

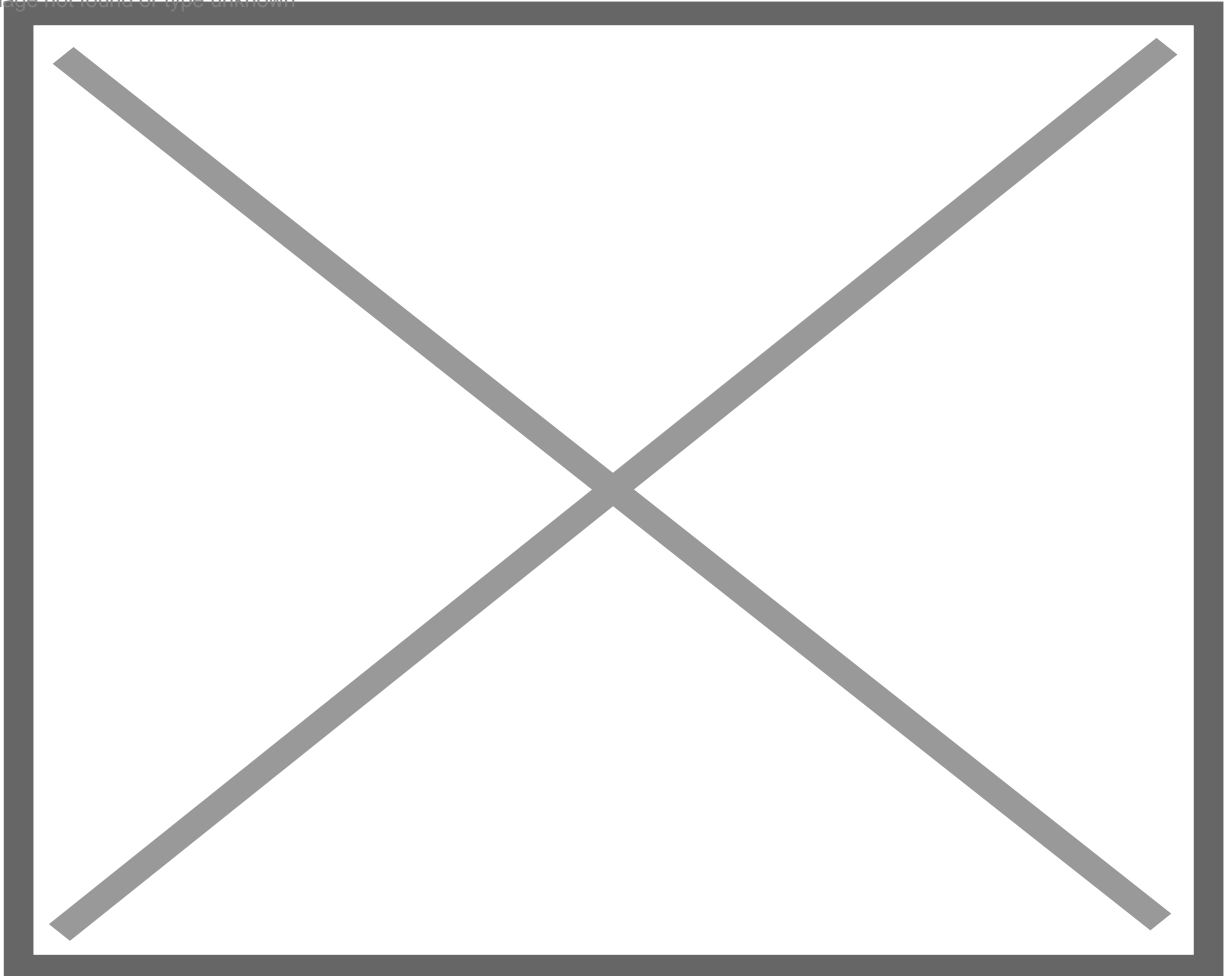
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Commissioner of Consumer Affairs Explains Reasons Behind Increasing Grocery Prices in USVI

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A disruption in the supply chain and a shortage of labor caused by measures enforced by countries and companies to contain and or control Covid-19 infection spread is the reason why groceries are increasing in cost.

That's according to Richard Evangelista, commissioner of the Department of Licensing and Consumer Affairs, who said the increase is nothing unexpected or unique to the Virgin Islands because these increases are occurring globally.

“Covid-19 has caused a major disruption in the supply chain as well as in the labor market. Factories are forced to open and close, there is a shortage of staff that were once manning these industries, there is a truck driver shortage, there is a trawler container shortage, there is a

showmen shortage,” he said Wednesday while listing some of the factual reasons behind the increase.

Addressing the issue on the Bryan administration's “Inside the Cabinet,” the commissioner said that there are containers sitting off the course of California that are remaining unattended to and while they wait “the supplies are not getting to the shelves – so the supply is shorter, and the demand is greater.”

“In addition, the cost of packaging has gone up,” he added while referencing an example about the old and new cost of shipping a container with strawberries. “A refrigerated container that will be used to ship strawberries used to cost \$2,500, that container now costs \$10,000 to move,” he said.

“The community and business owners unfortunately have to absorb that cost and in turn the item that is moved in that container goes up. Our large retailers here in the Virgin Islands are by no means considered large when they go to market,” the commissioner said.

He did not share details about the shortage of labor but the World Economic Situation and Prospects November 1 briefing said that the outbreak of the Covid-19 pandemic caused an unprecedented and severely disruptive shock to labor markets worldwide.

The briefing said that this seemingly paradoxical situation of persistent high unemployment accompanied with serious labor shortages is explained by the confluence of various factors. This includes an unbalanced rebound of the global economy across different sectors and changes in the composition of aggregate demand.