U.S. COMMERCIAL SERVICE
United States *of* America Department *of* Commerce

Doing Business in Haiti:

2019 Country Commercial Guide for U.S. Companies

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Doing Business in Haiti

Market Overview

Haiti is one of the most open economies in the Caribbean, with a number of sectors seeking foreign direct investment. The country's economy is heavily dependent on trade ties to its neighbors, particularly the Dominican Republic and the United States. Although the business climate is challenging, Haiti's legislation encourages foreign direct investment and the Haitian investment code provides the same rights, privileges, and equal protection to local and foreign companies. The Government of Haiti provides two types of incentives for foreign investment: customs duty incentives and income tax incentives. Import and export policies are non-discriminatory and are not based on nationality.

President Jovenel Moïse designated agriculture, energy, transportation, and water as key investment sectors for development in Haiti in his inauguration speech February 2017. President Moise's stated priorities are:

- Reform the state apparatus and maintain political and social stability;
- Transform Haiti into an investment destination;
- Increase agricultural production and improve the environment;
- Build energy, transportation, and port infrastructure;
- Reinforce water and sanitation infrastructure;
- Improve the infrastructure and quality of the education system; and
- Promote stability through social projects.

The United States is one of Haiti's top trading partners. In 2018, the United States imported $991 million in goods from Haiti, up 7.8% from 2017. Of the 2018 total imports from Haiti, the United States imported $926 million in apparel from the Haitian garment sector through the HOPE/HELP and CBTPA legislation. Haiti's garment sector remains of interest to large-scale manufacturing operations. Beyond the apparel assembly sector, the transport and telecommunications sectors attract a significant number of investors.

Exports of U.S. goods to Haiti in 2018 totaled $1.4 billion. U.S. companies may consider exporting to Haiti for the following reasons:

- The Haitian economy is one of the most open economies in the Caribbean;
- Haiti offers proximity to the United States and many Haitian businesspeople speak fluent English;
- U.S. goods comprise over 24 percent of Haiti's total imports;

- Four major international security-certified ports - Port-au-Prince, Cap-Haitian, Lafito, and St. Marc – provide maritime access to Haiti;
- Two international airports (Port au Prince and Cap Haitian) offer multiple daily flights between Haiti and the United States. The airport in Cap Haitian facilitates commerce and provides quick access to the CARACOL and CODEVI industrial parks located in free zones in the northeastern region of Haiti.

According to the Central Bank of Haiti, Haiti's total imports reached $4.5 billion during fiscal years (FY) 2018, while total exports were only valued at $1.1 billion. Imports represent more than 70 percent of goods sold inside Haiti.

Since July 2018, Haiti has experienced recurring public protests. Haiti's political and economic situation remains fragile. According to the World Bank, the Haitian economy grew by 1.5 percent in FY2018, compared to 1.2 percent growth the year prior. The World Bank predicts that gross domestic product will grow at a rate of 0.4 percent in FY2019, hampered by the agriculture sector, which is expected to slow due to localized droughts, and the service sector, which has seen setbacks due to the impact of social unrest on tourism.

This weak performance was accompanied by a deepening of the budget deficit, which surged from 1.9% of GDP in 2017 to 4.3% in FY2018. Increasingly, this deficit is being financed by the Central Bank. As a result, the national currency (the gourde) continues to depreciate, fueling double-digit inflation at 18% as of May 2019. Inflation in Haiti is attributed to weak domestic production, a chronic budget deficit, and depreciation of the Haitian gourde against the USD. The depreciation of the Haitian gourde went from 67.9 in June 2018 to 93 gourdes by July 2019. The Government of Haiti's ability to collect taxes continues to be a challenge with internal revenue collections reaching 12.6% of GDP in 2018, according to the Central Bank, compared to 13.6% in 2017.

Haiti is vulnerable to natural disasters, including hurricanes and earthquakes. In October 2018 the country was hit by an earthquake of 5.9 magnitude in the northern part of the country. Injuries and fatalities were reported and 42 institutional buildings, such as schools, churches, and educational institutions were affected.

Market Challenges

Although Haiti offers an open economy, there are certain barriers to the development of foreign investment in the country, such as corruption, long-term political instability, and burdensome bureaucracy. Haiti is ranked 182nd out of 190 in the 2018 Doing Business report issued by the World Bank.

The most common concerns expressed by foreign investors include:

- Political instability which impacts both capital investments and productivity;
- Widespread corruption;
- Lack of transparency in governmental tender procedures;
- Unreliable electricity from the grid and high cost of onsite electricity generation;
- Haiti's need for improved port entry and generally poor infrastructure; and
- The high obstacles to credit, given the lack of effective cadastral and civil registries or a national credit bureau.

The business environment for Foreign Direct Investment (FDI) in Haiti remains challenging. Haiti usually receives relatively modest levels of FDI, totaling $105 million in 2018, according to the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) in its latest annual FDI report.

Fuel

Fuel consumption in Haiti is estimated at $100 million per month, or $1.2 billion per year. The retail prices for gasoline, diesel, and kerosene are fixed in gourdes by the government at a subsidized rate. This subsidy and its contribution to the government's budget deficit represent considerable pressure on the country's exchange rate. Haiti experienced recurring disruptions to its fuel supply in early 2019 when the government was unable to pay for fuel imports in a timely manner. The government then allowed locally-based fuel companies to import fuel directly, though this change in procedure had not been codified as of July 2019. The government continues to struggle to reimburse fuel distributors for the cost of the subsidized retail fuel price.

Market Opportunities

Despite the challenges, there are opportunities in the Haitian market for small-to-medium sized U.S. businesses. Haiti imports rice, poultry meat and edible offal, sugars and sweeteners, dairy products, wheat, vegetable oils, iron and steel, vehicles, electronics, machinery, and refined fuel. In 2018, Haitian total imports (goods and services) were valued at $4.5 billion, per Haiti's Central Bank. Haiti's main imports partners are the Dominican Republic, the United States, Netherland Antilles, and China.

The apparel sector is the most promising opportunity in the manufacturing sector in Haiti. Through its modern industrial park and free zone facilities, the apparel sector has grown dramatically with total exports valued more than $900 million, according to the U.S. Office of Textiles and Apparel, making Haiti one of the best prospect markets in the Caribbean region.

According to U.S. trade data, Haiti's exports to the U.S. market under the HOPE/HELP Act provisions increased by 7.8 percent from 2017 to 2018. About two-thirds of Haiti's duty-free exports of textiles and apparel enter the United States through the preferences in the HOPE/HELP Acts and about one-third enter via the Caribbean Basin Trade Partnership Act (CBTPA) preferences.

Emerging sectors in Haiti include energy, agribusiness, and construction through contract opportunities to U.S. manufacturers and construction firms. There is strong demand in Haiti for power generation equipment, packaging and food processing equipment, energy efficient and smart grid systems, and construction materials.

The government of Haiti has made few efforts to improve telecommunication infrastructure and internet connectivity, or develop alternatives sources for energy. Government tenders in these sectors are possible in the second half of 2019 into 2020.

USAID Initiative: Haiti INVEST

The U.S. Government, through USAID, launched in 2019 an initiative to attract private capital and credit for small and medium sized enterprises (SME) across Haiti. The Haiti INVEST project will create a facilitation platform to mobilize financing for investment in high potential sectors in Haiti, such as agriculture. USAID has three main objectives. First, Haiti

INVEST will mobilize debt and equity to support investment and facilitate financing that would otherwise not occur to spur growth as well as increased competitiveness in enterprises in target sectors. Second, the project will build local capacity for mobilizing financing by supporting business advisory service providers, transactions advisors and financial institutions to originate, structure, and close complex transactions. For example, Haiti INVEST will pay transaction fees based on results to business advisory service providers and transactions advisors that help qualified businesses access finance. And third, Haiti INVEST will facilitate the creation of a convening body to address systemic and institutional constraints to financing and investment facilitation, while developing and implementing a sustainability strategy for the platform. For more information, please contact Marie Renee Vertus at USAID at mvertus@usaid.gov.

Market Entry Strategy

The U.S. Department of Commerce should be the first point of contact for U.S. firms interested in doing business in Haiti. The United States Export Assistance Center (USEAC) offices in the U.S., as well as the Commercial Service (CS) offices located abroad, will inform any interested U.S. firm of the best methods for finding an agent or distributor in Haiti.

The Commercial Section at the U.S. Embassy in Port-au-Prince, Haiti is a partner of the U.S. Department of Commerce, which allows it to offer a range of commercial services to U.S. companies seeking to do business in Haiti. The U.S. Commercial Service, for example, may assist U.S. companies in peforming their due diligence when choosing local business partners. Please visit the following sites: Export Information and Economic Data on Business in Haiti.

Political Environment

Political Environment

Haiti’s democracy remains fragile and its stability is stymied by political dysfunction, plummeting economic indicators, and deteriorating security conditions. Since assuming office in February 2017, President Jovenel Moïse has faced numerous challenges to his administration. As of July 2019, sporadic protests and a parliamentary no confidence vote hampered the government's ability to act in anything other than a caretaker capacity, pending the formation of a new government.

The Haitian National Police (HNP) has largely succeeded in maintaining security after the October 2017 departure of the UN Stabilization Mission in Haiti (MINUSTAH) and its military peacekeepers. The HNP has shown progress in managing nationwide demonstrations on numerous occasions, protecting peaceful demonstrators while utilizing proportionate and non-lethal force against violent protestors. While the HNP has addressed public security with little direct support from the UN Mission for Justice Support in Haiti (MINUJUSTH) formed police units, its resources are limited. Violent crime, especially armed robberies and increased gang violence, remains a concern. The Department of State has issued a Travel Warning for Haiti.

Selling U.S. Products & Services

Using an Agent to Sell U.S. Products and Services

Many foreign firms conduct business in Haiti through local agents and distributors. Under Haitian law, two parties are free to negotiate a contractual agreement and do not require the government of Haiti's supervision or approval. Agents are usually compensated on a commission basis. The U.S. Embassy in Port-au-Prince is available to assist U.S. exporters to find agents and distributors through the U.S. Department of Commerce International Partner Search (IPS) program. Other fee based services include company profile reports, the Gold Key Service, single company promotions, and contact lists.

Establishing an Office

The Center for the Facilitation of Investment (CFI) is Haiti's national investment promotion agency mandated to promote investments and help potential investors find and take advantage of opportunities in Haiti. Created by presidential decree on January 31, 2006, the CFI functions as an independent bureau under the Ministry of Commerce and Industry. The CFI's mission is to work to attract investments that contribute to the devleopment of the country, diversify the economy, strengthen supply chains, and stimulate job creation.

Although the CFI in the past has proposed the development of a “one-stop” project for strealimining the process of doing businesses in Haiti, this project never came to fruition.

- All companies incorporated in Haiti must have a minimum of three shareholders; one must be a Haitian national and a company board member;
- Haitian legislation does not establish a minimum requirement for Haitian nationals to own shares of capital stock; and
- The founding members of the corporation must establish nominal value for the capital stock.

Franchising

There are no specific regulatory laws for franchising. The government of Haiti does not restrict private citizens from establishing franchises. U.S. companies with franchises or affiliated local partners in Haiti include Radio Shack, Federal Express (FedEx), Culligan Water Technologies, Coca Cola, Pepsico, NAPA Auto Parts, Avis Rent-a-Car, Hertz, Dollar, Budget Car Rental, Crowley, Domino's Pizza, Marriott, and Best Western. Still, franchising is relatively new to Haiti with only a few U.S. businesses penetrating the Haitian market.

Direct Marketing

Direct mail marketing is practically non-existent in Haiti considering that Haiti’s postal service lacks the funds to operate at full capacity. Haiti has several well equipped marketing agencies including Blue Mango Studios and Dagmar.

Joint Ventures/Licensing

Foreigners are free to enter into joint ventures with Haitian citizens. The distribution of shares is a private matter between two partners. Foreign companies are free to own private property in Haiti and there are no restrictions on the repatriation of profits. However, the law does not permit foreigners to own property or buildings alongside national borders, including the Haiti/Dominican border and maritime borders.

Selling to the Government

Many government agencies finance public works projects by borrowing from multilateral development banks. Tenders are often used to open bidding on Haitian government contracts and are advertised through newspapers and government websites. Tenders are exclusive to Haitian companies when the necessary goods and services to complete a project are found in Haiti. However, when the government procures goods and services that are not produced in Haiti and must be imported for the completion of projects, tenders are open to international participation.

The Commercial Service maintains Commercial Liaison Offices in each of the main multilateral development banks, including the Inter-American Development Bank and the World Bank. These institutions lend billions of dollars to developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. For more information, please visit the following:

Web Resources

- Commercial Liaison Office to the Inter-American Development Bank: http://export.gov/idb
- Commercial Liaison Office to the World Bank: http://export.gov/worldbank

Distribution & Sales Channels

U.S. companies have several options for entering the Haitian market, including direct exporting, franchising, licensing, wholesaling, and through representatives. The five main regional markets in Haiti are: the North province including the city of Cap Haitian; the Artibonite Department and its main cities, Saint-Marc and Gonaives; the West Department where the capital, Port-au-Prince, is located; the Central Plateau with the cities of Hinche and Mirebalais; and the South and South-East Departments and their main cities, Les Cayes and Jacmel. Rural retailers generally travel once to twice a month to larger cities such as Port-au-Prince or Cap Haitian to purchase food and other imported products from wholesalers who import primarily from the United States, Europe, China, the Dominican Republic, and Panama. American Airlines, Delta Airlines, JetBlue, and Spirit all have daily flights between Port-au-Prince and their respective hubs in Miami, Fort Lauderdale, Atlanta, New York, Boston, and Orlando. Air France offers flights from Port-au-Prince to Miami International airport 5 days a week. IBC Airways, based out of Florida, provides cargo flights to Cap Haitian. American Airlines has international daily round trip flights connecting Cap Haitian to Miami, Florida. These flights provide another opportunity to strengthen commercial ties between South Florida and Northern Haiti.

Express Delivery

Courier services are available in certain areas of the country, mainly in Port-au-Prince, through international and local express delivery companies. The most popular ones include DHL, FedEx, TNT, and UPS. The average delivery time from the United States to Port-au-Prince and vice-versa is 1 to 3 days, with about a 2 day delay for packages that require customs clearance. Haitian customs may apply a 30 percent tax on packages valued over $50.

Selling Factors & Techniques

U.S. companies commonly use an official representative or distributor to enter the Haitian market because the Haitian commercial code does not allow foreigners to engage in wholesale or retail businesses without first obtaining a professional license. Such agents or representatives typically work in Port-au-Prince and distribute products throughout the country.

E-Commerce

Overview

E-Commerce is a slow-growing sector in Haiti, constrained by limited internet infrastructure and regulation. U.S. owned company Access Haiti has been successful with wireless Internet Service Providers (ISP). Natcom, a joint venture between the Vietnamese telecoms company Viettel and the government of Haiti, provides both cellular and internet service, and continues to work to expand its services nationwide. Cellular provider Digicel also offers internet service.The government of Haiti has made minimal progress to modernize the law that governs credit banking practices, security instruments, and laws on collateral. In early 2017, the Parliament enacted legislation making electronic signatures and electronic transactions legally binding, but no further action to improve laws governing credit banking practices have been taken since.

Online Payment

Cash payments, checks, and bank transfers are the preferred methods of payment used in Haiti. Phone and online payments are only offered by a few companies.

E-Commerce Intellectual Property Rights

There are currently no laws in place to regulate electronic IPR.

Mobile E-Commerce

Mobile e-commerce is a slow growing market in Haiti. The sector is composed of the country's two cell-phone providers, Digicel and Natcom. Under a mandate from the Haitian Central Bank, both providers are using a bank-led partnership to deliver their mobile money services to their customers. The standard services including cash in/cash out, airtime purchases, formal bill payment, international remittances, and repayment loans.

Digital Marketing

Many companies and informal business owners are taking advantage of social media platforms to maximize their online presence and boost their brand visibility.

Social Media

Social media has expanded in Haiti. Haitians turn to social media for breaking political news and to critique the government, particularly over WhatsApp. Utilized as a mechanism for sharing information, social media can be particularly helpful during times of natural disasters.

Trade Promotion & Advertising

While there is a growing number of advertising professionals and commercial producers in Haiti, the media reports that advertising revenue declined in 2018. Billboards and TV commercials are popular advertising venues, and marketing companies typically use commercial flyers to target the higher social strata. In Port-au-Prince, billboard fees can cost thousands of dollars. In the outlying municipalities, advertisers pay billboard fees to the mayor's office of the municipality where the billboards are displayed. As most Haitians acquire information via radio, radio still dominates the advertising sector. There are about 200 legal commercial, religious, and independent radio stations in Haiti, out of which 53 AM/FM are located in Port-au-Prince per CONATEL/HPN. Most radio stations broadcast 17 to 19 hours a day. There are approximately 106 television stations operating in Haiti. There are 32 TV stations in Port-au-Prince, 30 others in the provinces and more than 40 radio-television stations. Advertising is regularly viewed in the daily newspapers, such as "Le Nouvelliste," and "Le National" or through local Haitian TV channels. Television-based advertisements have been increasing over the years, but this occurs primarily in Haiti's larger cities. Cable TV subscriptions are available through three cable providers: Tele Haiti, NuTV, and Canal+. To cater to a wider audience, cable providers also offer up to 200 foreign (Latin American, European, and Caribbean) and American channels such as CBS, ABC, NBC, FOX, HBO, and CNN. However, some remote areas in the countryside still lack access to cable TV. The lack of any rating system makes actual audience reach by radio or broadcast television hard to assess. Cell phone penetration in Haiti remains high with the ITU estimating over 59.07 percent penetration rates in 2018. Digicel maintains the largest market share in the tightly owned and operated SMS advertising sector.

Number of radio stations and cable providers per department, per CONATEL and cable companies:

Department	AM	FM	Cable
OUEST	**11**	**42**	**3**
SUD-EST	**3**	**14**	**2**
NIPPES	**0**	**5**	**1**
SUD	**3**	**14**	**2**
GRANDE-ANSE	**5**	**12**	**1**
CENTRE	**2**	**6**	**2**
ARTIBONITE	**6**	**41**	**2**

NORD-EST	**1**	**9**	**1**
NORD	**7**	**20**	**3**
NORD-OUEST	**3**	**13**	**1**
TOTAL	**34**	**176**	**-**

Pricing

There is no fixed pricing structure, but the government imposes restrictions on the mark-up of some products. For example, retailers are prohibited from increasing the sale price of pharmaceutical products by more than 40 percent. Prices of petroleum products are strictly controlled. Haiti has the highest port fees in the hemisphere as well as various import taxes and duties that apply to all imported products. These associated costs add approximately 35 percent to the final sale price of imported products.

Sales Service/Customer Support

Most companies operating in Haiti are limited in their customer service capabilities. The use of ATM machinesis limited to urban areas. Most ATM machines can be found at banks, super markets, a few gas stations, and the Port-au-Prince international airport. Some phone providers and cable and internet providers, including banking institutions provide customer assistance after hours.

Protecting Intellectual Property

Haitian law protects copyrights, inventions, patent rights, industrial designs and models, special manufacturer's marks, trademarks, and business names. The law penalizes persons or enterprises involved in infringement, fraud, or unfair competition. In order to ensure the protection of these rights, the law requires certain formalities, such as registration with the Ministry of the Interior and Territorial Communities. The Haitian constitution recognizes certain scientific, literary, and artistic intellectual property rights. Weak enforcement mechanisms, inefficient courts, and judges' poor knowledge of commercial law compromise the effectiveness of statutory protections. . Haiti is a signatory to the Buenos Aires Convention of 1910, the Paris Convention of 1883 regarding patents, and the Madrid Agreement regarding trademarks. Haiti has ratified the Berne Copyright Convention.

In any foreign market, companies should consider several general principles for effective management of their intellectual property. For background on these principles, please click on the links to the following two articles: Protecting Intellectual Property and also Corruption.

IP Attaché Contact:
Claudia Rojas
IPR Specialist for Mexico, Central America and the Caribbean
United States Embassy, Mexico City
Tel: (52) (55) 5080-2000 X 5222
Email: claudia.rojas@trade.gov

Due Diligence

U.S. firms interested in doing business in Haiti should respond to trade opportunities and review market research information published on the U.S. Department of Commerce website. The most effective mode of communication with Haitian firms is over the phone, and business and/or personal e-mail.

Local Professional Services

Several business and industry associations in Haiti offer mechanisms to identify business partners. The most common type of professional services include consultation services, accounting services, translation and legal services.

Principal Business Associations

Several business and industry associations in Haiti offer mechanisms to identify business partners. The most prominent associations include:

The American Chamber of Commerce in Haiti (AmCham)
Angle Rue Panamericaine et Impasse des Hotels

Ritz Kinam
Pétion-Ville, Haïti
HT6140
Tel: (509) 2940-3024
Fax: (509) 2811-9092
Email: info@amchamhaiti.com / lsaintcyr@aic.ht
Web: www.amchamhaiti.com
(Mr. Laurent Saint-Cyr, President)
(Ms. Erika Vaval Rosenthal, Executive Director)
For additional information please visit the AmCham website: http://amchamhaiti.com/home/

Haitian Manufacturers Association (ADIH)
21, Rue Borno, Pétion-Ville, Haiti
B.P. 15199
Tel. (509) 2946-1211
Email: adminidtration@adih.ht / info@adih.ht
Web: www.adih.ht
(Mr. Georges Sassine, President)
(Ms. Marie-Louise Augustin Russo, Executive Director)

Haitian Canadian Chamber of Commerce and Industry (CCIHC)
Hotel Visa Lodge, Suite 219
Rue des Nimes
Route de l'Aeroport
Port-au-Prince, Haïti
Tel: (509) 2813-0773
Email: ccihcsecretariat@gmail.com
Web: www.ccihc.com
(Mr. Claudel Dumas, President)
(Mrs. Nora David, Executive Director)

Chamber of Commerce and Industry of Haiti (CCIH)
Adresse: 4ème étage, Immeuble Digicel, #151 angle Ave Jean Paul II & imp. Duverger,Turgeau

Port-au-Prince, Haïti

Tel: (509) 2946-7777 / 2943-1173

Email: directionexecutive@ccih.org.ht / info@ccioest.com

Website: http://www.ccih.org.ht

(Mr. Frantz Bernard Craan, President)

(Ms. Kim Sassine, Executive Director)

Association Haïtienne pour le Développement des Technologies de l'Information et de la Communication (AHTIC)

29 2ieme Ruelle Nazon

Local Infotonic Haiti

Bourdon, Haïti

Tel: (509) 2942-1966

E-mail : secretariat@ahtic.ht

(Mr. Max Larson Henry, President)

Haitian Tourism Association (ATH)

18 Rue Moïse

Petion-Ville, Haïti

Tel: (509) 2946-8484

E-mail: rainaforbin@yahoo.com

(Ms. Raina Forbin, President)

(Ms. Claude Valerie Louis, Executive Director)

Franco-Haitian Chamber of Commerce and Industry (CFHCI)

5 Rue Goulard

HT 6140

Petion-Ville - Haïti

Tel: (509) 3949-5449 / 2227-3436

Email: cfhci@yahoo.fr

Website: www.chambrefrancohaitienne.com

(Mr. Geoffrey Handal, President)

(Ms. Ella Alexandra Joseph, Executive Director)

Association for Micro-Enterprise Corporations (ACME)

4, impasse Pierre Legrand

Puits-Blain

Petion-Ville, Haiti

Tel : (509) 2813-0545 / 2813-1972 / 2949-0101 / 2940-1364

E-mail : bdebrouwer@acmehaiti.org

Website: www.acmehaiti.org

National Association of Microfinance Institutions of Haiti (ANIMH)

7 Impasse Price-Mars, Rue Boisrond Canal

Freres

Petion-Ville, Haiti

Tel : (509) 2941-6464 / 3648-5767

(Chantal Mascary, Administrator)

(Dominique Boyer, President)

E-mail : chantalmascary@yahoo.com

info@animhati.net

Board of Conciliation and Arbitration of Haiti (CCAH)

4eme etage Building Digicel, 151, Angle Ave. Jean Paul II et imp. Duverger

Turgeau, Haiti

Tel: 2940-5142 / 2940-5144

Email: ccah-haiti@hotmail.com

Haitian Association of Construction Companies

108, Rue Lambert

Petion-Ville, Haiti

Tel: (509) 3933-5707

E-mail: ahec1996@yahoo.fr

Association Nationale des Medias Haitiens (ANMH)

20, Ave Lamartiniere, Apt 9

Port-au-Prince, Haiti
Tel : (509) 3410-5596 / 3727-8539
Email: jadesro@yahoo.fr

National Association of Importers and Distributors of Pharmaceutical Products (ANIDPP)
41, Rue Lambert, 3eme etage
Petion-Ville, Haiti
Tel: (509) 3449-5575 / 3487-6641
Email: anipdd@gmail.com

National Association of Distributors of Petroleum Products (ANADIPP)
401, Route de Delmas
Local Dubois Shopping Center
BP 1379
Port-au-Prince, Haïti
Tel: (509) 3462-1296
Email: anadipp@hainet.net

Professional Association of Banks (APB)
133, Rue Faubert
Petion-Ville, Haïti
HT6140
Tel: (509) 3748-8852
Email: apbhaiti@hotmail.com

Chamber of Maritime Companies Association (AMARH)
360 Boulevard la Saline,
Port-au-Prince, Haïti
Tel: (509) 3175-1177
Email: ebaussan@agemar.com
(Mr. Edouard Baussan, President)

Association of Mango Exporters (ANEM)

Santo 20, Route National #3
Croix des Bouquets, Haïti
Tel: (509) 4240-3919

Chamber of Commerce and Industry of the Professionals of the North (CCIPN)
115, Rue 13 B
Cap-Haitien, Haïti
Tel: (509) 3754-2939 / 3457-1001/ 509-2260-1951
(Marc Georges, President)
Email: ccipnispn89@gmail.com / georgesmarc@hotmail.com

Chamber of Commerce, Industry and the Professionals of Croix-des-Bouquets
11, Rue Republicaine
Croix-des-Bouquets
Port-au-Prince, Haiti
Tel: (509) 3734-0094 / 2238-8001
E-mail: jjerickbrutus@hotmail.com

Chamber of Commerce, Industry and the Professionals of the South
Quai des Cayes
Les Cayes, Haiti
Port-au-Prince Contact:
c/o Agrisupply, 172 Rue du Centre, Port-au-Prince
Tel: (509) 2940-0034
E-mail: chambredecommercesud@hotmail.com / chambredecommercesud@yahoo.com

Société Nationale des Parcs Industriels (SONAPI)
Blvd Toussaint Louvertue
Route de l'Aeroport
Port-au-Prince, Haïti
Tel: (509) 3750-2323 / 2141-4200 / 2141-4700
E-mail: parcindustriel@yahoo.com

Caracol Industrial Park (PIC)
Route de Caracol
Caracol, Dept du Nord Est
Tel : (509) 2941-0290 / 3750-2323
Email: info.caracol@ute.gouv.ht
Website: http://www.ute.gouv.ht/caracol

Cosa Industrial Park
Route Nationale No. 1, Chancerelles
Port-au-Prince, Haïti
Tel: (509) 3866-7558 / 3701-0077
Email: Shodecosa@yahoo.com
Website: www.shodecosa.com
(Ms. Youri Mevs, General Director)

Airport Industrial Park
Rue Sol SOLON
Tabarre 36
Port-au-Prince, Haiti
Tel: (509) 2245-9616

Center for the Facilitation of Investments
116, Ave. Jean Paul II, Turgeau
Port-au-Prince, Haiti
Tel : (509) 2811-6234
E-mail: info@cfihaiti.com
Website: http://www.cfihaiti.com/
Ms. Tessa Jacques Antoine, General Director

To view market research reports by the U.S. Commercial Service visit the following website: http://export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens' companies. There is no fee but registration to the site is required. Please click on the link below for information on trade events: http://export.gov/tradeevents/index.asp.

Limitations on Selling U.S. Products and Services

The government of Haiti does not impose discriminatory requirements on foreign products and services. However, investment in certain sectors, such as health and agriculture, requires special authorization from the government of Haiti. Investment in "sensitive" sectors, such as electricity, water, and telecommunications, requires Haitian government concession as well as authorization from the appropriate state agency. In general, natural resources are considered to be the property of the state. As a result, prospecting, exploring, or exploiting mineral and energy resources requires concessions and permits from the Bureau of Mining and Energy, in the Ministry of Public Works. Mining, prospecting, and operating permits may only be granted to firms and companies established and resident in Haiti.

Web Resources

The American Chamber of Commerce in Haiti (AMCHAM)
Angle Rues Panamericaine et Impasse des Hotels, Suite 9
Le Ritz Kinam
Pétion-Ville, Haïti
HT6140
Tel: (509) 2940-3024
Fax: (509) 2811-9092
Email: lsaintcyr@aic.ht / erikavaval@gmail.com
Web: www.amchamhaiti.com
(Mr. Laurent St-Cyr, President)
(Ms. Erika Vaval Rosenthal, Executive Director)

Haitian Manufacturers Association (ADIH)
21, Rue Borno, Pétion-Ville, Haiti
B.P. 15199

Tel. (509) 2514 0184
Email: adminidtration@adih.ht / info@adih.ht
Web: www.adih.ht
(Mr. Georges Sassine, President)
(Ms. Marie-Louise Augustin Russo, Executive Director)

Haitian Guide to Investment
Haitian Embassy in Washington, D.C.
http://haiti.org/

Center for the Facilitation of Investments (CFI)
http://www.cfihaiti.net

Le Nouvelliste newspaper:
http://www.lenouvelliste.com/

Haitian Ministry of Commerce and Industry
http://www.mci.gouv.ht/

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Leading Sectors for U.S. Exports & Investments

Energy

Overview

Haiti has substantial renewable energy potential. Still, the country faces significant challenges to gaining access to clean and renewable energy. On average, 80 percent of electricity is produced from imported fossil fuels. The underutilized opportunities for small hydropower, smart grid, and biomass systems make Haiti an interesting renewable energy prospect. Much of the population relies on biomass such as charcoal and wood fuel as their main source of energy. Although solar and wind resources are available throughout the country, very little of this potential has been developed. The most significant contribution of renewables to Haiti's energy source comes from hydropower.

Local demand for U.S. electrical machinery and equipment was valued at $20.4 million in FY 2018. Electricite d'Haiti (EDH), an underperforming, largely government-owned company, provides about 5 to 13 hours of electricity per day throughout the country, though during disruptions to the fuel supply chain, the availability of electricity on the EDH grids may fall significantly. Port-au-Prince itself obtains less than 20 hours of electricity per day. EDH only collects $50 million annually, which is not enough to finance the company's daily operations. According to information from the Commercial Directorate of EDH, revenues collected in 2018 decreased by 23%. The government of Haiti provides an annual subsidy around $200 million to keep the company afloat.

There is an urgent need to repair and expand existing power plants throughout the country. Haiti has an installed capacity of 250 to 400 Megawatts (MW) but only 60 percent of the installed capacity is reliable, as many generation units need rehabilitation and repair work. Total unmet demand for residential and commercial electricity in the country is estimated at approximately 500 MW per day. Only about 40 percent of Haitians have access to electricity, with an average annual consumption of just 21 Kilowatts (KWH) per person.

Even for those with access to electricity, reliability is inconsistent. This unreliability requires many businesses and larger households to install diesel generators. Multinational businesses have expressed dissatisfaction at the expensive energy rates in Haiti's commercial and industrial sectors, compared to other countries in the regions where they do business. This lack of access to affordable and reliable power hinders investment, constrains the development of productive businesses, and degrades living standards for residential customers.

The fuel of choice for food preparation for many rural households in Haiti remains charcoal, which is a major cause of deforestation. The annual consumption of wood products by Haitians is estimated at 4 million metric tons (MT), of which about one-third is transformed into charcoal to meet the cooking fuel needs of urban consumers. Apart from the negative environmental impact of cutting trees for fuel, cooking with firewood and charcoal exposes the populace, especially women and young children, to smoke and indoor air pollution.

There are various sources of energy in Haiti including:

•506 million KWH produced from two private companies using diesel fuel;
•284 million KWH generated from EDH power plants including 226 million KWH produced from the Péligre hydro-electric plant located in the Artibonite Department;
•334 million KWH produced from three heavy fuel oil power plants developed under a Cuba-Venezuela-Haiti tripartite agreement; and
•10,000 KWH power plant with transmission and distribution of uninterrupted (24/7) electricity that serves the Caracol industrial Park.

Please note that more recent data on electricity generation is not available. Although the government hopes to modernize EDH, in 2018 it made minimal efforts to improve its performance. In 2018, Haiti's new energy regulatory authority ANARSE offered a prequalification round for companies interested in bidding on future tenders for regional power production and distribution, as well as power generation for the Port au Prince metropolitan area. ANARSE expects to issue the first tenders for several regional grids in the summer of 2019.

Electrical blackouts occur frequently in Haiti. Residential owners drive demand for low-cost electrical generation equipment and small-scale power charging stations because of severe limits on local generating capacity. There is also a consistent residential demand for solar energy equipment and smart grids, as well as demand from private businesses. According to Haitian dealers' records, 50 percent of power generators come from the United States. Other suppliers include Japan, France, China, and South Korea.

In Haiti, about 40 percent of the population has consistent access to electricity, although the Ministry of Public Works estimates that the coverage could be higher when irregular connections are considered. In urban areas, the total electrification rate is 72 percent but only 15 percent in rural areas.

Some towns in Haiti, such as Fort-Liberté, the capital of Nord-Est, have an electricity distribution network, but have been effectively abandoned by the national utility EDH for about a decade. Users thus have to rely entirely on small, privately owned generators to meet their electricity demand.

Opportunities

EDH's inability to provide reliable, centrally-supplied power continues to drive demand for power generation equipment, such as new electrical power systems, generators, inverters, solar panels, and batteries, as well as maintenance for the equipment. U.S. electrical companies, including those that supply generators, parts, and service, may find opportunities in Haiti. The World Bank has financed the Electricity Loss Reduction Project (PREPSEL) to increase production and strengthen the management of the electric network in Haiti. With Haiti's tropical climate and high percentage of daily sunlight, the country could be a prime candidate for wind and solar power generation projects. There are also opportunities to generate energy from small hydropower and biomass projects.

USAID funded the construction of a 10 megawatt (MW) power plant with transmission and distribution facilities to serve the Caracol Industrial Park tenants as well as commercial and residential customers in the surrounding villages. The 10MW power plant provides uninterrupted 24/7 electricity to 13,000-metered customers.

The utility in the north has made in-roads in reducing electricity theft, and properly installing connections and improving collection of electricity bills for customers with working meters. For those customers with regularized electricity service (proper connections and meters), the collection rates for electricity bills is above 90 percent, compared to below 25 percent for those customers in other parts of the country with electricity provided by the national electric utility.

Web Resources

Electricite d'Haiti (EDH)
Angle Rue Chareron et Boulevard Harry Truman Cite de l'Exposition
B.P. 1753
Port-au-Prince, Haïti
Tel: (509) 2813-1641 / 2813-0157/ 2813-0197/ 2223-0837 / 2212-2212
Fax: (509) 2223-8750
E-mail: info@edh.ht
(Mr. Hervé Pierre-Louis , Director General)
http://www.edh.ht/

E-Power
Hinsa Free Zone Park, Rue Lisius, Drouillard
Port-au-Prince, Haïti
Tel: (509) 2813-0015
Fax: (954) 323-4315
E-mail: admin@epowerhaiti.com
http://www.epowerhaiti.com

Sogener S.A.
30, Boulevard Toussaint Louverture,
Route de l'Aeroport
Port-au-Prince, Haïti
Tel: (509) 3707-0000 / 3708-0000
E-mail: sogeneradmin@sogener.com
http://www.sogener.com

HayTrac (Haitian Tractor & Equipment Co S.A.)
51, Blvd. Toussaint Louverture
Route de l'Aeroport
Port-au-Prince, Haïti
Tel: (509) 2814-8000

E-mail: haytrac@haytrac.com

Agricultural Sector

Overview

The exodus of Haiti's rural population to its major cities, coupled with a lack of agricultural capitalization, has hindered the development of food crops. There is a strong demand for U.S. agribusiness firms to invest in Haiti and help boost domestic food production. Haiti does not produce enough food to meet domestic demand, and must import a significant portion of the agricultural products it consumes. The infrastructure required to transport food within Haiti is also poor. Major food imports include cereals, vegetable fats and oils, dairy products, meat, and poultry. U.S. exports of rice, processed food, wheat, and poultry are good market prospects. Calculated from the Global Trade Atlas (GTA) and various other sources, Haiti's food imports were valued at $902 million in 2018. Food imports increased 2.3 percent between FY 2017 and FY 2018.

The U.S. Department of Agriculture (USDA) authorizes credit guarantees to Haiti under the Commodity Credit Corporation's (CCC) Export Credit Guarantee Program (referred to as GSM-102). More information on USDA's GSM-102 program can be found at https://www.fas.usda.gov/programs/export-credit-guarantee-program-gsm-102, or contact the Foreign Agriculture Service's Office of Agricultural Affairs in Port au Prince (AgPortauPrince1@fas.usda.gov).

Sectors

- Rice
- Cereal products; malt, starch, wheat gluten
- Poultry, meat and edible meat offal
- Animal and vegetable fats, oils
- Miscellaneous food preparations

Rice

Rice is a staple food for a majority of Haitians. Although previously self-sufficient in this area at a time when Haitian consumed less rice per person, eighty percent of rice now consumed in Haiti is imported. The United States is especially competitive in long grain milled rice (less than 10 percent of whole or broken kernels of medium and short grain rice). The total amount of rice imported was valued at $238.5 million in 2018, which represented a 12 percent increase over 2017. Of that amount, $229 million of the imported rice came from the United States. U.S. exports of milled rice are typically 4 percent broken and packaged in 50 kg and 25 kg bags.

Cereal Products – Malt, Flour, Starch, and Wheat Gluten

Cereal products, especially wheat and flour, are major components of the Haitian diet. Haiti, however, does not produce sufficient milled grains to satisfy domestic demand. After rice, other cereal products are the second largest category of U.S. agricultural exports to Haiti. The United States remains Haiti's largest supplier of wheat, corn, sorghum and millet, as well as rice. U.S. exports of all cereal products increased from $239.71 million in 2017 to $253.12 million in 2018, representing a 5.6 percent increase.

Poultry, Meat and Edible Meat Offal

The United States is Haiti's second major supplier of poultry. Over the past several years, decreases in the availability of local livestock and increasing feed prices that forced Haitian farms out of business have also factored into the rising demand for poultry imports. Following the detection of the H5N2 avian flu virus in the Dominican Republic, on January 7, 2008, the government of Haiti instituted a ban on Dominican poultry and egg products. In June 2013, the Minister of Commerce and Industry declared that the government of Haiti lifted the ban on the meats, but the exporters have to fulfill the requirements of the Haitian government before exporting. Haiti imported $99.03 million worth of meat and edible meat offal during FY 2018, a 15.46 percent increase in comparison to 2017. For goods shipped elsewhere in Haiti, duties are collected through the state-owned National Credit Bank (BNC). Customs formalities can take from 24 to 48 hours if all forms are in order. Some importers complain that the customs clearance process is too lengthy and can result in detrimental delays.

Import Taxes

Verification fee: The charge for inspection is 5 percent of the CIF. The government waives the fee for goods in transit, storage, or temporary entry regimes and for goods used for diplomatic missions and the import of personal effects.

Value-Added Tax (French acronym TCA): The 10 percent TCA is a general tax on the local sale of goods, supply of services, and imports. It is applied to the CIF value in addition to the customs duty, inspection fee, and excise duties. The TCA is calculated at each stage of production, distribution, and import. Products that are exempt from this tax include: petroleum products; newspapers, books, magazines, and paper used for school materials; local agricultural products; agricultural, livestock breeding, and fishing inputs; inputs used to manufacture medicines sold in pharmacies; agricultural, fishing, and livestock breeding machinery and equipment; and legal services. Goods entering the country under the transit, storage, or temporary entry regimes, including those to be used in processing and assembly industries produced solely for export, are also exempt.

Contribution to Management Funds for Territorial Collectives (CFGDCT): The CFGDCT is applied at the rate of 2 percent on all imports, except on petroleum products, pharmaceuticals, parcel posts, some food products, agricultural inputs, and paper.

Excise Tax: A 10 percent fee is levied on imported cars of 2200 cubic centimeters or more; 90 percent of CIF on gasoline; 40 percent of CIF on diesel oil; 30 percent of CIF on kerosene; 2 percent of CIF on fuel oil; 2 percent of CIF on lubricants; and 3 percent of CIF on aviation fuel.

Other Tariffs

In general, tariff rates are low for raw materials and unprocessed goods, but are higher for semi-finished and finished goods.

New and used automobiles, buses, trucks, and vans are subject to a 5 to 20 percent registration tax. This tax applies to the customs value.

- A five percent tax is applied to vehicles valued at less than HTG 35,000 (~$393);

- A 20 percent tax is applied on vehicles valued over HTG 75,000 (~$842);
- A 5 percent tax is applied to trucks that weigh less than two tons and minibuses with a capacity not exceeding 24 passengers;
- Tax exemption applies if capacity accommodates more than 24 passengers; and
- A 10 percent Environmental Protection Tax (EPT), is levied on imported used vehicles.

The EPT tax is applicable to the import of used tires, used batteries, and second-hand clothes.

There are additional taxes on new cars, ranging from 5 to 20 percent and from 5 to 30 percent for used vehicle imports, used passenger transportation vehicles, and used trucks. New passenger transportation vehicles that accommodate more than 25 passengers and new trucks over two tons are exempt. Transit and storage duties are imposed on the import of goods entering under the relevant tax regimes. The highest transit duty is five gourdes per parcel or per 100 kg of net weight. Customs storage duties are two percent of the customs value per month of storage. In addition, shipping lines in Haiti charge clients who are unable to unload their goods within 17 days demurrage fees. An experienced expediter may help move goods more quickly and, therefore, potentially avoid onerous demurrage charges.

The following goods are not always subject to duty (not all products are listed):

- Powdered milk
- Certain bones and horn-cores
- Malt (not roasted)
- Hops
- Straw and pellets of unprepared cereals
- Seeds, spores, and fruit
- Certain sowing plants and parts of plants (other than garden seeds) used in perfumery, medicine, or pharmacology
- Certain types of fodder
- Certain resins and fats for industrial use
- Vegetables saps and extracts
- Linseed oil
- Crude glycerol

- Animal oils and fats (in specific forms)
- Yeast
- Denatured ethyl alcohol of any type
- Some protein materials and their vegetable saps and extracts
- Fisheries products
- Live animals
- Rubber
- Ores, slag, and ash
- Organic chemicals
- Pharmaceutical products
- Silk
- Fertilizers
- Tin and articles thereof
- Knitted or crocheted fabrics
- Vegetable plaiting materials
- Wool, fine or coarse animal hair
- Vegetable products
- Yarn and woven fabric
- Nickel and articles thereof
- Lead and articles thereof
- Impregnated, coated, covered, or laminated materials
- Other base metals, cements
- Fabric and technical articles textiles
- Rail and tram locomotives, rolling stock and parts thereof, mechanical traffic signaling equipment

The following goods have a 15 percent duty (not all products are listed):

- Pork
- Sugars and confectionery
- Poultry, meat and offal
- Cotton
- Moss and lichen

- Carpets and other textile floor coverings
- Cut flowers
- Natural or cultured pearls, precious stones and similar articles
- Citrus fruit
- Jewelry and other articles
- Edible vegetables, plants, roots
- Manufactures of straw, and tubers (fresh, chilled, or frozen), other plaiting materials, basketwork, and wickerwork

Other products and duties:
Cereal based products obtained from blow molding or roasting: 15 percent. Food preparation based on unroasted cereal flakes: 30 percent

- Rice: 3 percent
- Buckwheat: 15 percent
- Millet: 15 percent
- Canary Seed: 3 percent
- Sorghum and other products of the milling industry: 15 percent
- Certain edible products of animal origin: 20 percent
- Some types of grape must, cider, and vinegar: 15 percent
- Cigarettes: 15 percent
- Cigars: 10 percent

In addition to these duties, the government imposes an excise tax on a number of imported or locally produced goods, such as tobacco, alcohol, sugar, flour, aerated water, and some "luxury food products." Excise taxes may be either specific or value-added. Locally manufactured cigarette firms are required to pay 12 percent duty on product value. Heavy agricultural and public works machinery are exempt from paying excise duties. Haiti has World Trade Organization (WTO) bound import duties on agricultural and non-agricultural products. Tariffs on agricultural goods range from zero percent to 30 percent. WTO-bound tariffs on non-agricultural goods, such as hydraulic cement; gasoline for engines; naphtha and benzene; certain varnishes and paints; straw products; esparto or other plaiting materials;

basketwork and wickerwork; certain precious metals and stones; imitation jewelry; coins; and camping trailers, range from zero to 58 percent.

Tariff Preferences

Haiti does not currently grant tariff preferences to any country, but will grant them when provisions of the Caribbean Community (CARICOM) Treaty come into effect and when the Africa, Caribbean, Pacific (ACP) – European Union Agreement is ratified by Parliament. Firms that import machinery, spare parts, semi-finished products, or materials needed to promote the development of specific sectors within the economy are exempt from duties on imports.

Registered Non-Governmental Organizations (NGOs) are exempt from customs duties on food products and non-commercial imports of medical materials and equipment; however, NGOs must first obtain certification from the Ministry of Economy and Finance and the Ministry of Planning. NGOs may also be exempt from duties and taxes on imported vehicles, with the exception of the inspection fees, local fees, and Funds for Management and Development of Local Authorities (Contribution au Fond de Gestion et de Développement des Collectivités Territoriales) CFGDCT.

Other duty free goods include:

- Educational materials and teaching materials
- Equipment and materials needed for national defense
- Traveler's luggage
- Goods imported under diplomatic or consular privileges and covered by the Vienna Convention
- Furniture and objects imported when changing residence
- Correspondence courses and related teaching materials
- Agricultural equipment (this includes samples with no commercial value, tools, machinery, and re-imported goods that were temporarily exported)

The government of Haiti signed a pre-shipment inspection agreement with Société Générale de Surveillance (SGS) on May 5, 2003. Under this agreement, all imports with a value of at least $3,000 must be inspected by the SGS. All imports must also carry proper documentation, including the Declaration Prior to Import (DPI) and the original of Certificate of Verification (AV) before shipping cargo to Haiti This is a pre shipment process handled by SGS as part of the pre-shipment inspection. A DPI is not needed for shipments of used products regardless of the value.

SGS issues a verification certificate, which the importer submits to Customs. The inspection certificate, with the declared value and the document, is affixed to the other shipping documents.

Goods exempt from inspection by SGS:

- Precious stones and metal art
- Ammunition and arms other than for hunting and/or sporting purposes
- Explosives and pyrotechnical articles
- Live animals
- Scrap metal
- Newspapers and magazines
- Personal effects and used household articles (including used vehicles)
- Parcels
- Commercial samples
- Supplies for diplomatic or consular missions
- Supplies for United Nations organizations
- Machinery for international subcontracting enterprises
- Petroleum and petroleum products
- Donations by foreign governments or international organizations to charitable organizations.

All used items are subject to the same import tax treatment as new items. However, used cars are subject to an additional tax of 10 percent of CIF.

Import Requirements & Documentation

The government only requires a license for the import of firearms, pharmaceutical products, petroleum products, and chicken and poultry products. Importers of pharmaceutical products must request an import permit from the Ministry of Commerce and Industry. In addition, all pharmaceutical products imported to Haiti are subject to sanitary registration, required by the Ministry of Health. To satisfy these sanitary registration requirements, the Ministry of Health requires information regarding clinical studies, toxicology, and pharmaceutical certification from the country of origin. The Ministry also requests three product samples of each drug to be imported. Chicken and poultry importers are required to specify the origin of the product in their request.

Food products imported to Haiti require:

- The phytosanitary certificate from the exporting country;
- Certificate of origin from the country of origin (farm included);
- An import permit/sanitary certificate from the Ministry of Agriculture is required, and it is required for every shipment; the validity is for 15 days. Formal requests must be submitted to Agriculture Quarantine Division;
- Both APHIS VS 16-4 and AMS are required;
- The Declaration Prior to Import (DPI) and the original Certificate of Verification (AV) from SGS;
- Commercial invoice;
- Freight invoice; and
- Bill of lading or Air Way Bill.

Shipment

Depending on the product, Haitian legislation requires that the manifest provide additional information, such as transport temperature, net weight or quantity and packaging type.

Verification process

At the arrival port, SGS reviews the documentation to ensure that all requirements are met and if physical inspection is required. In addition, SGS confirms the customs classification and submits the customs value of the imported goods.

Physical Inspection

A physical inspection may be conducted by an inspector of the Office of Quarantine and Control of Fishing and Agricultural Products to verify the documents and control the status of imported goods. For live animals, the inspector may recommend fifteen days in quarantine before release of the animal. If the inspection reveals anything abnormal, the goods may be confiscated or returned to the exporting country.

Customs payments

Customs duties and taxes are required for goods clearance. The cost, insurance and freight (CIF) value of imported goods is used as a basis for the calculation of the import customs duties and taxes. Taxes include the verification fee (5 percent of CIF), value-added tax (10 percent of transaction value), Contribution to Territorial Collectivities Funds (2 percent of CIF, applicable for some food products), and Special Duty (1 percent of CIF). The payment of customs duties and taxes is collected by Credit National Bank (BNC in French), which is commissioned by Haiti Central Bank (BRH in French).

Custom Clearance

The Customs office requires all importers fill out the customs declaration and submit the following documents for customs clearance:

- Declaration Prior to Import (DPI)
- Original Certificate of Verification (AV)
- Customs declaration
- Bill of lading
- Freight cost certificate
- List of products
- Commercial invoice
- Import permit, if required
- Zoosanitary or phytosanitary certificate, if required
- Certificate of origin

Labeling/Marking Requirements

Specific marks or labels are required for food and pharmaceutical products. All other goods do not require a label. Labels on processed food products should indicate ingredients in order of predominance, the name and address of manufacturer, and expiration date. Labels on pharmaceutical products must indicate weight or quantity of active ingredients and the lot control number. The date of expiration and the generic name and/or commercial name of pharmaceutical drugs should also be included.

U.S. Export Controls

The nature and quantity of all goods entering Haiti should be clearly specified in the bill of lading, as well as in the invoice attached to the bill of lading. U.S. exporters should follow all requirements concerning labeling, as well as those related to prohibited and restricted imports.

Temporary Entry

A rate of 0.25 percent is applied to goods entering under diplomatic concessions and for those that are on "temporary entry." Temporary entry refers to goods that will be processed before being re-exported. These goods are subject to a security deposit equivalent to 150 percent of the duties and taxes payable under the release for consumption regime. The deposit is in the form of a bank check and released once the goods are re-exported. Goods that enter the country under the temporary entry regime and are then used for consumption purposes are taxed on the amount of their depreciation when they are re-exported. All imported goods are subject to verification fees and administrative costs. Goods imported into the country under the temporary entry regime are also subject to a 0.25 percent uniform rate, as are goods entering under diplomatic concessions.

Prohibited & Restricted Imports

To import weapons, waste, drugs, and agricultural products, the importer must have authorization from the government. In June 2013, the Minister of Commerce and Industry removed the ban only on poultry meat but imports of eggs are still prohibited from areas exposed to avian influenza. The Ministry of Commerce and Industry has not updated the list of prohibited products since 1962. Prohibited items include: materials of a pornographic nature; military equipment, including tanks, armored vehicles and parts, warships and lifeboats; arms and ammunition not intended for government use; narcotics; and equipment to be used to manufacture or print counterfeit currency or securities. According to the 1962 law, it is illegal to import used shoes and used clothing. Nonetheless, the law is not usually enforced and used clothing imports constitute a lucrative business in Haiti, particularly used clothing coming from the U.S. and the Dominican Republic. The goods are usually cleared through customs as personal effects.

The Ministry of Public Health and Population (MSPP), the Ministry of Agriculture, Natural Resources and Rural Development (MARNDR), and the Ministry of Environment (ME) are responsible for the health and environmental controls of imports. Imports of certain goods are subject to control for security and health reasons. Reasons for prohibition and/or restrictions include protecting Haiti's flora, fauna, and livestock from dangerous diseases.

Imports of ethyl alcohol, generic chemicals, and pharmaceuticals require prior authorization from the MSPP. Imports of agricultural inputs, cattle feed, and animal products (processed or unprocessed) require authorization from the Quarantine Department of MARNDR and the submission of a health certificate issued by the exporting country. Imported live animals, plants, and seeds are subject to quarantine. An animal health certificate is required for imports of bovine animals and swine, and the certificate must indicate that the country of origin is free of foot and mouth disease, contagious bovine pleuro pneumonia, rinderpest, vesicular stomatitis, and lumpy skin disease.

In the case of swine, the certificate must also indicate the animals originate from countries free of vesicular exanthema, African swine fever, ordinary swine fever, and swine encephalomyelitis. Haiti is not a member of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), however, it voluntarily adheres to CITES directives. Haiti has no quantitative restrictions on imports with the exception of the following goods: flour, sugar, peas, rice, maize, millet, pork offal, and poultry cuts, which are subject to a non-automatic licensing system.

Customs Regulations

The following documentation is required under the basic regulations governing the import and export of commodities:

For imports into Haiti, the Haitian Customs Authorities request the following:

- A bill of lading signed by the captain or his delegate, and
- An original invoice for the goods.

The bill of lading must include:
- Name of the vessel (sea freight and the identification number for airfreight); name of the shipping company;
- Port(s) of origin;
- Port(s) of destination;
- Complete manifest of the cargo and the volume on which the freight calculation was based;
- Nature of the merchandise (includes bulk items);
- Shipping cost;
- Name of the shipper; and
- The name of the consignee.

Haitian law requires that exporters obtain an export permit from the Ministry of Commerce for the export of some agricultural and textile products. American exporters seeking information on Haitian tariffs should contact the U.S. Embassy in Port-au-Prince and the Haitian Customs Authority.

Standards for Trade

Overview

Haiti has no special legislation on standards, testing, approval, and certification. With its accession to the Caribbean Community (CARICOM), Haiti has adopted the standards established by the Caribbean Organization of Standards and Quality (COSQ), which is the CARICOM body responsible for defining standards for goods and services at the regional level.

Standards

In addition to Haiti's adoption of the CARICOM standards, Haiti also uses other international standards as a reference. These include the International Standards Organization (ISO), the

World Health Organization (WHO), the Food and Agriculture Organization (FAO), and Codex Alimentarius for food products.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that could affect your access to international markets. Register online at Internet URL: http://www.nist.gov/notifyus/

Testing, inspection and certification

The government's primary goal under the proposed Haitian Standard System, which has been with the Parliament awaiting approval since 2012, is to protect consumers and to monitor the safe sale of food, chemicals, and pharmaceutical products, as well as cosmetics. Special attention will be given to exports in order to ensure that they have a positive impact abroad and improve the Haitian trade balance.

For the Haitian Standard System to move forward, it must be ratified by Parliament after a consulting process with stakeholders. Accreditation would then be accorded to all products that meet the standards set by the government per a Presidential Decree on Standards.

Contact Information

Direction Quality Control
Ministry of Commerce and Industry (Ministère du Commerce et de l'Industrie)
Parc Industriel Métropolitain (SONAPI)
Port-au-Prince, Haïti
Tel: (509) 3838-1859 / 3894-2112
E-mail: dcqpc_mci@yahoo.fr
(Mr. Daniel Denis, Director General)

Trade Agreements

Haiti acceded to CARICOM in July 1999, negotiating a ten-year period as a Least Developed Country to fully integrate into CARICOM. The legislation on the Common External Tariff is still pending Parliament approval. For imports into the U.S. market from Haiti, Haiti benefits from several preferential trade programs, including the Caribbean Basin Initiative (CBI), the Caribbean Basin Trade Partnership Agreement (CBTPA), the Haitian Hemispheric Opportunity through Partnership Encouragement Act II (HOPE II) and the HELP Acts, and the Generalized System of Preferences (GSP), as outlined below.

Caribbean Basin Initiative (CBI)

The Caribbean Basin Initiative (CBI) remains an important element of U.S. economic relations with Haiti. The CBI is intended to facilitate the development of stable Caribbean Basin economies by providing beneficiary countries with duty-free access to the U.S. market for most goods.

Approximately 3,500 Haitian export products are eligible for duty-free entry into the United States under the CBI. Most textiles are excluded, with the exception of those made from linen or silk, or qualifying as handicraft work. Other excluded items include certain watches and watch parts,petroleum and its by-products, prepared or canned tuna, sugar, molasses, syrup, beef, spirits, and footwear.

Products must be shipped directly from Haiti to the United States to qualify for CBI preference. The products may incorporate imported components as long as the goods exported to the United States are a new merchandise product distinct from such components and the Haitian direct costs of production (including domestic raw materials and those originating in other CBI beneficiary countries, including Puerto Rico and the U.S. Virgin Islands) must amount to at least 35 percent of the customs value. Materials of U.S. origin may be included up to a maximum of 15 percent of its customs value.

Eligible articles assembled or processed from U.S. materials, components, or ingredients are accorded duty free access into the United States regardless of whether such articles satisfy the 35 percent value-added criterion.

Caribbean Basin Trade Partnership Act (CBTPA)

On October 2, 2000, Haiti was designated as a beneficiary of the CBTPA. Congress passed the CBTPA as part of the Trade and Development Act of 2000. It is designed to provide greater duty-free access to the U.S. market for Caribbean and Central American nations. The CBTPA expands on the CBI program by allowing duty-free and quota-free treatment for imports of certain apparel from the region, and by extending NAFTA-equivalent tariff treatment to a number of other products previously excluded from the CBI program. The CBTPA is scheduled to expire on September 30, 2020.

The HOPE and HELP Acts

Partially in response to concerns over Haiti's apparel parity issue, Congress enacted the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Act of 2006, which went into effect on March 19, 2007. Congress provided HOPE in addition to other trade preferences under the General System of Preferences (GSP), Caribbean Basin Economic Recovery Act (CBERA), and CBTPA. Eligibility criteria includes progress towards achieving a market based economy, increasing employment, enhancing the rule of law, eliminating barriers to U.S. trade, combating corruption, and protecting internationally recognized human and worker rights.

In May 2008, the U.S. Congress passed an extended HOPE bill—HOPE II. The HOPE II bill includes an increase in the Tariff Preference Level (TPL) for woven and knit products from 50,000,000 to 70,000,000 square meter equivalent; co-production with the Dominican Republic; and the inclusion of luggage, headgear, and sleepwear.

HOPE established special new rules of origin that make Haiti eligible for new trade benefits for apparel imports, and that enhance sourcing flexibility for apparel producers in Haiti. HOPE II modified the existing trade preference programs under HOPE, and HELP provided duty-free treatment for additional textile and apparel products from Haiti. These preferences are scheduled to expire on September 30, 2025.

The trade preferences available under HOPE/HELP are specifically designed for Haiti, and are conditioned on both the Haitian government and individual producers meeting certain core labor standards and Haitian labor laws. Producers must participate in a Technical Assistance Improvement and Compliance Needs Assessment and Remediation program (TAICNAR) and comply with internationally agreed core labor standards.

The Haiti Economic Lift Program (HELP) Act helps create sustainable support for Haiti's economy by expanding tariff benefits for certain Haitian textile and apparel exports to the United States. HELP also allows the expansion of duty-free access to the U.S. market for Haitian textile and apparel exports and extends existing trade preference programs for Haiti.

Generalized System of Preferences (GSP)

The U.S. Generalized System of Preferences (GSP), a program designed to promote economic growth in the developing world, provides preferential duty-free treatment for over 3,500 products from a wide range of designated beneficiary countries. As a least-developed beneficiary developing country, Haiti qualifies for duty-free access to the U.S. market for an additional 1,500 products, to make a total of 5,000 duty-free eligible products under GSP. The combined lists include most dutiable manufactured and semi-manufactured products and also certain agricultural, fishery, and primary industrial products that are not otherwise duty-free.

Current Preference Highlights

- Duty-free access, with some exclusions, for up to 70 million square meter equivalents (SME) of knit apparel and 70 million SMEs of woven apparel without regard to the country of origin of the yarn, fabric or components, as long as the apparel is wholly assembled or knit-to-shape in Haiti; once the 70 million SME limits for knit and woven apparel are hit, the limits increase up to 200 million SMEs;
- Duty-free treatment for apparel wholly assembled or knit-to-shape in Haiti with between 50 and 60 percent value from Haiti, the United States, a U.S. free trade

agreement partner or preference program beneficiary, or a combination thereof; this preference is currently set to expire in 2020;

- Duty-free treatment of knit or woven apparel under a “two for one” earned import allowance program: for every two SMEs of qualifying fabric (sourced from the United States or certain trade partner countries) used to produce exports for the U.S. market in Haiti, one SME of non-qualifying fabric can also be used;
- Duty-free treatment for certain brassieres, luggage, headgear, and certain sleepwear; and
- Permission for Haitian goods to enter the United States duty-free if shipped either directly from Haiti or through the Dominican Republic.
- More information on these programs is available from the U.S. Department of Commerce, Office of Textiles and Apparel (OTEXA).

Free Trade Zones

A law on free trade zones entered into force on August 2, 2002, and set out the conditions for operating, creating, and managing free trade zones, along with the exemption or incentive regime applicable to investment in such zones. The law defines free trade zones as geographical areas to which a special regime on customs duties and customs controls, taxation, immigration, capital investment, and foreign trade applies, and where domestic and foreign investors can provide services, import, store, produce, export, and re-export goods. Free trade zones may be private or joint ventures, involving state or private investors.

Two free trade zones were granted status in 2003, but only one was operational in northern Haiti. In January 2019 a new Free Trade Zone was declared in Ganthier Balan. Haiti has issued at least nine FTZ licenses:

- **FTZ de Trou du Nord**, the first agricultural free trade zone.
- **FTZ CODEVI** in the northeastern city of Ouanaminthe, where a Dominican company, Grupo M, manufactures clothing for a variety of U.S. companies and rents factory space to several American and foreign companies.
- **FTZ Port Lafito**: in Douillard, Cabaret. Lafito is the home of the Haiti's only Panamax seaport.

- **FTZ Hispaniola** in Route 9 Cité Soleil.
- **FTZ SIDSA** in Tabarre Port-au-Prince.
- **FTZ de Digneron**: inaugurated in 2018 in Croix-des-Bouquets.
- **FTZ Santo Dujour** located in Croix-des-Bouquets.
- **FTZ HEH Les Palmiers** in Carrefour, Port-au-Prince.
- **FTZ Balan** in Ganthier.

An inter-ministerial commission, called the Free Zones National Council (CNZF), comprised of representatives from both the public and private sector, is responsible for:

- Receiving applications for approval as a free zone.
- Approving applications for admission to the free zone regime.
- Ensuring that projects approved are carried out in accordance with relevant regulations.
- Authorizing the operation of free zones.
- Defining and regulating free zones.
- Approving and monitoring procedures and operations in free zones.
- Approving its own rules and procedures.

The Free Zones Directorate, an entity within the Ministry of Commerce and Industry, acts as the CNZF's Technical Secretariat. It implements and ensures implementation of decisions taken by the CNZF; receives investors and potential investors; sends quarterly reports on the establishment and operation of free trade zones to the CNZF for approval; examines applications for approval of free trade zone; participates in all negotiations likely to lead to agreements or conventions on free trade zones at the national and international level; monitors the operation of all free trade zones in Haiti; and ensures regular monitoring of the free trade zones.

The law provides the following incentives for enterprises located in free zones:

- Full exemption from income tax for a maximum 15-year period, to be followed by a period of partial exemption that gradually decreases;
- Customs and fiscal exemption (including registration taxes) for the import of

capital goods and equipment needed to develop the area, with the exclusion of tourism vehicles;

• Exemption from all communal taxes (with the exception of the fixed occupation tax) for a period not exceeding 15 years;

• Registration and transposition of the balance due for all deeds relating to purchase, mortgages, and collateral.

Goods and services sold from free trade zones on the Haitian market are considered to have entered through Haitian customs and are subject to relevant duties and taxes. The volume of free trade zone goods allowed for sale in Haitian markets may not exceed 30 percent of the total production of an enterprise in the free zone.

Licensing Requirements for Professional Services

Non-nationals are required to have a work permit in Haiti. The Ministry of Labor and Social Affairs issues work permits. To obtain a work permit, American Citizens should contact the Ministry of Social Affairs directly:

Ministry of Labor and Social Affairs
Marie Elise Brisson Gelin
7, Ave. Charles Sumner
Port-au-Prince, Haïti
Tel: (509) 2940-1095/ 2519-0069/ 2940-0905
Fax: (509) 2221-0717/3853

Web Resources

Additional information can be found on:

www.brh.net

www.mac.doc.gov/CBI/Legislation/cbileg-00.htm

www.ustr.gov/Trade_Development/Preference_Programs/CBI/Section_Index.html

www.whitehouse.gov/news/releases/2006/06/20060630-8.html

www.answers.com/topic/lom-convention

Investment Climate Statement

Executive Summary

Haiti, one of the most urbanized nations in Latin America and the Caribbean region, occupies the western third of the island of Hispaniola. Despite the government of Haiti’s efforts to achieve macroeconomic stability and sustainable private sector-led and market-based economic growth, Haiti still faces challenges, such as political instability, a depreciating national currency (Haitian gourde), persistent inflation, and high unemployment. As a free market system, the Haitian economy traditionally relies on its agricultural, construction, and commerce sectors, as well as the export-oriented apparel assembly industry. Although the business climate is challenging, Haiti's legislation encourages foreign direct investment. The Haitian investment code provides the same rights, privileges, and equal protection to local and foreign companies. Under Haitian law, Haiti’s business climate affords equal treatment to all investors, including women, minorities and foreign nationals. Haiti faced significant economic challenges and civil unrest from 2018 into 2019, which hampered the government’s ability to create jobs, improve the business environment for private sector development, and encourage economic development through foreign trade and investment. The Haitian central bank (BRH) continues to follow a contractionary monetary policy concentrated on containing inflation and tightening legal reserve requirements. The BRH’s main challenge, however, is to maintain monetary stability in the context of a growing budget deficit, the depreciation of its currency, and increasing global commodity prices.

Foreign direct investment (FDI) inflows reached USD 105 million in Fiscal Year 2018, returning to its prior levels after an unusually high USD 374 million in FY 2017. Despite favorable policies toward FDI, Haiti’s rates of FDI inflow reflect a slow-growing economy and an unstable political environment. The government of Haiti has designated tourism, agriculture, construction, energy, and manufacturing as key investment sectors, and supports sector-focused investment promotion, public spending, and special economic zones. In 2006, the Haitian government established the Center for Facilitation of Investments (CFI) to improve Haiti’s investment climate, and to assist investors interested in doing business in Haiti. The CFI’s “one-stop shop” project, in development since early 2018 with the goal of expediting the processes for starting a business, is not yet operational.

In FY 2018, Haiti's economy grew by 1.5 percent, a modest improvement from the 1.2 percent growth rate in FY 2017, when the economy was greatly affected by natural disasters as well as political instability. The value of goods imports grew to USD 4.5 billion in 2018, while Haiti's goods exports were USD 1.1 billion. The sluggish GDP growth rate and increase in imports are due in part to a weakening exchange rate, the continued reduction of external financial assistance, and slow and destabilized agricultural production. Annualized consumer price inflation rose to 17.0 percent at the end of March 2019 and remains above target because of weak domestic production, a deepening government budget deficit, food price pressures, and the depreciation of the Haitian gourde against the USD. Haiti's net international reserves stand at USD 766 million as of early April 2019. The World Bank (WB) predicts that gross domestic product will grow at a rate of 0.4 percent in 2019. Improving the investment outlook for Haiti requires political and economic stability underscored by the enactment of institutional and structural reforms.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2018	161 of 180	http://www.transparency.org/research/cpi/overview
World Bank's Doing Business Report "Ease of Doing Business"	2018	182 of 190	http://www.doingbusiness.org/rankings
Global Innovation Index	2018	N/A	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country (M USD, stock positions)	2017	USD 34.00	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2017	USD 760.00	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

1. OPENNESS TO, AND RESTRICTIONS UPON, FOREIGN INVESTMENT

Policies Toward Foreign Direct Investment

Haiti's legislation encourages foreign direct investment. Import and export policies are non-discriminatory and are not based on nationality. Haitian and foreign investors have the same rights, privileges and protections under the 1987 investment code. Despite Haiti's investment code and legislation to encourage foreign direct investment, there have not been any notable improvements in recent years in the legal framework and investment code to improve Haiti's business climate, create and strengthen core public institutions, and enhance economic governance and transparency.

The BRH continues to work with the International Monetary Fund (IMF) and the World Bank to implement measures aimed at creating a stable macroeconomic environment. The BRH and the Ministry of Economy and Finance concluded a staff-level agreement in March 2019 with the IMF for an extended credit facility, which, if implemented, would provide liquidity to the Haitian government while also setting targets for improvement in fiscal policy. In the fall of 2018, the government of Haiti rescinded its spring 2018 decision that required all business transactions to be in Haitian gourdes. As of September 2018, the government's foreign debt reached USD 2.12 billion, mainly in support of the country's infrastructure and rebuilding efforts. Over 85 percent of this debt is owed to Venezuela through the Petro Caribe program.

Despite passing anti-money laundering and anti-corruption laws to ensure that Haiti's legislation corresponds with international standards, the government has not followed the legal framework of these laws, and has failed to incentivize investment in Haiti. In early 2017, the government enacted a law making electronic signatures and electronic transactions legally binding. Other pieces of legislation that may improve Haiti's investment climate are pending parliamentary approval, including incorporation procedures, a new mining code, and an insurance code.

The Center for Facilitation of Investment (CFI) was established to promote investment opportunities in Haiti. The CFI's main goals include streamlining the investment process by simplifying procedures related to trade and investment, providing updated economic and commercial information to local and foreign investors, and promoting investment in priority sectors. In practice, however, the government of Haiti made limited progress in 2018 in incentivizing job creation and boosting national production in agriculture, apparel assembly, and tourism. The Haitian government seeks to redirect CFI's focus towards the promotion of domestic and international investment with continued emphasis on public relations. The CFI also offers tailored services to large investors interested in Haiti.

The CFI's Director General oversees the agency, which also serves as the secretariat for Haiti's Interministerial Commission, which makes decisions on business tax exemptions and incentives. The Director of Promotion works to attract investment in Haiti, while the Director of Facilitation coordinates with public sector agencies and administrative entities to ensure that CFI follows up with businesses in a timely fashion. The CFI was closed for multiple weeks and unable to operate at full capacity during periods of civil unrest in early 2019.

Limits on Foreign Control and Right to Private Ownership and Establishment

Investors in Haiti can create the following types of businesses: sole proprietorship, limited or general partnership, joint-stock company, public company (corporation), subsidiary of a foreign company, and co-operative society. The most commonly used business structures in Haiti are corporations. Legislation for a Corporate Law Act, which would facilitate the creation of other types of businesses in Haiti, such as LLCs, is in draft stage and has been pending Parliamentary approval since May 2017.

Foreign investors are permitted to own 100 percent of a company or subsidiary. As a Haitian entity, such companies enjoy all rights and privileges provided under the law. Additionally, foreign investors are permitted to operate businesses without equity-to-debt ratio requirements. The accounting law allows foreigners to capitalize using tangible and intangible assets in lieu of cash investments.

Foreign investors are free to enter into joint ventures with Haitian citizens. The distribution of shares is a private matter between the two parties. However, the State regulates the sale and purchase of company shares. Investment in certain sectors, such as health and agriculture, requires special government of Haiti authorization. Investment in "sensitive" sectors such as electricity, water, telecommunications, and mining requires a GOH concession as well as authorization from the appropriate state agency. In general, natural resources are the property of the state. Mining, prospecting, and operating permits may only be granted to companies established and resident in Haiti.

Entrepreneurs are free to dispose of their properties and assets, and to organize production and marketing activities in accordance with local laws.

The government of Haiti does not impose discriminatory requirements on foreign investors. Haitian laws related to residency status and employment are reciprocal. Foreigners who are legal residents in Haiti and wish to engage in trade have, within the framework of laws and regulations, the same rights granted to Haitian citizens. However, Article 5 of the Decree on the Profession of Merchants reserves the function of manufacturer's agent for Haitian nationals.

Foreign firms are also encouraged to participate in government-financed development projects. Performance requirements are not imposed on foreign firms as a condition for establishing or expanding an investment, unless indicated in a signed contract.

Other Investment Policy Reviews

Haiti's last investment policy review from the United Nations Conference on Trade and Development occurred in 2012-2013. In general, Haiti's political instability, weak institutions, and inconsistent economic policies impede the country's ability to drive foreign direct investment.

The World Trade Organization's (WTO) 2015 Trade Policy Review stated that Haiti's Investment Code and Law on Free Trade Zones is fully compliant with the Agreement on Trade-Related Investment Measures (TRIMs).

Business Facilitation

The Minister of Commerce and Industry's (MCI) internet registry allows investors to search for or verify the existence of a business in Haiti. The registry should eventually provide on-line registration of companies through an electronic one-stop shop. The one-stop shop is part of a project sponsored by the Inter-American Development Bank (IDB) that seeks to reduce the time needed to register a limited company in Haiti to 10 days, though it is not yet operational. At present, it takes between 70 and 90 days to complete registration with the Commercial Registry at the MCI and obtain the authorization of operations (Droit de fonctionnement).

All businesses must register with the Ministry of Commerce and Industry, the Haitian tax office, the quasi-governmental National Credit Bank (Banque Nationale de Credit), the social security office, and the retirement insurance office. Businesses, both foreign and domestic, can register at Haiti's Center for Facilitation of Investments (CFI): http://cfihaiti.com/.

According to the World Bank's 2019 Ease of Doing Business Report, the average time to start a business in Haiti is 189 days.

The Ministry of Commerce and Industry generally defines medium-sized enterprises as having less than 20 employees. The Ministry of Commerce and Industry offers some technical and financial assistance to small- and medium-sized businesses.

Outward Investment

Neither Haitian law nor practice restricts domestic investors from investing abroad. Still, Haiti's outward investment is limited to a few enterprises with small investments. The profile of these investors includes businesspersons with dual citizenship and others of Haitian origin who presently reside in the country in which their firms operate. The majority of these firms are service providers and not investment firms.

The Center for Facilitation of Investment, in collaboration with the United Nations Development Program, Inter-American Development Bank, and the United Nations Development Program launched two distinct platforms, "Export Haiti" and "Haiti Service Providers," on December 10, 2018 to help Haitian producers export their products, and help visitors find service providers in Haiti.

2. BILATERAL INVESTMENT AGREEMENTS AND TAXATION TREATIES

Haiti is a beneficiary country of the Caribbean Basin Trade Partnership Act (CBTPA), a trade preference program enacted by Congress in October 2000 that is set to expire in 2020. CBTPA provides duty-free treatment to apparel wholly assembled, knit or knit-to-shape in certain beneficiary countries in the Caribbean, as long as the apparel uses U.S. fabrics and yarns.

In December 2006, Congress enacted the Haitian Hemispheric Opportunity for Partnership Encouragement Act of 2006, commonly referred to as HOPE. HOPE amended the Caribbean Basin Economic Recovery Act (CBERA) and authorized the President to extend additional trade preferences to Haitian-manufactured apparel. HOPE preference programs are separate programs added as part of CBERA and do not replace those provided by CBTPA.

In June 2008, Congress enacted the Food, Conservation, and Energy Act of 2008 (Public Law 110-246). Title XV, Subtitle D, Part I of the Act contains amendments to the established special rules for imports of apparel and other textile articles from Haiti, which can be found in 19 U.S.C. §2703a. Commonly known as the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II), these amendments expanded the preferences originally established under HOPE, and created four new preference categories for Haitian-manufactured apparel.

HOPE II enables the Haitian apparel industry to benefit from tariff advantages with the condition that the government of Haiti and eligible producers comply with internationally recognized labor standards. HOPE II allows for duty-free entry into the United States of a limited number of garments imported from Haiti, provided that 50 percent of the value when imported originates in Haiti, the United States, or another country that has a free trade agreement with the United States. In order to qualify for duty-free treatment, apparel articles must be wholly assembled or knit-to shape, in Haiti from any combination of fabrics, fabric components, components knit-to-shape, and yarns. In addition, the direct costs of processing operations performed in Haiti or one or more beneficiary countries, as described in CBERA, as amended, or any combination thereof, must not be less than an applicable percentage of the declared customs value of such apparel articles; the applicable percentage for the period December 20, 2018 through December 19, 2019, is 60 percent. The Haiti Economic Lift Program (HELP) is an act passed by the U.S. Congress in 2010 in response to the apparel industry's needs. The Haiti Economic Lift Program (HELP) Act helps create sustainable support for Haiti's economy by expanding tariff benefits for certain Haitian textile and apparel exports to the United States. HELP also allows the expansion of duty-free access to the U.S. market for Haitian textile and apparel exports and extends existing trade preference programs for Haiti. The HOPE and HELP Acts have contributed to Haiti's economic growth. The HOPE and HELP Acts have been instrumental in the redevelopment of Haiti's apparel industry which accounts for over 90 percent of national export earnings and provides over 45,000 jobs.

Haiti, a CARIFORUM member, signed an economic partnership agreement (EPA) with the European Union (EU) in 2009 but the Haitian parliament has not yet ratified the agreement. The EPA allows the export of products from Haiti to EU countries without tariffs or quotas.

Haiti does not have a double taxation treaty with the United States.

3. LEGAL REGIME

Transparency of the Regulatory System

Haitian laws are written to allow for transparency and to be applied universally. Haitian officials, however, do not widely enforce these laws and the bureaucratic obstacles in the Haitian legal system is often considerable.

Tax, labor, health, and safety laws and policies are also loosely enforced. All regulatory processes are managed exclusively by the government and do not involve the private sector and non-governmental organizations. The private sector often provides services, such as health care, to employees that are not entitled to coverage under government of Haiti agencies or institutions.

Draft bills or regulations are available to the public through Le Moniteur, the official journal of the Haitian government. Some information is available online. Le Moniteur contains public agency rules, decrees, and public notices that the Les Presses Nationales d'Haiti publishes. Copies of Publications can be ordered by phone or through their website http://www.pressesnationalesdhaiti.ht/

International Regulatory Considerations

Haiti is a member of the Caribbean Community (CARICOM). The CARICOM Single Market and Economy (CSME), created in 1989, aims to advance the region's integration into the global economy by facilitating free trade in goods and services, and the free movement of labor and capital. CSME became operational in January 2006 in twelve of the fifteen Member States. Haiti, as a member of CARICOM, has expressed an interest in participating fully in CSME. However, to become eligible, Haiti must amend its customs code to align with CARICOM and WTO standards. In March of 2017, Haiti notified the WTO of its intent to adjust its tariff rates to align them with CARICOM Common External Tariffs. The proposal is still under consideration. Haiti does not grant tariff preferences to any country, but will grant them when provisions of the CARICOM Treaty come into effect.

Haiti also adheres to the compulsory jurisdiction of the International Court of Justice on issues of international law, and of the Caribbean Court of Justice for the settlement of trade disputes within CARICOM.

Haiti is an original member of the WTO. As such, it has made several commitments to the WTO with regard to the financial services sector. These commitments include allowing foreign investment in financial services, such as retail, commercial, investment banking, and consulting. One foreign bank, Citibank, operates in Haiti. Unibank bought the Haitian operations of Scotiabank when Scotiabank exited the Haitian market in 2017. Haiti has committed to notifying the WTO Committee on Technical Barriers to Trade of all draft technical regulations. Haiti is not party to the Trade Facilitation Agreement.

Legal System and Judicial Independence

As a former French colony, Haiti adopted the French civil law system. The Supreme Court, also known as the Superior Magistrate Council, is the highest court of the nation, followed, in descending order, by the Court of Appeals and the Court of First Instance. Haiti's commercial code dates back to 1826 and underwent significant revisions in 1944. There are few commercial laws in place and there are no commercial courts. Injunctive relief is based upon penal sanctions rather than securing desirable civil action. Similarly, contracts to comply with certain obligations, such as commodities futures contracts, are not enforced. Haitian judges do not have specializations, and their knowledge of commercial law is limited. Utilizing Haitian courts to settle disputes is a lengthy process and cases can remain unresolved for years. Bonds to release assets frozen through litigation are unavailable. Business litigants often pursue out-of-court settlements.

The Haitian Chamber of Commerce and Industry, in partnership with the government of Haiti and with funding from the EU, has a commercial dispute settlement mechanism, known as the Arbitration and Conciliation Chamber that provides a mechanism for conciliation and arbitration in cases of private commercial disputes.

Haiti's legal system often presents challenges for U.S. citizens seeking to resolve legal disputes. There are persistent allegations that some Haitian officials use their public office to influence commercial dispute outcomes for personal gain. With international assistance, however, the Haitian government is actively working to increase the credibility of the judiciary and the effectiveness of the national police.

Laws and Regulations on Foreign Direct Investment

The Investment Code prohibits fiscal and legal discrimination against foreign investors. The code explicitly recognizes the crucial role of foreign direct investment in promoting economic growth. It also aims to facilitate, liberalize, and stimulate private investment, and contains exemptions to promote investments that enhance competitiveness in sectors deemed priorities, especially export-oriented sectors. Tax incentives, such as reductions on taxable income and tax exemptions, are designed to promote private investment. Additionally, the code grants Haitian and foreign investors the same rights, privileges and equal protection. Foreign investors must be legally registered and pay appropriate local taxes and fees.

The code also established an Inter-Ministerial Investment Commission (CII) to examine investor eligibility for license exemptions as well as customs and tariff advantages. The CFI is the Technical Secretariat of the CII. The Prime Minister, or his delegate, chairs the CII, which is composed of representatives of the Ministries of Economy and Finance, Commerce, and Tourism, as well as those ministries that oversee specific areas of investment. The CII must authorize all business sales, transfers, mergers, partnerships, and fiscal exemptions within the scope of the code. The CII also manages the process of fining and sanctioning enterprises that disregard the code.

Investment in certain sectors, such as health and agriculture, requires special government of Haiti authorization. Investment in "sensitive" sectors, such as electricity, water, and telecommunications, requires a Haitian government concession as well as an authorization from the appropriate state agency. In general, the government of Haiti considers natural resources as state property. Accordingly, exploring or exploiting mineral and energy resources requires concessions and permits from the Ministry of Public Works' Bureau of Mining and Energy. Mining, and operating permits may only be granted to firms and companies established in Haiti.

The following areas are often noted by businesses as challenging aspects of Haitian law: operation of the judicial system; publication of laws, regulations, and official notices; establishment of companies; land tenure and real property law and procedures; bank and credit operations; insurance and pension regulation; accounting standards; civil status documentation; customs law and administration; international trade and investment promotion; foreign investment regulations; and regulation of market concentration and competition. Although these deficiencies hinder business activities, they are not specifically aimed at foreign firms; rather, they appear to affect both foreign and local companies equally.

Competition and Anti-Trust Laws

There is currently no law to regulate competition. Haiti is one of the most open economies in the region. The investment code provides the same rights, privileges and equal protection to local and foreign investors. Anti-corruption legislation also criminalizes nepotism and the dissemination of inside information on public procurement processes. Haiti does not, however, have anti-trust legislation.

Expropriation and Compensation

The 1987 Constitution allows expropriation or dispossession only for reasons of public interest or land reform, and is subject to prior payment of fair compensation as determined by an expert. If the initial project for which the expropriation occurred is abandoned, the Constitution stipulates that the expropriation will be annulled and the property returned to the original owner. The Constitution prohibits nationalization and confiscation of real and personal property for political purposes or reasons.

Title deeds are vague and often insecure. The government of Haiti established the National Institute of Agrarian Reform (INARA) to implement expropriations of private agricultural properties with appropriate compensation. The agrarian reform project, initiated under the Preval administration (1996-2001), was controversial among both Haitian and U.S. property owners. There have been complaints of non-compensation for the expropriation of property. Moreover, a revision of the land tenure code, intended to address issues related to the lack of access to land records, surveys, and property titles in Haiti, has been pending in Parliament since 2014. A recent partnership between the private sector, Haitian government, and international organizations developed a useful guide formalizing land tenure, which can be found here: http://www.foncier-developpement.fr/publication/la-securisation-des-droits-fonciers-en-haiti-un-guide-pratique/

Dispute Settlement

ICSID Convention and New York Convention

In 2009, Haiti ratified the 1965 International Convention on the Settlement of Investment Disputes between states and nationals of other states (ICSID). Under the convention, foreign investors can call for ICSID arbitration for disputes with the state. The government of Haiti appears to recognize that weak enforcement mechanisms and a lack of updated laws to handle modern commercial disputes severely compromises the protections and guarantees that Haitian law extends to investors.

Haiti is not a signatory to the Inter-American-U.S. convention on International Commercial Arbitration of 1975 (Panama Convention).

Investor-State Dispute Settlement

Haiti is a signatory to the 1958 United Nations Convention on the Recognition and Enforcement of Foreign Arbitration Awards, which provides for the enforcement of an agreement to arbitrate present and future investment disputes. Under the convention, Haitian courts can enforce such an agreement by referring the parties to arbitration. Disputes between foreign investors and the state can be settled in Haitian courts or through international arbitration, though claimants must select one to the exclusion of the other. A claimant dissatisfied with the ruling of the court cannot request international arbitration after the ruling be issued. The law provides mechanisms on the procedures a court should follow to enforce foreign arbitral awards issues.

International Commercial Arbitration and Foreign Courts

International arbitration is strongly encouraged as a means of avoiding lengthy domestic court procedures. Foreign judgments are enforceable under local courts. During the past ten years, there have not been any major commercial disputes between local and U.S. firms.

Haiti is actively working with the international community to create a domestic culture that accepts international arbitration as an effective means for dispute resolution. In 2005, the Haitian Chamber of Commerce and Industry and the Inter-American Development Bank jointly developed the Haitian Arbitration and Conciliation Chamber, which provides mechanisms for conciliation and arbitration in private commercial disputes.

Bankruptcy Regulations

Haiti's bankruptcy law was enacted in 1826 and modified in 1944. There are three phases of bankruptcy under Haitian law. In the first stage, payments cease and bankruptcy is declared. In the second stage, a judgment of bankruptcy is rendered, which transfers the rights to administer assets from the debtor to the Director of the Haitian Tax Authority (Direction Generale des Impots). In this phase, assets are sealed and the debtor is confined to debtor's prison. In the last stage, the debtor's assets are liquefied and the debtor's verified debts are paid prorated according to their right. The debtor is released from prison once the debtor's verified debts are paid. In practice, the above measures are seldom applied. Since 1955, most bankruptcy cases have been settled between the parties.

Although the concepts of real property mortgages and chattel mortgages – based on collateral of movable property, such as machinery, furniture, automobiles, or livestock to secure a mortgage – exist, real estate mortgages involve antiquated procedures and may fail to be recorded against the debtor or other creditors. Property is seldom purchased through a mortgage and secured debt is difficult to arrange or collect. Liens are virtually impossible to impose, and using the judicial process for foreclosure is time consuming and often futile. Banks frequently require that loans be secured in U.S. dollars.

4. INDUSTRIAL POLICIES

Investment Incentives

In order to attract investment to certain industries, the Investment Code created a privileged status for some manufacturers. Foreign and Haitian investors enjoy equal protection under the Law. Under the Investment Code, eligible firms can benefit from customs, tax, and other advantages. Investments that provide added value of at least 35 percent in the processing of local or imported raw materials are eligible for preferential status.

The statute allows for a five- to ten-year income tax exemption. Industrial or crafts-related enterprises must meet one of the following criteria in order to benefit from this exemption:

- Make intensive and efficient use of available local resources (i.e., advanced processing of existing goods, recycling of recoverable materials);
- Increase national income;
- Create new jobs and/or upgrade the level of professional qualifications;
- Reinforce the balance of payments position and/or reduce the level of dependency of the national economy on imports;
- Introduce or extend new technology more appropriate to local conditions (i.e., utilize non-conventional sources of energy, use labor-intensive production);
- Create and/or intensify backward or forward linkages in the industrial sector;
- Promote export-oriented production;
- Substitute a new product for an imported product, if the new product presents a quality/price ratio deemed acceptable by the appropriate entity and comprises a total production cost of at least 60 percent of the value added in Haiti, including the cost of local inputs used in its production;
- Prepare, modify, assemble, or process imported raw materials or components for finished goods that will be re-exported;
- Utilize local inputs at a rate equal or superior to 35 percent of the production cost.

For investments that match one or more of the criteria described above, the government of Haiti provides customs duty and tax incentives. Companies that enjoy tax-exempt status are required to submit annual financial statements. Fines or withdrawal of tax advantages may be assessed to firms failing to meet the Code's provisions.

A progressive tax system applies to income, profits, and capital gains earned by individuals.

Foreign Trade Zones/Free Ports/Trade Facilitation

A law on Free Trade Zones (FTZ) was established in 2002. The law defines the conditions for operating and managing economic FTZs, with exemption and incentive regimes granted to investment in such zones. The law is not specific to a particular activity. Instead, it defines FTZs as geographical areas to which a special regime on customs duties and controls, taxation, immigration, capital investment, and foreign trade applies, and where domestic and foreign investors can provide services, import, store, produce, export, and re-export goods.

FTZs may be private or joint venture. The law provides the following incentives and benefits for enterprises located in FTZs:

- Full exemption from income tax for a maximum period of 15 years, followed by a period of partial exemption that gradually decreases;
- Customs and tax exemptions for the import of capital goods and equipment needed to develop the area, with the exception of tourism vehicles;
- Exemption from all communal taxes (with the exception of fixed occupancy tax) for a period not exceeding 15 years;
- Registration and transfer of the balance due for all deeds relating to purchase, mortgages, and collateral.

A FTZ has been established in the northeastern city of Ouanaminthe, where a Dominican company, Grupo M, manufactures clothing for a variety of U.S. companies – Hanesbrands, Nautica, Dockers, and Fruit of the Loom – at its CODEVI facility. Additionally, several American apparel companies lease factory space in this free zone. All the factories at CODEVI combined employ over 11,000 Haitians.

In October 2012, the government of Haiti, with the support of the Inter-American Development Bank and the United States government, opened the 617-acre Caracol Industrial Park located near the town of Caracol in Haiti's northeastern region. As of 2019, five companies are operating in the park: the Korean garment company S&H Global, the Sri Lankan company MAS Holdings, the Taiwanese company Everest, and two Haitian companies, Peintures Caraibes and Sisalco. Altogether, these companies employ over 13,000 Haitians. S&H Global is the single largest private sector employer in Haiti.

In 2015, three major FTZ’s were added to the list: Agritrans, the first agricultural free trade zone in Haiti; Digneron, an entity of the Palm Apparel Group which also owns and operates the Palmiers free trade zone; and Lafito, a USD 150 million Panamax port and industrial park. Port Lafito, located 12 miles north of Port au Prince, includes port facility business services that cater to bulk and loose cargo imports, as well as terminal services to worldwide container service shipping lines. The Lafito economic zone currently includes a cement plant, but the industrial park portion of the project is not yet operational.

Performance and Data Localization Requirements

Foreign firms are encouraged to participate in government-financed development projects. However, performance requirements are not imposed on foreign firms as a condition for establishing or expanding an investment, unless indicated in a signed contract.

Under Haitian law, foreign investors operate their businesses and use their assets to organize production freely. Companies are not forced to localize or to use local raw materials for the production of goods. Foreign information technology providers are not required to turn over source code or keys for encryption to any public agencies.

5. PROTECTION OF PROPERTY RIGHTS

Real Property

Real property interests are affected by the absence of a comprehensive civil registry. Lease agreement regulations are the same for locals and foreign investors. Legitimate property titles are often non-existent. If they do exist, they often conflict with other titles for the same property. Verification of property titles can take several months, and often much longer. Mortgages exist, but real estate mortgages are expensive and involve cumbersome procedures. Banks are also risk-averse to issue loans or mortgages. Squatting is not a common practice, but was popular in the aftermath of the 2010 earthquake.

Additionally, mortgages are not always properly recorded under the debtor or creditor's name. The Affordable Housing Institute (AHI), the World Council of Credit Unions, USAID, and Habitat for Humanity jointly launched the Home Ownership and Expansion (HOME) Program in 2015. The HOME project works with local financial institutions and housing developers to promote access to affordable housing to low and medium income households and to improve purchasing power through long-term financing.

Intellectual Property Rights

Haitian law protects copyrights, patent rights, and inventions, as well as industrial designs and models, special manufacturers' marks, trademarks, and business names. The law penalizes individuals or enterprises involved in infringement, fraud, or unfair competition; however, enforcement is weak. Haiti is a signatory to the Buenos Aires Convention of 1910, the Paris Convention of 1883 regarding patents, and the Madrid Agreement regarding trademarks. Haiti has ratified the Bern Copyright Convention.

The Ministry of Commerce and Industry is drafting a trademark law to align with the government's international agreements and the modernization of commerce. The government of Haiti also intends to establish an independent office to focus on trademarks and patents. Perceived weak enforcement mechanisms, inefficient courts, and judges' inadequate knowledge of commercial law may impede the effectiveness of statutory protections.

Resources for Rights Holders

For more information concerning intellectual property rights, please contact the U.S. Embassy's Economic and Commercial Specialist at PAPECON@state.gov.

Local lawyers list: https://ht.usembassy.gov/wp-content/uploads/sites/100/list-of-attorneys-.pdf.

Haitian Copyright Office (BHDA)
Ministry of Culture and Communication
31, Rue Cheriez
Canape-Vert
Port-au-Prince
HAITI (West Indies)
(509) 2811 0535
(509) 2811 5626
bhda.gouv@gmail.com; contact@bhda.gouv.ht

Director General/Directrice Generale: Mrs. Emmelie Phrophete Milce
Industrial Property Offices
Intellectual Property Service, Department of Legal Affairs
Ministry of Trade and Industry
http://www.mci.gouv.ht/ eprophete@bhda.gouv.ht

Director of Legal Affairs / Directeur des Affaires Juridiques: Mr. Rodrigue Josaphat
Ministry of Commerce and Industry

rodrigue.josaphat@mci.gouv.ht
(509) 4890-0144

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/

6. FINANCIAL SECTOR

Capital Markets and Portfolio Investment

The scale of financial services remains modest in Haiti. The banking sector is well capitalized and profitable. In principle, there are no limitations to foreigners' access to the Haitian credit market, but limited credit is available through commercial banks. The free and efficient flow of capital, however, is hindered by Haitian accounting practices, which are below international standards. While there are no restrictions on foreign investment through mergers or acquisitions, there is no Haitian stock market, so there is no way for investors to purchase shares in a company outside of direct transactions.

The standards that govern the Haitian legal, regulatory, and accounting systems do not comply with international norms. Haitian laws do not require external audits of domestic companies. Local firms calculate taxes, obtain credit or insurance, prepare for regulatory review, and assess real profit and loss. Accountants use basic accounting standards set by the Organization of Certified Professional Accountants in Haiti.

Administrative oversight in the banking sector is superior to oversight in other sectors. Under Haitian law, however, banks are not required to comply with internationally recognized accounting standards, and they are often not audited by internationally recognized accounting firms. Nevertheless, the Central Bank (BRH) requires that banks apply internal audit procedures. As part of their corporate governance all private banks also have in-house audit functions. Most private banks follow international accounting norms and use consolidated reporting principles. The BRH is generally viewed as one of the well-functioning Haitian government institutions.

Money and Banking System

The banking sector has concentrated credit in trade financing and in the proliferation of bank branches to capture deposits and remittances. Telebanking has expanded access to banking services for Haitians. Foreign banks are free to establish operations in Haiti. Three major banking institutions (Unibank, Sogebank and BNC) hold 80 percent of total banking sector assets. With the acquisition of the Haitian operations of Scotiabank in 2017, Unibank became Haiti's largest banking company with a deposit market share of 36 percent. As part of the deal, Scotiabank remains one of Unibank's international correspondent banks. U.S.-based Citibank also has a correspondent banking relationship with Unibank.

The three major commercial banks hold 74 percent of the total loan portfolio, while 70 percent of total loans are monopolized by 10 percent of borrowers. This increases the Haitian banking system's vulnerability to systemic credit risk and restricts the availability of capital. The quality of the loan portfolios in the banking system, measured by the ratio of nonperforming loans over total loans, has improved over the years due to the recent modernization of the regulatory and supervisory framework of the financial sector. This framework requires that BRH conduct regular inspections to ensure that financial institutions are in compliance with minimum capital requirements, asset quality, currency, and credit risk management.

The Central Bank's main challenge is maintaining sound monetary policy in the context of a larger-than-expected government deficit and a depreciating local currency. As of early April 2019, the Central Bank's reference exchange rate was approximately 84 gourdes for one U.S. dollar and inflation reached 17 percent, remaining on a gradual upward trend. The exchange rate suffers from continued pressure on the foreign exchange market. To ease the pressure on the local currency, the BRH proceeded with the sale of USD 178 million in the foreign exchange market during FY 2018. Additionally, in January 2019 it announced measures to adjust the reserve requirements ratios for commercial banks. As of February 4, 2019, reserve requirement ratios for commercial banks increased to 45 percent and 51 percent for deposits held in local currency and in U.S. currency respectively. This policy adjustment requires that banks convert 12.5 percent of their USD-denominated reserves into gourdes. As of early April 2019, Haiti's stock of net international reserves is approximately USD 766 million, which is less than three months of import cover.

There are no legal limitations on foreigners' access to the domestic credit market. However, banks demand collateral of real property to grant loans. Given the lack of effective cadastral and civil registries, loan applicants face numerous challenges in obtaining credit. The banking sector is extremely conservative in its lending practices. Banks typically lend exclusively to their most trusted and credit-worthy clients. In addition, the high concentration of assets does not allow for product innovation at major banks.

To provide greater access to financial services for individuals and prospective investors, the government of Haiti's banking laws recognize tangible movable property (such as portable machinery, furniture, and tangible personal property) as collateral for loans. These laws allow individuals to buy condominiums, and banks to accept personal property, such as cars, bank accounts, etc., as collateral for loans. USAID has a loan portfolio guarantee program with a diversified group of financial institutions to encourage them to expand credit to productive small and medium enterprises, and rural micro-enterprises. The Central Bank aims to establish a credit rating bureau to disseminate data on the total indebtedness and concentration of credit risks of businesses and individuals in the financial sector, although the Haitian government has not implemented relevant legislation to establish such a bureau.

Foreign Exchange and Remittances

Foreign Exchange

The Haitian gourde (HTG) is convertible for commercial and capital transactions. Banks and currency exchange companies set their rates at the market-clearing rate. The BRH publishes a daily reference rate, which is a weighted average of exchange rates offered in the formal and informal exchange markets. The market determines the exchange rate for the HTG. The difference between buying and selling rates is generally less than five percent. Declining aid inflows and low domestic production led to a significant depreciation of the HTG in FY2019.

Remittance Policies

The government of Haiti does not impose restrictions on the inflow or outflow of capital. The Law of 1989 governs international transfer operations and remittances. Remittances are Haiti's primary source of foreign currency and are equivalent to approximately 30 percent of GDP. In 2018, Haiti received over USD 2.9 billion in remittances. There are no restrictions or controls on foreign payments or other fund transfer transactions. While restrictions apply on the amount of money that may be withdrawn per transaction, there is no restriction on the amount of foreign currency that residents may hold in bank accounts, and there is no ceiling on the amount residents may transfer abroad.

The government of Haiti has expressed an intention to put in place stricter measures to monitor money transfers in accordance with Haiti's efforts to deter illicit cash flows, as mandated by the 2013 Anti-Money Laundering Act and the expected implementation of an agreement on the United States Foreign Account Tax Compliance Act (FATCA).

Sovereign Wealth Funds

To date Haiti does not have a Sovereign Wealth Fund.

Per information released by the Central Bank in September 2018, since 2011 Haiti has levied a tax of US $1.50 on all transfers into and out of the country, with the proceeds designated for the National Fund for Education. According to the Central Bank's report in September 2018, more than US $120 million has been collected since July 2011 on remittances from the diaspora.

7. STATE-OWNED ENTERPRISES

Before privatization efforts that began in the mid-1990s, the government of Haiti fully owned and operated State-Owned Enterprises (SOE). The Haitian commercial code governs the operations of the SOEs. The sector included a flourmill, a cement factory, a telephone company (TELECO), the electricity company (EDH), the national port authority, the airport authority, and two commercial banks: Banque Nationale de Credit and Banque Populaire Haitienne. The law defines SOEs as autonomous enterprises that are legally authorized to be involved in commercial, financial and industrial activities. All SOEs operate under the supervision of a sectorial ministry, and are expected to create economic and social return. Today, some SOEs are fully owned by the state, while others are jointly owned commercial enterprises. The Haitian parliament has full authority to liquidate state enterprises that are underperforming.

Today, the non-financial SOEs that remain in the public portfolio includes the electrical company (EDH), the national airport authority, a sugar factory, the port authority, the social security office, the postal office, and the vehicle insurance company. The majority of SOEs are financially sound, with the exception of EDH. EDH receives substantial annual subsidies from the government of Haiti to stay in business.

Privatization Program

In response to the economic difficulties of the late 1990s and mismanagement of the SOEs, the government liberalized the market to allow foreign firms to invest in the management and/or ownership of Haitian state-owned enterprises. To accompany the initiative, the government established the Commission for the Modernization of Public Enterprises in 1996 to facilitate the privatization process, while creating strategies to privatize all SOEs.

In 1998, two U.S. companies, Seaboard and Continental Grain, purchased shares of the state-owned flourmill. Each partner currently owns a third of the company, known today as Les Moulins d'Haiti. In 1999, a consortium of Colombian, Swiss, and Haitian investors purchased a majority stake in the national cement factory. In 2010, a Vietnamese corporation, Viettel, officially acquired 60 percent of the state telecommunications company Teleco (now operating as Natcom), with the government of Haiti retaining 40 percent ownership. Competition is not distorted in favor of state-owned enterprises to the detriment of private companies.

The government has allowed limited private sector investment in selected seaports. The government provided fiscal incentives to the GB Group to build Haiti's first Panamax container port. This project received its first ship in late 2015.

The government of Haiti has allowed private sector investment in electricity generation to compensate for EDH's inability to supply sufficient power. Three private power producers generate electricity for EDH. The most recent entry, E-Power, opened a 32 megawatt, USD 56 million, IFC-financed heavy fuel-oil powered generation plant in Port-au-Prince in 2011. The National Regulatory Authority of the Energy Sector in Haiti (ANARSE), a state body created by decree in February 2016, concluded prequalification rounds for regional and mini electricity grids and power production, in October 2018 and March 2019 respectively. ANARSE is expected to start issuing tenders in 2019 for concessions for public private partnership for these regional and mini grids.

8. RESPONSIBLE BUSINESS CONDUCT

Awareness of responsible business conduct among producers and consumers is limited but growing. Though rather informal, some Haitian firms have a Corporate Social Responsibility (CSR) component to their business plan. Irish-owned telecommunications company Digicel, for example, sponsors an Entrepreneur of the Year program and has built 120 schools in Haiti. Natcom provides free internet service to several public schools throughout the country. Les Moulins d'Haiti, partially owned by U.S. firm Seaboard Marine, provides some services including electrical power to surrounding communities. In the aftermath of the 2010 earthquake, many firms provided logistical or financial support to humanitarian initiatives, and many continue to contribute to reconstruction efforts. Haiti's various chambers of commerce have also become more supportive of social responsibility programs.

The government of Haiti has not established any incentives to encourage adherence to Responsible Business Conduct (RBC).

9. CORRUPTION

Haitian law, applicable to individuals and financial institutions, criminalizes corruption and money laundering. Bribes or attempted bribes toward a public official are a criminal act and are punishable by the criminal code (Article 173) for one to three years of imprisonment. The law also contains provisions for the forfeiture and seizure of assets. In practice, however, the law has rarely been applied.

Corruption, including bribery, raises the costs and risks of doing business in Haiti. U.S. firms have complained that corruption is a major obstacle to effective business operation in Haiti. They frequently point to requests for payment by customs officials in order to clear import shipments as examples of solicitation for bribes.

Transparency International's Corruption Perception Index for 2018 ranked Haiti in the second lowest spot in the Americas region, with a score of 20 out of 100 in perceived levels of public corruption. Drawing on 13 surveys and expert assessment, the index scores on a scale of zero (highly corrupt) to 100 (very clean). The 2018 Corruption Perceptions Index report ranks Haiti 161 out of 180 countries worldwide. The government of Haiti has made some progress in enforcing public accountability and transparency, but substantive institutional reforms are still needed. In 2004, the government of Haiti established the Anti-Corruption Commission (ULCC), however its lacks the necessary resources and political will to be effective. In order to enable a vote on a recently negotiated Extended Credit Facility between the Haitian government and IMF, the Haitian government, as a condition set by the IMF, must submit legislation to Parliament on a law to strengthen the ULCC. IMF set as a condition draft legislation to the parliament on a law that would strengthen the ULCC. In 2008, Parliament approved the law on disclosure of assets by civil servants and high public officials prepared by ULCC, but to date, compliance has been almost nonexistent.

The government of Haiti created the National Commission for Public Procurement (CNMP) to ensure that government of Haiti contracts are awarded through competitive bidding and to establish effective procurement controls in public administration. The CNMP publishes lists of awarded government of Haiti contracts. The procurement law of 2009 requires contracts to be routed through CNMP. In 2012, however, a presidential decree substantially raised the threshold at which public procurements must be managed by the CNMP, decreasing transparency for many smaller government contracts. Moreover, the government frequently enters into no-bid contracts, sometimes issued using “emergency” authority derived from natural disasters, even when there is no apparent connection between the alleged emergency and the government contract.

Haiti is not a party to the OECD Anti-Bribery Convention.

Resources to Report Corruption

Any corruption-related activity can be reported to the Haitian Anti-Corruption Unit, responsible for combatting corruption or to Transparency International’s branch in Haiti, Haiti Heritage Foundation, which monitors corruption:

David Bazile
Director General
Unite de Lutte Contre la Corruption
13, rue Capotille, Pacot, Port-au-Prince, Haiti

Telephone: (509) 2811-0661 / (509) 4890-3647
Email address: info@ulcc.gouv.ht

Marilyn B. Allien
President
Fondation Heritage pour Haiti
Petion-Ville, Haiti
Telephone: (509) 3701-7089
Email address: admlfhh@yahoo.com / heritagehaiti@yahoo.com

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: http://www.justice.gov/criminal/fraud/fcpa;
- Information about the OECD Anti-bribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. Please also see the Anti-bribery Recommendation and Good Practice Guidance Annex for companies: http://www.oecd.org/investment/anti-bribery/anti-briberyconvention/44884389.pdf;
- General information about anti-corruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce website: http://www.oecd.org/site/adboecdanti-corruptioninitiative/;
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at https://www.transparency.org/cpi2018. TI also publishes an annual Global Corruption Report that provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption-related events and developments from all continents. For more information, please visit https://www.transparency.org/research/gcr;
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 212 countries, including Voice and

Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. For additional information, please visit: http://info.worldbank.org/governance/wgi/pdf/WGI.pdf. The World Bank Business Environment and Enterprise Performance Surveys are also available at: http://data.worldbank.org/data-catalog/BEEPS;

- The World Economic Forum publishes the Global Enabling Trade Report, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. Please see: https://www.weforum.org/reports/the-global-enabling-trade-report-2016 for more information;
- Additional country information related to corruption can be found in the U.S. State Department's annual Human Rights Report available at http://www.state.gov/j/drl/rls/hrrpt/;
- Global Integrity, a nonprofit organization, publishes its annual Global Integrity Report, which provides indicators for 92 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems and is available at: https://www.globalintegrity.org/annual-reports/

10. POLITICAL AND SECURITY ENVIRONMENT

President Jovenel Moise was inaugurated in February 2017. The U.S. government partners with Haiti in its efforts to strengthen the rule of law and enhance public security; pursue economic growth through increased domestic resource mobilization and support for private investment; and strengthen good governance and anti-corruption efforts. Civil unrest in 2018-2019 stems from a number of factors including a stagnant economy and the lack of progress in the fight against corruption. Haiti's political situation remains fragile. President Moise's administration faces challenges due to an inexperienced government, the lack of political will, poor relations between Parliament and the Executive branch, widespread corruption, weak rule of law, and a feeble economy. These factors have hindered both reconstruction efforts and the passage of important legislation.

The Haitian National Police continues to improve its ability to maintain public security, especially during widespread protests throughout the year, which called for improved governance and economic conditions along with a fight against corruption. Politically and socio-economically motivated civil disorder, such as periodic demonstrations triggered by government proposals to increase fuel prices and mismanagement of public funds, sometimes interrupted normal business operations. Establishing and safeguarding real property rights in Haiti remains a very significant problem, given extremely weak registry and judicial capacity in country. While significant improvements in the police force's technical and operational capabilities have reduced kidnapping and homicide in recent years, other violent crimes remain a serious problem, along with criminal gang control of a number of Port au Prince's marginalized areas. The U.S. government and other international partners have called for the Haitian government to invest more in the police to ensure its continued development to confront these challenges. The Haitian judicial system is weak and lacks the ability to successfully deter and prosecute violent crime.

11. LABOR POLICIES AND PRACTICES

The special legislation of the Labor Code of 1984 establishes and governs labor regulations. Under the Code, the Minister of Social Affairs (MAST) enforces the law and maintains good relationships with employers and workers. Normal working hours consist of 8-hour shifts and 48-hour workweeks. In September 2017, the government of Haiti passed a labor law to permit three eight-hour shifts in a working day, although this has not been fully implemented for all sectors in Haiti. Workers' social protection and benefits include annual leave, sick leave, health insurance, maternity insurance, insurance in case of accident at work, and other benefits for unfair dismissal.

Labor unions are generally receptive to investment that creates new jobs, and support from the international labor movement, including the AFL-CIO and ITUC, is building the capacity of unions to represent workers and engage in social dialogue. The Ministry of Labor and Social Affairs is still revising a new labor code that will better comply with international labor standards.

Relations between labor and management in Haiti have at times been strained. In some cases, however, industries have autonomously implemented good labor practices. For example, the apparel assembly sector established its own voluntary code of ethics to encourage its members to adopt good labor practices. In addition to local entities, the International Labor Organization (ILO) has an office in Haiti and operates an ongoing project with the apparel assembly industry to improve productivity through improvement in working conditions. The initiative prompted ILO to launch Better Work Haiti, a program that was designed to ensure compliance with international labor standards and spur jobs creation in the garment sector.

Since the inception of Better Work Haiti, the garment sector has seen improvement in occupational safety and health across the factories. Employers have doubled their efforts to improve chemical safety, and over 95 percent of local factories have initiated policies to create a safer work environment as well as provide good working conditions to garment workers. Wages vary depending on the economic sector. As of October 2018, the minimum wage for the garment sector was HTG 420 for eight hours of work or (approximately USD 5.06) in the export-oriented apparel industry. These wages are based on production output so workers often earn more than the minimum wage. Better Work Haiti's annual report found the majority of factories in compliance with the labor law. The report is available at: https://betterwork.org/blog/portfolio/better-work-haiti-17th-biannual-synthesis-report-under-the-hope-ii-legislation/.

Haiti's apparel industry has expanded in recent years, and now counts several local and foreign manufacturers, including U.S., Dominican, and Korean investors, which produce a wide range of clothing articles. The sector offers notable opportunities, such as an abundant workforce, duty-free access to the U.S. market, and a program implemented by the International Labor Organization's Better Work program that ensures good working conditions in factories. Measures are currently underway to enhance the technical skills of the Haitian workforce. The South Korean International Cooperation Agency (KOICA), for example, funded the construction of an apparel training center in the Caracol Industrial Park in Northern Haiti.

12. OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

The Overseas Private Investment Corporation (OPIC) offers insurance against political risks and financing programs for U.S. investments in Haiti. OPIC financing includes two programs: direct lending and investment guarantees. Direct loans are available to investment projects sponsored by or significantly involving U.S. small businesses. Investment guarantees are available to U.S. eligible investors of any size. OPIC has invested more than USD 223 million in 78 projects in Haiti over 40 years, in infrastructure, renewable resources, and other sectors.

OPIC has an on-lending facility with Citibank available to several Caribbean countries, including Haiti. OPIC guarantees loans totaling USD 100 million, with up to 20 percent of this amount available to Haiti. The OPIC risk share for the facility ranges from 25 to 75 percent for each loan.

In October 2019, OPIC's mandate and operations will be transitioned into the new U.S. International Development Finance Corporation.

Haiti is a member of the WB's Multilateral Investment Guarantee Agency (MIGA). MIGA guarantees investments against non-commercial risks and facilitate access to funding sources including banks and equity partners for investors.

13. FOREIGN DIRECT INVESTMENT AND FOREIGN PORTFOLIO INVESTMENT STATISTICS

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical Source		USG or International Statistical Source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) (M USD)	2018	USD 9,525	2018	USD 9,525	www.worldbank.org/en/country
Foreign Direct Investment	**Host Country Statistical Source**		**USG or International Statistical Source**		**USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country (M USD, stock positions)	N/A	N/A	2017	USD 34	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm

Host country's FDI in the United States (M USD, stock positions)	N/A				BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	N/A	N/A	2017	22.1	UNCTAD data available at https://unctad.org/en/Pages/DIAE/World%20Investment%20Report/Country-Fact-Sheets.aspx

Table 3: Sources and Destination of FDI

Data not available.

Table 4: Sources of Portfolio Investment

Data not available.

14. CONTACT FOR MORE INFORMATION

Alexis Nieves
Commercial Officer
Embassy of the United States of America
Boulevard du 15 Octobre, Tabarre 41
Port-au-Prince, Haiti
Please address email correspondence to PAPECON@state.gov.

Business Travel

Facilities for visiting business persons have improved significantly with the opening of two additional hotels in Petion-Ville, a suburb of Port-au-Prince. These hotels offer a full range of business services, including internet connectivity and voicemail. The hotels include Hotel Karibe, NH Hotels' El Rancho, Kinam Hotel, Servotel, Visa Lodge, Royal Oasis, Marriott, and Best Western. Reservations can be made by telephone, fax, e-mail or online (only the Best Western, Marriott and Royal Oasis, Karibe, and Kinam hotel provides the online booking service).

Business Customs

Haitians are open to working with foreign investors and are particularly well disposed towards American investors. Most Haitian businesspeople speak English fluently. Appointments with Haitian business operators should be made in advance. Invitations to restaurants for meetings are appreciated and business is usually discussed in restaurants and hotels as much as in offices.

Travel Advisory

Visit the following site for the latest travel advisory on Haiti:
https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories/haiti-travel-advisory.html

Visa Requirements

Visitors are required to have a valid passport. Visitors from the United States, U.K., France, and Germany may not require a visa. However, if a U.S. Citizen expects to be in the country for more than 90 days they need to apply for an extension of stay with the Haitian Immigration Service in order to obtain an exit visa. It is highly recommended to do this procedure prior to the 90 days expiration date. An airport tax of $55 is required from foreigners departing Haiti, and is included in the price of airline tickets.

A publication (“Guide for Business Representatives”) is available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, 20402, telephone 202-512-1800, or fax 202-512-2250. Business travelers to Haiti seeking appointments with U.S. Embassy officials in Port-au-Prince should contact the Economic Section in advance of their arrival date by calling 509-2229-8000 and asking to be transferred to the Economic section or via e-mail at Papecon@state.gov

Haitian Immigration Service
Avenue John Brown, Lalue
Port-au-Prince, Haiti
Tel: 2244-1737

More information may be found at:

http://www.travel.state.gov/

U.S. Companies that require travel of foreign businesspersons to the United States should direct potential Haitian travelers to the following links.

State Department Visa Website: http://travel.state.gov/visa/visa_1750.html

U.S. Embassy Port-au-Prince Consular Section: http://haiti.usembassy.gov/visas.html

Currency

The Gourde is the national currency of Haiti, with HTG as the currency code. The currency symbol is G, and the top HTG conversion is USD/HTG.

Telecommunications/Electric

The number of telephones has significantly increased since 2007. The top cellular company is Digicel as they bought their biggest competitor Comcel. Digicel use GSM wireless cellular phone technology. Natcom a Vietnamese/Haitian state joint venture, created in April 2010, is Digicel's main competitor. Natcom provides high-speed bandwidth through its network of 3,500 kilometers of fiber optic cable broadband throughout Haiti, which allows high-speed stability and a high-quality connection. The distribution of electricity is sporadic with only 5 to 15 hours of electricity on average on a daily basis.

Transportation

The major car rental agencies located in Port-au-Prince include Hertz, Avis, Budget, Dollar, and Secom. Air travel is possible from Port-au-Prince to most of the provinces. Though distances are short, travel in Haiti, including in the Port-au-Prince area, is extremely slow. Many national highways have been constructed making travel to the cities outside of Port-au-Prince much easier, but many more are in bad condition. Privately operated taxicabs and other public transportation vehicles are not recommended for use (U.S. Embassy officers are not allowed to use public transportation). Visitors are advised to hire a driver for ground transportation.

Language

French and Haitian Creole are the official languages of Haiti; however, English is widely spoken in the business community and Spanish is spoken to a lesser extent.

Health

Medical facilities are limited, particularly in areas outside of the capital. Doctors and hospitals often expect immediate cash payment for health care services. U.S. medical insurance is not always valid or accepted outside the United States. Travelers should confirm the validity of their insurance coverage before departing the U.S. The Medicare/Medicaid program does not provide for payment of medical services outside the United States. It is prudent to have medical evacuation coverage.

Local Time, Business Hours and Holidays

Government and commercial offices typically open between 8:00 AM and 9:00 AM and close between 3:30 PM and 5:00 PM. Retail businesses remain open until 6:00 PM. Supermarkets, depending on the area, may close at 7:00 PM or 8:00 PM, and observe their Sunday schedule on National holidays.

Haitian Holidays for 2019:

January 1, New Year's Day
January 2, Ancestors' Day
March 5, Carnival
April 19, Good Friday
May 1, Labor and Agriculture Day
June 20, Corpus Christi
August 15, Assumption Day
October 17, Death of Dessalines
November 1, All Saints' Day
November 2, All Souls' Day
November 18, Battle of Vertieres Day

December 25, Christmas

Temporary Entry of Materials or Personal Belongings

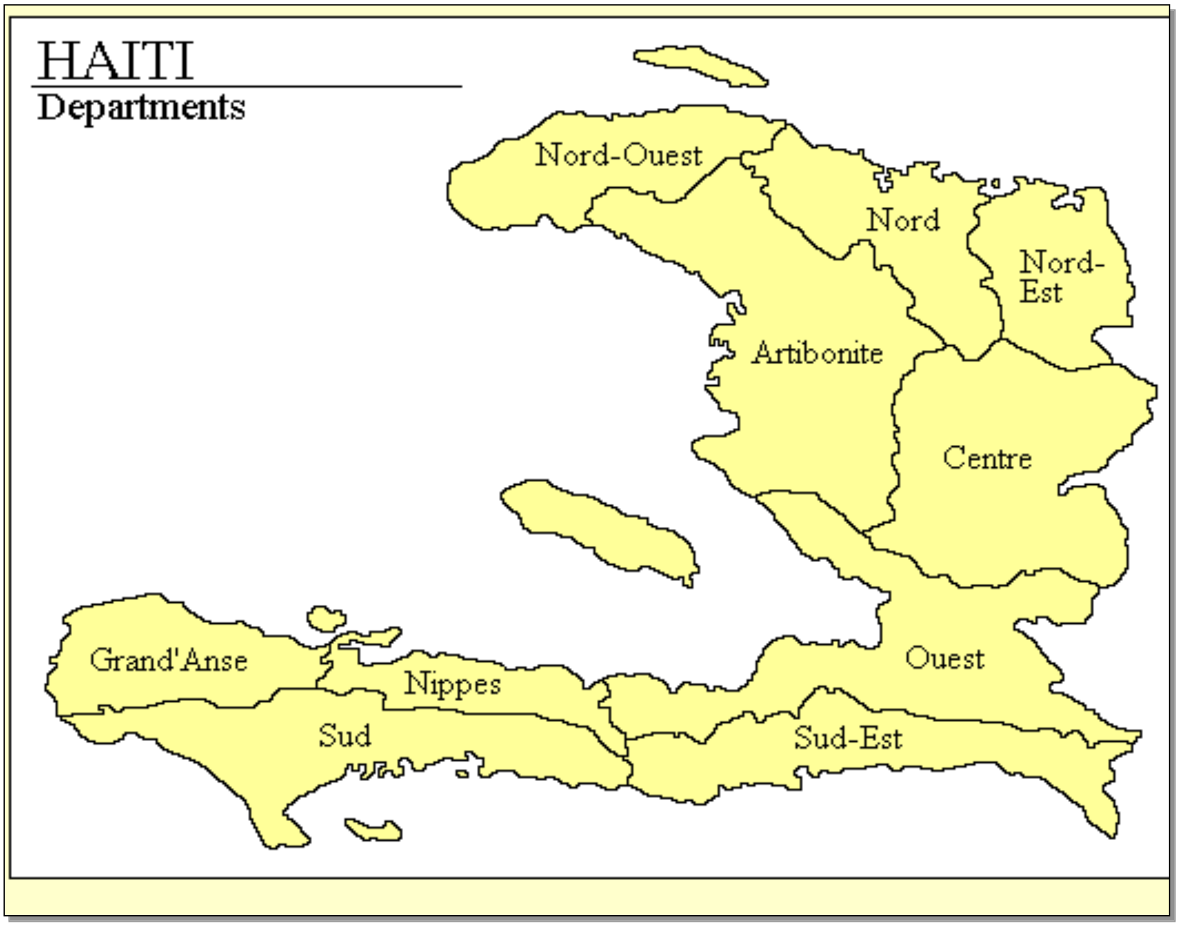
There is no fee for the entry of personal belongings. However, a 0.25 percent unique rate is applied to goods entering under diplomatic concessions and for those that are on "temporary entry."

Goods that will be in the country temporarily must be imported under the temporary entry regime. Temporary entry refers to goods that will be processed before being re-exported. These goods are subject to a security deposit equivalent to one and a half times the duties and taxes payable under the release for consumption regime. This deposit is paid in the form of a bank check that will be released once the goods are re-exported. Goods that enter the country under the temporary entry regime and are then used for consumption purposes are taxed on the amount of their depreciation when they are re-exported.

All imported goods are subject to verification fees and administrative costs.

Travel Related Web Resources

Ministry of Tourism
8, Rue Legitime
Champs de Mars
HT 6112 - Port-au-Prince - HAITI
Tel: (509) 2949-2010 / 2949-2011 / 2223-5633
E-mail: info@haititourisme.gouv.ht
Tourist Association of Haiti: http://athaiti.com


HAITI
Departments
Nord-Ouest
Nord
Nord-Est
Artibonite
Centre
Grand'Anse
Nippes
Ouest
Sud
Sud-Est