



OFFICIAL REPORT

# THE REPUBLIC OF HAITI



MANUFACTURING • TOURISM • INFRASTRUCTURE • AGRICULTURE



Official Publication of the Fifth Summit of  
The Association of Caribbean States  
Pétion-Ville, Haiti, April 2013

**FIRST**



# Haiti

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ACS AEC

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# Calling a new tune

INTERVIEW WITH HIS EXCELLENCY MICHEL JOSEPH MARTELLY

PRESIDENT OF THE REPUBLIC OF HAITI

The task of rebuilding Haiti involves not just infrastructure, but also our values, our relations with the outside world, and our image internationally

**One of your first acts on becoming President in 2011 was to propose the organisation of an Association of Caribbean States (ACS) Summit in Haiti. What makes the ACS so important, in your view, and what were your motivations for hosting the event?**

We wanted to host the Summit for many reasons. Firstly, it is important for us to show a new image of Haiti to the world. We want to show the world that Haiti is alive and well; that it is not just a place where misery reigns. We have our problems, but it is also a beautiful country. This is also not an insecure place; it is safe to come here, and it is important for people to see this for themselves.

Secondly, the Haiti of the past was a country that was shy, silent, in retreat. The Haiti of the past would not have held this conference; it was a country that kept out of the spotlight. But we want to promote a new Haiti, a country that wants to participate in regional affairs, that wants to exchange ideas and to contribute to strengthening the region.

Haiti has a lot of potential. Many times in the past, we presented our problems as just that: problems, but we in this new administration are determined to turn those problems into opportunities. For example, the lack of electricity in the suburbs represents an opportunity for companies and entrepreneurs in the region to come here and to provide vital services and create jobs.

It is also important that the world sees Haiti as a market, as a place to do business. We are over ten million people. At the same time, we need to strengthen our relationships with our neighbours so that we can work together to resolve the common problems that affect us all, whether it be combating terrorism, fighting drugs and people trafficking, or creating a joint tourism policy and boosting trade.

The task we face, and one that conferences like this can help with, is to change the old parameters and to begin creating a Haiti that is competitive, that performs and that delivers. This conference is very important to us, and I personally called every single leader to make sure they would be here. They are all busy people, but I reminded them that this is about *us* – about *our* countries, *our* region. The ACS exists to help us all.

We can make the ACS into whatever we want. It is a larger organisation than CARICOM, and includes big countries such as Mexico, so in purely

numerical terms it has the necessary weight to achieve a lot of common goals.

**You also hold the Presidency of CARICOM until June. Traditionally, other CARICOM countries have regarded Haiti principally as a market for their exports, but as the country becomes more assertive it is bound to want to redress the balance of trade in its favour. How do you see Haiti's role in the organisation changing?**

We have to understand the mistakes of the past and make sure we don't repeat them. Haiti once enjoyed a position of leadership in the region. Ours was the first country in the region to achieve independence; we gave the word 'Liberty' its true meaning. We helped most of the nations of South America to become free nations. But over the years, due to bad governance, we lost that position of leadership and became a country that had to rely on the help of our sister nations. Today, we are putting things back in order.

The task of rebuilding Haiti involves not just infrastructure, but also our values, our relations with the outside world, and our image internationally, and this requires a change of mindset.

The Haiti of the past was a bystander; we wouldn't even participate in summits, much less host them. The Haiti of today wants to engage in discussions, to propose ideas and to be involved in decisions, so that we can benefit from this important political space.

Haiti has a role to play. We have something to contribute. We have experience that we can share. We want the region to see us as partners, and we want them to see the opportunities that exist here.

**What concrete outcomes do you expect to see from the Summit?**

It's important for us to focus on a few key objectives. We want to develop our tourism industry, for example, through joint agreements with our neighbours. Haiti is a very different cultural experience to the rest of the region, so we see ourselves signing deals with other countries to offer visitors a two- or three-country experience. Other countries have the resorts, the management experience and the funds to invest; we have a rich and diverse culture, an unspoilt coastline, and a priceless and unique history that we can show to visitors from all over the world.

Another issue that is very important to us is developing a regional agricultural industry, where we work together. For example, at the CARICOM Summit here in February we proposed the introduction of a traceability system for agricultural products, so that we know what happens to a mango from the moment it is picked to the moment it arrives on a supermarket shelf. Two countries were interested, so after the Summit we sent a delegation to Guyana and Surinam to pursue this initiative. This had never been done before. Now, you have other countries using a product from Haiti to improve performance, to regulate a sector, and to enter world markets.

This is what I mean by 'the new Haiti', this is the sort of role we can play; using our expertise in certain domains and sharing it with the rest of the region. We want to partner with our neighbours in areas where complementarities exist, for example where countries have arable land but do not have enough people to farm it. Why not make use of Haiti's abundant human resources to cultivate that land? That way we could achieve regional self-sufficiency in food production.

We are also proposing the creation of a common merchant marine for the Caribbean. We have to improve our regional transport links, or we will never be able to compete internationally. At the moment, if I want to go to the Bahamas, for example, I have to go via Miami, so anything we want to export to our neighbours ends up costing more, and we become uncompetitive – in large part, due to the transport costs. We need to be connected in order to succeed.

**How do you see Haiti's transition from 'aid to trade' working in practice? How can the country benefit from the goodwill that exists towards it around the world?**

I am not sure we have been benefitting, to tell you the truth. Haiti has a reputation for being dependent on aid, but this country has not really benefitted from the billions of dollars that have poured into it over the years. Three decades ago we produced enough sugar, rice, coffee and cocoa not only to supply our own needs, but also to export. Haiti has the potential to be a rich country, but it has been badly managed, for decades and decades.

When we overthrew Duvalier in 1985, we went from dictatorship to democracy overnight, without changing our mentality, and

without fully understanding the difference between the two. We did not create the necessary institutions for the government to function. There was no State to speak of. So, what happened was that the NGOs came in to help and ended up taking over the running of the country. The government couldn't be trusted to spend the aid money, so it went straight to the NGOs. We had presidents and prime ministers, but they had no real power – it was government by NGOs.

In addition, the NGOs took all the smart people, and anybody else who could went to Canada and the United States to make a new life for themselves. There was a massive 'brain drain'. Thirty years after the end of the dictatorship we realise that Haiti has moved backwards. People have high expectations of the government, which is a good thing, but they also have to remember that the government was not holding the purse strings. Now the NGOs are leaving, and Haiti is beginning to set up its own institutions, to rely on its own skills and to take responsibility for its own destiny.

Being responsible

for our actions is a message we need to send all the way through society. It's not just about the government behaving responsibly; we all have to. My job is to help show

**We went from dictatorship to democracy overnight, without changing our mentality, and without fully understanding the difference between the two**





**Our message to Haitians living abroad is simple: you built Miami, New York and Santo Domingo, so why not come back here and rebuild Haiti?**

President of Haiti  
Michel Joseph Martelly  
in conversation  
with Alastair Harris,  
Executive Publisher  
and Editor of FIRST

the Haitian people that they can manage for themselves, and that perceptions about this country can be changed. I believe there is a sense of optimism now that we are beginning to move forward. For too long the world's image of Haiti was of a country in disarray, of people living in tents or fleeing to the United States in boats, and this is one of the things I was elected to change when I became President.

As a performer, I am not afraid to go on the podiums and stages of the world and sing Haiti's praises. When was the last time you saw a President of Haiti singing with Julio Iglesias? We know that things are still bad, but at least now we *believe*. We have seen the light at the end of the tunnel.

**You talked earlier about turning problems into opportunities, and one of the upsides of the emigration that took place in previous decades is that you have a well-educated, successful diaspora in the US, Canada and elsewhere in the Caribbean. What is your strategy for harnessing the potential of that resource?**

We wasted time during the first two years after the earthquake in getting the diaspora community involved in the reconstruction effort, as the ministry responsible was not properly organised. So I recently appointed a new minister, Berenice Fidèlia, a woman who has lived in the United States. She herself is from the diaspora, and has worked with the Haitian community in the United States through official US government entities; she has always been involved in the diaspora. Our message to Haitians living abroad is simple: You built Miami, New York and Santo Domingo, so why not come back here and rebuild Haiti?

We are telling Haitians abroad not to wait for Haiti

to be better, but to come here and make it better. Denis O'Brien, the founder of Digicel, did not wait for things to get better before investing in this country; he helped to make them better, and now he is reaping the rewards. So why should expat Haitians not do the same? There is money to be made here, and a new life to be lived, by rebuilding the country.

We say to them, don't just repeat what you are being told in the media about Haiti being insecure, because it's simply not true. Come and see for yourselves. When the US Attorney General, Eric Holder, came here at the time of the last CARICOM Summit, he named the three most insecure countries in the region – and Haiti wasn't on the list. And yet, when we are mentioned on the news in the US or Europe, it's always "don't go to Haiti, it's too dangerous." Why? Because our problems are their business. Selling the 'sick Haiti' is how they make their money.

**You were an entertainer before you became a politician. How would you say your former career has shaped your leadership style?**

Having been an artist is helping me greatly, I must say. Being a head of state, running a government, is very much like being a band leader, because the drummer may be playing something that has nothing to do with what the guitarist or the keyboard player are doing, but the end result has to be harmonious and to work as a cohesive whole.

**How important is Haiti's music and culture to your rebranding of the country?**

Ours is a rich and diverse culture, with many unique features that set us apart from our neighbours. Tourists and art aficionados fall in love with our painting, our craftsmanship and our Vodou (voodoo), but also with our music, and our gastronomy as well. So, coming from this sector myself, I am keen to use it as a platform for Haiti to promote itself in other areas.

I won't say we are unique, but we are certainly different, and people from all over the world appreciate that difference. We cannot just sit here and expect people to discover it for themselves, however, we have to take our culture to the world. As I said before, we have a proud history, and a great story to tell, and it is my job to slap Haiti in the world's face from time to time, if necessary, to remind them of that fact.

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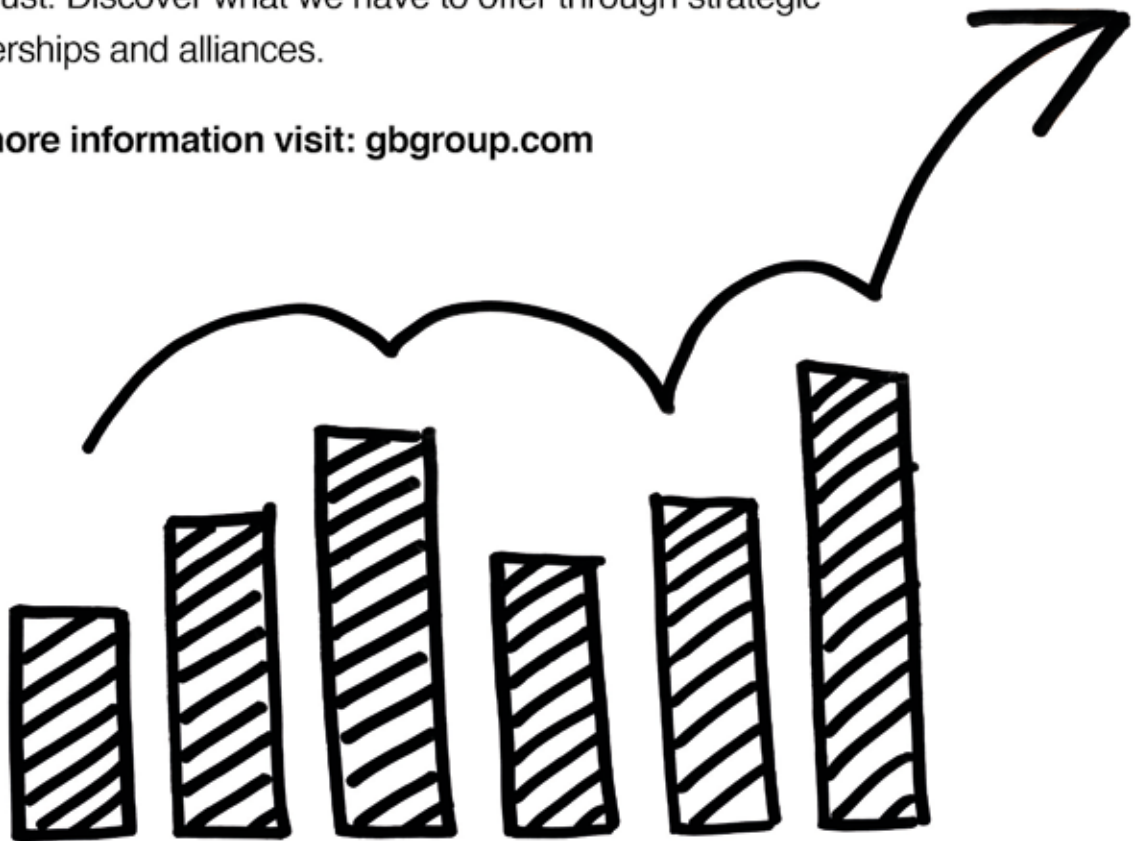




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# Secretary General's message

By **ALFONSO MÚNERA CAVADÍA**

SECRETARY GENERAL OF THE ASSOCIATION OF CARIBBEAN STATES



**ALFONSO MÚNERA** has long served in the field of diplomacy within the Greater Caribbean. A graduate of the University of Cartagena, Colombia, where he studied Law and Political Science, he went on to pursue a Master's at the University of Connecticut in the United States which he received in 1993. He completed his doctorate at the same institution in 1995, finishing his academic studies with a PhD in Latin American and United States History. Having served as Colombia's Ambassador to Jamaica from 1999-2003, and Special Advisor to the Caribbean from 2009-10, he was elected Secretary General of the Association of Caribbean States (ACS) in 2012.

**T**he creation of the Association of Caribbean States (ACS) was the product of a group of Caribbean visionaries during the period 1980-1990. With an in-depth knowledge of the difficult and complex international circumstances existing at the time, they formed this dialogue space for co-operation among the countries of the Greater Caribbean. All governments belonging to this region enthusiastically welcomed this idea and decisively contributed to its establishment. On July 24, 1994, the ACS was born in Cartagena de Indias, comprising 25 Member States and 3 Associate Member States.

In the contemporary world context marked not only by a decentralisation of global political power, but also by severe crises in several European Union economies and by the strengthening of the integration and co-operation processes of Latin American and Caribbean nations, the ACS is today, more than ever before, a powerful tool that is unique in the current circumstances, in which its 25 Member States and 4 Associate Members can dialogue and co-operate freely and autonomously regarding issues that are critical for the Greater Caribbean, some of which must be addressed without delay, such as protecting ourselves against the extreme vulnerability of Caribbean islands and coasts, which are increasingly threatened by disasters brought about by natural phenomena, as well as safeguarding our Caribbean Sea, the *raison d'être* of our existence.

It is therefore necessary to strengthen what the ACS has succeeded in achieving thus far despite all the difficulties encountered. We have an unprecedented co-operation platform that is working extraordinarily well at the regional level, with respect to disaster prevention matters and which is perfectly suitable for addressing major macro projects in this area. In addition, we have made significant strides in coordinating efforts to develop common programmes in the field of sustainable tourism, sensible and strategic activity for all countries belonging to the Caribbean. The ACS is also the ideal space where all the actors in the region could feel comfortable to dialogue and formulate work policies and instruments

for the development of activities related to joint production, investment and trade. And I am certain that we will be able to make tremendous progress in co-operation programmes in the fields of education, culture, science and technology.

History has taught me that there are processes that mature more slowly than others and in the midst of even greater difficulties. It is by no means an easy task to dialogue and to share projects that are of common interest to nations which, for centuries, were separated from one another and which were in the habit of looking at one another strangely, divided by such strong barriers like the customs developed by a colonial past and separated by different languages.

I have also learnt from history that faith in ideals, patience to overcome difficulties and enthusiasm to move forward with optimism and a healthy dose of pragmatism destroy all obstacles, no matter how great they are. We need only arrive at our 5th Summit with enthusiasm and with the conviction that it is worthwhile to take a chance on this great idea that is the Association of Caribbean States.

Since this has not occurred in such a long time, the Heads of State and Government of the ACS have expressed their decision to convene to tackle the key issues of regional co-operation. The primary objective of the 5th Summit is to strengthen the ACS, based on the acknowledgement that this is the space that we have created to make co-operation in the Greater Caribbean region more effective and productive in strategic areas, for the advancement and general wellbeing of the countries that constitute it.

My deepest gratitude to President Michel Joseph Martelly and his entire government, for the enthusiasm and commitment with which they have organised this 5th Summit. Haiti is, and always will be, an extraordinary symbol of the struggle for freedom and human dignity for all peoples of the world. I feel that it is a great privilege that this significant Meeting of Heads of State and Government of the Greater Caribbean takes place in Haiti.

Many thanks also to all those who, with their daily efforts, have made the convening of this 5th Summit of Heads of State and Government of the Greater Caribbean possible

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# Towards a more united Caribbean

By **PIERRE-RICHARD CASIMIR**

MINISTER OF FOREIGN AFFAIRS, REPUBLIC OF HAITI



**PIERRE-RICHARD CASIMIR**

was appointed Minister of Foreign Affairs of the Republic of Haiti by his predecessor, now Prime Minister, Laurent Lamothe on 17 August 2012. A former Minister of State for Foreign Affairs and Haitian Consul General in Montreal, Mr Casimir is a strong advocate of his predecessor's policy of 'business diplomacy' as the best means of meeting the demands of Haiti's reconstruction and development. In his acceptance speech Mr Casimir pledged to consolidate Haiti's relations with her traditional friends, whilst seeking to diversify the country's partnerships, particularly among South American nations.

Haiti is especially proud to have organised and to be hosting the Fifth Summit of the Association of Caribbean States (ACS) from 23 to 26 April 2013. For Haiti, the host country, this Summit is a special and exciting occasion, and it also highlights the historical ties linking the peoples of the Greater Caribbean.

This summit will bring several regional Heads of State and Government and more than thirty delegations from all ACS member states to Haitian soil. It will show the whole world that Haitian diplomacy is firmly on the road to achieving its fullest potential. It has been shrewdly and intelligently conducted by the President of the Republic, HE Michel Joseph Martelly, and applied with resolve and enthusiasm by HE Prime Minister Laurent S. Lamothe and his government. Henceforth, Haitian diplomacy will seek to be one of the major gateways for business in the region.

The organisation of this Summit of the Association of Caribbean States by the Government of Haiti is an extension of the resounding success of the CARICOM summit held in Haiti just two months ago. With this solemn expression by the States of the Greater Caribbean, Haitian diplomacy must be engraved in the region's history as a decidedly open and dynamic diplomacy, well anchored in its geographical space. By organising this summit, Haiti also plans to fully play its role as an actor in a global context marked by increased inter-dependence and co-operation between peoples.

This Fifth ACS Summit is therefore fundamentally strategic in scope, not only for Haiti, but also for the other Caribbean States, and particularly for the region as a whole. Hence the main theme on which the group will reflect during this summit: "Revitalising the vision of the Association of Caribbean States for a stronger and more united Greater Caribbean". This stronger and more united Caribbean that we all hope for will not be truly strong without unity that is enriched by our diversity.

The challenges to successful regional integration are legion. They cannot be faced unless we combine all our efforts and our wills for joint action based on a common vision. In this context, this Summit is an occasion for the representatives of the 25 member states and 4 associate members of the Association to assess the organisation, and envisage reforms to be implemented so as to adapt them to the needs of the

moment with a view to strengthening dialogue, co-ordination and co-operation between the States and Territories of the Greater Caribbean.

This Summit is also an excellent opportunity to join our efforts around the major issues which concern us all, such as: sustainable tourism, the development of trade and investment, air and sea transport in the region, the reduction of vulnerability to natural risks and disasters, and finally how we deal with the recurring issue of the management and protection of the Caribbean Sea. All these matters must be addressed with a view to uniting the Caribbean not only by air and sea, but also within these islands, which move and meet, until they become friends living in harmony.

Apart from these strategic issues, the Summit must also be an opportunity to reflect on the problems faced by our respective societies and on the common aspects of these problems such as climate change, gender equality, the strengthening of governance and the consequences of the economic and financial crisis for our countries.

In order to implement and consolidate the strategic vision which unites us, a joint declaration entitled the Declaration of Haiti, together with the ACS Plan of Action will be adopted at the end of the Summit. These two documents will reflect the Association's renewed vision and its implementation through functional co-operation of human, material and moral resources in the Greater Caribbean.

The Haitian government nurtures great ambitions for the Greater Caribbean. We believe firmly in the vocation of a strong and unified Caribbean in an increasingly multi-polar world. We believe firmly in the vocation of an irresistible attraction for investment in the Caribbean, a place of many paradises. This is why my country's government is confident that the Caribbean can live up to our ambitions. These ambitions are the same ones that motivate the Martelly-Lamothe Government, which follows the slogan "Haiti is open for business." They are the same ambitions that motivate me as Foreign Affairs Minister of Haiti, and in the wake of my illustrious predecessor, to use every means of leveraging business diplomacy to conduct Haiti's external affairs, one of the most fertile areas for development in the region. In Haiti, our ambitions are at the level of the Greater Caribbean.

**E**

# Leaving the past behind

## INTERVIEW WITH WILSON LALEAU

MINISTER OF TRADE & INDUSTRY\*, REPUBLIC OF HAITI



**WILSON LALEAU** graduated from the Center for Technical Planning and Applied Economics (CTPEA) in Haiti, and pursued post-graduate studies at the International Institute of Public Administration (IIAP) in Paris and the Institute of Social Studies (ISS) in The Hague. Mr Laleau has worked as a consultant for major international organisations including UNDP, IDB, World Bank and UNICEF, and in 2000 was appointed National Coordinator for Preparatory Assistance for State Modernisation. Having served as Economic Adviser to the President of the Republic of Haiti, he was appointed Minister of Trade & Industry in October 2010.

The earthquake that hit Haiti in January 2010 killed more than 222,000 people and left 1.5 million homeless, creating a humanitarian disaster. The impact on an already fragile and under-invested economy was equally catastrophic, with vital infrastructure and many factories and manufacturing plants destroyed, worsening the country's already high unemployment levels.

The task of reconstructing the damage from the earthquake has prompted the country's leadership to take a long, hard look at the country's structural problems, making them determined, to use the phrase coined by former US President Bill Clinton, to "build back better."

The government of President Michel Martelly, elected in 2011, is determined that the tragedy of January 2010 will mark a turning point in the country's fortunes, and has been making steady progress in laying the foundations for long-term growth, based on a policy of reconstructing the country by attracting investment, and boosting trade rather than relying on aid.

"People think that Haiti is trapped in a vicious circle of aid dependency, but we are now showing the world that Haiti is open for business," says Trade & Industry Minister Wilson Laleau, identifying the roots of many of Haiti's problems in the decades prior to the earthquake.

"For the last 30 years our economy has been closed, and the incentives to bring in investors were not put in place. As a result, Haiti attracted very little investment compared to the rest of the region, and particularly places like Jamaica. While there is no comparison to what our neighbours in the Dominican Republic have achieved: they attracted around US\$14 billion in FDI during the first decade of the new century, while Haiti could do no more than attract a few hundred million dollars. In short, the country has been isolated from the international investment flows for too long."

In response, in the two years since President Michel Martelly took over, he has been plugging the "Haiti is open for business" mantra around the world in a bid to put the country back on the international investment map.

Mr Laleau says that the only way to transform Haiti is to create jobs: almost three quarters of the workforce is currently unemployed. "We need investment for that. When we say that Haiti is open for business what we are doing is throwing down a challenge: the challenge of leaving the past behind. It's about

changing our own mindset, it's about formulating different strategies and it's about changing the way that we are seen internationally. We want to escape the aid trap and empower local entrepreneurs to lead the country forward."

To do that, the government of President Martelly has continued the monetary, fiscal, and foreign exchange policies initiated under the 2004 -2006 interim Haitian government with the assistance of the International Monetary Fund (IMF) and the World Bank (WB), aimed at creating a stable macroeconomic environment.

Mr Laleau explains that in 2011, the Haitian government began drafting new laws to improve the legal framework and incentives for investment in Haiti. A new banking law was passed in July 2012 and an anti-money laundering law is awaiting parliamentary approval. As of December 2012, the Haitian government is reviewing several pieces of legislation that may improve the investment climate, such as an insurance code, customs code, labour code, and new construction permit regulations. It also continues to upgrade Haiti's historically inadequate infrastructure.

"In September 2011 President Martelly launched a Presidential Advisory Council on Economic Growth and Investment (PACEGI), which aims to improve Haiti's business climate and attract foreign investors. In September 2012, we created a Presidential Commission for the Reform of Business Law, which aims to coordinate the reform of business legislation and develop a better legal framework for both domestic and foreign investment.

"The Commission will submit to the Executive recommendations and pro-business project laws that will be included in the Haitian government's legislative agenda. The aim is to involve all stakeholders in the investment process to work together to remove any obstacles to investment," says Mr Laleau.

The Trade & Industry Ministry is also working to help SMEs in Haiti, which have a huge role to play in generating employment.

"We have set up a programme to provide business development and training services to micro, small and medium-size enterprises (MSMEs) to expand their access to credit, strengthen their management, and boost their productivity," explains Mr Laleau.

There are an estimated 10,000 MSMEs with more than 10 and fewer than 100 employees in Haiti.



Microenterprises, which employ fewer than 10 workers, number about 375,000.

“Small enterprises typically face obstacles to obtain loans in Haiti, where the financial system has focused on the opposite ends of the potential client range: corporate borrowers with formal financial records, and informal entrepreneurs who rely on short-term microcredit. The project will help MSMEs obtain professional assistance to gather and organise their financial information, as well as to prepare proper business plans to present to local financial institutions in their efforts to gain access to credit for expansion and improvement investment projects. In addition, the project will offer small businesses access to training to improve management and worker skills and other services to increase their productivity once they have obtained credit,” says Laleau.

#### **A bigger regional role**

Despite having the largest population among the 15-members of CARICOM, it has traditionally played a small role in the regional economic bloc. Now, says Mr Laleau, the message is that “Haiti is back” and intends to work harder to make the most of its CARICOM membership.

President Martelly took over as chairman of CARICOM in January, a post he will hold until June.

“Haiti must accelerate its integration into CARICOM,” says Mr Laleau: “There is demand for goods that Haiti can supply. We also see CARICOM as a way to facilitate inward investment. Haiti can be a gateway to the region. The CARICOM market is 18 million people, and then there are the 23 million tourists who visit the region each year. Imagine if BRANA or Barbancourt [the country’s best-known beer and rum manufacturers respectively], or any other Haitian company, could sell their products, even to only 20 per cent of this population. The investments that would result, or the jobs it would create in the value chains of these products would be far in excess of their current reality.”

He says that the government is working to speed up the process of aligning Haiti’s tariffs within CARICOM. “This exercise, coupled with the study of the exportable supply, that we are launching will enable us to take full advantage of investments. The same applies to the establishment of the National System of Quality by the recent creation of the Haitian Bureau of Standards, of a Metrology Laboratory, and the creation of a tool to ensure the traceability of our products. In addition, President Martelly made it a point of honour to put the creation of a Caribbean Merchant Shipping register on the agenda.”

Haiti is also to host the Association of Caribbean States Summit at the end of April. Tourism, air and sea transport in the Caribbean region, the development of trade and investment, and other current major issues

including climate change, strengthening governance, the rule of law and the effects of the global economic crisis will be discussed during the Summit.

#### **The sectors that will drive growth**

“To get this country securely on the path to recovery, we need GDP growth of 10 per cent a year,” says Mr Laleau, “and this means attracting investment. The sectors that the government sees as having the most potential are tourism, textiles, and particularly agriculture.

“Agricultural reform is key,” says Laleau. Haiti has to import half its food – and especially since drought and storms like last October’s Hurricane Sandy wrecked more than half the country’s 2012 harvest.

In response to the new reality created by the 2010 disaster, the government has set up a medium-to-long-term programme based on the development of rural infrastructure, increased production and the development of sub-sectors, backed by agricultural services and support.

“We stopped producing our own food because of bad policies, but Haiti has the potential to become a major regional supplier of foodstuffs. We see SMEs playing a big role in connecting producers with markets,” says Mr Laleau.

There are also huge opportunities in infrastructure rebuilding, as well as new projects, which will give the overall economy a huge boost, says Laleau. Haiti also has huge mineral resources, and the capacity to bring in foreign exchange from gold, copper, silver, bauxite, and other metals. A round of exploratory drilling by Canadian and US companies has unearthed valuable metals. These include gold, silver and copper that may be worth close US\$20 billion. The government is drafting mining legislation that will lay out rules apportioning royalties for the government and setting protections for the people and environment that could be affected by mines, says Laleau.

The government is also drawing on the expertise of the Haitian diaspora: Andress Appolon, a Harvard-educated Haitian-American was recently named as the first woman director of the Electricité d’Haiti utility.

“But we are also talking to Haitians living abroad who can invest in the economy to come here and bring their skills with them,” says Mr Laleau. We need to develop a private sector based on attracting leaders,” he adds.

Above all, says Mr Laleau, Haiti has to avoid the aid trap. “We have to take responsibility for the future, we have been waiting, we have not been proactive. We have the resources, we have the people, we are a stone’s throw from the biggest market in the world. More than 40 per cent of world shipping passes by Haiti, but we have not been able to tap into that potential. We have the opportunities, and we have a young, dynamic population. The future should be ours for the taking.”

**We want to escape the aid trap and empower local entrepreneurs to lead the country forward**

\*Shortly after this interview was conducted, Mr Laleau was appointed Minister of Finance & Economy of Haiti. At the time of writing, he also retained his position as acting Minister of Trade & Industry.

# A land of paradoxes

By JOSETTE JEAN-BAPTISTE DARGUSTE

MINISTER OF CULTURE, REPUBLIC OF HAITI



JOSETTE DARGUSTE graduated from the Jamaica School of Business in 1982, and holds a Bachelor's degree in Event Management and International Relations and a Master's in English. She joined the Ministry of Tourism in Haiti in 1986, where she held a number of positions including Director of Public Relations Promotion (2001-2012) and General Director (2012-13). She was appointed Minister of Culture in January of this year.

Nestled in the Caribbean Basin is a legendary land filled with paradoxes, an island of desire, and of hope, the protrusion of a sunken continent; a sacred land where essential primordial traditions and knowledge were deposited; the happy ending to one of the greatest quests by the Europeans of the Old World. The Ignieris, Arawaks, Tainos and Ciboneys who lived here called it Ayiti, Kiskeya, Boyo.

It is a land of delights, a land of women, the mother of all lands. It is wealth and glory, blood and sweat; the pearl of the Antilles, the first Black nation in the world, born out of an independence fiercely won by freedom-minded maroons. It is a highway for the spiritual routes of many civilisations, a land of exceptions and of the extraordinary; Haiti will surprise, subdue and charm you with the way mankind has been reshaped. This has led to a combination of spiritual, physical, intellectual and emotional characteristics – the Creole language (palé créole), Creole mentality, Creole music, Creole dance, Creole food, Creole lifestyle and Creole art.

They came from all over – Phoenician conquerors, peoples fleeing persecution and seeking a new place of refuge. In 1492, Spanish missionaries were sent here by the catholic Queen Isabella. They called it Hispaniola. French, English and Dutch pirates, corsairs, adventurers and mercenaries made it their port of call and provisioning place, a ground for every kind of pursuit. Filibusters and buccaneers of His Majesty Louis the 14th rechristened it Saint Domingue. They focused on île de la Tortue, île-à-Vache, before they established the towns of Petit Goâve in 1654, Port-de-Paix in 1666 and the future capital Cap-Français in 1670 on the *grande terre*. The Ryswick Treaty in 1697 was an acknowledgement by Spain of France's effective possession of the western third of the island. Slaves snatched from the bosom of Africa replaced the aboriginal populations wiped out by civilisation's harsh treatment. They came here for millions of reasons, and they were welcomed by the island. Today, Haiti tells us the story of the Americas and of universal mysticism.

In Haiti, tangible and intangible cultural heritage intertwine to weave a pure mixed fabric on the borders of the American continent, imbued with the enduring scent of an Africa close by yet far away.

Haiti's mountains are impenetrable, enigmatic vaulted masses, overlapping one another. These vestiges of the

past are juxtaposed throughout different periods of history. The ruins of coffee factories in the Matheux chain from the glorious colonial era, forts erected after independence at the behest of Emperor Jean-Jacques Dessalines, bear tangible witness to man's greatness. With arrogant excess, bordering on the unthinkable, and typical of the genius Henri Christophe, the Citadel at Laferrière, considered the eighth wonder of the world and declared a world heritage site by UNESCO, overlooks the Sans Souci Palace of Queen Marie-Louise.

The Minguet Arch, a gem of ethnology on the south bank of the Dondon River witnessed Indian caciques celebrating the sun and the moon with their people; these deities had escaped from the caves to bring light into the world. It was believed that the first humans dared to imitate their example and were transformed by the star of light into frogs, lizards and birds. The guardians of the narrow, solitary valley were turned into stone statues.

In the north, above the Lenormand de Mézy plantation, the legend of a certain Dutty Boukman, a man of letters and a muslim, is part of the memory, which places the reality of the Bois Caïman and the symbolic end of slavery in August 1791.

During the catholic Easter celebrations, rara bands wind in and out of the back alleys of Jacmel while the appetising scents of fried foods fill the air, and aromatic elixirs are imbibed, to the rhythms of *vaccines* and *grages*.

Locals and people from other countries can be found under the arbors in the Lakor Soukri, Lakou Souvenance and Lakou Badjo close to Gonaïves. They come seeking truth, confidences, favours, judgements and the seal of the loas. Their experiences and aspirations meet and cohabit these sacred high places of Vodou (voodoo). Spiritualism levels conflicts and differences. It is the breach in which many descendants of African tribes transplanted into the new world found cohesiveness in their quest for freedom. The ancestral voodoo cult was and still is a veritable catalyst as in the time of slave revolt in Saint Domingue.

Grotte Marie-Jeanne, the most imposing cave in the Caribbean, is located in the coastal town of Port-à-Piment. It is the setting for a major part of precolumbian civilisation. It is purported to be connected to Laforêt in Grand'Anse, and was one of the doorways to the earthly paradise of Les Abricots, the underground Ciboney city.

In Limbé, la Roche à l'Inde guides us to the origins of writing, through trails which pre-date the African presence. In a comparative scientific attempt, attempts to retrace Haitian and Caribbean identity have been made during this century.

In a communion somewhat unusual to the uninformed eye, catholics and Vodou practitioners rub shoulders and mix in Ville Bonheur close to Mirebalais to celebrate the Virgin of Saut-d'Eau or Mistress Erzulie in the same breath. The waterfalls at Saut d'Eau do not differentiate between the backgrounds of the pilgrims, and dispense miracles according to the will of God or the Vodou deities.

These beliefs, traditions, rituals, large chunks of Haitian history attached to places are simply tiny shreds in the journey to discover Haiti.

Haitian painting, introduced to the world in 1944, is famous and well recognised. It leads the observer to explore spaces to celebrate the unchanged or the reinvented. It will try to reach new dimensions sketched only by our limitless imagination and the pursuit of fabulous perfection. Haiti has been consecrated in the field of art by Philomée Obin, Salnave Philippe-Auguste, André Pierre, Bernard Séjourné, Jean-René Jérôme, Préfète Duffaut, Mario Benjamin, Casimir Joseph and Ludovic Booz. The shapes, hues, volumes arising from naive impulses or espousing the trends of a school, nobly convey the vibrations of a profoundly original people.

Haitian creation expressed through multimedia and on multiple backings, in handicraft, sculpture and aesthetic elements does not fail to reveal the specific, complex sources which cannot be separated from the inspiration found in a particular island identity. The currents and eras are successfully included in the large inventory of cultural and artistic heritage. Apart from human and social factors, Haitian art has undergone greater development crystallising the best of the memory of a group of individuals.

Haitian linguistic legacy includes two official languages – French and Creole. From the constructive cohabitation and productive coexistence of the essential unchanging values of French and juicy Creole in all spaces, the result is a colourful mosaic of oral and written works. Haiti is one of the few French-speaking countries in the Caribbean. Through its spectacular productivity it attempts to compensate for its near disparity in an environment dominated by English and Spanish. Again, the originality of the prolific Haitian artistic and literary productions comes from the

fusion of their origins in a unique crucible. Ida Faubert. Yanick Jean. Marie-Vieux Chauvet. René Philoctète. Georges Corvington. Frankétienne.

*Around a strip of dirt road, and the lush treasure of an ageless mapou tree, the rumbling of a set of drums can be heard. They attract the attention of traveller still blinded by the rays of a scorching, impertinent sun. The sounds of a Congo ritual echo in his gut and invade his brain, inviting him to join the ceremony demanded by the goddess Erzulie Dantor. There is a convivial atmosphere among the faithful. The guest of the loas finds himself retracing the steps of the dancers in a pattern close to the vèvè of love. He soaks in the delicious, heady rhythm, and he tries to convince himself that the shot of rum he has just savoured is responsible for his warm blissful feeling. It is the season of country feasts. The pilgrim drawn in by the lakou decides to spend some more time enjoying the legendary Haitian hospitality. Under a leafy mango tree and with the complicity of the new moon, he entrusts his tired body to a vetivier mat. In another hour's time, he will leave on another trip, in the extraordinary world of Haitian spiritualism.*

Encouraging cultural diversity and exposing creativity are among the most commendable alternatives for sustainable development. Because of its surprising characteristics, Haiti remains an important place of pilgrimage in the Americas. People feel a sense of curiosity, an obligation. This happens by osmosis. It is likely that they will be charmed by the cultural heritage, the outstanding history, the land, the people, the minds behind the creations.

For those seeking a renewal or an incursion into the past, Haiti offers multiple reasons for exploring its cultural universe. They always return, and they often stay here...for a long visit.

**In Haiti,  
tangible and  
intangible  
cultural  
heritage  
intertwine  
to weave a  
pure mixed  
fabric on the  
borders of  
the American  
continent**

The ruins of Sans Souci,  
Palace of Queen Marie-  
Louise, in northern Haiti



Photo: Patrick Jerome



# Tourism's cautious revolutionary

INTERVIEW WITH **STÉPHANIE BALMIR VILLEDROUIN**

MINISTER OF TOURISM, REPUBLIC OF HAITI



**STÉPHANIE  
VILLEDROUIN**

graduated from Pontificie Universidad Madre y Maestra (PUCMM) in the Dominican Republic, where she studied Hotel Management and Tourism. She began her career as part of the team that opened the restored Hostal Nicolás de Ovando in Santo Domingo's colonial zone, and spent the next five years as the manager of the Hotel Le Montcel, a mountain lodge in the Port-au-Prince suburb of Kenscoff, before being appointed Minister of Tourism in 2011.

Since taking over as Haiti's Tourism Minister barely a year after the 2010 earthquake, Stéphanie Balmir Villedrouin has already made significant strides in implementing a step-by-step rebranding and rebuilding strategy for her country's travel sector that has already yielded a landmark result.

"For the first time in 23 years, Haiti is being offered as a destination by an international travel company," she says, referring to an agreement with Canadian tour operator Transat, which began offering package trips to Haiti at the end of last year. Its brochures highlight the country's rich cultural heritage, encouraging the visitor to get to know Haiti, rather than just lie on its beaches.

Ms Villedrouin says it took her the best part of a year to convince the Canadians, an example of her careful approach.

"We had just inaugurated our new airport terminal in Port-au-Prince, so I gave the people from Transat the opportunity to come to Haiti and visit two or three places. We received a lot of feedback from them, which was very helpful," she says.

She chose Canada because she knew that the country had been an important source of visitors up until the 1980s, since then Canada has also become home to

a significant number of Haiti's four-million-strong diaspora: a key target sector in her plan to make tourism a major foreign currency earner.

Ms Villedrouin, who studied hotel management in the Dominican Republic, and managed the Hotel Le Montcel, a mountain lodge in the Port-au-Prince suburb of Kenscoff for five years, says the cornerstone of her tourism masterplan is based on establishing Haiti first and foremost as a cultural destination.

This is why she took Transat's people to Jacmel, where her ministry is working on a US\$40 million tourism development project. A historic town developed in the 18th century as a coffee exporting port, Jacmel is the cultural capital of Haiti and has produced some of Haiti's best-known painters, writers and poets. Relatively unaffected by the earthquake, it remains one of the major production centres for indigenous arts and crafts.

"We took them on different excursions, to visit small islands, to visit the mountains, and they were completely convinced that Haiti has a product to offer. The visit was last November. Two months after, they launched a new package in Haiti. And we just received our first group of Canadians, in February: Just 35, but it's a start."



Life's a beach:  
Anse à Pirogue,  
Artebonite, Haiti



The deal with Transat is for one group per month, says Ms Villedrouin, saying she is more concerned about small groups of people spreading the word about Haiti's unique cultural heritage than trying to bring in large numbers of visitors, until the necessary tourism infrastructure is in place.

Half of the first group was from the Haitian diaspora. "We're working to get the second generation of Haitians living abroad to visit their country of origin. That's one of our strong markets that we're definitely trying to attract. The second part is to come up with a concept where you don't just have an all-inclusive, but rather an 'all-inclusive original,' and I think we achieved that with Transat."

Having established a presence in Canada, Ms Villedrouin says that she will turn her attention next to New York and Miami, where there are also large diaspora communities. "We have a deal with Delta, which is ready to promote Haiti on their vacation package from New York and Atlanta. Since they have this partnership with the SkyTeam alliance, with Air France, Air France has also booked some packages to go to Haiti from Miami. So I'm confident that this new partnership with the big airlines will help us increase the number of tourists. We're starting small, with three flights per month, but I'm confident that by the end of this year that will increase."

She also sees the potential of 'regional circuits', establishing an agreement with Haiti's neighbour on the island of Hispaniola, the Dominican Republic, and is in regular contact with Mexican tour operators. Regarding the UK, she is pleased that the British Embassy in Port-au-Prince is due to reopen shortly,

and sees potential in the UK market, if direct air links can be created.

Ms Villedrouin's masterplan is ambitious in its reach, but modest in its approach, she says: "In the past, Haiti's Tourism Ministers prepared master plans with big goals, but I want to start with existing facilities, and look at how to upgrade them and give them the knowledge to be competitive in the market."

She says her first objective is to develop the existing potential in the southern coast, using the hotels that are already there, and the people working in them.

"We have to meet the highest international standards, and to do that there is a need to have properly trained people. So we started with training. Last year, in January, we reopened the hotel school that had collapsed after the earthquake through a strategic partnership with the prestigious Institut de Tourisme et d'Hôtellerie in Quebec. We trained the teachers of the school, and made some strategic contacts with, for example, Amadeus. Now, we're opening the first tourism and hotel school in the south of Haiti."

She has also set about establishing quality control procedures, establishing categories for hotels, guest houses, lodges, and other accommodation. Hotels will be classed using the country's national flower, the hibiscus. "We will be harmonising service and standards in our hotels, and for the first time the sector will have a team of 21 inspectors, trained in Canada, who will monitor hotels from now on."

Ms Villedrouin has already taken steps towards rebranding the country with a new logo to help visually identify and connect with the brand, in this case a hibiscus flower with the slogan *Haiti, Experience It!*

**The government's tourism masterplan is based on establishing Haiti first and foremost as a cultural destination**



The hills are alive:  
Haiti's Route de Seguin

**The first objective is to develop the existing potential in the southern coast, using the hotels that are already there, and the people working in them**

Aside from the diaspora community, many of them now second-generation, who have never visited their parents' home, Ms Villedrouin says that she will be trying to attract overseas visitors interested in a cultural experience that will put them in contact with local people, a policy that benefits communities, giving them a stake in developing the sector: "Haiti is the soul of the Caribbean. We have the added value that few of the other islands can match: we have Vodou (Voodoo), we have a unique cuisine that combines French traditions with local delicacies, and we have vibrant, friendly people. The beaches – and let's not forget that there are miles and miles of unspoiled white sands along the coast outside Jacmel – are secondary. We want people to come to Haiti and participate in life here: we can offer classes in music, in dancing, painting, cooking, and local arts and crafts like papier maché."

In her approach to developing areas like Jacmel, Côte de Fer, Chouchou Bay and Ile à Vache, Ms Villedrouin has set the following objectives: To build clusters around the attractions and sites. "We spent a lot of time looking at what was available for visitors to do and see near their hotels. We identified five or six sites per region. And then we had to develop the infrastructure to allow people access – after all, even

the most spectacular waterfall is not a tourism area until you have built the infrastructure and amenities that visitors require."

The appointment of Ms Villedrouin signals a clear change in Haiti's approach to developing its tourism sector, which, despite the efforts of successive governments over recent decades, has traditionally contributed only a small fraction to the nation's GDP. The most recent data, for 2006, puts the figure at 2.5 per cent – in the same year, the number was around 11 per cent for its neighbour, the Dominican Republic. The DR receives around four million visitors a year, while estimates for Haiti before the earthquake – when tourism was slowly taking off – were around 900,000, but most visitors came aboard Caribbean cruise ships, and spent little time and money on the island. In Aruba, by contrast, tourism makes up as much as 80 per cent of GDP. But in both Aruba and the Dominican Republic, the private sector plays a key role in the tourism sector.

For that to happen in Haiti, says Ms Villedrouin, the government must continue to rebuild and repair infrastructure, while her ministry presses ahead with its multi-pronged strategy to improve hotel and service standards, and further honing its delicate rebranding exercise. **F**



The jewel in the crown:  
Citadelle Laferrière



# CARNAVAL DE JACMEL

## Vivez l'expérience !

Photo de Rafaëlle Castera



*Haiti*

*...se la pou'w la!*

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# Haiti, the buried pearl

Each person who walks the land of Toussaint Louverture and Jean-Jacques Dessalines will have a unique tale to tell based on their experiences, writes the Ministry of Tourism

**The Haitian environment is teeming with cultural experiences, particularly its famous Carnival**

Ghouls gone wild: Carnival revellers in Jacmel

**T**he world's first independent black Republic, open to the Atlantic Ocean, occupies a mere 27,750 km<sup>2</sup> of central land extending from the Caribbean Sea, sharing the Island of Hispaniola with the Dominican Republic. Haiti has a tropical climate and a rugged topography consisting of two peninsulas, with its highest peak culminating at 2,680 metres in the Massif de la Selle. With a coastline exceeding 1,500 km<sup>2</sup>, the country boasts magnificent beaches, dreamt of by the most discerning visitors. Its strategic location at the heart of the Caribbean should also give it special status as an axis of trade among the States of the region.

## A fascinating history

The Haitian people, who are overwhelming of African descent, are the product of a mosaic of cultures resulting from migratory movements of the colonial and postcolonial periods. "Ayiti" is the name given to this mountainous land by the Amerindians long before Christopher Columbus and his cohorts arrived on the island, which they mistook for the Indies. The Red Indians (Amerindians), who were decimated by the forced labour to which they were not accustomed, were soon replaced by Blacks from various tribes of Africa under French colonisation. Overcome by

the inhumane conditions inflicted on them by the colonists, the pride of the rebellious slaves triggered a change in the approach to human rights worldwide. The Republic of Haiti demonstrated its sovereignty vis-à-vis the colonial world from the dawn of the 19th century. Owing to this glorious past, such names as Toussaint Louverture, nicknamed the Black Spartacus by eminent professor Leslie F. Manigat, and Jean Jacques Dessalines, who conquered the Napoleonic troops, still resound across the borders, alongside other mythical heroes in the history of humanity.

## A unique and authentic Culture

Haiti, despite falling under the sphere of influence of the large North American cultural industries, still maintains some authentic characteristics of its cultural identity. Tylor (1871) defined culture as "a complex whole that includes knowledge, belief, art, law, ethics, customs and all other aptitudes acquired by man as a member of a society."

From the point of view of beliefs, this country, which is also known as Quisqueya, has managed to attain international recognition for its mastery of Vodou (voodoo) rituals, a religious practice transported by African tribes, which, today, is also fused with the Haitian cultural imagination.

Another aspect that is characteristic of Haitian culture is the constant use of the mother tongue. Creole was born out of the need for the masses of slaves on the plantations, coming from tribes using different languages, to create a common communication tool. The mother tongue of the Haitians is still the most widely spoken language in Haiti, notwithstanding the development of forms of diglossia in its coexistence with French. Nevertheless, competence in various other languages is widespread among the youth.

With regard to musical rhythm, Haiti is on a par with Jamaican reggae and Cuban salsa. The Haitian compas, a great influencer of French West Indian zouk, appeals to music lovers across the Atlantic. The drum used in Reggae music vibrates and thrills as much as Troubadour.

The immense creativity of the island's artists distinguishes the literary, hand craft and pictorial styles of Haitian designers, that reverberates with uniqueness and creativity, earning the appreciation of the most discerning critics. During their visits to Haiti, French poets André Breton (in 1943 and 1945) and Jean Paul



Photo: Thierry Bijou



Sartre (1949) did not conceal their admiration for such works, which they associated with the Surrealist approach. Just think of Franketienne's Spiralism, the fame of painter Philippe Doddard, or the mastery of papier-mâché by the craftsmen of Jacmel, a town located in southeast Haiti and considered the cultural capital of the Caribbean. Haiti has undoubtedly made a name for itself in the cultural arena. The Haitian environment is teeming with cultural experiences, particularly its famous traditional Carnival, which brings people together in the unbridled passion of a collective catharsis, animated by the popular merengues. The Carnival celebrations receives participation from both local communities and visitors, in particular members of the diaspora.

### **An exceptional natural and cultural heritage**

There is no doubt that Haiti is one of the few Caribbean countries to possess such an original cultural and natural heritage. While the country's infrastructure is not as extensive as that of the megacities of North America and Europe, its cultural and natural heritage attests to the element of fantasy that has always been inherent in Haitian works.

Towards the 19th century, the world added to its list of brilliant works Citadel Henri "an impressive fortress situated at the summit of the northern mountains of Haiti, approximately 27 km south of the town of Cap-Haïtien and 8 km above the town of Milot. It is the largest fortress in the western hemisphere and was inscribed on the World Heritage List by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) in 1982, together with the Sans-Souci Palace. The Citadel was built by Henri Christophe, following Haiti's independence from France at the beginning of the 19th century. Martiniquan intellectual, Aimé Césaire, said of the Citadel: "For these people, whom they wanted to bring to their knees, a monument was needed to bring them to their feet".

An excursion to the Citadel inevitably leads to the Sans-Souci Palace. The Sans-Souci Palace was the royal residence of King Henri I (Henri Christophe) of Haiti. Construction of the Palace began in 1810 and ended in 1813. It is situated in the village of Milot.


In 1842, a violent earthquake destroyed a significant part of the Palace and devastated the adjacent town of Cap-Haïtien. The Palace was never rebuilt. Prior to its destruction, it was recognised as the Caribbean equivalent of the French Palace of Versailles. In 1982, UNESCO inscribed its majestic ruins on the World Heritage List.

While civilisation invented for us these impressive works, nature also bequeathed to us magnificent sites. A dive at the Saut Mathurine falls in the south of Haiti, or a swim below the Saut d'Eau falls in the central department can fill an entire day with bliss. The

beaches of the south, particularly those in Port-Salut and Île-à-Vache or Côte des Arcadins, both delightful and memorable.

What can we say about Labadie? It is a paradisiacal land that is known to the majority of cruise passengers worldwide. This private seaside resort, which is situated 5 km northeast of the town of Cap-Haïtien, receives approximately 600,000 cruise tourists annually. In 2009, it received the maiden voyage of the largest cruise liner ever built: the Oasis of the Seas. Had Labadie existed in its current form in 1912, the Titanic may not have sunk; the reason being that there are no icebergs in the ocean washing the shores of Labadie.

Labadie offers "attractions including a flea market, numerous beaches, water sports, a water-based playing field and a zip line". It is a true dream location and getaway that allows for an enjoyable vacation in complete serenity.

Each person who walks upon the land of Toussaint Louverture and Jean-Jacques Dessalines will no doubt have a unique tale to tell, based on their authentic experiences of the Haitian imagination. Haiti's external image is caught in a spiral of silence in the sense that emphasis is placed on the setbacks that punctuate its day-to-day existence. Its natural beauty, the loyalty, dignity and hospitality of its sons and daughters are eclipsed by the writings, microphones and projectors of major news channels. We acknowledge the magnitude of the challenges and we are not giving up the fight. Indeed, Haiti continues to carry the full symbolic weight of the New World. As our friend Césaire concluded: "Our dignity, our existence, was for a long time based solely on this founding event: I found in Haiti more than a major input into the thoughts that I was trying to construct." 

**The immense creativity of the island's artists distinguishes the literary, hand craft and pictorial styles of Haitian designers**

Magic bus: even Haiti's public transport is a feast for the senses



# Restoring stability

## INTERVIEW WITH CHARLES CASTEL

GOVERNOR, BANQUE DE LA RÉPUBLIQUE D'HAÏTI (BRH)



**CHARLES CASTEL** holds Bachelor's degrees in Business Administration and Law from the Université d'État d'Haïti and Master's in Economics from the State University of New York and Law from Columbia University, also in New York. He has had a distinguished career as a public servant in Haiti and has sat on a number of state committees responsible for the modernisation and reform of public enterprises, securities law and other aspects of Haitian government policy. Mr Castel joined Haiti's central bank, Banque de la République d'Haïti, in 1995 and was appointed Governor in 2007.

### What is your assessment of the current health of the Haitian financial system, and that of the wider economy?

The Haitian financial system largely resisted the financial crisis of 2008 and the earthquake of 2010. Its stability can be seen in the consistency of the banking sector's profitability ratios over the last decade: on average, return on assets (ROA) has been 1.25 per cent, and return on earnings 20 per cent, with an overall net profit margin of 21 per cent. The strength of the banking sector's capital base is another good indicator: over the past decade this has been at 6 per cent, superseding the minimum level of 5 per cent.

Other financial institutions, specifically micro finance institutions, considered to be the backbone of the economy, have also shown solid growth and profitability, with average asset growth of 16.92 per cent, ROA of 3.25 per cent – better than the Caribbean and South America, which are respectively 0.20 per cent and 2.30 per cent, according to the Strategic Management Group.

Thanks to well-coordinated fiscal and monetary policies, macroeconomic indicators have also been fairly stable, with inflation in single figures, and a not-too volatile exchange rate. However, the recovery has been slow due to many structural imbalances and institutional inefficiencies. So far, Haiti has yet to enjoy the growth that was expected after the earthquake. Measures are now being taken to reinforce our public institutions, fight corruption, rebuild infrastructure and promote financial inclusion.

### What measures has the BRH undertaken to restore macroeconomic stability since the earthquake of 2010, and how successful have these been?

The Central Bank has played an accommodating role in facilitating economic growth, while keeping inflation in single figures. Following the 2010 earthquake, the country received large aid inflows and remittances. This had a positive effect on the exchange rate. In this context, the BRH's interventions helped avoid excessive appreciation in the real exchange rate, reduce volatility in the exchange rate, and preserve macroeconomic stability. The Central Bank has maintained the country's external position at an adequate level of international reserves. The BRH bond rate has remained low in an effort to buttress

economic growth. Commercial bank credit has increased rapidly by 30 per cent in 2011 and 32.5 per cent in 2012, but remains below the level in LICs (Low Income Countries) relative to GDP. Another key contributing factor to macroeconomic stability is the fiscal discipline we have been enjoying since 2004, as well as no recourse to monetary financing.

Beyond helping with stability, the BRH has taken steps to increase financial inclusion through different initiatives aimed at deepening and widening access to credit that leads to job creation. This is a necessary condition to achieving sustainable and inclusive economic growth. These measures entailed the launch of a Partial Credit Guarantee Fund; reserve requirement waivers for housing loans; providing liquidity for fix interest rates for mortgage loans, etc.

### The IMF forecast Haitian GDP growth of 8 per cent in both 2011 and 2012, but the reality was a rather more modest 2.5 per cent. To what do you attribute this shortfall, and when do you expect to see the country's recovery begin in earnest?

Haiti's growth rates have been lower than expected. Very often the economy's performance is undermined by its vulnerability to external and internal shocks. The Haitian economy is usually affected by the adverse impact of high commodity prices and unfavourable weather conditions. Negative shocks such as hurricanes and drought, which affected agricultural production and damaged our productive capacities, led to lower than expected real GDP growth. Although the country is prone to natural disasters, I would like to highlight that important improvements have been made in disaster and risk management. The low execution rate of public investment has also impacted reconstruction and growth performance recently. The authorities are aware that reconstruction and economic recovery from the 2010 earthquake have been slow, but efforts are being made to accelerate reconstruction and improve the public investment framework. Efforts are also being made to enhance the administrative capacity and enhance project management. We are going in the right direction, although the economic recovery has been slow. But in the medium term Haiti's growth performance will be higher, since more fiscal space will be created, as well as enhanced capacity building in the public and

private sectors. Within our strategy for sustainable and more inclusive growth, it is important to point out the reforms initiated by the government to strengthen institutional capacity, improve the business environment and promote private sector development. With respect to the external sector, we are determined to attract more FDI, boost the tourism industry and expand and diversify the export base, while being aware that a global economic slowdown could have negative spill-overs.

**Which sectors of the economy do you see as the most likely engines of growth in the medium term?**

In the medium term, five sectors are seen as engines of growth. The first is construction. We have to rebuild roads, housing, airports, hotels, and ports. So there are huge opportunities here for investors, and the impact on the economy will be huge. Then there are free economic zones such as the Caracol and Ouanaminthe parks, which have huge potential to create jobs and to stimulate growth in the areas around them. We also need to develop our textile sector by building more assembly plants. Next is tourism. We have a master plan to turn the sector into a major revenue earner and source of employment. Finally, the agricultural sector: Haiti's Investment plan for growth in the sector focuses on establishing new mechanisms with the assistance of the international community to help farmers access credit, as well as providing them with seed and fertilisers. The government also aims to develop sub-sectors and to strengthen trade through incentive mechanisms for the consumption of local products, development of decentralised credit for agro-industries, and the promotion of small businesses.

**The World Bank and IMF were quick to respond in the aftermath of the earthquake in 2010, offering advice and assistance to help Haiti rebuild its financial system, and broadening access in the process. What is your assessment of the progress to date, both in terms of restoring payment systems and also pushing through the reforms recommended by the IFIs?**

Following the earthquake, the Bretton Woods institutions have responded quickly to our needs. In addition to debt relief and financial support the IMF and World Bank have provided technical assistance to help the authorities to implement the necessary reforms in the financial sector such as a new banking law, the establishment of a Treasury Bill (T-bill) market, a credit bureau, microfinance institutions, a partial credit fund, improving liquidity management, and a new insurance regulatory framework.

**Even before the earthquake Haiti operated primarily as a cash economy, with only 40,000 checking accounts in a country of nine million people. At the same time remittance flows, which account for almost 20 per cent of Haiti's GDP, increased sharply in the aftermath of the quake. What strategies are you looking at to funnel more of these funds into the banking system and microfinance institutions, thereby increasing the amount of available credit to Haiti's micro, small and medium-sized enterprises (MSMEs)?**

Remittance flows to Haiti have increased over the last ten years, especially after the earthquake. They accounted for a major part of the country's economy, making a large contribution to offsetting the goods and services deficit in the balance of payments. They represent more than 20 per cent of the country's GDP. The amount of remittances that remains as

**The Central Bank has played an accommodating role in facilitating economic growth, while keeping inflation in single figures**

Photo: Thierry Bijou



Haiti's textile sector needs massive investment in order to realise its full potential



The BRH has taken steps to increase financial inclusion through initiatives aimed at deepening and widening access to credit that leads to job creation

savings in the banking system is difficult to estimate, but certainly a portion of that amount is financing the banking sector's liquidity available for credit of SMEs. Remittances have become a significant source of income for many Haitian families, and these transfers have begun to draw the attention of both private and public sectors, who are studying and planning innovative ways to make the most of this steady financial flow.

**In October last year, you signed an MOU with the International Finance Corporation (IFC) to help Haiti's financial and business sectors expand leasing for MSMEs. What makes leasing so important for Haitian companies, and how do you see your partnership with the IFC improving their situation?**

We are encouraging all initiatives that can expand credit to the economy especially to the SMEs. Haitian SMEs have traditionally experienced difficulty getting credit, in part due to lack of reliable guarantees. Leasing offers the opportunity to finance equipment to those SMEs since, as you know, the assets being financed remain the lenders' property during the life of the loan, eliminating the need for additional collateral. Also, leasing companies are more prepared to serve this group, as well as micro entrepreneurs faced with the same challenges. Our partnership with the IFC will allow us to promote leasing in Haiti by benefitting from its extensive experience with this financial product in countries with similar credit markets. Our collaboration has already led to the drafting of a leasing bill and prudential norms for the sector. We are weighing our options to either use the existing legal framework or to pass a specific law tailored to this

new financing tool. The new leasing law is still being reviewed at the bank and a final decision regarding the strategy to launch leasing activities in Haiti will be made soon.

**During your tenure in office you have been a vocal and active advocate for the creation and maintenance of an enabling environment for the growth of investment, describing the task of attracting more FDI as one that "requires a new mindset, a new mentality of wealth more favourable to the contractor." How successful do you believe you have been in fostering this new mindset among Haiti's business community and policy makers?**

I am not alone in this. All the stakeholders involved in making Haiti more attractive to FDIs have played their part, starting with infrastructure improvements in airports and roads, to steps aimed at shortening the length of the company registration process. With the increase in governance transparency and willingness to comply with international standards and norms, government officials as well as local investors are reaching out to foreign investors. All this has undoubtedly led to many joint ventures between local and foreign investors being announced recently, and in the past, particularly in the hospitality, telecom and industrial sectors. With this comes a healthier attitude towards wealth, where for example it is no longer seen as taboo to announce millions of US dollars of total investment in a private sector project. In this sense I believe that most Haitians today are conscious of the change in mindset needed to attract more FDI, understanding that this is the principal means towards economic and social prosperity. I therefore think we are on the right track. F



The Caracol industrial park has the potential to transform the economy of northern Haiti





BANQUE DE LA RÉPUBLIQUE D'HAÏTI

## THE BRH MISSION

### Four aspects of the BRH Mission

1

#### Price stability

To defend the internal and external value of our currency by pursuing a monetary policy based on price stability. For this purpose it sells bonds it issues to local banks and intervenes directly in the foreign exchange market by buying and selling currencies.

2

#### Efficiency

To ensure the efficiency, development and integrity of the payments system by negotiating with the Ministry of Economy and Finance the level and terms of financing of the budget deficit. These arrangements are implemented through agreements between the Governor of the BRH and the Minister of Economy and Finance.

3

#### Financial Stability

To ensure the stability of the financial system by overseeing the operation of banks and subjecting them to prudential standards. The BRH also conducts regular inspections of financial institutions, by sending inspectors and requiring financial disclosure at regular intervals.

4

#### Banker to the State

To act as banker, cashier and fiscal agent of the State by managing the current account of all public institutions and authorities. It is responsible for the collection of state revenues and levies internal taxes and customs duties directly on its behalf. It also acts as custodian of securities owned by these entities.

# Leveraging competitive advantage

## INTERVIEW WITH GEORGES ANDY RENÉ

DIRECTOR GENERAL, CENTER FOR THE FACILITATION OF INVESTMENTS (CFI), HAITI



**ANDY RENÉ** is both the executive director of CFI (Center for the Facilitation of Investments) and the executive secretary of PACEGI. He is also a partner at LexAR Law Group and heads the firm's investment law practice of the Montreal and Port-au-Prince offices. He holds a Masters degree in Law, with a specialisation in International Investments from the University of Montreal.

### How would you characterise the role and responsibilities of the CFI?

The Center for the Facilitation of Investments (CFI) was founded in 2006 to facilitate and promote private investment in Haiti. Since that time, we have helped establish numerous companies, creating much need jobs. We offer investors fast track incorporation, promotion, facilitation and access to the Haitian business network.

The Haitian government understands that things must change, and part of that change is to strengthen the role that the CFI plays. As a result we are at the forefront of the administration's '5E' policy, which focuses on five sectors: education; energy; (état de droit) rule of law; environment and employment. Part of our job is to promote this policy internationally.

We are the first port of call for foreign investors interested in Haiti. Because of this, we have put a lot of work into improving our website, and providing up to date information on the economy, as well as the business climate. Information is the key, and we are continually improving the quantity and quality of information that we provide. In recognition of this effort, we have just received a best-performance ranking from the World Bank's investment index, which improved our grade 37 per cent to 85 per cent. While there is still room for improvement, we are ahead of the regional average of 69 per cent.

We also produced an investment guide to Haiti in collaboration with the Inter-American Development Bank (IDB) that provides not only macroeconomic information on Haiti, but also details the sectors where Haiti has a competitive advantage for investment, notably: agriculture, tourism, garment/textile, infrastructure, energy, and residential housing. Our job is to provide help to investors in these sectors, while also reinforcing diplomatic ties and links with other communities, and to ensure that Haiti is not forgotten. There has been a lot of focus on aid over the past three years – which has been crucial to our recovery – but it's now time to change the perception of Haiti from one of charity to one of opportunity.

### Why should investors be thinking more seriously about Haiti now? What has changed?

Investors should think seriously about Haiti because it has made tremendous strides economically and offers a climate which is suited for business. What has changed is

that the present government is committed to rebuilding Haiti from the ground up, and is implementing bold reforms to create a viable investment climate. At the same time, it is implementing a reconstruction programme aimed at creating viable export earnings and creating much needed jobs.

We are just two hours away by plane from the US, and 72 hours by boat. This is the heart of the Caribbean. We are a young country of 10 million people, half of whom are aged under 24. Haiti also has the lowest labour costs in the region. It is the perfect outsourcing location for US and Latin American businesses. Haiti has access to the apparel market through the Hemispheric Opportunity for Partnership Encouragement Act of 2006 (HOPE), which gives investors unhindered access to the huge US market. Haiti also has preferential access to European markets as well as to Caribbean markets through the creation of the CARICOM common market. The returns to investors in Haiti are much greater than in many other countries.

### How competitive is Haiti, compared to its neighbours in the region?

With a zero tax rate extended to a maximum of 15 years, for qualified investments, Haiti is highly competitive worldwide. This is accompanied by an additional five years of a regressive tax rate. We offer a range of incentives such as tariff-free imports, and of course the free zone regimes, for example in the Caracol Industrial Park. Haiti is a member of the WTO and has just ratified the International Convention for Settlement of Investment Disputes (ICSID). This is to provide investors with the added insurance of long-term commitment to international best business practices.

Access to credit was improved in 2010 by a new law that broadens the scope of assets that can be used as collateral, allows future and after-acquired property to be used as collateral, and extends the security interest of the creditor automatically to the products, proceeds, and replacements of the original asset.

### What role do you see for the Haitian diaspora in the country's development?

We are trying to attract the Haitian diaspora through a range of strategies. One is to offer second or third generation Haitians living abroad dual citizenship. This has had a big impact, with two million people taking up this option. We want to do more with the

money that Haitians living abroad send via transfers and remittances. We have thought about a 'pool' for investors, for example. Then there are the baby boomers who want to come back here to retire, and who are interested in buying property. There are strong cultural and social attachments with the diaspora. Another part of the strategy is to set up platforms with representatives from diaspora communities with the CFI, to integrate the diaspora into the decision making process regarding future investment policy. So far we have been very encouraged by the response from the diaspora community, many of whom are already investing in the country.

#### **What are your priority investment sectors?**

Agriculture is a priority at the moment. Agricultural production in Haiti represents 30 per cent of GDP and employs up to 50 per cent of the workforce, but is still largely subsistence-based. Investment opportunities in the agricultural sector show promise for interested investors due to the quality of the available arable land, the recovery of the production after the earthquake in 2010 and the experienced low-cost labour force.

The two fastest-growing sectors are tourism and textile. We have seen a 20 per cent increase in cruise passengers, with around 500,000 visiting the country. Meanwhile, air travel has more than tripled since 2005. Overall outlook remains buoyant for the industry, despite the earthquake. Lodging capacity was tight prior to the quake. This has increased the supply gap, thus creating vast potential in hotel construction, which is attracting the major hotel chains to fill the gap. We intend to attract greater numbers of visitors to the island by air, developing a mass tourism market, as well as niche sectors such as cultural and eco-tourism. We are going to create a proper tourism industry, and there will be a huge role for the private sector to play.

With regards to the garment industry, the construction of the Caracol Industrial Park is an indication of the increased investment opportunity to meet US demand. Haiti is the fastest growing garment exporter to the US. Exports increased by more than 16 per cent in the first nine months of 2011 compared to the same period in 2010, while China's decreased by 4 per cent.

The government is implementing a development strategy plan that includes mega projects in the ICT sector. Basic connectivity infrastructure is an attractive field of investment due to its priority for the country. ICT has gained in importance to Haiti after the earthquake of 2010, since proper use of technology helps to minimise damage and losses from natural disasters.

There is also the possibility of exporting ICT services from Haiti to foreign countries. Haiti's competitive labour costs, its language capabilities in French – and

to some extent, English – as well as its historic ties to major markets offer potential for the ICT service sectors. Given the country's french culture and nature as well as its proximity to the US, the offshore services sector is an option for the future.

However, regardless of the sector investors are interested in, and on whatever scale, the CFI can provide tailor-made packages.

#### **What other strategies are you exploring to raise the awareness of the investment opportunities in Haiti?**

We are increasing our international profile through a range of approaches. Hosting this year's CARICOM Summit was important, and the ACS Summit in April will undoubtedly build on this. We also hold an annual investment forum here, as well as events such as the Haiti Investment Forum in Washington, which brings members of the Washington policy-making community together with private investors in Haiti.

We are keen to let the world know about our success stories, companies such as Digicel, Marriot, and Heineken, all of which have made long-term commitments to Haiti. Investors need to know that they can come here and make plans for the future, and that other major players are already active and successful here.

#### **How will you measure the success of the CFI's new approach?**

By the amount of investment we manage to attract! For example, between 2010 and 2011, there was a 25 per cent increase, from US\$149 million to US\$181 million. But between 2011 and 2012, the figure rose to US\$225 million. At the same time, success for us is measured by the continuing return to normalcy, as illustrated by events such as the United Kingdom reopening its embassy here. In turn, we will be reopening our embassy in London.

**We are just two hours away by plane from the US, and 72 hours by boat. This is the heart of the Caribbean**

Despite making up 75 per cent of Haiti's exports to the US the garment sector retains huge potential for growth





# Doing business in Haiti

The Center for the Facilitation of Investments (CFI) in collaboration with the Inter-American Development Bank (IDB) has prepared a guide to investing in Haiti, selected highlights of which can be found below

**Demographics are among Haiti's biggest assets. Nearly half of Haiti's population of 10 million is younger than 20 years old**

## Overview

Haiti offers considerable business and Investment opportunities. With its large labour force, strategic location (close to the US and other markets), and substantial capital inflows, the country is poised to attract new investments in sectors such as apparel manufacture, tourism and leisure, agribusiness and food processing, construction and building materials, call centres, mining and minerals, and arts and crafts.

## Geography

Haiti is located on the western part of the island of Hispaniola between the Caribbean Sea and the North Atlantic Ocean, between latitudes 18 and 20N, and longitudes 71 and 75W. Haiti's total land area of 27,750 km<sup>2</sup> is bordered in the north by the Atlantic Ocean, in the south by the Caribbean Sea, in the west by the Gulf of Mexico, and in the east by the Dominican Republic.

Haiti occupies the mountainous portion of the island of Hispaniola; the terrain consists largely of rugged mountains with small coastal plains and river valleys. The country's territory also includes numerous small islands as well as four large islands: Ile de la Gonave (to the West), Ile de la Tortue (off the north coast), Ile a Vache, and Grande Cayemite, in the southern peninsula.

## Climate

Haiti has a hot and humid tropical climate with some variation depending on altitude. Fog and drizzle is common from November through January due to the north wind. Annual rainfall ranges between 140 and 200 centimetres. The rainy season begins in April to June or May to July and ends in October or November. Average temperature in Port-au-Prince and surrounding areas ranges from an average minimum of 20°C (63°F) to an average maximum of 34°C (94°F). Average humidity in Port-au-Prince ranges from 53 per cent to 74 per cent. Haiti weather information is available from the World Meteorological Organisation (WMO) and on the Centre National de Meteorology website.

## Population and Society

Nearly half of Haiti's population of 10 million is younger than 20 years old. The population has tripled since 1950, the year that the first formal census was taken. Although Haiti's population density averages about 350 people per square kilometre, most people

live in urban areas, coastal plains, and valleys. In 2010, the share of the urban population was estimated at about 52 per cent and the growth rate of the urban population between 2010 and 2015 was forecast at 3.9 per cent. The capital city of Port-au-Prince had a population of 2.1 million people in 2010.

Demographics are among Haiti's biggest assets. Haitians aged between 15 and 64 make up 60 per cent of the population, followed by the age group 0-14 years, which make up 35.9 per cent. Haitians over 65 years represent only 3.9 per cent of the population. Median age is 21.4 years. As can be seen from these statistics, the country has a large and predominately young work force.

## Language

French and Haitian Creole are Haiti's official languages. English is widely spoken in the business community as well. French is spoken in schools, business, and ceremonial events. Haitian Creole, which is spoken by virtually the entire population, is closely related to French, but is also influenced by many African dialects. Spanish is increasingly spoken as a third language among the young and in business.

## Education

By the Constitution of 1987, the State guarantees Haitians right to free and adequate primary education. However, the performance of the country's educational system does not meet the demands of the people, and standards are sub-par in comparison to other countries in the region. Haiti's education system is dominated by private schools, most of which are operated as for-profit organisations. After the pre-school level, students have nine years of basic education and receive a Brevet Diploma. Secondary education consists of four years of schooling followed by the completion of the Baccalauréat. After their basic education, students have the option to follow a professional or vocational education.

## Economic Policy

Both the Haitian government and the international community agree that the transition from emergency relief to sustainable recovery and growth will not be easy. As such, all parties recognise the need for long-term, substantial targeted support to move Haiti onto a path of sustained development that promises economic



growth as well as solutions to the country's enduring social and environmental problems. The Haitian government aims to achieve this transition through a comprehensive set of measures to foster long-term growth and reduce poverty.

A plan envisions recovery as a decade-long process; it underscores the need to create development poles to de-concentrate economic activity, and emphasises the importance of increasing access to basic social services and strengthening state institutions. The action plan is congruent with the government's objective to achieve substantive progress on four priority issues (or the 4 "E's"), namely: (1) rule of law (État de Droit) with improved enforcement achieved through increased capacity of public administration; (2) education for all; (3) employment, through the construction of key basic infrastructure and creation of a business-friendly environment; and (4) environment, including environmental rehabilitation and land tenure.

A key component of the government's action plan is the creation of economic development poles to diversify and decentralise economic activity. The government has identified growth hubs in different parts of the country as follows: north of Port-au-Prince in the area around Cabaret; Cap-Haïtien and the northern region; Hinche and the Central Plateau, Gonaïves, Saint Marc, and the Artibonite Plain; Les Cayes, Jacmel, and surrounding areas in the south. These growth hubs will promote the development of five key sectors identified by the Presidential Commission on Competitiveness and agreed by the President of the Republic and the government as follows: agriculture, farming, apparel manufacture, tourism, and urban housing/development. These priorities, which were identified in 2009, remain the target sectors for the country's development.

Apart from its focus on these sectors, the government has fostered the development and expansion of free zones and industrial parks and on measures to stimulate foreign investment needed to support the country's growth trajectory. Numerous efforts already have been undertaken. For example, building on strong diplomatic ties, Haiti hosted the Invest in Haiti Forum in November 2011, one of the largest meetings of its kind ever held in the Caribbean. At the forum, participants discussed concrete investment opportunities in apparel manufacture, tourism, agribusiness and infrastructure. The event was the first in a series targeted at drawing foreign investors' attention to opportunities in Haiti.

#### Key Macroeconomic Indicators

The World Bank predicts that Haiti's economy will grow by 4.2 per cent in 2014, which would be the second-highest growth rate in the region, following Guyana. This expansion will be driven mostly by reconstruction operations and the country's economic stability, which is providing the confidence needed to for the local sector to invest in commercial construction, supermarkets, factories, and hotels. In addition, foreign investment has picked up from 2010 levels in the beverage and telecom sectors. Although the rebuilding process has been slower than expected.

#### Haiti and the United States

Agreements signed between Haiti and the US, including the HOPE and HOPE II acts, allow duty-free treatment for knit, knit-to-shape, and certain non-apparel textile goods wholly assembled in Haiti. The HELP Act expands existing preferences for apparel and establishes new preferences for certain non-apparel textile goods. In addition, Haiti is a beneficiary of the US-Caribbean Basin Trade Partnership Act (CBTPA) that provides participating countries with duty-free access to the US market for most goods grown and manufactured in Haiti. The CBTPA entered into force on October 1, 2000 and remains in effect until September 30, 2020.

#### Haiti and Canada

General preferential tariff and least developed country tariff rules of origin regulations signed with Canada provide that all Haitian imports have duty free access, with the exception of milk, eggs, and poultry. This agreement sets no quota limitations.

**The world bank predicts that Haiti's economy will grow by 4.2 per cent in 2014, the second-highest growth rate in the region**

Setting up a business in Haiti just got easier



Photography: Thierry Bijou



Région Martinique

Hôtel de Région  
Rue Gaston Defferre - Cluny  
CS 50601 - 97261 FORT-DE-FRANCE CEDEX

Standard : +596 596 596 300  
Fax : +596 596 726 810 / +596 596 596 484  
courrier@region-martinique.mq  
www.cr-martinique.fr

# Regional Council of Martinique

## International action



Mr Serge LETCHIMY  
President of Regional Council  
of Martinique

Since 2011 the regional integration of Martinique in its Caribbean and Latin American environment has taken a new turn. Thanks to a strong political will, Martinique's geostrategic anchoring has surged ahead, marked in particular by:

- The formalization of Martinique's Associate Membership requests to regional organizations such as the OECS, CARICOM, ACS, and ECLAC;



Official visit to the  
Governor of State of Para, Brazil.  
Belém, January 23rd -26th 2012



Signing of a Declaration of intention of Cooperation with the  
Prime Minister of Antigua and Barbuda  
Martinique, January 27th, 2012



Ceremony of inauguration of Prime Minister of  
Porto Rico, Porto Rico, January 2nd, 2013



Admission of Martinique as an associated member to ECLAC - 34th Session for ECLAC,  
San Salvador, August, 29th-31st, 2012

- The implementation of actions and agreements in respect of decentralized cooperation with the State of Para, Brazil, Antigua and Barbuda, and other countries of the West Indies;
- The setting up of a mechanism for the placement of agents of the Regional Council of Martinique in diplomatic and consular offices of the French State within the Americas and the Caribbean.

These various actions will allow Martinique to strengthen its ties with neighbouring countries and territories in order to participate in regional cooperation and development strategies.

These include: economic development, culture, renewable energy, health, training, the professional insertion of young people, et cetera. The objective, clearly, is to effectively integrate Martinique into the Caribbean Basin.

Although regional cooperation is not the only way to advance the economic development of Martinique, it remains an essential condition for its endogenous development.

## Martinique in figures

### Martinique's economy generates wealth

- Regional GDP : € 8,271 billion (CEROM 2011)
- Regional GDP per inhabitant : € 21,077 (CEROM 2011)
- HDI : 0,929 - ranked 24th in the world in 2005
- Gross of GDP per year : 1 % (CEROM 2011)
- Investments : € 1,616 billion (CEROM 2011)
- Internet : 64 % of households have access to Internet (159 371 householders in 2009- INSEE)

### Martinique's economy is dynamic

- Number of companies in 2011 : 38 801
- Yearly Average Growth rate : + 3,5 % (creation of new businesses), 2010-2011
- Productivity Earnings Growth : 1 % per year apparent productivity growth from 2010-2011
- Investment Effort of Companies : 20 % of the added value of companies dedicated to the financing productive investments from 1988 - 2000



## Caribbean Energy Forum

Technical exchanges and commercial meetings on renewable energy to be held in Martinique in October 2013.

**Save the date !**



A key component of the government's action plan is the creation of economic development poles to diversify and decentralise economic activity

#### Haiti and European Union

The Economic Partnership Agreement with the European Union covers trade in goods and services, investment, trade-related issues such as innovation and intellectual property, and development cooperation assistance.


#### Haiti and the Caribbean

Haiti was accepted as the 15th Member State of the Caribbean Community (CARICOM) by the Conference of Heads of State and Government of the region in July 1999. The Haitian Parliament ratified its final accession to this economic integration body on May 13, 2002. The treaty expanded the areas for integration to create a single market and economy for the region with free movement of goods, services, and production factors. The treaty also provides for the harmonisation of laws and regulations governing geo-economic activities of Member States. Haiti negotiated a 10-year status as a less developed country prior to full integration into CARICOM.

Haiti is bound by the CARICOM rules of origin

and content requirements set forth in the treaty. In order for a firm to be eligible for one of the concession regimes of the CARICOM Customs Code, at least 35 percent of raw materials, intermediate products and development assistance must come from a caricom country.

#### Coming to Haiti

The procedures for entering Haiti are simple. Visas are only required for citizens of the Dominican Republic, China, Colombia, and Panama who are not holders of an American, Canadian, European visa or residence card. A tourist cannot stay in Haiti for more than 90 days. After the 90-day period, he/she must obtain a residence permit from the Immigration and Emigration Services. All foreign nationals must have a residence permit in order to stay in Haiti for more than three months. However, this rule does not apply to people of Haitian origin. Investors who plan to stay longer in Haiti must obtain a residence permit. For details on how to obtain a residence permit, visit CFI's website. 

#### CFI to launch new fast-track off the shelf company registration service

**I**n line with President Martelly's vision and Prime Minister Lamothe's plan to attract new businesses, and therefore more jobs, the Center for the Facilitation of Investments launched, on Wednesday March 27, 2013, an innovative way to fast-track business registration in Haiti. The Executive branch, through the action of CFI, has established an alternative business registration service that will help all interested investors to set up a company in Haiti in less than a day. As a pilot project to alleviate delays in setting up a business, the Martelly/Lamothe government is offering an initial 100 pre-registered companies for sale. These "off the shelf" companies are ready-to-operate entities. They are available for potential investors to acquire at a price of US\$ 2,500, payable over the counter at CFI or via the agency's website. This is particularly good news for Haitians living abroad, as well as foreign investors, as they won't have to pay for the many trips necessary to register their business and start their operations as previously.


This initiative not only reduces the time to set up a business to less than a day but it also reduces the market cost by half. This is a major innovation that is only one part of the many other steps the government is taking to make it easier for investors: tax exemption, total dividend exoneration, the Micro-park initiative, Public Private Partnerships, a new electronic signature law, and

Commerce journal, just to name a few.

Under President Martelly's leadership, the government has already succeeded in changing the mindset of the local business community in order to open up Haiti for business. The country as a whole is ready to make things and processes better for they finally understand that it is the only way to job creation.

Starting from April 16, 2013, investors in Haiti and abroad will be able to choose from 7 categories of Pre-Registered Companies: 15 Companies for Agribusiness, 10 companies for Information Technology and Communication, 15 Holding Companies, 15 companies for Industry and manufacture, 15 companies for Professional Services, 15 Companies for Tourism, 15 companies for Real Estate. Buyers will however have to choose a minimum of three shareholders to which CFI will transfer all shares of the pre-registered companies.

All companies have international standard by laws and statutes. Each newly-bought company is fully authorised to function. Investors can subsequently modify the business name and statutes of their new company. This service is part of the One Stop Shop programme of the CFI.

CFI's new company registration service is an important victory for the Martelly/Lamothe Government whose objective is to ease Haiti's business climate. 

# A vision for equitable growth

By **NORMA POWELL**

PRESIDENT, ASSOCIATION OF INDUSTRIES OF HAITI (ADIH)



**NORMA POWELL** has worked as a trader in edible oils in Switzerland, a project coordinator for construction sites in Nigeria and executive director of a cotton trading firm, before assuming her current position as Corporate Relations Officer of Brasserie Nationale d'Haiti SA (BRANA). She has been President of the Association of Industries of Haiti (ADIH) since 2012.

The Association of Industries of Haiti (ADIH), which was founded more than 30 years ago, is a non-profit association that brings together Haitian industrial enterprises. Its mission is to enhance, promote and support the development of the industrial sector on the basis of its competitive advantages and specialisation in areas of expertise. It works actively to promote among its members a climate of lasting social peace and high work productivity, as well as policies and practices to protect and preserve the environment. Its primary objective is to make Haiti an important and modern industrial base in the Caribbean and its daily mission to promote the dynamism of the country's industries and to support them through advocacy and activities that contribute to placing economic matters on the political agenda.

Haiti is one of the most densely populated islands in the Caribbean, and it possesses natural assets that give it a significant comparative advantage, inter alia: a large, peaceful and competitive labour force, untapped mineral resources, an ideal geographic location and, in particular, an educated diaspora constituting an invaluable pool of wealth. The latter is keen on contributing to the country, once the visibility and predictability of the political and social environment are guaranteed and infrastructure and legal frameworks are put in place. Today, our country receives favourable consideration and assistance from numerous States in the Americas, as well as the European Union

and other countries in Asia. The ADIH, which has historically proven to be an active partner in industrial development, intends to pursue, support and expand this movement and to take advantage of this exceptionally favourable period, to contribute to building a sound and prosperous economy that will generate sufficient wealth to enable the equitable distribution of the proceeds of growth.

In this context, the industrial sector has a key role to play in economic growth. Indeed, while Haitian industry has remained relatively competitive as a result of cheap labour, the challenge is now to gradually but completely move its assets toward added value and sustainable competitive advantage, with salary constituting just one element of this competitiveness.

Our association comprises approximately one hundred members involved in local industry, which consists of two main branches: on the one hand, textile assembly for export, and, on the other hand, the production of consumer goods for the local market, which enjoys a high demand and will gradually increase its share in relation to imports.

The recovery of the assembly industry has been at the forefront of our actions, and the ADIH played a key role in obtaining American laws HOPE in 2006, HOPE II in 2008 and HELP, following the earthquake, in 2011. Consequently, in 2006, Haiti re-emerged as a viable manufacturing country for American clothing brands and retailers. This new direction led to an increase in employment in the clothing sector in Haiti from 12,000 to over 25,000 before the earthquake – owing to special conditions favouring the Haitian textile sector for exports to the United States of America. Today, with the extension of tariff preferences to 2020, Haiti represents a very attractive opportunity for the assembly of textile products, which will be able to enter the United States free of customs duty.

Food production has been a major source of concern since the food crisis that erupted in 2008 and the natural disasters that occurred in 2010, as well as in 2012 with Tropical Storm Sandy. Paradoxically, this has served to stimulate the resurgence of our agriculture – food production naturally, but also niche products geared toward the processing industry and exports; fruits and vegetables, coffee and cocoa, mangoes, essential oils, etc.

Haiti imports food products, machinery and equipment, fuel, household items, etc, to the tune of





almost three billion dollars. Significant opportunities exist in terms of processing and packaging of agricultural produce (fruits, vegetables and grains), livestock rearing and associated industries (dairy, butchery and packaging).

The figures highlight the potential existing in a growth market for industrial investments as a substitute for imports. Thus, we are keen to encourage partnerships with regional companies that can take our constraints into consideration and develop our production by contributing their experience. The ADIH is available to explore with them the opportunities for partnerships or joint ventures, for installation and expansion.

A number of opportunities also exist in the tourism sector. Improved infrastructure, for which we have fought tirelessly, will, we hope, support the restructuring of this industry, based on a model that is original and specific to our country.

Economic and business development and the creation of an enabling environment are the result of joint efforts by the private and public sectors. Our primary mission is to protect local industries and contribute to their development and modernisation, based on the needs of local and foreign markets. This goes hand in hand with a social approach, a dialogue-based approach and the objective of contributing to the development of the economic sector, while respecting workers' rights and obligations. In this regard, the ADIH is proud to collaborate with State institutions such as the Ministry of Social Affairs and Labour, and the Tripartite Commission for the Implementation of the HOPE Law (CTMO-HOPE), on projects that would enhance the promotion of social dialogue in assembly companies, and the development of modern labour laws that would assist in improving the competitiveness of Haitian firms in relation to those of the countries in the region.

The ADIH has also led employers in drafting

the new Labour Code in partnership with the Haitian Government and the International Labour Organisation (ILO).

The ADIH is a statutory member of the following State institutions:

- Centre de Facilitation des Investissements (Center for the Facilitation of Investments – CFI), headed by the Minister of Trade and Industry;
- Conseil National des Zones Franches (National Free Zones Council – CNZF), headed by the Minister of Trade and Industry;
- Société Nationale des Parcs Industriels (National Industrial Parks Company – SONAPI), headed by the Minister of the Economy and Finance;
- Conseil de Développement Economique et Social (Council for Economic and Social Development – CDES), headed by the Prime Minister.

Through its actions, the ADIH promotes sustainable human development using an economic, political and social system based on individual freedoms, initiative, motivation, opportunity and accountability. It shares and fosters among its members, inter alia, the exchange of relevant information on the economy, prevailing ideas in the industrial sector, legislative developments affecting the business world, and regional and international economic developments impacting on the national economy.

Supporting the sector, sharing our vision of economic and social development, strengthening and placing economic matters on the agenda – such are the key elements of our mission. We wish to meet this growth with a stimulating and proactive associative framework, combining industrial and business dynamics with a respectful and modern socioeconomic approach. And it is our wish that this growth is accompanied by fruitful business partnerships with our friends in the Caribbean region. Enjoy our beautiful country of Haiti!

**We are keen to encourage partnerships with regional companies that can take our constraints into consideration and develop our production by contributing their experience**

Haitian manufacturing: from top to bottle



Photography courtesy of ADIH

# Changing perceptions of Haiti

## INTERVIEW WITH DIDIER FILS-AIMÉ

PRESIDENT, CHAMBER OF COMMERCE & INDUSTRY, HAITI (CCI)



DIDIER FILS-AIMÉ is a graduate of the School of Management of Boston University. He has extensive experience in both the service and industrial sectors and is the founder of one of Haiti's largest Internet service providers, which he ran for twelve years. Mr Fils-Aimé is also the founder of Haiti's only tissue paper converting company and the CEO of an ambitious tourism project on the southern coast. He was elected President of the Haitian Chamber of Commerce and Industry in November 2012.

**The Martelly-Lamothe administration has adopted the slogan "Haiti is open for business." What does this mean in practical terms?**

"Haiti is open for business" means that the government will take all the necessary steps through the relevant organisations, such as the Haitian Chamber of Commerce & Industry (CCI), and the Center for the Facilitation of Investments (CFI), to make sure that companies looking to invest in this country are helped through the process as quickly as possible.

That said, we have to be realistic; Haiti is a work in progress. I'm not going to deny that there are still problems, or that we sometimes need to respond more quickly to investors. At the same time, the government is always looking at ways to improve the business climate. We already have some of the most business-friendly legislation in the world, and now there is a presidential commission reviewing further investment legislation. We are preparing laws that will change the way we do business. We are taking Haiti's business legislation into the 21st century.

**Are you not concerned that local companies may find themselves unable to compete with foreign players eager to take advantage of the opportunities in Haiti?**

Job creation is very important, and we understand that to achieve this goal we need to attract foreign investments. We also know that these new ventures will require that we increase our skills base. But we also know that the presence of foreign companies obliges local players to up their game, and raises standards

of good governance. This is a good thing for Haiti. Haitian companies will have to adapt and evolve. The important thing for overseas companies to remember is that Haiti needs and wants foreign investments. Haiti is a relatively easy country to do business and by contacting the Chamber of Commerce, they will find it easier still, because we can put them in touch with the right people and guide them through the process.

**How would you assess the level of business confidence in Haiti today?**

The IMF predicted growth of 6 per cent for 2011/12, while the real figure was near 3 per cent, which is still impressive considering that most of the spending done by the NGOs vanished during that period. The overwhelming majority of businesses are doing well, despite the bubble effect on the economy after the earthquake. The huge number of NGOs had inflated the economy. Today we can see clearly the true picture: the numbers are slightly up from the pre-earthquake period. Local investors are building new hotel rooms. Foreign investors are coming in. There are opportunities in Haiti.

**How do you see the economy developing in the medium term?**

Five per cent a year is achievable, but there are factors we have to bear in mind; for example, the hurricane season is coming, and so we need to be sure that our infrastructure is in place. We need inward investment to help with this. The government understands that investors need the right infrastructure, but it also

The apparel sector remains the principal engine of growth for the Haitian economy





understands that there is huge potential for investors in developing that infrastructure, and is open to PPP (Public-Private Partnerships) and BOT (Build, Operate, Transfer), or simply putting out projects to tender.

The service sector has huge potential – one only has to look at the success of Digicel, for example. I know that for many foreign companies it requires a leap of faith to think about investing here, but I want them to know that we can set up the meetings with the right people for them. We can make things happen.

#### **Is there a 'magic bullet' for growth, in your view?**

Not really. It's all about policies: implementing legislation, putting as much of the infrastructure and incentives in place, and then persuading companies that Haiti is a viable investment option. And to some extent, that all takes time. The government is doing all the right things, it is pushing through business-friendly legislation, it is tackling corruption, applying good governance standards. One of our biggest problems is perception. The visitor is struck by the fact that many areas of the capital have still not been cleared, and that in some areas there is no street lighting. But this city is one of the safest in the Caribbean. We have very low crime, for instance. Haiti is a safe place, and a safe place for investments. We need to change the way people look at Haiti.


#### **How important a role is the private sector playing in the economy?**

The members in the Chamber of Commerce contribute more than 90 per cent of the government's tax revenues. The Haitian private sector is run by people who have international experience; most of them have worked or studied abroad. They understand how the global economy works, they understand Haiti's regional role, and its place in the international scheme of things. They also understand how to work with foreign companies, and many of the new ventures are joint ventures, a mix of Haitian and foreign capital.

#### **The Haitian economy is still reliant on a few key sectors, such as textiles and apparel; is it realistic to think in terms of diversifying the economy?**

I think before we talk about diversification, we have to strengthen our formal business sector. By that I mean that 90 per cent of small businesses are still in the informal sector: they don't pay taxes, and they don't contribute to the social security system. We need proper tax collection, we need good governance, and we have to give small businesses a say in the decision-making process by give them a stake in the future. Then we will have the conditions to begin diversifying the economy. Apparel does not employ as many people as it should. There is still work to be done in that sector. The investments in the Caracol industrial park in the north are a big step in the right direction. The real opportunities for diversification in the economy are in the tourist sector and the agricultural sector. I believe the opportunities are endless in the tourism industry, we have great beaches like the other countries in the region but we also have our unique culture and our rich history. As far as the agriculture sector is concerned Haiti's arable lands are under-utilised. With the proper investments there are huge opportunities in that sector not only to produce for the local market but for the Caribbean market as well.

#### **What advice would you offer a would-be-investor?**

My advice to people thinking about investing in Haiti is to take the time to get to know Haiti, don't just fly in for half a day: come for three or four days – and contact us first. We will arrange meetings, show you around, put you in touch with the right people, the people on the ground. Get in touch with the CFI, get out there and have a proper look around. If the CEO can't stay for that long, then at least leave a team that can gather information and get a feel for the place. Because anybody who takes the time to get to know Haiti will see the huge potential here. 

**The presence of foreign companies obliges local players to up their game, and raises standards of good governance**

The agricultural sector offers significant opportunities for Haiti to diversify its economy



Photography: Thierry Bijou



# A special relationship

## INTERVIEW WITH PHILIPPE SAINT-CYR

EXECUTIVE DIRECTOR, AMERICAN CHAMBER OF COMMERCE (AMCHAM), HAITI



**PHILIPPE SAINT-CYR** attended St John's University in New York where he obtained a Bachelor of Science degree in Finance. He continued his education at Fordham University, Lincoln Center Campus, in New York from where he received his MBA and an advanced certificate in Emerging Markets and Country Risk Analysis. He has worked in finance with an investment bank in the Equity Research department, with an Asset Management firm assisting with research on a convertible debt fund, and in financial journalism on Latin American capital markets.

**Haiti's bilateral relationship with the United States is its most important, for economic, historical and demographic reasons. What role does AmCham Haiti play in this context?**

We have two main objectives, namely to persuade US investors to come into Haiti and assist Haitian firms to export and sell goods to the US. All of the AmChams around the world have the same objective: Promote trade between the US and the local country around 4 pillars: rule of law, arbitration, trade facilitation and intellectual property rights.

With all the investments currently underway in upgrading different ports in the capital and the north of Haiti, we believe that the country will become increasingly attractive as a base for manufacturing, and we want to see US companies play an active and prominent role in this process. AmCham is currently working with the Parliament to push for reforms to tackle money laundering, which we expect will pass over the next couple of weeks.

**The United States has traditionally been Haiti's main trading partner. How would you assess the current state of relations?**

The relationship remains as strong as ever, as evidenced by the role of the American Chamber of Commerce, which is the most active chamber here in Haiti in promoting trade and investment. Exports to the US grew by 6.16 per cent in 2012 from 2011 levels, and over 90 per cent of our exports are made up of 10 different product categories – 75 per cent of which are garments. In terms of the country's imports, about 30 per cent come from the US. Haiti is trying to focus on increasing its tax receipts from goods entering the country, but this will be a challenge with a porous border.

**Which areas of the economy do you see as offering the best potential for growth?**

The governments of Haiti and the Inter-American Development Bank (IDB), would like to see several sectors grow, such as agriculture, tourism and manufacturing. All can play a much bigger role in generating employment and export earnings. For agriculture, it's a question of supporting smaller farmers to help them increase production, and to think about growing crops where we can establish a competitive advantage over our regional neighbours. We can

also do a lot more to develop our textiles industry. At present we are only producing around 20 per cent of the quota that the United States has given us as part of the Hemispheric Opportunity through Partnership Encouragement Act of 2006, known as HOPE, to assist Haiti with expanding its apparel trade as a way to help stimulate economic growth and employment. The act included special rules for the duty-free treatment of select US apparel imports from Haiti. So the potential is there. I think we can also attract companies who left Haiti in the 1990s, such as baseball manufacturers, to return. We know that Central America already sees us as a threat in attracting these manufacturers. Haiti wants to compete and will do everything it can to regain those jobs. Tourism obviously has a huge potential as the largest employer and income earner in the region. The Ministry of Tourism has done a lot over the past 12 months to put the country back on the map, and continues to define our product to attract the kind of tourists we want and need. There are some ambitious projects along the southern coast, in Jacmel and Île à Vache. All the hotel owners want to increase capacity and to improve their facilities. We have some lovely sights here, some beautiful locations – historical, cultural, natural, so it's just a question of creating a product. The big opportunity will be in building hotels. We have around 2,500 rooms, which does not even match the (French Caribbean) island of Guadeloupe, which has over 10,000 rooms. With increased and improved accommodation we will begin to generate demand. Building new hotels will shake the sector out, and the older hotels will have to redefine themselves or move into niche sectors.

Property development also offers vast potential. There is a strong demand for low, middle and high income housing; at least 300,000 people need homes right now. A lot has to be rebuilt in the capital: churches, schools, hospitals, government buildings and businesses. The construction market is estimated to be worth around US\$5-8 billion. Another area that is showing tremendous growth, and which still has huge potential, is technology. As I mentioned, Digicel has done very well here, and its presence will increase demand for the cellular and internet market. Entertainment is another interesting area; this is a low income nation, and people complain there is not much to do: no movie theatres, no public parks, few athletic

facilities, though the government started building soccer stadiums in different parts of the country last year. I also see opportunities in chains of supermarkets, pharmacies, retail stores, etc... This place is full of opportunities – but there are challenges, as well.

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**What is holding investors back from coming in to take advantage of these opportunities?**

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Well, whatever it is has not prevented Heineken from acquiring BRANA last year, the local brewery in Haiti and the pride of the country. In the same year, Digicel increased its market share by taking over the slumping Voilà and also ventured in the internet market by acquiring ACN.

US companies are often cautious to move into markets they see as risky – and Haiti suffers from this negative perception. We need to find ways to promote the country internationally. Companies have to come here with a 20-year timeframe to justify the risk and investment. There is a huge demand for office space in the capital, for example. That said, some companies have made mistakes here. The biggest mistake foreign businesses make is not taking the time to do their homework, understanding how things work, and of course, talking to the right people. They need to talk to AmCham and the CFI. Companies need to hire lawyers who know what documents are needed. This place is like anywhere else: you don't just walk in and set up shop, the legislation is business-friendly, but there are procedures, and there are people best avoided, like anywhere. So do your due diligence. Talk to the US embassy, and talk to the Haitian embassy in

your country before coming out. By the way, I'm glad to see that the United Kingdom is now going to re-open its embassy here.

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**What do you regard as the greatest misconceptions about Haiti?**

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I think that we have a problem of perception, generally. A country of poor people, a country that only receives aid, continues to be impacted by natural disasters, or ridden with crime. Though there are poor people here, this is true of many countries in Latin America, Asia and Africa. The crime statistics in Haiti remain much lower than many of our neighbours. El Salvador's crime problem is worse than Haiti, yet they attract FDI and their manufacturing sector dwarfs that of Haiti. Many investors fear coming here due to corruption, but with the correct network and partners, the corruption risk level decreases dramatically.

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**What is your perception of the current business climate in Haiti?**

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The business environment in Haiti is improving from what it was under the previous administration, but a lot of work has to be done – such as the amount of time it takes to register companies, and better transparency is required in the process. The government is working on a digital process that will link different ministries involved in the registration of companies. Several companies that waited for months to get registered have finally had their files resolved. There are other companies that still have their files pending, but the process of doing business in Haiti is definitely improving.

**The Caracol industrial park, partly funded by the US State Department, will play a huge role in kick-starting the economy in the North**

Photo: Thierry Bijou



Less than seven years after launching in Haiti, Digicel has become one of the country's most recognised brands

Many investors fear coming here due to corruption, but with the correct network and partners, the corruption risk level decreases dramatically

The cost is still high in comparison to the percentage of GDP per capita, but the government is trying to improve on other facets of the business environment. We expect more business reforms to go through Parliament, such as e-signature, creation of a credit bureau, and the completion of laws in real estate to own and finance condos. We will see the benefits over the next couple of years, and this will demonstrate to investors that they can make money in Haiti.

#### Where do you see the country in five years' time?

Hopefully, the country will focus more on business and investment and less on aid. The country has relied so much on aid that investors do not have Haiti on their radar. Several things are in the country's favour: political stability, investments in infrastructure, a profitable banking system, Caracol industrial park (the largest in Caribbean and Central America), Port Labadee (one of only four in the Caribbean where the largest cruise ships can dock), several reforms in the pipeline with the Parliament, and a private sector investing again with new hotels and others under expansion, as well as new supermarkets.

With an increasing dialogue with other countries in the Caribbean through CARICOM, we expect growth in regional trade and investment. All this will lead to GDP growth and a gain in GDP per capita. China's number one asset is its population and Haiti has the same potential, with its 10 million habitants. Many foreign companies want to enter the market and sell their products to the Haitian population. As policies take effect, we will see a decrease in unemployment, more disposable income, and a surge in products

and services. The important thing is for there to be a continued peaceful and stable political process. The country has to continue tackling corruption, which is an impediment for investment. This has been a closed economy for over three decades, thus we need to continue the process of opening up.

More schools and hospitals are needed, certainly, but this country can change quickly. 50 per cent of the population is aged under 25 and will be able to adapt to the new Haiti: they know what they want from life. Haiti can achieve a lot through its young, dynamic population. People want to work. And what the government is doing should make this easier. We are a populous, peaceful island, and we have some excellent opportunities, thanks to preferential deals with the United States, and with Europe. I think that the Caracol Industrial Park will play a huge role in kick-starting the economy in the North. We are talking about 5,000 jobs directly, and over 65,000 longer-term; that will have a huge impact on the local economy, and create a ripple effect in the North of the country. Haiti needs to bear Cuba in mind, because things will change there soon, and the island will become a magnet for investment.

The private sector has to sense that the government is transparent, and that it is prepared to listen. The private sector's problems need to be heard, and the issues have to be addressed. We need to make more investment in the regions outside of Port-au-Prince. This country must focus on becoming a net exporter if it is to be a success in the long-term. Haiti will need enough FDI to support double digit growth annually for the next decade, the question is how much FDI does such growth warrant?

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Photography courtesy of ADIH

Haiti's construction market is estimated to be worth between five and eight billion US dollars





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# Creating Caribbean Champions

Twenty years after the launch of the ACS, the 5th Summit is seeking to revisit the project of building a true Caribbean economy, writes the Ministry of Trade & Industry

The idea is for each country to choose one or more flagship products, which all Member Countries are required to promote in their respective markets

During the first four months of the year 2013, Haiti is host to two major regional events. The first, on February 18-19, was the 24th Summit of Heads of State and Government of CARICOM, and the second, on April 23-26, will be the Fifth Summit of Heads of State and Government of the Association of Caribbean States. This confirms, if such a confirmation were indeed required, the country's will to resolutely take its place and fully assume its role in the Greater Caribbean. Recall that the country joined the two regional associations in 1994 (ACS) and 2002 (CARICOM) respectively.

The CARICOM Summit provided the opportunity for the country to place on the agenda important items regarding: 1) the use of French as the second working language of the organisation; 2) the establishment of a Caribbean merchant fleet to connect the islands, removing the greatest obstacle to regional trade development and true integration; 3) the adoption of a common work programme on the traceability of agri-food products; 4) the alignment of its customs tariff with the Common External Tariff (CET), negotiated within the framework of the Council for Trade and Economic

Development (COTED). Haiti's proposals were very favourably received and some representatives did not conceal their great enthusiasm at Haiti's commitment to take its place in the business of the region. French was adopted as the second working language and the country signed a Memorandum of Agreement and a Letter of Intent with two countries in the region, Guyana and Suriname respectively, to work together on the establishment of a Traceability Protocol. This system should guarantee the access of agricultural and agri-food products from the region to the USA, Canada and the countries of the European Union from January 2014.

With the accession to office of President Michel Joseph Martelly, the statement "Haiti is open for business" has become more than a slogan. It is the symbol of renewal. The President has not ceased to repeat in every international forum his desire to "move the country away from the era of assistance to that of productive investments that would generate employment and social stability factors". It is clear that with all the existing opportunities with regard to infrastructure to be built, the country's proximity to large markets, its cultural and tourism assets and mines to be exploited, Haiti's potential for growth is among the highest in the region. There are efforts to be made in all areas and the government, led by Prime Minister Laurent S. Lamothe, is working in this regard. From business legislation to maintaining a stable macroeconomic framework, simplifying procedures and facilitating investments, reforms are underway in all areas in order to transform the country into a land of choice for private investment.

The theme of the upcoming Summit, "Revitalizing the Vision of The Association of Caribbean States for a Stronger and More United Greater Caribbean" is proof of the ambition of the Heads of States to overcome the temptation of isolationism and take advantage of the region's economic complementarities, in order to boost economic growth and regional solidarity. As Haiti's contribution to that purpose, this article presents an idea aimed at promoting trade among member countries, through the concept of "champion products".

## Champion Products – The Project

From the declared ambitions of the Heads of State of the region, it is clear that this Fifth Summit is in harmony with the founding ideas of the association. Indeed, upon its establishment in 1994, the association committed to



Haiti's Café REBO: By the end of the 18th Century Haiti was producing 60 per cent of the world's coffee



“transforming the Greater Caribbean region into a zone of co-operation”, which “will consist first of all in joint actions in the priority areas, namely trade, sustainable tourism, transport and natural disaster management” aimed at “consolidating a Caribbean identity” and “making the Caribbean Sea a common patrimony of the region and an invaluable asset”.

The potential is obvious. The ACS today consists of twenty-five (25) Member States and 4 Associate Members and non-independent territories, from Mexico in the north to the States of Colombia, Venezuela, and the Guyanas in the south, with a total population of 250 million and an area of 2 million square kilometres, a GDP of more than 500 billion US dollars and international trade amounting to 180 billion dollars.

Twenty years after the launch of this association, the April 2013 Summit is seeking to revisit the objective of building a true Caribbean economy that would benefit all the region’s inhabitants. Haiti’s desire, communicated by the current Minister of Trade and Industry, Mr Wilson Laleau, for all Member States to commit to jointly promote “champion products”, in order to boost investment and productive employment in the region, should be understood from this perspective.

The idea is for each country, within the framework of this project, to choose one or more flagship products, which all Member Countries are required to promote in their respective markets. In the first instance, this pilot project will take place over a period of four years according to the following bases and principles:

- Mutual reciprocity among ACS Member States;
- Consensual arbitration on the list of selected products in the event of duplication;
- Drafting of a Free Trade Agreement for Champion Products among ACS Member States.

It is expected that a range of at least 215 products may be mobilised for this project, with 5 flagship products per country and territory. The beneficiaries of this project would be first entrepreneurs, secondly by producers in rural and urban environments, consumers and, thirdly, the national economies of the Member Countries.

There are six main objectives of the “Champion Products” Project, as follows:

- To boost each country’s national production by an increase in demand from ACS Member States;
- To develop new support mechanisms for SMEs in ACS Member States;
- To develop new mechanisms for trade among ACS Member Countries;
- To create jobs in the value chains of the champion products;
- To improve the trade balance of the countries in the region;
- To reduce production costs via the local sourcing process.

In order to achieve the expected results, the following steps and activities are envisaged:

- The signing of preferential agreements for champion products of ACS Member States on the following bases and principles;
- The formulation of a request for authorisation to the WTO for the new trade and tariff provisions;
- The organisation of fairs dedicated to the champion products of ACS Member States in each of the 43 markets, on the initiative of Member Countries;
- The establishment of criteria for the selection of flagship products and the specificities of the programme;
- The implementation of a Caribbean Select Committee to approve the flagship products submitted by each country.

Finally, a steering committee will define guidelines and develop broad lines of actions, while ensuring the smooth operation of the project in participating countries and ensuring inter alia compliance with the signed agreements.

The implementation of this project can serve as a driver for the economic ambitions of the Caribbean States. It will enable Haiti, as well as each State, to effectively open itself up to business within the framework of a Greater Caribbean, with which effective regional co-operation and integration relations would have been established, thereby fostering the establishment and growth of a Caribbean economy that is competitive and deeply committed to the dynamics of global trade.

**It is expected that a range of at least 215 products may be mobilised for this project, with 5 flagship products per country and territory**

Haiti’s Barbancourt rum: enjoyed by connoisseurs since 1862





# Old neighbours, new friends

By RUBÉN SILIÉ VALDEZ

AMBASSADOR OF THE DOMINICAN REPUBLIC TO THE REPUBLIC OF HAITI



**RUBÉN SILIÉ** is currently the Ambassador of the Dominican Republic in Haiti, prior to which he served as Secretary General of the Association of Caribbean States. Before entering diplomatic life, he was the Director of the FLACSO-Dominican Republic Programme, the Director of the Department of Sociology at the Universidad Autónoma de Santo Domingo and Vice-Rector of said university. He is a renowned researcher of history and inter-Caribbean relations, as well as Haiti-Dominican Republic relations. He has published books and articles on the topics researched.

Over the last thirty years, the governments of Haiti and the Dominican Republic have been determined to create a climate of sound relations, leaving behind the era of dictatorial authoritarianism, which led to historical events that sowed the seed of distance between our two peoples. The fact that both countries have embarked on the pathway of democracy has allowed them to appreciate the importance of having systems of relations that would facilitate exchange for the benefit of both peoples.

Following the severe earthquake of 2010, these relations have grown stronger, reaching a surprising level, since there was not only an increase in displays of solidarity and co-operation, but the Dominican Republic overtly began to promote solidarity with the Haitian people, which has intensified the creation of an environment of mutual trust. While this environment has been established among the government authorities of both countries, it has also been created among the various sectors of the civil society.

The efforts undertaken between the two governments since 2010 led to such a degree of mutual understanding that the two Ministries of Planning and Co-operation were able to share their respective strategic plans for development, with which, for the very first time, both governments were able to concretely identify fundamental areas of co-operation.

At the governmental level, in the framework of the efforts of the Bilateral Mixed Commission, several agreements were consolidated that seek to lay down rules for the most important areas of co-operation. I am referring to the agreements signed by President Leonel Fernández and President Michel Martelly, during the visit by the latter to the Dominican Republic on March 26, 2012, namely: a) a Memorandum of Understanding on Trade, Investment and Tourism; b) a Memorandum of Understanding on Border Transport; c) a Memorandum of Understanding on Security and Borders; d) a Technical Co-operation Agreement in the Area of Higher Education, Science and Technology; e) technical Co-operation Agreement in the Area of Social Programmes on conditional transfers; and f) an MOU between the Ministries of Planning of both countries.

On a different note, it is important to point out that although trade between the two countries has been on

the rise gradually over the last three decades, within the past three years, it has achieved figures never before imagined, transforming Haiti into the second trade partner of the Dominican Republic.

In addition to that, the earthquake opened up new channels for relations, with Dominican consulting and civil engineering companies occupying a considerable space in the areas of construction, housing and public works. Moreover, it is worthwhile to mention that the last three major hotels completed last year had an input from Dominican engineers or some consultation regarding their installation.

The Dominican Government has insisted on accompanying Haitians in promoting investment in Haiti by important Dominican or foreign investors set up in our country. Toward that end, visits to forge closer relations have been made, during which our investors have been able to dialogue with the Haitian leaders and important sectors of the Haitian business community.

It cannot be denied that problematic situations do arise on occasion among the various players involved in the scenario of these insular relations, but in no instance have there been intergovernmental disputes. They are problems generated among specific parties which, in view of the absence of an adequate institutional structure that could provide a rapid response to such situations, can give rise to frustrating situations where the governments are compelled to intervene. None of these disputes however, has resulted in hostility between the Governments and in each case they have managed to arrive at harmonious solutions.

None of this can be presented as an obstacle to deepening relations between the two countries, since the political will of the leaders of the island is evident and the predominant discourse is to continue working toward building institutional infrastructure that is viable and pertinent in order to steer the currents of rapprochement that presently exist.

The levels of mutual knowledge achieved in recent years by two countries that remained “indifferent neighbours” for more than two centuries, lead us to think that the prospect of developing these relations is promising, reinforced by the strong vocation of co-operation between the governments and the increasingly intense levels of contact being made between the respective civil societies. **F**



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