

Back-to-school imports hit forex snag

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FOR Trinidad and Tobago's booksellers, the biggest back-to-school challenge isn't dwindling demand-it's getting enough US dollars to pay for imports, chairman of Charran's Bookstores Vivek Charran has said.

Schools across the country are preparing to reopen next week, as Education Minister Dr Michael Dowlath announced Cabinet's approval of a one-week extension to the July-August vacation.

In the lead-up to reopening, Charran's Bookstores reported steady activity, with Charran noting shifts in consumer behaviour and the difficulties retailers face in stocking shelves for the season.

Charran explained that the demand for school supplies has not changed in any significant way despite wider economic concerns.

'School reopening projects have not really impacted demand for back-to-school items. The requirements in the booklist for students for the new academic year would have to be filled all the same," he told Express Business.

What has changed, however, is the ease with which businesses can source and pay for imports. Charran said foreign exchange (forex) availability remains a major obstacle for booksellers and other school-supply retailers.

'Forex availability and the ability to purchase forex have impacted the number of products imported for the back-to-school period. Overall, I would estimate that fewer containers have been imported into the country for the period. This would be due to forex availability and the time frame within which, once making the request to the bank, the forex is actually available," he said.

According to him, the uncertainty of allocation, coupled with the timing of payments, makes doing business far more difficult. 'Paying for imports can be time-sensitive, and not being able to be certain of whether you will be allocated the quantity you need and the time frame within which this will be available makes it difficult to do the business transactions where payment is needed in full upfront. Then there is the scenario where foreign suppliers give you terms of credit and goods are supplied and shipped and received, and then it is very difficult to pay the amount owed in full or on time," he explained.

Despite these challenges on the supply side, Charran noted that parents have not had to face additional pressure in the form of higher prices.

"Affordability of back-to-school shopping remains the same as it did last year, in terms of there has not been any direct inflationary pressure on the goods sold. The Ministry of Education has determined that no new books be put in the booklist and no additional books, so the book prices have remained the same as last year. Stationery prices for basic items like erasers, sharpeners or pencils, and crayons would not and have also not changed unless these would be for popular American brands or licensed brands like Disney, which account for a very small percentage of the market," he said.

What has shifted is how families are approaching purchases. Instead of cutting back outright, Charran observed that households are finding creative ways to stretch their budgets.

"They have not been purchasing as much as they have been buying differently-more used books and trading books between classes and forms and family members and friends so they don't always need to buy new books," he said. He added that charities, non-profit organisations, religious groups, companies and private citizens have also been stepping in to help.

'There are also many charities, NGOs, religious bodies and private citizens and also private companies that assist in purchasing supplies, and we do have a department that deals with direct charitable requests," he noted.

Charran acknowledged that commercial activity this season seemed "less busy" compared to the previous year, with fewer temporary staff hired to handle the rush. While costs generally remained stable, some retailers faced higher overheads due to delays at the port.

'Costs are primarily the same except in cases where food has been delayed at the port and importers had to pay demurrage fees to the port. Also, some imported texts from the United Kingdom would have some initial price fluctuations because the pound sterling has been high," he explained.

To keep shoppers engaged, many booksellers responded by offering sales and discounts, particularly on uniforms and stationery.

'Many booksellers have responded to the knowledge that people are concerned with affordable school supplies by either cutting prices on certain items, such as uniforms, or making deals and sales," Charran said.