

In this second issue of Policy Pulse, BELPRI-UB introduces a section titled 'Policy Views'. In each issue, we will share short commentaries on national policy issues penned by BELPRI staff, Advisory Board members or a member of the wider UB community. This issue features a policy view on tariffs by Devon Paulino, Policy Analyst at BELPRI. The views expressed in these pieces are not necessarily those of BELPRI.

# BELPRI-UB is Off & Running!



Part of the audience at BELPRI's launch on 24 March 2025.

Although active since late 2024, the Belize Policy Research Institute at the University of Belize (BELPRI-UB) was officially launched on 24 March 2025 as UB's newest policy institute. It was a full house at the UB Conference Centre. The diverse audience included members of the diplomatic corps, government representatives, civil service, statutory bodies, academia, university students, and the public. The event was moderated by Ms. Leslie Mendez, member of BELPRI's Advisory Board. In opening remarks, President of UB, Dr. Vincent Palacio, emphasized that BELPRI will serve as a vital resource for policymakers, civil society organizations, and the private sector, functioning as a pivotal institute providing evidence-based insights on critical issues facing Belize. Mr. Henry Anderson, Chairman of BELPRI, echoed this sentiment, stating that the launch of BELPRI marks a significant milestone for UB and the nation, with BELPRI poised to generate locally relevant research to address Belize's unique challenges and opportunities.



Dr. Dylan Vernon, Dr. Assad Shoman, President Vincent Palacio, and Chairman Henry Anderson at the Launch

A challenging keynote address was delivered by Dr. Assad Shoman - historian, writer, activist, and Belize's Agent to the International Court of Justice. In his speech, entitled *To Tinker or to Transform: State Policies in Independent Belize*, Dr. Shoman called for decolonization by transformation, including of education and land ownership. Dr. Shoman powerfully emphasized BELPRI's role in providing evidenced-based policies and the critical importance of institutional and financial independence if BELPRI is to be successful.



## POLICY VIEW

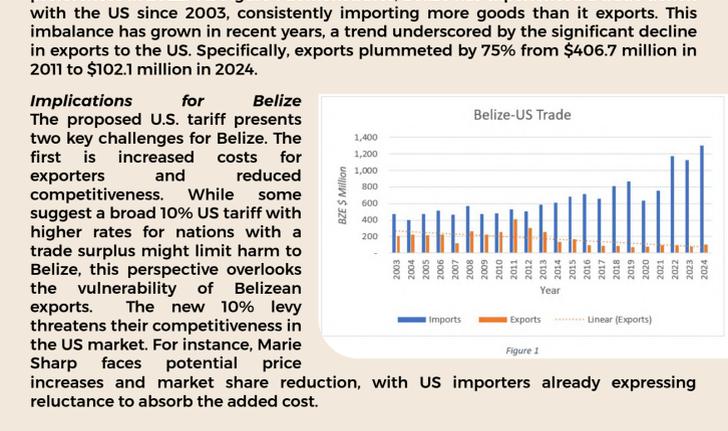
### Navigating the Trump Tariff Era: Wither Belize?

By Devon Paulino, Policy Analyst, BELPRI

The World Trade Organization (WTO) defines tariffs as customs duties on merchandise imports. Tariffs make imported goods more expensive than locally produced ones, giving domestic products a competitive edge while also generating revenue for governments.

The Uruguay Round of negotiations, which culminated in the establishment of the WTO in 1995, led countries to commit to lowering tariffs and "binding" their customs duty rates, effectively making it difficult to raise them arbitrarily. The United States (US) played an active role in these negotiations, advocating for market access, tariff reductions, and trade liberalization. These efforts resulted in expanded export opportunities, stronger intellectual property protections, greater access for US service industries, and a strengthened, rules-based dispute settlement system under the newly formed WTO.

Given this history, the resurgence of protectionist policies under President Donald Trump (marked by sweeping tariffs introduced through the America First Trade Policy Memorandum on January 20, 2025), caught much of the international community by surprise and disrupted the global trading landscape. The actions were ostensibly taken to reduce the US trade deficit and incentivize the return of manufacturing jobs to the US.



On March 24, 2025, another executive order was issued imposing tariffs on countries importing Venezuelan oil. Subsequently another memorandum dated April 02, 2025, announced a 10% baseline tariffs against more than 180 countries. Belize, along with other CARICOM member states, were subjected to this 10% additional duty. Other states, including Guyana were subjected to much higher tariffs. However, shortly after the announcement, and based on national and global opposition, the US administration suspended the higher, country-specific tariffs for 90 days for all countries except China. The US-China tariff escalations have been occurring from February to April of 2025, however, on May 12, 2025, the US and China agreed to a 90-day tariff truce to facilitate ongoing negotiations regarding their broader trade disputes.

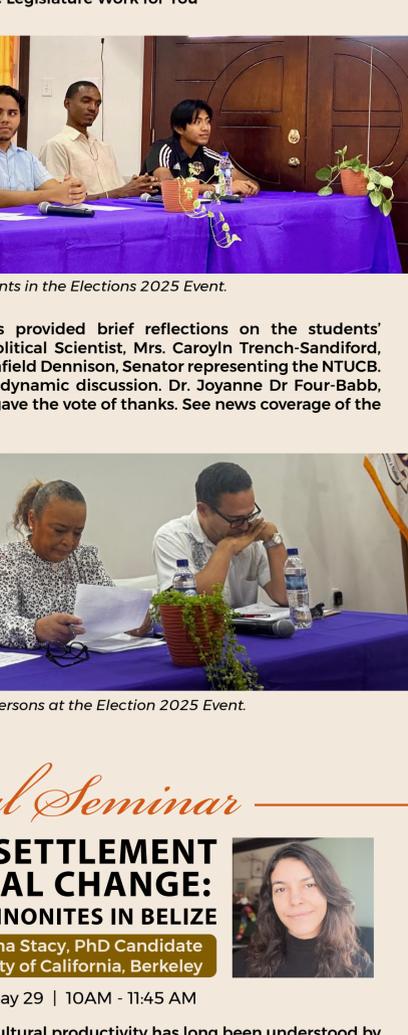
#### Belize-US Trade

Under President Ronald Reagan, The Caribbean Basin Initiative (CBI) started on 1 January 1984 which in a nutshell was to promote economic development and political stability in the Caribbean Basin through preferential trade access to the US Market. One of the key legislations under the CBI was the Caribbean Basin Economic Recovery Act (CBERA) which gave duty free treatment for all eligible beneficiary country. The Caribbean Basin Trade Partnership Act (CBTPA) was also signed in 2000 to extend the number of goods that benefit from duty free status.

Belize has benefitted from the preferential access under the CBI given its agricultural and agro-processed exports. The 2023 CBERA Report highlighted Belize's strong utilization of CBI, with 90 percent or more of its eligible goods claiming these preferences in 2022. As Figure 1 demonstrates, Belize has experienced a trade deficit with the US since 2003, consistently importing more goods than it exports. This imbalance has grown in recent years, a trend underscored by the significant decline in exports to the US. Specifically, exports plummeted by 75% from \$406.7 million in 2011 to \$102.1 million in 2024.

#### Implications for Belize

The proposed U.S. tariff presents two key challenges for Belize. The first is increased costs for exporters and reduced competitiveness. While some suggest a broad 10% US tariff with higher rates for nations with a trade surplus might limit harm to Belize, this perspective overlooks the vulnerability of Belizean exports. The new 10% levy threatens their competitiveness in the US market. For instance, Marie Sharp faces potential price increases and market share reduction, with US importers already expressing reluctance to absorb the added cost.



The second is increased import costs and inflation. As a predominantly importing nation, Belize will likely experience a rise in the cost of essential goods from the US and potentially other countries. This will fuel imported inflation, driving up living costs for Belizean consumers and straining household budgets. The WTO highlights the potential for such tariffs to have widespread negative effects on the global economy. For example, a key development was the US imposition of fees on Chinese-built vessels, which threatened significant shipping cost increases and potential shortages of essential supplies due to shipping delays for Belize and CARICOM. However, the United States Trade Representative granted an exemption for Caribbean shipping on April 17, 2025, averting, for now, this potential economic damage.

Trump's 10% tariff on US imports may increase the cost of Belizean exports to the U.S. and drive up prices for Belizean consumers. While Belize's diplomatic efforts and the uniform application of the tariff offer some buffer, further steps are needed to reduce exposure:

- Deepen regional cooperation and engage in strategic trade talks to adjust to the evolving trade environment.
- Diversify export and import markets to lessen dependence on the U.S. and reduce vulnerability to external shocks.
- Broaden the range and value of exported products, which enhances economic resilience against sector-specific disruptions.

Together, these actions can help safeguard Belize's economy from rising external trade pressures.

## ELECTIONS & YOU:

### Exercising Your People Power in 2025!

On 12 March 2025, Belize held its tenth post-independence election that returned the People's United Party to power with a similar 26-5 majority. As a contribution to the election debate, BELPRI teamed up with UB's Intercultural Indigenous Language Institute (IILI) to host a pre-election event on UB's main campus on Tuesday, 4 March. The key objective was to promote awareness and stimulate discussion of election issues by the UB community with a focus on students.

After a welcome by UB President, Dr. Vincent Palacio, BELPRI's Director, Dr. Dylan Vernon made a presentation providing some historical perspectives on elections in Belize and on some of the key election 2025 issues. Then, five dynamic UB students shared their views on topics they selected related to the election. The UB students were:

- Mr. Tomas Serrut: Youth and Elections in Belize
- Mr. Samuel Esperanza: Tourism: Who Owns it, Who Benefits?
- Mr. Jayden Coleman: Improving Our Governance System
- Ms. Cassie Guzman: Key Social and Cultural Issues
- Mr. Jonathan Chiquin: Making the Legislature Work for You



Student participants in the Elections 2025 Event.

Thereafter, three resource persons provided brief reflections on the students' presentations: Dr. Harold Young, Political Scientist, Mrs. Caroyln Trench-Sandiford, President of the Senate, and Mr. Glenfield Dennison, Senator representing the NTUCB. This was followed by an open and candid discussion. Dr. Joyanne Dr Four-Babb, Director of the UB Research Office, gave the vote of thanks. See news coverage of the event here.



The three resource persons at the Election 2025 Event.

## Virtual Seminar

### AGRICULTURAL SETTLEMENT & STRUCTURAL CHANGE: THE CASE OF MENNONITES IN BELIZE

By Ms. Elena Stacy, PhD Candidate  
Ms. Elena Stacy, University of Belize, Berkeley



Thursday, May 29 | 10AM - 11:45 AM

**Abstract:** Increasing domestic agricultural productivity has long been understood by economists and policymakers as a prerequisite for structural change and growth. This has led to more than a quarter of all nations in Latin America and the Caribbean containing Mennonite agricultural settlements. This paper aims to estimate long term impacts of agricultural land use expansion in Belize by exploiting the large-scale shock induced by waves of Mennonite settlement. I use this shock to obtain reduced-form estimates of the direct and spillover effects of agricultural settlements on land use. These estimates will later inform a spatially explicit model of land use allocation to capture general equilibrium effects, assess welfare implications, and simulate policy counterfactuals of allocating land to agricultural use.

Via Zoom at BELPRI Virtual Seminar #1

Register Here

### Save the date

June 24, 2025

## LAUNCH OF BELPRI RESEARCH PAPER #1

The Belizean Economy in the 21st Century: When and Why Belize Fell Behind and What to do About it

by Professor Emeritus Victor Bulmer-Thomas



10am - 12pm  
UB Conference Centre, Belmopan

Victor Bulmer-Thomas is Professor Emeritus of Economics at London University and Honorary Professor at the Institute of the Americas, University College London. The author of many books and articles on Latin America and the Caribbean, he coauthored (with Barbara Bulmer-Thomas) *The Economic History of Belize*, published by Cubola in 2012.

#### BELPRI Student Clubs are Coming!

Calling UB students! Are you interested in being the first members of BELPRI Student Clubs? Do you want to learn about policy making in Belize and participate in real public policy influence activities. BELPRI Student clubs will launch in September 2025, but you can sign up early by completing an application form from [belpri@ub.edu.bz](mailto:belpri@ub.edu.bz). There will be club branches initially on the Belmopan and Belize City campuses.

#### New Staff at BELPRI!

Two staff members joined the BELPRI team in the last quarter. Devon Paulino is BELPRI's first Policy Analyst and Jherilee Palacio is our first Office Manager. Welcome on board!



Ms. Jherilee Palacio  
Office Manager



Mr. Devon Paulino  
Policy Analyst

#### Partnerships

Apart from the MOU signed earlier this year with the Caribbean Policy Research Institute (CAPRI), BELPRI has negotiated an MOU with Global Financial Integrity (GFI) and is currently in the process of discussing an MOU with the Statistical Institute of Belize (SIB). Other partnerships are being pursued.

BELPRI is an independent multi-disciplinary public policy institute at UB. BELPRI's mission is to produce high quality and accessible research and knowledge through innovation and people-centred approaches that improve policy making and its impact on Belize's sustainable development.



## BELIZE POLICY RESEARCH INSTITUTE

# 'BRIDGING KNOWLEDGE TO POWER'



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MORE INFORMATION



## 'ANALYSIS FOR TRANSFORMATION'