports of cooking oils drove this commodity category up by \$2.8 million, from \$9.8 million in 2019 to \$12.6 million in 2020.

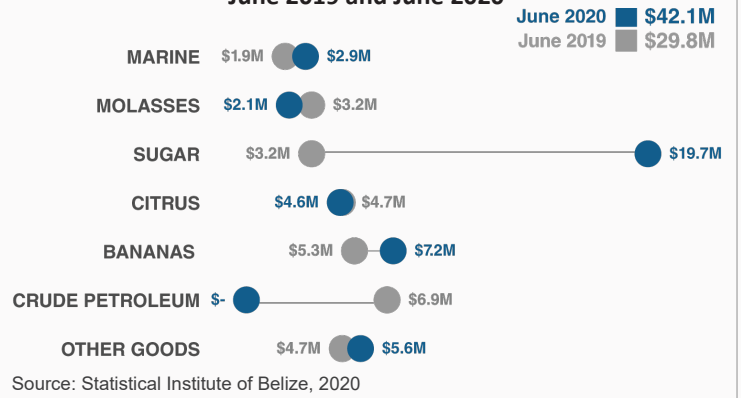
DOMESTIC EXPORTS

JUNE 2020: Total domestic exports for the month of June 2020 amounted to \$42.1 million, up considerably by 41.1 percent or \$12.3 million from the \$29.8 million recorded for June of 2019 (see Figure 1).

INCREASING CATEGORIES: Sugar was the main contributor to this significant increase for the month. Due to variations in shipping schedules between last year and this year, only bagged sugar was exported in June 2019, while exports in June of this year included the high-profit bulk sugar. As a result, earnings from this commodity rose sharply by \$16.5 million, from \$3.2 million in June of last year to \$19.7 million in June 2020. The month also saw greater earnings coming from bananas, which grew by \$1.9 million, from \$5.3 million in June 2019 to \$7.2 million in June 2020. Earnings from marine exports rose by \$1 million, from \$1.9 million to \$2.9 million, due to a spike in sales of lobster tails (see Figure 3).

DECREASING CATEGORIES: The most significant loss in major export revenues for the month was in crude petroleum earnings. There were no exports of this commodity in June of this year, in contrast to

Figure 3: Composition of Domestic Exports by Type; June 2019 and June 2020



June 2019 when revenues of \$6.9 million were recorded. Earnings from citrus products declined minimally from \$4.7 million in June 2019 to \$4.6 million in June 2020, as a distinct decrease in earnings from orange concentrate was partially offset by improved exports of grapefruit oil, orange oil and grapefruit squash. Among other exports, molasses experienced the greatest drop during the month, with earnings from this commodity going down by one third or just over \$1 million, from \$3.2 million to \$2.1 million (see Figure 3).

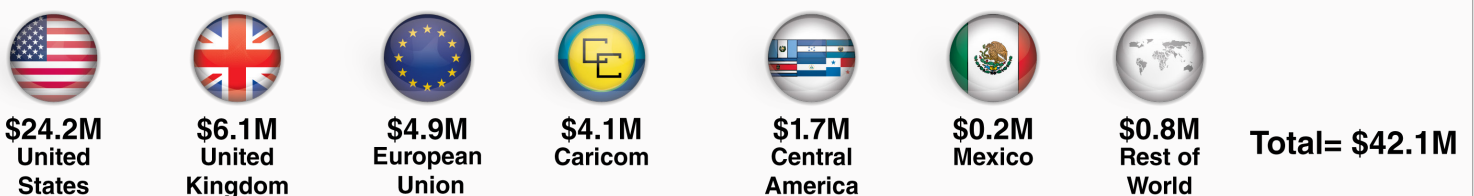
MAJOR DESTINATIONS: Earnings from the United States of America increased significantly by \$18.7 million, from \$5.5 million in June 2019 to \$24.2 million in June 2020, as this country was the destination for both the bulk sugar and lobster tails exported during the month. On the other hand, since no crude petroleum was exported for the month, revenues from the CARICOM region, which was the recipient of Belize's crude exports in June of last year, dropped steeply from \$11.8 million in June 2019 to \$4.1 million in June 2020 (see Figure 4).

FIRST SIX MONTHS OF THE YEAR: Merchandise exports for the period January to June 2020 totaled \$191.4 million, down 7.8 percent or \$16.1 million, from that same period last year.

DECREASING CATEGORIES: A plunge in earnings from crude petroleum, coupled with reduced revenues from citrus products prompted this overall decline in domestic exports. Earnings from crude petroleum plummeted by \$12.9 million, as there were no exports of this product in the first half of this year, in contrast to the first six months of 2019 during which two shipments were made. Revenues from citrus products dropped by more than \$7 million over the first six months, falling from \$33.8 million in 2019 to \$26.2 million in 2020, due mainly to decreased exports of orange concentrate over the period. Additionally, marine exports fell marginally by \$0.5 million, from \$15.6 million to \$15.1 million, as an increase of almost two-thirds in earnings from lobster tails was offset by diminished sales of both conch and shrimp. Among the country's other exports, earnings from animal feed went down from \$8.8 million in 2019 to \$6.1 million in 2020, and revenues from sawn wood decreased from \$1.7 million to \$0.5 million.

INCREASING CATEGORIES: Bananas and sugar, on the other hand, saw improved earnings during the first six months of the year. Revenues from bananas grew by over \$3 million, rising from \$40.4 million in 2019 to \$43.7 million in 2020. More favorable world market prices resulted in a 3 percent or \$1.8 million rise in sugar export revenues, from \$64.1 million to \$65.9 million, despite a 25 percent drop in the quantities of this product that were exported. The largest increase for the period, however, came from exports of red kidney beans, with earnings from that product going up by more than \$4 million, from \$5.5 million in 2019 to \$10.2 million in 2020.

Figure 4: Composition of Exports by Destination; June 2020 (Millions of BZ Dollars)



Source: Statistical Institute of Belize, 2020