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Trade Policy Review Body

TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

HAITI

Revision

This report, prepared for the second Trade Policy Review of Haiti, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Haiti on its trade policies and practices.

Any technical questions arising from this report may be addressed to Mr Arne Klau (022 739 5706) and Mr Nelnan Koumtingué (022 739 6252).

Document WT/TPR/G/327/Rev.1 contains the policy statement submitted by Haiti.

Note: This report was drafted in French.

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SUMMARY

1. Haiti's economy has been recovering slowly since the devastating earthquake in January 2010, which hit the country just as its prospects were improving after several years of prudent macroeconomic management. Nevertheless, socio-political problems and exposure to natural disasters have contributed to the fact that Haiti remains among the poorest countries in the world. Roughly 55% of the population live below the extreme poverty line of US$1.25/day. It is estimated that 1.9 million of the 2.9 million in the labour force are working in the informal sector.

2. The fiscal deficit, largely financed by external grants, poses a considerable problem for medium-term expenditure sustainability. Indeed, at their current level tax revenues are insufficient to sustain public expenditure, which has reached 30% of GDP. In order to confront this situation, the Haitian Government has implemented a set of measures to increase revenues and reduce the level of expenditure. The gourde exchange rate is market-determined and the economy is heavily dollarized.

3. Haiti has maintained a large trade deficit for many years. Remittances sent by Haitian workers living abroad are the main source of foreign exchange in the domestic economy. The annual amount of private transfers sent from the diaspora is estimated at nearly a quarter of Haiti's GDP. Between 2009 and 2011, Haiti was granted debt reduction as part of the HIPC Initiative.

4. Haiti's main exports are textiles and clothing. Food products, textile articles and machinery are the leading imports. The United States and the Dominican Republic are Haiti's top trading partners. Foreign direct investment has picked up since 2010 and reached an all-time high in 2013.

5. Haiti's Constitution enshrines the principle of separation of powers between the executive, legislative and judicial branches. It was amended in 2012 to incorporate provisions concerning the establishment of the Constitutional Council; the creation of a Higher Judicial Council; the recognition of multiple nationality; and the introduction of the principle of a quota for women.

6. The Haitian Government's trade policy comes within the general framework of its economic and social policy, which aims to reduce poverty and generate employment. The Ministry of Trade and Industry is responsible for formulating, implementing and evaluating trade and industrial policies. Generally speaking, Haiti's trade and investment laws are relatively old. The laws passed since the previous review of the country's trade policy in 2003 relate to government procurement and to banks and financial institutions, among other things.

7. Haiti grants all its trading partners most-favoured-nation treatment. It has not signed any of the WTO plurilateral agreements. It belongs to the Caribbean Community (CARICOM), whose revised treaty has been ratified but has not yet entered into force. Under the Generalized System of Preferences (GSP), Haiti receives non-reciprocal preferential treatment from a number of developed countries.

8. Tariffs are still among Haiti's principal trade policy tools, as well as being an important source of income, since customs revenue accounts for around one third of fiscal revenue each year. The applied tariff is based on the 2007 version of the Harmonized System (HS). The base nomenclature is that of the six-digit HS, even though the tariff is broken down to eight-digit level. Tariffs are *ad valorem* for all lines except one, which is subject to a specific rate. The *ad valorem* rates range from 0% (44.3% of tariff lines) to 40% (applicable to a dozen tariff lines). The simple average applied rate in 2015 is 4.9%. Some 44.3% of lines are duty free (compared to 67.1% in 2002). Tariff revision mainly involved imposing a 5% duty on certain products that had previously been duty free. The tariff rate appears fairly low, although protection at the border is high if the numerous other charges are taken into account.

9. Haiti uses ASYCUDA World for its customs procedures. Computerization of the customs system has helped streamline procedures, but processing times are still among the longest in the subregion. Haiti has not yet ratified the WTO Agreement on Trade Facilitation. An advance information programme for freight was introduced in 2013.

10. Preshipment inspection is mandatory for imports with an f.o.b. value of US$5,000 or more. *Ad valorem* fees of 5% of the c.i.f. value of imports are levied on behalf of the State; not only do these not necessarily reflect the cost of the service provided, but they also significantly increase the actual duty on the entry of imported goods. A programme to verify the conformity of goods prior to shipment has been operating since January 2013. Haiti continues to apply the Brussels Definition for customs valuation.

11. Haiti bound import duties on all agricultural products (WTO definition) and on some non-agricultural products during the Uruguay Round. Other duties and charges were bound at rates ranging from 16% to 21%. In practice, items such as used vehicles are subject to additional levies which, taken together, may lead to increases above the bound rates. Internal taxes include turnover tax (levied at a flat rate of 10% on turnover or the c.i.f. value of imports); excise duty (levied at a higher rate on certain imported alcoholic beverages than on their domestically produced equivalents); advance payment of corporation tax; and the contribution to the local communities management fund.

12. There have been no major changes to the export regime since the previous Trade Policy Review. Haiti would benefit greatly from facilitating export procedures, especially by streamlining documentary requirements. Most of the prohibitions and restrictions stem from the international treaties to which Haiti is party. The Government does not grant any export subsidies. The incentives regime entails a sizeable loss of revenue for the State (for fiscal 2010-2011, exemptions were estimated at 4.1% of GDP). Incentives are mostly granted under the Investment Code, the Law on Industrial Parks and the Law on Free Zones.

13. Haiti has no legislation on competition, standardization or contingency trade measures. As regards standards and technical regulations, the Haitian Standardization Bureau and the Metrology Laboratory were created in December 2012. A product conformity verification programme has been operating since 2012. Haiti is neither a signatory nor an observer of the Plurilateral Agreement on Government Procurement. Following the earthquake in 2010, government procurement legislation was revised and provided for a substantial increase in the thresholds for awarding contracts.

14. In the intellectual property sphere, a major step forward was made with the adoption of the legislation on copyright and related rights, which accords terms of protection in line with the minimum terms prescribed in the TRIPS Agreement. The system of protection remains weak, however, and trademarks are frequently infringed.

15. The agricultural sector continues to play a key role in food security and employment. More than one million families own mainly small subsistence holdings. The leading crops are coffee, cocoa and rice. Haiti imports about 50% of its needs in calories. Agriculture is chiefly rain-fed. The degradation of natural resources, especially catchment basins, is a serious challenge for Haiti's agricultural sector. Land rights are legally insecure and few loans are available for agricultural production.

16. The mining sector makes only a marginal contribution to GDP, despite its considerable potential. Legal uncertainty has prevented any medium- or large-scale operations so far. Only a small part of the country is supplied with electricity and its cost remains high.

17. The manufacturing sector's contribution to GDP has remained relatively stable over recent years, at around 8%. It accounts for the bulk of the country's exports, mainly textiles. Manufactured products have privileged access to the United States market, the main outlet for Haitian exports. The Government is of the view that export-oriented manufacturing and re-exportation are an effective means of generating employment. Industrial parks and free zones are the key tools for promoting the country's industrial development.

18. Services contribute around 56% of GDP. The State continues to play an important part in the sector's production activities, particularly in the telecommunications and transport subsectors. Under the General Agreement on Trade in Services (GATS), Haiti bound a number of measures relating to educational, finance, construction and related engineering, hotels and restaurants, and veterinary services. Measures relating to the provision of other types of services remain unbound.

19. Financial services still make only a modest contribution to GDP, although banking institutions have rapidly increased their holdings in recent years. Land transport is the principal means of transporting goods and passengers. The charges for port services remain high. Two seaports handle about 90% of Haiti's international trade. Mobile telephone services have grown vigorously. Tourism plays a key role in the Government's export growth and diversification strategy. In 2013, for the first time, Haiti received more than 1 million visitors.

1 ECONOMIC ENVIRONMENT

1.1 Main features of the economy

1.1. The Republic of Haiti has a total area of 27,750 km^2 and a population currently estimated at over 10.9 million. Haiti remains a fragile state and most Haitians live in a precarious and vulnerable situation. Over the last two decades, economic conditions in the country have deteriorated, mainly as a result of political instability and a succession of particularly devastating natural disasters. With a per capita GDP estimated at US$846 in 2014, Haiti is the poorest country in the Americas and Caribbean region. Food insecurity and hunger are chronic problems. In 2013, the socioeconomic indicators comprising the Human Development Index (HDI) published by the United Nations Development Programme (UNDP) ranked Haiti 168th out of a total of 187 countries.[1]

1.2. On 12 January 2010, Haiti suffered the most devastating earthquake in its history, which left an estimated 230,000 people dead and 300,000 injured. The earthquake also destroyed the equivalent of 120% of GDP and wiped out a decade of poverty reduction endeavours.[2] It brought the entire economy to a halt and aggravated poverty and vulnerability among the Haitian population at large. The private sector was particularly hard-hit, suffering damage and losses on the order of US$5.7 billion. Consequently, economic output shrank by 5.5% during fiscal 2010. This disaster hit the country just as its prospects were improving after several years of prudent macroeconomic management.

1.3. Roughly 55% of the Haitian population live below the extreme poverty line (defined as an income of less than US$1.25 per day), and 74% of the population live on under US$2 a day.[3] Poverty in Haiti is more acute in rural areas; but while the urban poverty rate is lower, its level is still extremely high, with 45% of the inhabitants of Port-au-Prince living in extreme poverty. The literacy rate is on the order of 50%, and demographic growth is around 2%.

1.4. Haiti depends heavily on official development assistance (ODA). Following the 2010 earthquake, donors have increased their commitments to respond to the emergency and support the country's long-term development. In 2013, net ODA amounted to US$1.17 billion, representing 13.7% of gross national income.[4]

1.5. Unemployment and underemployment are two major problems. Nonetheless, there are no reliable data available on employment or the economically active population (EAP). According to the latest estimates, Haiti's unemployment rate is on the order of 52%.[5] Of the 2.9 million people in the EAP, the informal sector is reckoned to absorb 1.9 million, or 64.5%. The vast majority of small and medium-sized enterprises (SMEs) and microenterprises operate informally.

1.6. The authorities have been operating a floating exchange rate system since 1996, so the gourde exchange rate is market-determined. Haiti accepted the obligations under Article VIII of the Articles of Agreement of the International Monetary Fund (IMF) on 22 December 1953. The Haitian economy is heavily dollarized, with dollar deposits growing from 23% of total deposits in 1996 to 57% in 2015.

1.2 Recent economic developments

1.7. Although the Haitian economy has been recovering since the January 2010 earthquake, economic growth for fiscal 2013-2014 is estimated at 2.7%[6], down from the 4.3% rate achieved in 2012-2013 (Table 1.1). This sharp slowdown in 2014 is explained by delays in passing the

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[1] UNDP, *Human Development Index*. Viewed at: http://hdr.undp.org/en/content/table-1-human-development-index-and-its-components.

[2] World Bank (2013a).

[3] World Bank (2013a).

[4] World Bank, *World Development Indicators*. Viewed at: http://wdi.worldbank.org/table/6.11.

[5] This is a relaxed unemployment rate that represents the sum of people actively involved in searching for a job (open unemployment) plus persons available for work but not actively seeking it, as a proportion of the economically active population plus persons available for work but not actively seeking it. Haitian Institute of Statistics and Information Technology (IHSI) (2010).

[6] The fiscal year begins on 1 October and ends on the following 30 September.

national budget, and by adverse weather conditions which have hampered agricultural production. Although growth remains modest, macroeconomic stability has been preserved and inflation has been kept under control.

Table 1.1 Main economic indicators, 2005-2014

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011[a]	2011-2012[b]	2012-2013[c]	2013-2014[c]
Nominal GDP (G million)	197,183	220,110	250,590	267,880	266,952	302,854	328,061	364,526	388,809
Nominal GDP (US$ million)	4,757	5,885	6,549	6,585	6,623	7,517	7,890	8,453	8,713
GDP per capita (US$)	513.7	626.9	688.3	683.2	678.2	759.6	786.4	830.8	844.5
Real GDP (G million at 1986-1987 prices)	13,071	13,508	13,622	14,042	13,270	14,003	14,407	15,026	15,432
Real GDP (% change)	2.3	3.3	0.8	3.1	-5.5	5.5	2.9	4.3	2.7
Consumer prices (index, August 2004=100)[d]	133.5	146.8	161.7	165.0	175.2	189.7	204.1	211.1	224.7
GDP according to aggregate supply and demand (% of current GDP)									
Aggregate demand	145.0	138.9	144.2	142.6	164.7	159.0	153.2	152.9	153.1
Consumption	101.2	95.2	102.6	99.4	124.0	113.7	106.7	104.6	103.3
Investment	29.4	30.5	28.8	27.5	25.4	27.9	29.5	30.1	31.2
Exports	14.5	13.2	12.7	15.7	15.3	17.4	16.9	18.3	18.7
Imports	45.0	38.9	44.2	42.6	64.7	59.0	53.2	52.9	53.1
Public finance (G million)									
Total income	20,109	23,196	26,848	29,881	31,425	38,699	42,313	44,751	..
Current income	20,109	23,196	26,848	29,881	31,425	38,699	42,313	44,751	..
Total expenditure	21,283	26,983	30,855	30,615	38,710	37,523	52,092	60,582	..
Current expenditure	18,563	20,942	24,809	28,041	27,302	30,531	39,804	47,133	..
Wages and salaries	6,471	8,087	11,716	12,426	13,363	14,809	18,847	21,186	..
Operating expenditure	4,505	6,262	7,349	6,567	7,040	7,525	..	..	..
Interest payment	1,678	1,264	1,392	1,827	1,174	1,120	..	..	..
Transfers and subsidies	5,552	5,329	4,352	7,221	5,725	7,076	..	..	..
Other expenses	357	0	0	0	0	0	..	..	..
Capital expenditure	2,720	6,041	6,046	2,574	11,408	6,993	..	..	..
Current balance	1,546	2,254	2,039	1,840	4,123	8,168	..	..	..
Overall deficit or surplus	-1,174	-3,787	-4,007	-734	-7,285	1,175	..	..	..
Net financing	1,174	-1,310	2,988	1,041	5,593	457	..	..	..
Net external financing	1,341	448	3,669	834	5,888	4,559	..	..	..
Net domestic financing	-167	-1,758	-681	207	-295	-4,102	..	..	..
Monetary authorities	-334	-1,129	-382	2,411	-36	-2,797	..	..	..
Commercial banks	119	-68	0	-2 204	-259	-300	..	..	..
Other liabilities	48	-561	-299	0	0	0	..	..	..
Monetary sector									
M1[e] (annual growth rate)	3.0	8.7	18.2	15.2	29.3	9.4	13.2	3.8	..
M2[e] (annual growth rate)	10.4	4.3	12.3	9.1	20.5	7.8	8.2	6.2	..
Interest rate[f] (%)	5.00	5.50	3.25	1.75	1.35	0.35	0.27	1.12	0.17
Exchange rate (G/US$)	41.4	37.4	38.3	40.7	40.3	40.3	41.6	43.1	44.6

.. Not available.

a Semi-definitive figures.
b Provisional figures.
c Estimates.
d Year-end.
e Civil year-end.
f Nominal rate on time deposits in gourdes, December each year.

Source: Bank of the Republic of Haiti (BRH) and International Monetary Fund (IMF).

1.8. At their current level of around 13% of GDP, tax revenues are insufficient to sustain public expenditure, which has represented 30% of GDP in recent years. The underperformance of revenue is largely the result of the high degree of informality in the Haitian economy, which encourages tax evasion. This fiscal gap – almost wholly financed by external grants – poses a considerable problem for medium-term expenditure sustainability. In order to confront this situation, the Ministry of the Economy and Finance has implemented a set of measures to increase revenues and reduce the level of expenditure in the first quarter of 2015.[7]

1.9. The key goal of monetary policy is to preserve price stability and safeguard the domestic and external value of the national currency. The Bank of the Republic of Haiti (BRH) uses various instruments to implement its monetary policy. The main monetary management channel involves selling the bonds it issues to banks operating on the local market. It also intervenes directly on the foreign exchange market to buy or sell foreign currency, depending on the short-term objective

[7] The global budget envelope shrank by 11% from G 122.3 billion to G 109.7 billion.

being pursued. When circumstances so demand, the BRH may also alter the required reserves ratio. The inflation rate in July 2015 was 9.3%.

1.10. Haiti has maintained a large trade deficit for many years (Table 1.2). Remittances sent by Haitian workers living abroad are the main source of foreign exchange for the domestic economy. Over the last few years the annual amount of private transfers sent from the diaspora is estimated at nearly a quarter of Haitian GDP, far exceeding foreign direct investment (FDI) and even export earnings.[8] Remittances come mainly from the United States, the Dominican Republic and Canada. Between 2009 and 2011, Haiti benefited from the cancellation of a portion of its external debt under the Heavily Indebted Poor Countries (HIPC) Initiative.

1.11. Merchandise exports grew from US$522 million in 2007 to US$917 million in 2014. Goods imports increased from US$1,704 million in 2007 to US$3,392 million in 2014. The opening up of the Haitian economy has thus proceeded vigorously in the last few years, with merchandise trade expanding from 52% of GDP in 2006-2007 to 71.8% in 2013-2014.

Table 1.2 Summary of the balance of payments, 2007-2014

(US$ million, unless otherwise indicated)

	2007	2008	2009	2010[a]	2011[a]	2012[a]	2013[a]	2014[a]
A. Current account	**(85.78)**	**(204.83)**	**(122.17)**	**(101.83)**	**(323.17)**	**(434.36)**	**(543.89)**	**(547.88)**
Goods and services	(1,605.26)	(1,936.59)	(1,770.19)	(3,270.93)	(3,121.30)	(2,870.72)	(2,883.92)	(2,851.60)
Credit	779.20	917.20	1,034.00	1,016.38	1,311.69	1,324.62	1,535.55	1,618.54
Debit	(2,384.44)	(2,853.80)	(2,804.19)	(4,287.31)	(4,432.98)	(4,195.34)	(4,419.47)	(4,470.14)
Goods	(1,182.13)	(1,617.55)	(1,418.11)	(2,446.67)	(2,545.92)	(2,303.71)	(2,445.66)	(2,474.24)
Credit	522.08	490.20	551.00	563.38	768.09	775.62	883.55	917.35
Debit	(1,704.20)	(2,107.76)	(2,032.11)	(3,010.05)	(3,314.00)	(3,079.33)	(3,329.21)	(3,391.58)
Services	(423.13)	(319.04)	(289.08)	(824.26)	(575.38)	(567.01)	(438.26)	(377.36)
Credit	257.11	427.00	483.00	453.00	543.60	549.00	652.00	701.19
Debit	(680.24)	(746.04)	(772.08)	(1,277.26)	(1,118.98)	(1,116.01)	(1,090.26)	(1,078.56)
Income	2.19	5.55	12.80	22.28	41.00	68.45	56.73	12.28
Credit	21.78	28.03	31.13	32.70	44.24	72.41	71.77	27.08
Debit	(19.59)	(22.48)	(18.33)	(10.42)	(3.24)	(3.96)	(15.04)	(14.80)
Current transfers	1,517.28	1,726.21	1,635.22	3,146.83	2,757.13	2,367.91	2,283.30	2,291.44
Credit	1,613.69	1,843.29	1,770.05	3,313.80	2,997.37	2,599.84	2,530.99	2,540.03
Of which: official grants	*391.60*	*473.54*	*394.50*	*1,840.00*	*1,446.00*	*987.51*	*750.00*	*563.00*
Workers' remittances		*1,369.75*	*1,375.55*	*1,473.80*	*1,551.37*	*1,612.33*	*1,780.99*	*1,977.03*
Debit	(96.41)	(117.08)	(134.82)	(166.98)	(240.24)	(231.92)	(247.69)	(248.60)
B. Capital account	**0.00**	**0.00**	**893.39**	**1,470.98**	**726.38**	**75.69**	**20.00**	**25.90**
Credit	0.00	0.00	893.39	1,470.98	726.38	75.69	20.00	25.90
Debit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Financial account	**138.30**	**308.23**	**(453.02)**	**(754.46)**	**(143.13)**	**600.05**	**631.24**	**580.67**
Direct investment	74.50	29.80	55.47	178.00	119.00	156.00	186.00	99.00
Other investment	63.80	278.43	(508.49)	(932.46)	(262.13)	444.05	445.24	481.67
Government sector	51.51	284.11	(706.86)	(529.73)	(221.44)	368.72	387.49	333.34
Disbursements		333.87	224.81	291.41	341.43	374.71	398.37	361.09
Amortization		49.76	931.67	821.14	562.87	5.99	10.88	27.75
Of which: debt cancellation			*893.39*	*812.98*	*556.38*			
Banking sector	14.43	(141.67)	56.54	(307.21)	(82.98)	111.24	159.61	48,47
Non-bank sector	(2.00)	86.00	19.00	(52.00)	1.00	0.00	1.00	0,00
Other assets and liabilities	(0.14)	49.99	122.82	(43.52)	41.29	(35.91)	(102.86)	99,86
D. Net errors and omissions	**145.52**	**(13.02)**	**(167.73)**	**128.14**	**(73.93)**	**11.10**	**(472.64)**	**(148.74)**
Overall balance (A+B+C+D)	198.05	90.38	150.47	742.83	186.15	252.49	(365.29)	(90.05)

[8] In the first eight months of fiscal 2015, private transfers grew by 9.75% to US$1,071 million (BRH, *Note sur la politique monétaire*, June 2015).

	2007	2008	2009	2010[a]	2011[a]	2012[a]	2013[a]	2014[a]
E. Financing	**(198.05)**	**(90.38)**	**(150.47)**	**(742.83)**	**(186.15)**	**(252.49)**	**365.29**	**90.05**
Reserves[b]	(208.27)	(163.28)	(239.89)	(844.89)	(209.30)	(284.58)	(58.29)	467.14
Use of IMF credits and loans	23.21	49.20	64.84	96.86	12.45	22.42	9.64	1.67
Other liabilities[c]	0.47	0.71	3.09	(0.08)	3.20	4.06	396.09	(395.25)
Changes in payment arrears[d]	(38.04)	0.00	0.00	0.00	0.00	0.00	0.00	(1.68)
Rescheduling obtained	3.58	4.33	3.63	2.21	3.01	3.66	6.76	6.86
Capitalization of interest							5.81	5.24
Debt relief	21.01	18.66	17.87	3.07	4.49	1.96	5.28	6.07
Memorandum								
External assistance	466.32	806.85	(247.52)	1 407.13	1 237.01	1 378.65	1 147.13	898.01
Official grants[e]	391.60	473.54	394.50	1 840.00	1 446.00	987.51	750.00	563.00
Net loans	74.72	333.31	(642.02)	(432.87)	(208.99)	391.14	397.13	335.01

a Provisional figures.
b Change in gross reserve assets. The sign (-) indicates an increase.
c Short-term commitments to international financial organizations.
d No sign = accumulation; (-) = repayment.
e Public transfers (the term used in older editions of the BOP manual), now recorded under current transfers.

Source: Bank of the Republic of Haiti (BRH), Bank for International Settlements (BIS).

1.3 Trade performance

1.12. The main products imported by Haiti[9] are textiles and textile articles (representing 16% of total imports in 2014); food products, including vegetable products (12.6% of imports), food preparations (10.5%) and live animals and animal products (6.0%) (about 50% of the country's food is imported); manufactured products and machinery (7.6%); transport equipment (3.5%); and fuel and raw materials (7.0%) (Chart 1.1 and Table A1.2). Imports come mainly from the Dominican Republic (36.7%, up from 26.3% in 2009) and from the United States (32.9%). The share of imports from China rose from 6.3% in 2009 to 10.1% in 2014 (Chart 1.2 and Table A1.4).

1.13. Haiti's exports are heavily concentrated in terms of both products and destinations (Chart 1.2 and Table A1.3). The United States provide the country's main export market, absorbing 85.6% of Haitian exports, followed by Canada (3.4%) and Mexico (2.0%). Exports are dominated by textiles and clothing, which accounted for 89.2% of the total in 2014 (Chart 1.1 and Table A1.1). Other export categories include products from the chemical and allied industries (1.9%), vegetable products (1.8%) and prepared foodstuffs (1.4%).

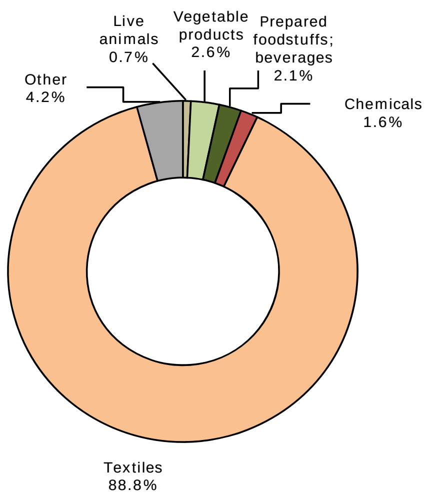
1.14. The authorities report significant informal trade in both directions with the Dominican Republic, particularly in agricultural products.

[9] The Haitian Government has not reported foreign trade data to the UN Comtrade database since 1998. The trade figures included in this report are therefore generally based on the mirror statistics for the country's main trading partners.

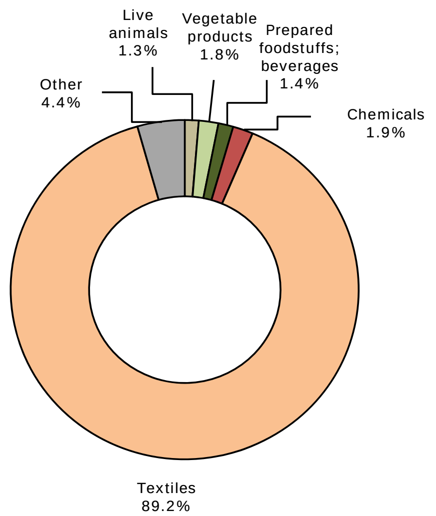
Chart 1.1 Structure of merchandise trade by HS Section, 2009 and 2014[a]

2009 | **2014**

(a) Exports

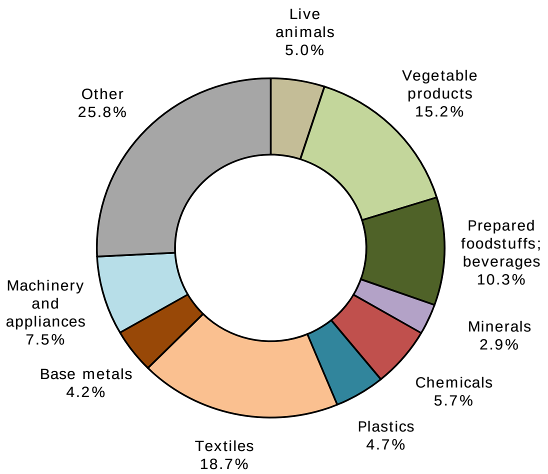


Total: US$661 million

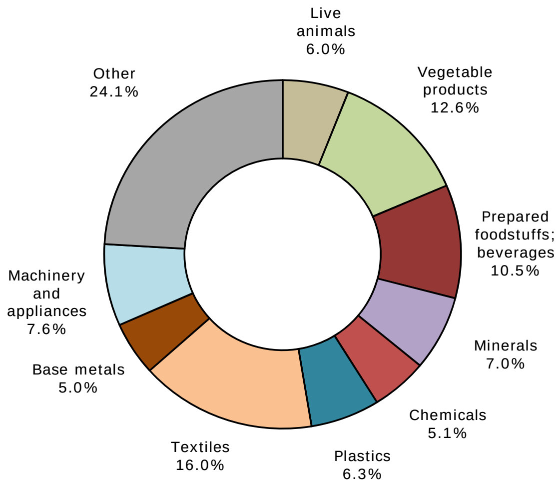


Total: US$1,083 million

(b) Imports



Total: US$2,352 million

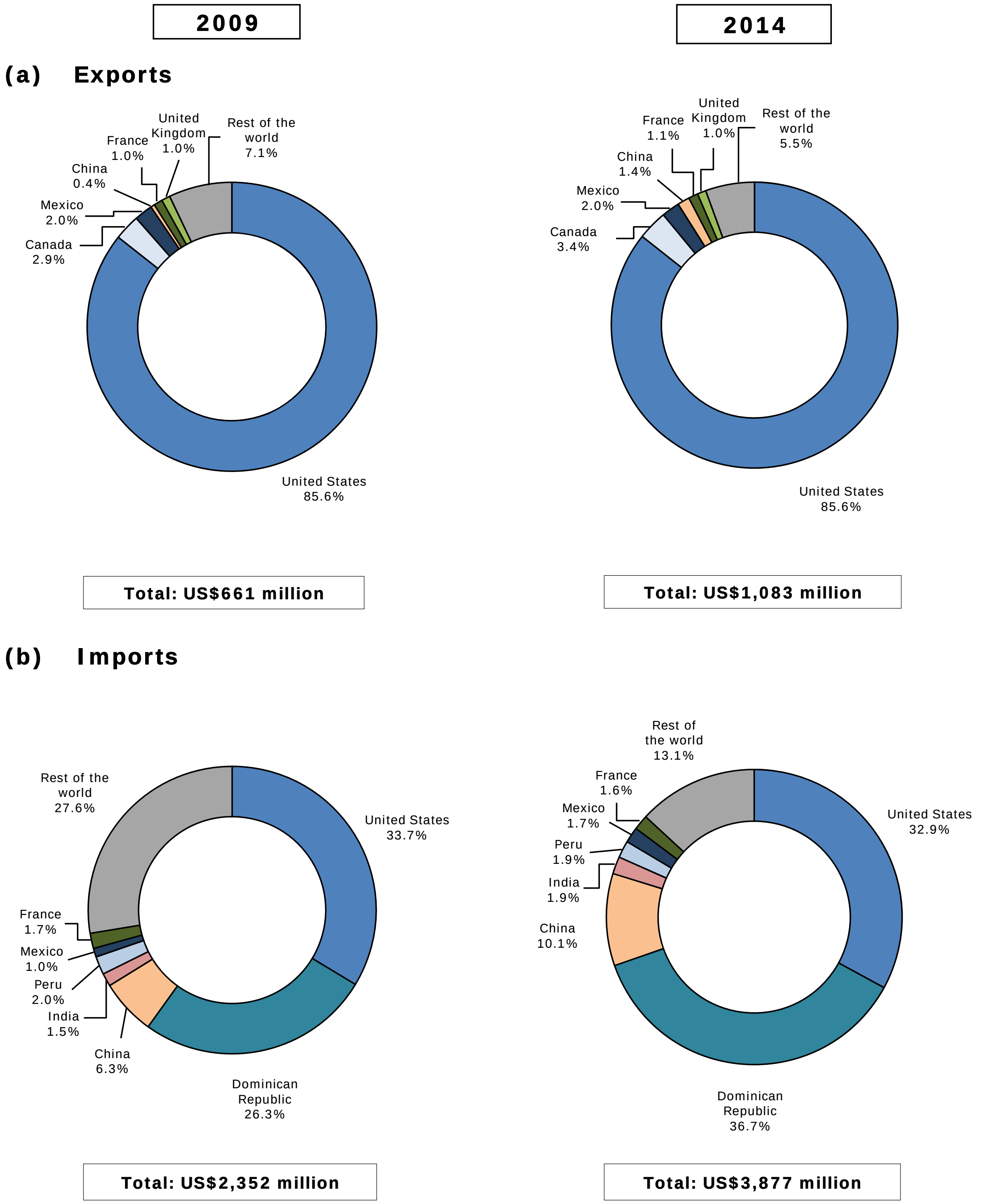


Total: US$3,877 million

a As a percentage of exports and imports to and from Haiti's main trading partners.

Source: WTO Secretariat, based on mirror statistics from the Comtrade database.

Chart 1.2 Structure of merchandise trade by destination and origin, 2009 and 2014



Source: WTO Secretariat, based on mirror statistics from the Comtrade database.

1.4 Foreign direct investment

1.15. Although the Haitian economy has traditionally received only small amounts of foreign direct investment (FDI), flows have strengthened since 2010 and FDI posted an all-time high in 2013 (Table 1.3).

1.16. Since the previous review of Haiti's trade policy in 2003, there has been major investment mainly in tourism (with two large hotel chains opening up) and telecommunications. The Vietnamese telecommunications group, Viettel, and Haiti's general telecommunications company, TELECO, have created a joint venture (NATCOM) with initial capital of US$100 million, of which 60% is held by Viettel. Low wages, the opening of the Caracol Industrial Park in October 2012 (Section 4.5) and preferential access to the United States market under the HOPE/HELP legislation (Section 2.3.3.1) have attracted investment in the textile sector in particular.

Table 1.3 Direct investment flows in Haiti by sector, 2006-2013

(US$ thousand)

	2006	2007	2008	2009	2010	2011	2012[a]	2013[a]
Banks	599	4,659	1,660	1,852	1,543	2,029	9,871	15
Distribution of petroleum products	1,046	3,907	1,697	3,429	1,173	894	4,790	9,242
Beverages industry	791	4,871	7,808	8,405	12,066	11,193	11,788	26,746
Subcontracting (textiles)	7,150	6,633	1,977	10,120	12,891	1,495	2,462	12,245
Telecommunications	146,389	51,089	7,222	29,609	137,810	92,369	102,796	106,578
Tourism			6,652	0	7,500	0	20,750	23,500
Construction						5,000	2,500	6,000
Other	4,606	3,616	2,429	1,997	4,755	5,843	1,040	1,990
Total	**160,584**	**74,777**	**29,448**	**55,414**	**177,740**	**118,826**	**156,022**	**186,319**

a Provisional figures.

Source: BRH, Directorate-General of Taxation (DGI), and State-owned Enterprise Modernization Board (CMEP).

1.17. According to the United Nations Conference on Trade and Development (UNCTAD), the stock of FDI in Haiti stood at US$1,209 million in 2014, representing 13.9% of GDP.[10] By comparison, the volume of FDI held by Haitians abroad is very small, at around US$2 million in 2014.

1.5 Prospects

1.18. One of the key challenges for the Haitian Government will be to cope with substantially less donor assistance. Having already decreased over the last three years, the declining trend is set to continue in the future. The fact that this is likely to restrict capital investment in Haiti makes it even more urgent for the Government to use domestic and external resources more effectively.[11] In the long run, rapid demographic growth and the potential for other natural disasters will continue to threaten the sustained growth of the Haitian economy.

1.19. In the medium term, the improvement of global economic activity, particularly in the United States, can be expected to fuel an increase in private transfers and stronger demand for Haitian products.[12] GDP is forecast to grow by about 2% - 3% in fiscal 2015 and then attain rates of 3% - 4% in the medium term. Projections see inflation staying around 5%, and gross international reserves at levels sufficient to cover four to five months of imports. The key risks concern a potential upturn in international oil prices, a stop in external financing from Venezuela, and extreme weather conditions.

[10] UNCTAD (2015a).
[11] World Bank (2015).
[12] BRH, *Note sur la politique monétaire*, June 2015; IMF (2015).

2 TRADE AND INVESTMENT REGIME

2.1 Overview

2.1. The territory of the Republic of Haiti is subdivided into departments, districts (arrondissements), communes, quarters (quartiers) and communal sections (sections communales). The economic and political capital Port-au-Prince is located in the Western Department.

2.2. The current Constitution was approved in March 1987. It enshrines the principle of separation of powers between the executive, legislative and judicial branches. It was amended in 2012[1] to incorporate provisions concerning, *inter alia*, the establishment of the Constitutional Council, the creation of a Higher Judicial Council, the recognition of multiple nationality and the introduction of a quota principle designed to ensure at least a 30% representation of women, especially in government departments.

2.3. Executive power is vested in the President of the Republic and the Government (headed by a Prime Minister). The President is elected by direct universal suffrage and by an absolute majority, for a non-renewable five-year term of office, and may neither serve two consecutive terms nor run for a third term. The current President was elected in the second round of presidential elections held in March 2011. The next presidential elections are scheduled for 25 October and 27 December 2015 (first and second rounds respectively).[2] The Prime Minister is the Head of Government and is selected by the President of the Republic from among the members of the majority party in Parliament, or failing this, in consultation with the Presidents of the two houses of the legislature. The Prime Minister's appointment must be ratified by the Parliament.

2.4. Legislative power is exercised by the legislature, which comprises the Chamber of Deputies and the Senate. The National Assembly is constituted when the two chambers meet in a joint session. It may not sit or adopt decisions and resolutions without a majority of each of its two houses present. Deputies and senators may be re-elected indefinitely. Members of the Chamber of Deputies are elected by direct universal suffrage for terms of four years. The Chamber of Deputies is renewed entirely every four years. In principle, a commune elects one deputy. This number may be increased for large agglomerations. The Senate comprises 30 senators – three per administrative department. They are elected by direct universal suffrage for six-year terms. In principle, one third of the Senate is renewed every two years. The 2012 and 2015 elections did not take place, however, and since January 2015 the Senate has no longer had the quorum required to sit. The Parliament was dissolved in January 2015 for lack of political agreement. The legislative elections, the first round of which took place in August 2015, should lead to the renewal of the Chamber of Deputies as well as of two-thirds of the Senate.[3] Under the Electoral Decree of March 2015[4], the number of seats in the Chamber of Deputies is expected to increase from 99 to 118 for the next legislative period.

2.5. Legislation may be initiated by the legislative and executive branches. The executive branch nevertheless enjoys prerogatives in some areas, including that of taxes and contributions. More specifically, initiatives to modify import duties may only be taken by the executive branch. International conventions, treaties and agreements are negotiated and signed by the President of the Republic. The National Assembly is empowered to approve or reject them. A draft law comes into effect only after being voted article-by-article by each of the two houses of the legislature. Once voting is complete, laws are sent to the President of the Republic for enactment. They enter into force once promulgated and published in *Le Moniteur*, Haiti's Official Journal.

[1] Constitutional law amending the 1987 Constitution (Republished because of typographical errors). *Le Moniteur*, 167th year, No. 96, 19 June 2012. Viewed at: http://www.oas.org/juridico/PDFs/mesicic4_hti_amend.pdf.

[2] Provisional Electoral Council (CEP). Viewed at: http://www.cephaiti.ht/Note-P-Comm-P [09.08.2015].

[3] The second round of legislative elections is set for 25 October 2015 and is expected to coincide with the first round of presidential elections.

[4] Electoral Decree. *Le Moniteur*, 170th year – Special edition No. 1, Monday 2 March 2015.

2.6. Haiti's judicial branch comprises the Court of Cassation, courts of appeal, courts of first instance, special courts and magistrates' courts. There are no commercial courts. Commercial disputes are therefore adjudicated on by the commercial divisions of each civil court.

2.7. The Constitutional Council was set up following the constitutional review of 2012 and charged with ensuring the constitutionality of laws, regulations and administrative acts. It is also required to rule on any conflicts that may arise between the executive and legislative branches or the two houses of the legislature.[5] It also hears jurisdictional disputes between the administrative, electoral and judicial courts. Its decisions are final. It comprises nine members appointed for nine years. Its members are selected by each of the branches of government, with each branch selecting three. One third of it is renewed every three years, and its members may not be removed from office in the course of their term.

2.8. The Constitution is the highest in the hierarchy of laws in Haiti and therefore takes precedence over international treaties that have been ratified. Next in hierarchical order are: international conventions, treaties and agreements, laws, decree-laws and decrees, orders, precedent, and custom. Once international conventions, treaties and agreements are approved and ratified in accordance with the Constitution, they become part of the legislation and repeal all laws that are contrary to them. They may be invoked before national courts.

2.9. The Government is responsible for implementing national policy. In addition to the Prime Minister, the current Government comprises 20 ministers and three secretaries-general.[6] As a rule, each ministry is responsible for formulating policies and draft laws in its area of competence.

2.10. The Ministry of Trade and Industry (MCI) is responsible for formulating, implementing and evaluating trade and industrial policies. Other ministerial departments may nevertheless be involved in the process, depending on the impact of these policies on their areas of competence.[7] The MCI coordinates negotiations for the conclusion of trade, industrial or economic integration agreements, conventions or treaties. It evaluates policies and studies all measures that could further the development of trade and industry. It is the WTO focal point.

2.11. The MCI also relies on a number of autonomous bodies in carrying out its mission. These include the Free Zones Directorate (DZF), the Investment Facilitation Centre (CFI) and the National Industrial Parks Company (*Société nationale des parcs industriels* (SONAPI)).

2.12. An office was created in 2010 to coordinate and monitor negotiations relating to certain trade agreements, more particularly CARICOM and the FTAA. It is called the Office for the Coordination and Follow-up of the CARICOM, WTO and FTAA Agreements (BACOZ), and is also responsible for drawing up government policy on trade integration. It reports to the Office of the Prime Minister, an arrangement that could cause some overlapping of responsibilities with those of the MCI.

2.13. Generally speaking, Haiti's trade and investment laws are relatively old (Table 2.1). The Commercial Code, which purports to regulate commercial activity, has not been revised since 1944. The laws passed since the previous review of Haiti's trade policy in 2003 relate to government procurement and to banks and financial institutions, among other things.

[5] The Conciliation Commission, which had previously performed this function, has been abolished.

[6] Office of the Prime Minister of the Republic of Haiti. Viewed at: http://primature.gouv.ht/?page_id=28 [27.05.2015]

[7] This chiefly concerns: the Office of the Prime Minister; the Ministry of Planning and External Cooperation; the Ministry of Foreign Affairs and Religion; and the Ministry of the Economy and Finance (MEF).

Table 2.1 Main trade and investment legislation, June 2015

Scope	Instrument/text
General	Constitution of the Republic of Haiti, 1987
Foreign trade	Decree of 30 March 1987 on the Customs Code Customs tariff and successive finance laws
Levies and taxes	Decree on income tax and net profits, 29 September 1986 Decree on payroll taxes, 14 September 1988 Decree on turnover tax and successive amendments up to 1995, 19 September 1982 Decree on excise duty amended in August 1987 and on 3 September 1971 Decrees on business and other licences, 28 September 1987 and 13 January 1978 Convention implementing the Decree of 3 October 1983 (pre-shipment inspection)
Trade and investment	Commercial Code, 27 March 1826 (amended in 1944) Law on the Investment Code, 9 September 2002 Law on investment-related disputes, 26 December 1985 Law of 9 July 2002 on free zones and its Implementing Order (24 July 2012) Law of 18 July 1974 establishing industrial parks
Government procurement	Decree regulating government procurement of services, supplies and works, 3 December 2004 Order of 4 December 2006 reviewing the thresholds for the award of government procurement contracts
Intellectual property	Law on the registration and assignment of trademarks of 17 July 1954 (amended in 1956) Law on patents, utility models and industrial designs of 14 December 1922 (amended in 1924)
Mining and energy	Decree regulating quarrying throughout the national territory (*Le Moniteur* No. 26, 2 April 1984) Decree encouraging mineral exploitation over the entire extent of the territory of the Republic (*Le Moniteur* No. 19, 8 March 1976)
Financial services	Law of 14 May 2012 on banks and other financial institutions Law of 21 February 2001 on the laundering of the proceeds from drug trafficking and other serious offences Law of 26 June 2002 on the constitution, organization, control and monitoring of savings and loan cooperatives (CEC) Law of 30 August 1982 governing development finance corporations Law of 17 August 1979 establishing the Bank of the Republic of Haiti, and subsequent decrees
Telecommunications	Decree of 1 October 1977 establishing a state monopoly on telecommunications services
Tourism	Law of 12 March 1975 regulating the operation of tourism establishments

Source: Information provided by the authorities.

2.2 Trade policy objectives

2.14. Beyond multilateral and regional commitments, the Haitian Government's trade policy comes within the general framework of its economic and social policy, which aims to reduce poverty and generate employment. The Government is of the view that export-oriented manufacturing and re-exportation are an effective means to this end in the short term. In this context and in pursuit of these goals, the Government is now moving, inter alia, to promote exports and set up free zones and industrial parks (Sections 3.2.4 and 4.5).

2.15. The authorities regard Haiti's preferential access to certain markets (Section 2.3) as a major advantage when it comes to integrating the country into the multilateral trading system. To make the most of this advantage, export revitalization and diversification have become a key objective. The measures planned include the strengthening of institutions and the promotion and channelling of foreign direct investment towards areas with strong export potential, more particularly some agricultural sectors in which the country already enjoys a natural comparative advantage (essential oils, mangoes, cocoa, coffee and honey), the tourism industry and IT enabled services.

2.16. Aware of the growing importance of value chains in world trade, the Haitian authorities are striving to ensure greater coherence between their investment and trade policies. The policy on free zones and industrial parks is a key component in this respect, even though the results in terms of foreign direct investment are mixed (Section 3.3.1).

2.17. Haiti will not be able to take full advantage of international market access without removing the obstacles undermining the efficiency of the production sector. The country's production system is plagued by a number of problems including poor infrastructure, lack of funding, and certain administrative hurdles. There are policies specifically aimed at easing supply-side constraints in some sectors, particularly agriculture and tourism. Moreover, the authorities plan to raise import duties in order to attain certain sectoral goals, especially in agriculture and manufacturing.

2.3 Trade agreements and arrangements

2.3.1 World Trade Organization

2.18. Formerly a GATT Contracting Party, Haiti acceded to the WTO on 30 January 1996. It has least developed country (LDC) status and is therefore eligible under the Enhanced Integrated Framework (Section 2.5). Haiti has not signed any of the WTO plurilateral agreements. It grants at least MFN treatment to all its trading partners. Haiti has never been a party or third party to any dispute at the WTO. As pertains to WTO trade negotiations, Haiti is a member of the following groups: the Group of African, Caribbean and Pacific States (ACP)[8], the G-90[9], the Least Developed Countries (LDCs), the G-33[10] and the "W52" sponsors.[11] In principle, Haiti coordinates its positions with those of the other members of these groups.

2.19. Haiti makes relatively few notifications to the WTO (Table 2.2). Recent notifications have been about import licensing procedures, among other things. The Integrated Data Base (IDB) contains customs tariff data up to 2013, but no detailed export and import statistics are available.

Table 2.2 Notifications to the WTO, August 2015

Area	Notifications	Year
Agriculture	Export subsidies (G/AG/N/HTI/5) Domestic support (G/AG/N/HTI/4)	2015 2000
Anti-dumping	Notification under Articles 16.4 and 16.5 of the Agreement (G/ADP/N/193/HTI)	2010
	Semi-annual reports under Article 16.4 of the Agreement (G/ADP/N/59)	2000
	Notification of laws and regulations under Article 18.5 of the Agreement (D/ADP/N/1/HTI/1)	1998
Trade in services	National Enquiry Point (S/ENQ/68)	2000
State trading	Notification pursuant to Article XVII:4(a) of the GATT 1994 and paragraph 1 of the Understanding on the Interpretation of Article XVII (G/STR/N/6/HTI)	2000
Customs valuation	Communication regarding the Government's intention to delay application of the WTO Agreement on Customs Valuation (WT/LET/231)	1998
Countervailing measures	Notifications under Article 25.11 and 25.12 of the Agreement (G/SCM/N/202/HTI)	2012
	Semi-annual reports under Article 25.11 of the Agreement (G/SCM/N/56)	2000
Trade-related investment measures	Notification under Article 6.2 of the TRIMS Agreement (G/TRIMS/N/2/Rev.8)	2000
	Notification under Article 5.1 of the TRIMS Agreement (G/TRIMS/N/1/HTI/1)	1998

[8] Online information from the ACP Group. Viewed at: http://www.acpsec.org.
[9] This is a coalition comprising the African Group, the ACP Group, and the Least Developed Countries.
[10] Also called "Friends of Special Products" in agriculture, this group is a coalition of developing countries pressing for flexibility to enable developing countries to undertake limited market opening in agriculture.
[11] This group comprises the proponents of document TN/C/W/52, which contains draft modalities for TRIPS-related issues under the Doha Work Programme (GI Register, TRIPS disclosure requirement and GI Extension).

Area	Notifications	Year
Technical barriers to trade	Notification - Disposable polyethylene bags and inputs and objects of expanded polystyrene for food use (G/TBT/N/HTI/1)	2014
Import licensing procedures	Replies to the questionnaire on import licensing procedures - Notification under Article 7.3 of the Agreement (G/LIC/N/3/HTI/7)	2014
Intellectual property	Notification of laws and regulations under Article 63.2 of the Agreement (IP/N/1/HTI/1)	1999
Rules of origin	Notifications under Article 5 and Paragraph 4 of Annex II of the Agreement on Rules of Origin (G/RO/N/20/Rev.1)	1998
Quantitative restrictions	Notifications of quantitative restrictions - Note by the Secretariat (G/MA/NTM/QR/1)	1996
Subsidies	Notification pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the SCM Agreement (G/SCM/N/220/HTI; G/SCM/N/253/HTI)	2013
Tariff	Schedule XXVI. - Invocation of paragraph 5 of Article XXVIII (G/MA/306)	2014

Source: WTO, Central Registry of Notifications database.

2.20. In 2010 and after a two-year interruption, Haiti resumed its participation in trade-related technical assistance activities organized by the WTO, reaching an all-time high of 70 activities in 2014.[12] This participation took place mostly through online courses and regional seminars.

2.3.2 Regional and preferential agreements

2.21. Haiti is a member of the Caribbean Community and Common Market (CARICOM), a subregional organization set up in 1973 under the Treaty of Chaguaramas, and which currently has 15 members.[13] Haiti ratified the Treaty in May 2002. In 2001, the Treaty of Chaguaramas was revised so as to establish the Caribbean Community and set up the CARICOM Single Market and Economy (CSME). Haiti ratified it in 2003 but has not yet published it in the Official Journal. It is therefore not a member of the single market.

2.22. According to the authorities, trade with CARICOM countries is relatively limited. Imports from the Community comprise oil products and sugar for the most part. Haiti's principal exports to the Community are agricultural produce, handicraft items and preparations for paints and pigments.

2.3.3 Other preferential relations

2.23. Haiti is eligible under the Generalized System of Preferences (GSP) regimes of the following partners: Australia, Belarus, Canada, the European Union, Iceland, Japan, Kazakhstan, New Zealand, Norway, the Russian Federation, Switzerland, Turkey, and the United States.[14] Haiti does not participate in the Global System of Trade Preferences among Developing Countries (GSTP). The country also enjoys privileged access to several markets, in particular those of the United States and the European Union. The country nevertheless derives only limited benefit from such access owing to shortcomings in its regulatory and institutional framework as well as its limited supply-side capacity (Section 2.4).

2.3.3.1 Relations with the United States

2.24. The United States is Haiti's main trading partner for imports and exports alike. Haiti benefits from several preferential regimes regarding access to the US market. Since 1984 the United States has made a range of preferential arrangements available to the countries in the Central American and Caribbean region under the Caribbean Basin Initiative (CBI).[15] Haiti is the second source of

[12] Source: Global Trade-Related Technical Assistance Database (GTAD), available at: http://gtad.wto.org/index.aspx?lg=en.

[13] Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Haiti, Jamaica, Grenada, Guyana, Montserrat, Saint Lucia, St Kitts and Nevis, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

[14] UNCTAD (2015b).

[15] Caribbean Basin Economic Recovery Act (1983), Caribbean Basin Economic Recovery Expansion Act (1990), and Caribbean Basin Trade Partnership Act (2000).

US imports under the CBI (after Trinidad and Tobago). Alongside these initiatives, Haiti also enjoys specific preferential arrangements. The HOPE legislation (Haitian Hemispheric Opportunity Through Partnership Encouragement (HOPE I and HOPE II)) builds on the CBI and introduces more flexible rules of origin allowing Haiti to benefit from additional trade preferences. Following the 2010 earthquake, the range of preferences was expanded with the adoption of the Haitian Economic Lift Program (HELP) Act.

2.3.3.2 Relations with the European Union

2.25. The European Union is the second largest market for Haitian exports after the United States (Section 1.3). In addition to the GSP, Haiti benefits under the EU's "Everything but Arms" (EBA) initiative and exports all products to the EU on a duty-free/quota-free basis, except for arms. The trade preferences also apply to products obtained through regional cumulation, even if Haiti's status as the only LDC in the subregion limits the use of this facility. Local industry nonetheless takes very little advantage of these preferences.

2.26. Haiti is a signatory to the Cotonou Agreement, which lays down the modalities of political, trade and development cooperation between the EU and the ACP Group. It participated in the negotiations on an Economic Partnership Agreement (EPA) with the EU as part of the process of creating the Caribbean Forum of ACP States (CARIFORUM).[16] The negotiations began in 2004 and culminated in the signing of an EPA in October 2008. The Agreement is expected to take effect once the ratification process has been completed by all Member States. Haiti signed the EPA in 2009 but has not yet ratified it.

2.3.3.3 Other

2.27. Haiti is a member of the Organization of American States (OAS) and took part in the negotiations for the creation of the Free Trade Area of the Americas (FTAA).

2.4 Investment regime

2.28. Mobilizing investment is one of the Government's priorities under its strategy for growth revival, job creation and poverty reduction. In this context, special attention is being devoted to foreign direct investment owing to the additional spinoffs expected in terms of improved product quality and technology transfer.[17]

2.29. Yet the business climate is one of the least competitive in the subregion. According to the World Economic Forum's latest Global Competitiveness Report, the constraints frequently mentioned by entrepreneurs as affecting the conduct of business include poor infrastructure, limited access to funding, corruption and a dearth of qualified personnel.[18] According to estimates from the latest *Doing Business* report, it takes an average of 97 days to set up a public limited company in the capital.[19] The investment regulatory framework consists of a great many, often overlapping laws and regulations which, according to the DTIS, are likely to be a source of confusion for potential investors.[20]

2.30. In its endeavours to revitalize the economy following the 2010 earthquake, the Government has taken a number of initiatives to improve the business climate and attract private investment. In 2011, the authorities launched the "Haiti is open for business" campaign, designed to attract more foreign investment. Other reforms include the possibility to register public limited companies online, the creation of micro-parks, and the establishment of a Centre for Enterprise and Entrepreneurial Development. The Government has also set up a commission to coordinate business law reform.

2.31. Haiti has a large diaspora and their remittances constitute the country's main source of foreign exchange (Section 1.2). The mobilization of resources from the diaspora therefore figures prominently in the country's investment policy, which aims to make Haiti an emerging country

[16] CARIFORUM comprises 16 members including the CARICOM countries and the Dominican Republic.
[17] MEF (2014a), [20.05.2015].
[18] World Economic Forum (2015).
[19] World Bank (2014).
[20] World Bank (2013b).

by 2030.[21] Numerous initiatives have been taken in this regard, including the relaxation of certain constitutional provisions on dual nationality and the strengthening of the powers of the ministry responsible for matters relating to Haitians living abroad.

2.4.1 Legal and institutional framework for commercial activities

2.32. Haiti's Investment Code guarantees freedom of enterprise, free movement of capital, as well as equal rights and privileges for national and foreign investors (subject to provisions regarding residence permits). Foreign investors are guaranteed the right to own real estate to serve the needs of the company. They are not subject to any constraint or taxation regarding the reimbursement of debts contracted abroad for the purposes of investing in Haiti.

2.33. The law recognizes several types of company, namely sole proprietorships, general partnerships (with unlimited liability), and joint-stock companies (public limited companies), the latter being the most common legal form. A number of legal, administrative and fiscal formalities must be completed in order to engage in any commercial activity (Table 2.3).

2.34. Generally speaking, a company's incorporation documents must be prepared and submitted to the MCI by a lawyer or notary domiciled in Haiti. For foreign companies, articles approved in the country of origin must be legalized by the Haitian Consulate in that country. Moreover, the notice of incorporation of the company must be published in at least one daily newspaper in the place where it is headquartered, and must be published in the Official Journal when it is a public limited company. To establish this latter type of company, the law prescribes a minimum of three shareholders, of which at least one must be Haitian. The law does not stipulate a minimum capital holding for the shareholder, however. For general partnerships, 51% of the capital must be held by Haitians.

2.35. The law establishes minimum share capital thresholds. A quarter of the required minimum capital must first be deposited with the National Credit Bank in order to obtain authorization to operate. The legally required minimum capital is currently G 100,000 (roughly US$25,000) for agricultural and industrial companies, and G 25,000 (about US$6,250) for commercial companies. Financial services companies are subject to a higher minimum capital requirement (Section 4.6.2.1). The deposit is released once the duties and taxes have been paid to the Directorate-General of Taxation.

Table 2.3 Principal steps in the creation of a public limited company

Procedure	Responsible institution	Description / fees
Instruments of incorporation	Lawyer/notary	The instruments of incorporation must be drawn up, notarized and submitted to the MCI by a notary (or lawyer)
Deposit of the required initial capital	National Credit Bank	A quarter of the required minimum share capital (varies according to activity) must be deposited with the National Credit Bank
Registration of the articles	Directorate-General of Taxation	Filing fee: G 250
Registration of the company/publication	MCI	The company is listed in the commercial register and the dossier sent to the Government Printing Office Registration: G 275 for public limited companies (G 163 for foreign companies) Publication: G 5,000 to G 35,000 depending on the number of pages
Obtaining the tax identification number	Directorate-General of Taxation	G 500 fee
Obtaining the professional identity card	MCI	Fee of G 250 or G 500, depending on professional category
Declaration of employees	Ministry of Labour	Within eight days of starting up activities
Compulsory sickness insurance	OFATMA	Within 15 days of starting up activities

[21] Government of the Republic of Haiti (2013).

Procedure	Responsible institution	Description / fees
Old age and disability insurance	ONA	Monthly contributions by the employer (% of the wage bill): - ONA: 6% - OFATMA: between 2% and 6% depending on activity and wage level (in some cases)

Note: OFATMA: Occupational Injury, Sickness and Maternity Insurance Office.
ONA: National Old-Age Insurance Office.

Source: Information provided by the Haitian authorities.

2.36. An Investment Facilitation Centre (CFI) was set up in 2006 to promote private investment. The Centre has reportedly facilitated the creation of over 100 companies, thereby generating over 60,000 jobs.

2.37. Moreover, under the project to modernize the registration process for public limited companies, an electronic single window has been in operation since October 2014 for the registration of such companies. Entrepreneurs should accordingly be able to conduct the following procedures online: reserving the name; choosing a notary or lawyer; publishing the notice of incorporation; and paying the fees pertaining to the procedure. According to the authorities, the window makes it possible to incorporate a company in less than ten days, the long-term target being three days.

2.38. As part the "Haiti is open for business" campaign, national consultations on investment were held in March 2012. They produced three priority measures, namely the creation of a commission to review the legal framework for business, the establishment of the Centre for Enterprise and Entrepreneurial Development (CDEE), and the formulation of an industrial policy.

2.39. The CDEE was established in 2012 to assist micro, small and medium-sized enterprises (MSMEs) in their formal establishment and development. To decentralize the Centre's activities, Business Support Service (SAEs) units have been set up in the departments. The main task of these units is to provide more customized support to MSMEs in areas such as technical capacity building among entrepreneurs, promoting compliance with quality standards, fund-raising, and facilitating access to local, regional and international markets.[22] The services provided by the SAEs are generally free of cost (with the exception of fees for the issue of permits and authorizations).

2.4.2 Corporate tax liabilities

2.40. Companies are generally subject to a vast array of taxes and charges, which constitute a potential burden on the investor (Table 2.4). According to World Bank estimates for 2013[23], a company set up in Port-au-Prince spends an average of 184 hours per year preparing its taxes and various contributions, and makes about 47 payments. The average overall assessment rate is 40.3% of profits.

Table 2.4 Summary of the tax system applicable to natural and legal persons, June 2015

Type of levy	Some liability criteria and rates
Direct taxes	
Personal income tax	Income from Haitian sources (for tax residents, overall income) Five-bracket, progressive system ranging from 0 to 30%
Corporation tax	30% of industrial and commercial profits (BIC)
Business tax	Self-employed persons Fixed (G 40 to G 2,000) and variable (0,2% of turnover, net of wages)
Licence fee	Applicable to activities controlled by law 40% of the business tax (45% of the monthly salary for foreigners, and 250% of the business tax for foreign companies)
Payroll tax	2% of the payroll, paid by the employer
Rental tax	Progressive tax of 6.6%, 15.4% or 16.4% of the rental value, as the case may be

[22] MCI (2013) [10.08.2015].
[23] World Bank (2014).

Type of levy	Some liability criteria and rates
Tax clearance certificate	Required for some business transactions, validity of 3 to 5 months Fee: G 250 to G 1,000 depending on type (A, B or C)
Tax registration fee	
Tax on shares and certificates	Applicable to public limited companies (0.3% of shares per year; 0.2% on the sale of shares)
Stamp duty in proportion to capital	Applicable to public limited companies Single tax, 2% tax on share capital
Operating/non-operating tax	Applicable to public limited companies Operating: G 1,500; non-operating: G 25,000
Filing fee (annual financial statements, opening balance sheet)	Applicable to natural and legal persons G 1,250 (if there is a profit)
Indirect taxes	
Turnover tax	10% of the value of sales and services provided (see Section 3.2.6.1)
Excise duty	Variable (see Section 3.2.6.2)
Import duties	Customs duties: 0-40% of f.o.b. value (Section 3.2.4) Inspection fee: 45% (Section 3.2.1.2)
Professional identity card	G 1,500 per year
Tax registration card	Any natural or legal person pursuing an activity or profession The card is issued for 5 years for a fee of G 500
Licence to engage in an activity	G 500 per year (industrial and commercial permit); foreigners: 1.5 times the cost of the licence for individuals; 2.5 times for companies
Health certificate	G 50/employee/year
Social security contributions	
Sickness and maternity insurance	2-6% of the payroll
Old-age insurance	2-6% of the payroll
Other taxes and contributions	
Apprenticeship tax	1% of the payroll
Registration fee	In case of sale of personal property and real estate 3-4% of the transaction
Certificate and portfolio transfer tax	In case of transfer 0.2% of amount transferred
Built-up property tax (CFPB)	6-15% of the gross rental value per year
Contribution to the Fund for the Management and Development of Local Communities (CFGDCT)	Applies to salaries, winnings from lotteries, gambling and betting and to customs slips (2% of the value)
Income tax / balance sheet basis	
Foreign company registration fee	G 163

Source: Information provided by the authorities, and online information viewed at: http://www.dgi.gouv.ht/forms/tarif_impots.pdf.

2.41. The income tax system (for natural and legal persons) is laid down in the Decree of 29 September 2005. Personal income tax (IRPP) is assessed on the overall income of natural persons with their tax domicile in Haiti. For persons not domiciled in Haiti for tax purposes, the tax base comprises their income from Haitian sources. Personal income tax is levied according to a five-step marginal tax scale ranging between zero and 30%, the zero rate being applicable to annual wages and salaries of G 60,000 or less (about US$1,500).[24] The tax is generally withheld at source by the employer: 10% on incomes between G 60,001 and G 240,000; 15% on the portion of income up to G 480,000; 25% on the portion up to G 1 million; and 30% on the portion above that (this in fact concerns very few taxpayers).

2.42. Companies are generally taxed at a single rate of 30% of industrial and commercial profits. A simplified regime is available for companies with an annual turnover of less than G 1.25 million (approximately US$31,250). These are assessed at a rate of 1% of their turnover for the preceding fiscal year, after a tax rebate of G 500,000. A minimum tax of G 5,000 is levied. The simplified regime also covers some types of business profit, such as that on buildings rented

[24] MEF (2013).

to gaming companies (25% of the annual rental value), and profits accruing to non-resident inventors and professionals (20% of profits).

2.43. Waivers apply mainly to agricultural cooperatives, agricultural credit banks and to savings and housing banks (during the first ten years of operation). They also apply to companies benefiting under the Investment Code or under other laws on special economic zones (see Sections 3.3.4 and 3.4.1). They are therefore spread over several legislative texts, and this gives rise to overlapping that could prove confusing to investors.[25]

2.44. The law requires companies to pay a deposit and to set up a reserve fund. At the beginning of each fiscal year, companies are required to make a provisional deposit equivalent to 25% of the prior year's taxable revenue. If at the end of the year the deposit turns out to be higher than the tax payable, the excess is deducted from the next deposit.

2.45. Enterprises are also required to set up a reserve fund representing 50% of their capital. The fund is constituted from annual deductions of one tenth of net profits until the full amount is reached. Payments towards this fund are exempt from income tax, and this could represent a loss of revenue to the State.

2.46. Entrepreneurs may be subject to the business tax and the licence fee, depending on the profession or sector of activity. The business tax is applied to natural and legal persons carrying on a self-employed business. It consists of a fixed tax ranging between G 40 and G 2,000, to which is added, as of the second year of operation, a variable tax representing 0.2% of turnover (net of salaries). In addition to employees, the law waives the business tax for the following natural and legal persons: farmers, livestock farmers and fishermen (provided that they sell the unprocessed products of their operations), artists, painters and others who sell the products of their art, writers, composers, as well as circus and performing artists. According to the authorities, about 80% of receipts from the business tax is allocated to the communes. Some sectors of activity have been made subject to the business tax since fiscal 2012-2013. These are restaurant, tourism and travel agency services, as well as those of gaming houses.

2.47. The licence fee is added to the business tax for professions or activities the pursuit of which is restricted and/or controlled (e.g. manufacturers or distributors of alcoholic beverages or tobacco). It is generally a fixed amount, with a ceiling of G 2,500 for most of the taxpayers concerned. In the case of commercial vendors of alcohol and tobacco (in hotels, cafes, restaurants and nightclubs), the licence fee is levied at a rate representing 40% of the business tax. It is applied to foreign residents (legal or natural persons) working or established in the country, irrespective of profession or sector of activity. The rate is 45% of the monthly salary for foreign employees, and 250% of the business tax for foreign legal persons (and individual property owners).[26] This discrimination is inconsistent with the national treatment clause.

2.48. The main indirect taxes include customs duty (Section 3.2.4) and the turnover tax (TCA). The TCA is applicable to all taxpayers engaging in operations relating to consumption or the use of goods and services. It is assessed on turnover at a single rate of 10%. A simplified regime may be applied to companies with an annual turnover of less than G 1,250,000. This category includes mainly contract manufacturers, small-scale retailers and service providers. A tax rebate of G 500,000 of turnover is accorded before the tax is calculated.

2.49. The export, international transport, financial and real estate sectors are exempt from the TCA, as are the fees of clerks and bailiffs. Also exempt are oil products, inputs for the manufacture of medicines, newspapers, school books and supplies, as well as agricultural materials and equipment. Insurance premiums are exempt from the TCA but are subject to the tax on insurance premiums (TPA). The tax is levied at a rate of 5% on life insurance premiums, and 10% for non-life insurance.

2.50. While corporation tax is relatively low by comparison with other countries in the subregion, dividends are taxed at a rate of 20%, which ultimately amounts to a fairly high effective rate of taxation of profits.

[25] International Finance Corporation (2011).
[26] MEF (2013) [09.09.2015].

2.4.3 Settlement of investment-related disputes

2.51. There is no commercial court in Haiti. Trade or business-related disputes are handled by courts of first instance, which could slow down economic activity considering how long it takes to settle disputes submitted to the courts in general. The Conciliation and Arbitration Chamber of Haiti (CCAH) was set up by the Chamber of Commerce and Industry in October 2007.[27] Its mission is to encourage arbitration and conciliation as a way of settling commercial disputes brought before it.

2.52. Haiti has signed the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention) but has not yet ratified it.[28] It is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).

2.4.4 International agreements

2.53. Haiti has signed bilateral investment agreements with France (in force since 1985), Germany (effective since 1975), the United Kingdom (effective since 1995), and the United States (not yet in force). An agreement on the protection and reciprocal promotion of investments was concluded with Mexico in May 2015.

2.5 Aid for trade and technical assistance

2.54. Haiti is highly dependent on official development assistance (Section 1.1). According to OECD statistics[29], official assistance classifying as Aid for Trade (AfT) amounted to over US$1 billion between 2010 and 2011, then declined to US$868 million in 2013. AfT has benefited a broad range of sectors and activities, the main ones being agriculture, transport and storage, and energy.

2.55. The authorities aim to seize the opportunities offered by Aid for Trade in order to develop the local market and better integrate the economy into the subregion. The following areas have been defined as priorities: transport infrastructure, distribution (water, electricity and telecommunications) infrastructure, and trade facilitation.[30] A unit responsible for monitoring and evaluating AfT-related measures is now being set up in the MCI.[31] Haiti played an active part in drawing up the CARICOM Aid for Trade Strategy.

2.56. Haiti has been a beneficiary under the Enhanced Integrated Framework (EIF) programme since 2008. Implementation of the programme did not begin until March 2013, however, owing to the many problems, including the natural disasters, that the country had to address. Haiti has implemented three Tier 1 projects:

a. the pre-DTIS (Diagnostic Trade Integration Study) project, implemented between 2011 and 2012;

b. the DTIS[32], focused on export processing, in particular clothing and apparel, tourism, transformation and export of selected agricultural products such as mangoes and essential oils; and

c. the Support to National Implementation Arrangements (NIAs) project, designed to develop and reinforce Haiti's institutional capacities in the formulation and implementation of trade policies and strategies.

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[27] Online information from the Chamber of Commerce and Industry (CCI). Viewed at: http://www.ccih.org.ht/home/presentation-de-la-ccih/la-chambre-darbitrage.

[28] Decree of 28 August 1985 endorsing the Convention on the Settlement of Investment Disputes between States and Nationals of Other States signed by Haiti in Washington on 30 January 1985.

[29] The OECD Creditor Reporting System (CRS). Viewed at: http://www.oecd.org/dac/aft/aid-for-tradestatisticalqueries.htm.

[30] OECD/WTO (2015).

[31] *Service de suivi et d'évaluation de l'Aide pour le commerce et de veille de l'intégration* (Aid-for-Trade Follow-up and Evaluation and Integration Monitoring Service).

[32] World Bank (2013a).

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Introduction

3.1. Tariffs are still Haiti's principal trade policy tool, as well as being an important source of income (customs revenue accounts for around one third of fiscal revenue). The applied tariff is based on the 2007 version of the Harmonized System and virtually all lines are *ad valorem*. Between 2002 and 2013, the average applied rate almost doubled to 4.9%. The revision of the tariff mainly involved imposing a 5% duty on some products that had previously been exempt from customs duty, with the result that the percentage of duty-free lines fell from 67.1% in 2002 to 44.3% in 2013.

3.2. There are still numerous levies on imports, for example, inspection fees of 5% levied on behalf of the State; a contribution to the local communities management fund, at a rate of 2% of the c.i.f. value plus customs duty; and several internal taxes (turnover tax and excise duty). These fees and taxes have meant a substantial increase in the actual import duty on goods. Haiti continues to apply the Brussels Definition for customs valuation. In addition to import duties, which have been bound for 89.4% of tariff lines, Haiti has bound other duties and charges at a ceiling of 16% on the majority of products. In practice, the sum of the various charges on goods such as used vehicles may reveal that the bound rates have been exceeded.

3.3. Haiti has not yet ratified the WTO Agreement on Trade Facilitation. Computerization of the customs system following the introduction of ASYCUDA led to a noticeable improvement in the country's logistics performance. In 2013, an advance information programme for freight was introduced and the preshipment inspection programme remains mandatory for imports of a value exceeding a specified threshold.

3.4. There have been no major changes to the export regime since the previous TPR, but documentary requirements could be made much simpler. Most of the prohibitions and restrictions stem from the international treaties to which Haiti is party. The Government does not grant any export subsidies. Industrial parks remain an important component of the Government's strategy to conquer export markets.

3.5. With exemptions estimated at around 4.1% of the GDP in 2011, the incentives regime entails a sizeable loss of revenue. Haiti does not currently have any legislation on competition, standardization or contingency trade measures. It is neither a signatory nor an observer of the Plurilateral Agreement on Government Procurement. Following the earthquake in 2010, government procurement legislation was revised and provided for a substantial increase in the thresholds for awarding contracts. There have been no major changes as regards standards and technical regulations. Haiti's Bureau of Standards was set up in 2012, when a goods conformity verification programme also started to operate. In the intellectual property sphere, a major step forward was made with the adoption of legislation on copyright and related rights, although the system of protection remains weak and trademarks are frequently infringed.

3.2 Measures directly affecting imports

3.2.1 Customs procedures and requirements

3.2.1.1 Registration and documentation

3.6. The General Customs Administration (AGD) has five so-called decentralized offices in Port-au-Prince, 14 customs posts in the provinces, and mobile units. The offices in the port and airport at Port-au-Prince are the two major entry points, receiving around 90% of imports and providing 84% of customs revenue.

3.7. Any economic operator wishing to engage in trade in Haiti has to comply with a certain number of procedures (Section 2.4.2), obtain a tax registration card and a professional identity card. These cards, together with a tax compliance certificate (tax clearance, type A), must be presented before any customs clearance operation[1] Unlike the cards, which are valid for one year, the tax clearance certificate is valid for three to five months.

3.8. Customs procedures are defined in the 1987 Customs Code and the successive amendments thereto. Pursuant to the legislation, all imports are subject to a customs declaration specifying the customs procedure applicable. There are four types of procedure: declaration of release for consumption; export declaration; re-export declaration; and declaration under suspensive procedures (transit, storage, temporary admission, etc.).

3.9. Customs declarations may be made manually using a customs declaration form (FDU) or electronically through ASYCUDA. The documents required for commercial imports include the bill of lading or air waybill, the packing list, and the commercial invoice. A separate declaration of value is required for commercial imports of a value exceeding G 1,000. Other documents may also be required depending on the nature of the goods, the type of import transaction or the value. These may include: a fumigation certificate for worn clothing; a phytosanitary or veterinary certificate; or a certificate from the ministry responsible for public health for pharmaceuticals. The time required for formalities is one of the longest in the subregion (Latin America and the Caribbean). According to the World Bank's *Doing Business* report, importing a container may take 26 days, five of which are required to complete customs and inspection formalities.[2]

3.10. The project to computerize the customs system led to the introduction of ASYCUDA World in most customs offices so they are now interconnected. A number of operations can be conducted online using ASYCUDA World, for example, transmitting the manifest and the customs declaration and paying costs. This project has meant a significant improvement in the country's logistics performance, as can be seen from its classification in the World Bank's Logistics Performance Index: in three years, Haiti rose from 123rd place to 98th in 2010.[3] Following the earthquake, however, it lost its place and was 153rd in 2012.

3.11. After the means of transport has arrived, the carrier has 24 hours in which to register the manifest. Once this has been done and the customary formalities completed (quarantine, for example), the director of the customs office may authorize unloading of the goods. These are then stored in customs warehouses or areas or on any other authorized site. After the manifest has been registered, the importer has 21 days in which to submit the customs declaration and 48 hours after this has been registered the original documents have to be presented at the customs office. The documents are checked and forwarded to the service which processes them. At this stage, the declaration may be selected for one of the following three channels depending on factors such as the nature of the goods, their origin, and previous transactions by the operator:

a. Green channel: the declaration is processed immediately. The declarant has four days for payment of the fees at one of the two approved banks[4];

b. Yellow channel: more detailed verification of the declaration and the documents. Following this, the declaration may be redirected to one of the other two channels or result in a fine being imposed;

c. Red channel: the goods undergo physical inspection. Following this, the declaration may be forwarded to the green channel for processing, or amended and redirected to the yellow channel for further verification of the documents.

3.12. After the fees due have been paid[5], the declarant is given a release note and takes this to the person in charge of the customs warehouse in order to obtain the exit voucher and withdraw the goods.

3.13. Some offices have not yet been equipped with ASYCUDA and customs clearance procedures differ. Importers usually make a declaration without a manifest as soon as the means of transport

[1] The tax clearance certificate is issued by the Directorate-General of Taxation.
[2] World Bank (2014).
[3] Online information from the World Bank. Viewed at: http://lpi.worldbank.org.
[4] These are the Bank of the Republic of Haiti and the National Credit Bank.
[5] Sums of up to G 15,000 may be paid in cash. Higher amounts must be paid by cheque.

arrives. Based on the documents furnished, the customs service decides whether or not to conduct an inspection. They assess the goods and then process the declaration.

3.14. Use of an approved customs broker is mandatory for commercial imports. The following formalities in particular have to be completed by a customs broker: declaration, verification, customs clearance, transit, storage, export or reshipment of goods.[6] Only Haitian citizens may act as customs brokers and the usual procedures for setting up businesses (Section 2.4.2) apply to the profession. A customs broker must be approved by the AGD, which keeps a register. The legislation distinguishes two categories of customs broker: those authorized to complete customs formalities for any type of transaction, and those who may only deal with transactions of a value not exceeding G 1 million. For the former, the security to be deposited is G 100,000 and G 50,000 for the latter.

3.15. Haiti has not yet ratified the WTO Agreement on Trade Facilitation. An advance information programme for freight was introduced in 2013. Under this programme, information must be forwarded within the following periods: at least three hours before arriving at the border for road transport; at least 24 hours before arriving at the first port in Haiti for maritime transport; on take-off or at least four hours before the aircraft arrives in Haiti for air transport.

3.16. Haiti is a member of the World Customs Organization, but is not a contracting party to the Revised Kyoto Convention.[7]

3.2.1.2 Preshipment inspection

3.17. A preshipment inspection programme for imports was introduced in 1983 with the aim of "providing the AGD with technical assistance in order to protect the interests of the State, of importers, producers and consumers".[8] The programme is managed by the *Société générale de surveillance* (SGS) under a service contract. The SGS' inspection services include notification of the customs value of goods and their tariff classification and import eligibility (pursuant to domestic legislation). The customs administration is not, however, bound by these notifications.

3.18. According to the law, preshipment inspection is mandatory for goods imported in full containers and for those with an f.o.b. value of US$5,000 or more. Importers have to register a prior import declaration (DPI) with the SGS at least five days before the goods are shipped. A DPI is also required for imports of a value of US$3,000 to US$5,000. Based on the information provided by the importer, the SGS determines the scope of the inspection, which may consist of physical inspection of the nature, quality and quantity of the goods or simply verification of the customs value and the tariff classification.

3.19. Physical inspection usually takes place at the site of production, storage or shipping. Products imported in bulk such as rice, wheat flour and sugar, however, may be inspected at destination. For goods of a value of US$3,000 to US$5,000, inspection is confined to verifying the value and the tariff classification, although they may be subject to inspection at destination at the request of the AGD. Following the inspection, the SGS may issue an inspection certificate (if the inspection is satisfactory) or a report of irregularities. The admissibility of the customs declaration depends on submission of the DPI and the original inspection certificate (if the SGS is involved).

3.20. The following are some of the products exempt from preshipment inspection: precious stones and metals; works of art; ammunition and weapons (except for hunting or sporting weapons); explosives and pyrotechnical articles; scrap metal; newspapers and periodicals; petroleum and its byproducts; commercial samples; and live animals.

3.21. Inspection fees amounting to 5% *ad valorem* of the c.i.f. value of imports are levied on behalf of the State. Not only do these not necessarily reflect the cost of the service provided but

[6] Online information, viewed at: http://www.gerardlatortue.org/bpm/pdf/decrets/douane.pdf [10.06.2015].

[7] International Convention on the Simplification and Harmonization of Customs Procedures, signed at Kyoto on 18 May 1973 and amended on 26 June 1999.

[8] Decree of 3 October 1983 giving the *Société générale de surveillance* (SGS) responsibility for the qualitative and quantitative inspection of shipping operations throughout the Republic of Haiti as of 1 December 1983. Published in *Le Moniteur* No. 75 of Monday, 31 October 1983, pp. 842-844.

they also significantly increase the actual duty on the entry of imported goods. For each procedure, the Haitian State pays the SGS costs amounting to 0.80% of the f.o.b. value of the goods inspected, with a minimum charge of US$200.

3.2.1.3 Verification of conformity

3.22. A programme to verify the conformity of goods prior to shipment has been operating since January 2013. Its purpose is to verify that imported goods comply with national or international standards or technical regulations, and it applies to virtually all products.[9] This programme is also administered by the SGS.[10] The goods are usually verified in the country of export. The following are exempt from the programme: personal effects, donations, materials for educational institutions, and goods imported by diplomats, consular missions and United Nations agencies. Verification fees are *ad valorem* and amount to 0.40% of the f.o.b. value of the goods indicated on the invoice, with minimum and maximum fees of US$400 and US$8,000, respectively.[11] In this case, there is no additional fee for verification of the value.

3.2.2 Customs valuation

3.23. Customs valuation methods are still essentially based on the 1950 Brussels Definition. In 2008, a draft customs code incorporating provisions in line with the WTO Customs Valuation Agreement was put before Parliament, but has not as yet been ratified. Customs value is the normal value "that is to say, the price that can be fixed for the goods concerned, at the time customs duty becomes payable, in the course of sales that occur under fully competitive conditions between buyers and sellers" (Customs Code, Article 59). For used vehicles, the AGD may consult the values cited in certain sources such as the *Kelley Blue Book*, the National Automobile Dealers Association (NADA), or the Argus.

3.24. Customs duty is payable on the c.i.f. value of the goods. The amount is converted into gourdes at the exchange rate prevailing at the Central Bank at the time the duty and taxes owing are paid.

3.25. In addition to preshipment inspection by the inspection company, the value of goods is verified by the customs authorities both during and after the customs clearance procedure. The purpose is to secure compliance with the legislation and to ensure that the goods correspond to the declaration registered. Inspection may result in the imposition of additional duties and taxes, as well as fines which may amount to 30% of the customs value.

3.26. If the value is contested, the economic operator may lodge an appeal with the Director of the AGD.

3.2.3 Rules of origin

3.27. Haiti does not apply any non-preferential rules of origin.[12]

3.28. Community origin within the CARICOM is recognized for goods wholly produced in the Community from local raw materials. The goods produced (even partly) from imported raw

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[9] Products under the following tariff headings are exempt from conformity assessment: Chapter 03 (except headings 0302 to 0307); Chapter 10 (except 1006.10.90 to 1006.40); Chapter 11 (except 1101.00.10.00); Chapter 21 (2106.01.000 to 2106.02.900); Chapter 22 (except 2207); Chapter 25 (except 2501.01.100 to 2501.001900, 2523.210000 to 2523.9000); Chapter 39 (except 3917, 3923, 3924 and 3925); Chapter 40 (except 40.11 to 40.14); Chapter 48 (except 4818.10 to 4818.90; 4820.10; 4820.20 to 4820.40); Chapter 72 (except 7213 and 7214); Chapter 73 (except 7308.900000 and 7311.009000); Chapter 76 (except 7606); Chapter 84 (except 8414, 8415, 8418, 8419, 8424 and 8428); Chapter 85 (except 8501, 8502, 8504, 8506, 8507, 8508, 8509, 8511, 8513, 8515, 8516, 8517.11 to 8517.62, 8525, 8536, 8537, 8539, 8544, and 8545); and Chapter 90 (except 9018, 9020, 9021, 9022, 9025, 9026, 9028, 9030 and 9032).

[10] Online information from the SGS. Viewed at: http://www.sgs.com/en/Our-Company/News-and-Media-Center/News-and-Press-Releases/2012/11/SGS-APPOINTED-FOR-ADDITIONAL-SERVICES-IN-HAITI.aspx [19.08.2015].

[11] Online information from the SGS. Viewed at: http://chatelaincargo.com/sites/chatelaincargo.com/files/resources/sgs/sgs-pca-haiti-datasheet-v1-hs-list-12.pdf [18.08.2015].

[12] WTO document G/RO/N/20/Rev.1 of 27 July 1998.

materials must undergo substantial processing in order to be eligible.[13] Substantial processing is proved either by means of a change in the tariff heading (i.e. at the level of six-digit subheadings in the Harmonized System) or by conformity with specific criteria set out in Annex I to the Treaty.

3.29. Preferential rules of origin are provided under the CARIFORUM-EU Economic Partnership Agreement and should come into force once the Agreement has been ratified by Haiti.

3.2.4 Customs duty

3.30. Haiti remains highly dependent on port duties as a source of income. Customs revenue (including inspection fees) accounts for around one third of fiscal revenue. Its share would be even higher if the internal taxes collected at the border were taken into account. For fiscal 2013-2014, the customs duty collected amounted to G 8.4 billion, corresponding to 17.8% of fiscal revenue (Table 3.1).

Table 3.1 Trend in fiscal revenue, 2004-2014

(G million)

	2004-2005	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Customs revenue	**8,039**	**18,259**	**22,047**	**22,695**	**22,860**	**23,550**
- Customs duty	2,061	5,998	6,738	6,993	7,031	7,173
- Inspection fees	1,813	3,957	5,274	5,476	5,297	5,390
- Turnover tax	3,068	6,896	9,121	9,157	9,588	10,017
- Excise duty	1,097	1,408	914	1,069	944	969
Internal revenue	10,653	19,393	24,613	28,331	29,243	33,380
Other fiscal resources	1,327	638	761	179	1,049	326

Source: Ministry of the Economy and Finance. Online information viewed at: http://www.mef.gouv.ht/index.php?page=TOFE.

3.2.4.1 Applied customs tariff

3.31. The most-favoured-nation (MFN) tariff applied during fiscal 2014-2015[14] is based on the 2007 version of the Harmonized System (HS).[15] Even though the tariff is broken down to eight-digit level, the base nomenclature remains that of the six-digit HS (tariff subheadings). The eight-digit breakdown in fact only concerns 368 subheadings and in most cases has entailed a division of the subheading into two tariff lines, sometimes with very different rates. The applied tariff therefore consists of 5,285 tariff lines. It is *ad valorem* for all lines, except for one: grated cheese or cheese in powder form (tariff line 040620.00). The rate for this tariff line is specific and has not changed since the previous TPR: G 0.82 per net kilogram. There is no longer a specific tariff for dried garlic.

3.32. The applied rate appears fairly low compared to those of other countries, especially the CARICOM's CET. If one takes into account other charges such as inspection fees and the environmental protection tax (Section 3.2.5), however, protection at the border is high. During the review period, the average applied rate rose, from 2.9% in 2002 to 4.9% in 2015 (Table 3.2). Some 44.3% of tariff lines are duty free (compared to 67.1% in 2002). The revision of the tariff mainly involved imposing a 5% duty on certain products that had previously been duty free. The percentage of lines with a 5% tariff therefore showed a marked increase and accounts for one quarter of tariff lines.

[13] Revised Treaty of Chaguaramas, Article 84.
[14] The fiscal year commences on 1 October and ends on 30 September the following year.
[15] Haiti is a member of the World Customs Organization and became a contracting party to the International Convention on the Harmonized Commodity Description and Coding System on 17 January 2000.

Table 3.2 Structure of applied MFN tariffs, 2002-2003 and 2014-2015

	Indicator	2002-2003[a]	2014-2015[b]
1.	Total number of tariff lines	5,236	5,285
2.	Non-*ad valorem* tariffs (% of all tariff lines)	0.4	0.0
3.	Non-*ad valorem* tariffs without AVEs (% of all tariff lines)		0.0
4.	Tariff quotas (% of all tariff lines)	0.0	0.0
5.	Duty-free tariff lines (% of all tariff lines)	67.1	44.2
6.	Simple average of dutiable lines (%)		8.9
7.	Simple arithmetic average of applied MFN rates	2.9	4.9
8.	Agricultural products (WTO definition)	5.5	8.6
9.	Non-agricultural products (WTO definition)		4.4
10.	Agriculture, hunting, forestry and fishing (ISIC 1)	4.5	5.6
11.	Mining and quarrying (ISIC 2)	2.1	2.7
12.	Manufacturing (ISIC 3)	2.8	5.0
13.	Raw materials	3.3	4.0
14.	Semi-finished goods	2.0	3.2
15.	Finished goods	3.3	6.1
16.	Domestic tariff peaks (% of all tariff lines)[c]	17.9	13.3
17.	International tariff peaks (% of all tariff lines)[d]	7.2	5.0
18.	Overall standard deviation of applied rates	4.8	6.1
19.	"Nuisance" applied rates (% of all tariff lines)[e]	0.0	0.0
20.	Bound tariff lines (% of all tariff lines)		89.4

a Tariff communicated by the authorities.
b Tariff taking into account the law amending the 2014-2015 budget, as published in *Le Moniteur* of 27 March 2015.
c Domestic tariff peaks are duties exceeding three times the simple average of all applied rates.
d International tariff peaks are rates exceeding 15%.
e Nuisance rates are those greater than zero but less than or equal to 2%.

Source: WTO Secretariat calculations, based on data provided by the authorities.

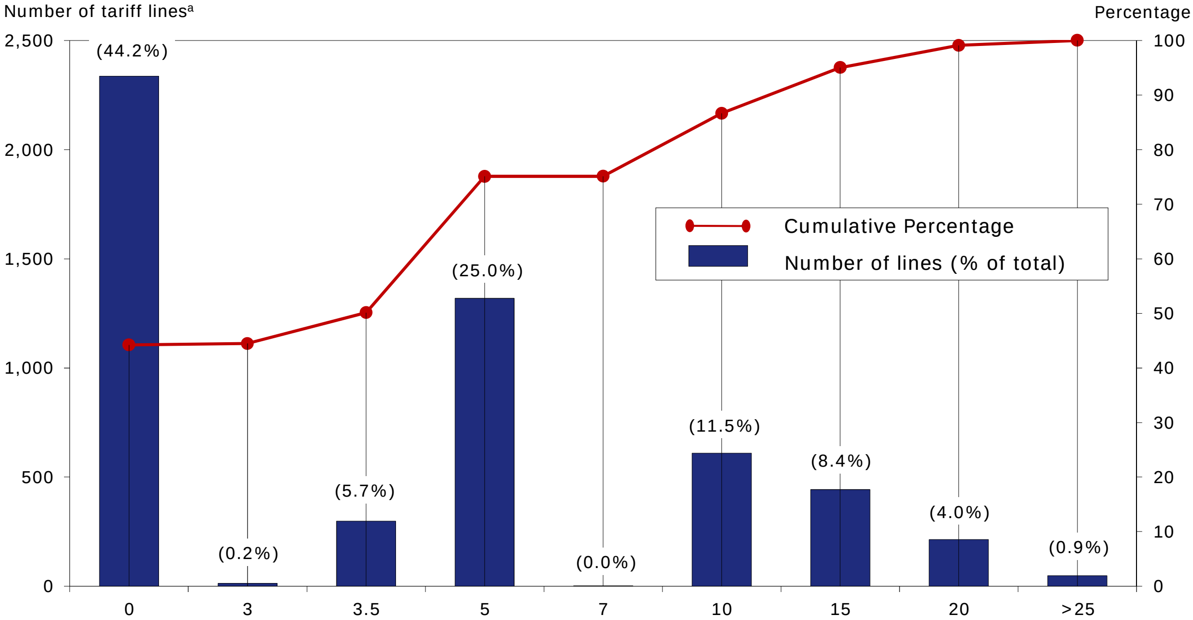
3.33. The applied *ad valorem* rates range from 0% (44.3% of tariff lines) to 40%. The ceiling rate of 40% applies to a dozen tariff lines on products such as spirits, cigars, cigarillos and cigarettes of tobacco. The coefficient of variation of 1.2 shows relatively moderate dispersion of rates. A rate of 5% or less applies to almost 80% of tariff lines.

3.34. The customs tariff has frequently been adjusted both upwards and downwards, which may raise a problem of predictability for economic operators. During fiscal 2014-2015, it was amended at least twice: at the beginning of the fiscal year, by means of the finance law; and in the middle of the fiscal year, by means of the amending finance law.

3.35. In 2014, the authorities reorganized customs duties on new vehicles in order, *inter alia*, to renew the fleet of automobiles and lower emissions of carbon dioxide.[16] Following this revision, vehicles of less than 1,100 cc became totally duty free, while those of more than 1,500 cc became taxed at 12% (except for vehicles of tariff line 870390). The rate of customs duty for those between 1,100 cc and 1,500 remains unchanged at 10%.

[16] Amending budget for 2014-2015, *Le Moniteur*, 170th year – Special edition No. 2, 27 March 2015. Viewed at: http://www.mef.gouv.ht/upload/doc/Budget_Rectificatif_14-15.pdf [20.08.2015].

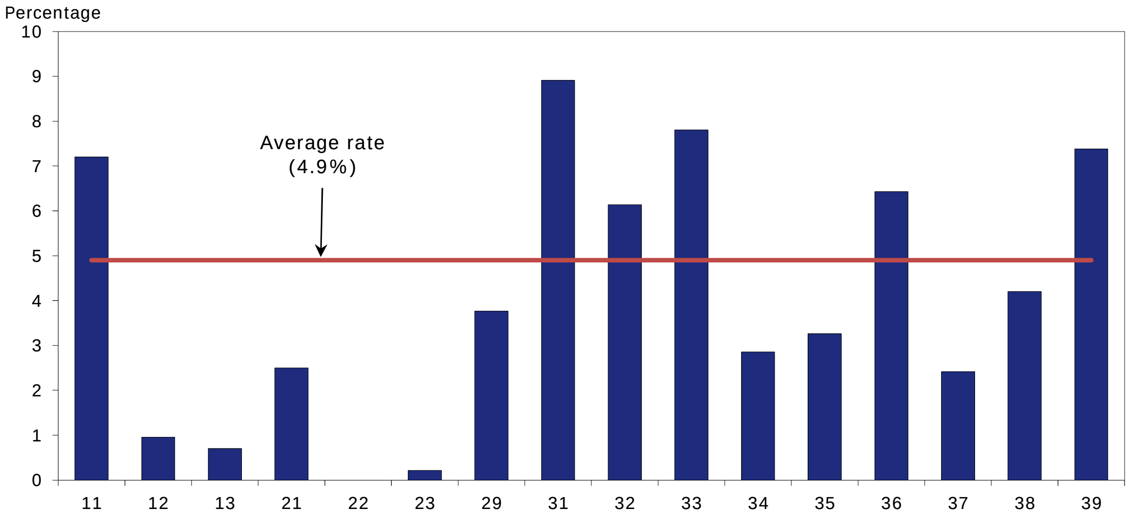
Chart 3.1 Breakdown of MFN rates, 2015



a There are 5,285 lines. One line has a specific tariff (G 0.82 per net kilogram) and is not included in this chart.

Source: WTO Secretariat calculations, based on data provided by the authorities.

Chart 3.2 Average customs duty by ISIC classification, 2015



11 Agriculture and hunting
12 Forestry and logging
13 Fishing
21 Coal mining
22 Production of petroleum and natural gas
23 Mining of metal ores
29 Mining of other minerals
31 Food products, beverages, tobacco
32 Textiles, clothes and leather goods
33 Wood industries
34 Paper products, printing and publishing
35 Chemical and petroleum industries, etc.
36 Non-metallic mineral products
37 Base metal industries
38 Articles of metal, machinery, etc.
39 Other manufacturing

Source: WTO Secretariat calculations, based on data provided by the authorities.

Table 3.3 Summary of the tariff, April 2015

	Applied MFN tariff				Bound tariff
	No. of lines	Simple average (%)	Range (%)	Coefficient of variation	Average (%)
Total	**5,285**	**4.9**	**0-40**	**1.2**	**18.2**
HS 01-24	795	8.0	0-40	1.1	22.3
HS 25-97	4,490	4.4	0-40	1.2	17.5
By WTO definition					
Agriculture	736	8.6	0-40	1.0	21.3
- Animal products	101	8.2	0-25	1.1	18.2
- Dairy produce[a]	20	5.9	0-20	0.7	10.1
- Fruit, vegetables, garden produce	188	11.6	0-40	0.7	26.6
- Coffee, tea	25	10.4	5-20	0.6	24.4
- Cereals and other preparations	88	9.1	0-25	0.8	30.8
- Oilseeds, fats and oils	100	2.7	0-20	1.2	15.5
- Sugar and confectionery	18	13.0	3.5-20	0.4	40.0
- Beverages and tobacco	64	19.5	0-40	0.6	27.3
- Cotton	5	15.0	15-15	0.0	20.0
- Other agricultural products	127	2.4	0-20	1.8	9.7
Non-agricultural products (incl. petroleum)	4,549	4.4	0-40	1.2	17.7
- Non-agricultural products (excl. petroleum)	4,538	4.3	0-25	1.2	17.6
- - Fishing and fish products	126	1.9	0-20	2.6	23.2
- - Metals and minerals	929	3.9	0-25	1.4	13.2
- - Chemicals	861	3.1	0-25	1.6	22.3
- - Wood, paper, etc.	263	4.4	0-20	1.3	12.1
- - Textiles	593	6.1	0-20	1.1	20.7
- - Clothing	219	5.8	0-15	0.6	29.6
- - Leather, footwear, etc.	160	5.3	0-15	1.0	21.5
- - Non-electrical machinery	522	3.3	0-20	0.9	14.1
- - Electrical machinery	249	2.4	0-20	1.5	15.6
- - Transport equipment	210	5.1	0-20	0.9	14.1
- - Other manufactures n.e.s.	406	7.2	0-20	0.8	17.4
- Petroleum	11	6.8	0-40	1.7	21.1
By ISIC sector[b]					
Agriculture, hunting, forestry and fishing	296	5.6	0-40	1.4	18.3
Mining and quarrying	97	2.7	0-15	1.5	12.8
Manufacturing	4,891	4.9	0-40	1.2	18.3
By HS sector					
01 Live animals, animal products	240	3.8	0-25	1.7	17.4
02 Vegetable products	260	8.4	0-40	0.9	25.8
03 Animal or vegetable fats and oils	72	2.7	0-20	1.3	16.5
04 Prepared foodstuffs	223	13.7	0-40	0.7	23.6
05 Mineral products	156	2.3	0-40	1.9	12.5
06 Chemicals	792	2.3	0-20	1.7	21.1
07 Plastics and rubber	221	6.4	0-25	1.0	23.2

	Applied MFN tariff				Bound tariff
	No. of lines	Simple average (%)	Range (%)	Coefficient of variation	Average (%)
08 Raw hides and skins, leather, furskins	69	5.9	0-15	1.1	23.9
09 Wood and articles of wood	94	4.5	0-20	1.1	24.6
10 Pulp of wood, paper	147	3.0	0-20	1.3	10.1
11 Textiles and textile articles	802	5.9	0-20	1.0	21.6
12 Footwear, headgear, etc.	49	10.0	0-20	0.5	22.3
13 Articles of stone	143	6.5	0-20	0.7	19.4
14 Precious metals and precious stones	53	13.1	0-25	0.4	28.1
15 Base metals	584	3.0	0-20	1.6	10.6
16 Machinery and appliances	773	3.0	0-20	1.1	14.8
17 Transport equipment	221	5.0	0-20	0.9	14.2
18 Precision instruments	225	5.8	0-20	0.8	14.9
19 Arms, ammunition	20	17.0	5-20	0.4	20.0
20 Miscellaneous manufactured articles	130	9.8	0-20	0.8	21.7
21 Works of art, collectors' pieces and antiques	11	1.8	0-5	1.3	15.0
By stage of processing					
Raw materials	632	4.0	0-40	1.6	17.4
Semi-finished products	1,713	3.2	0-25	1.6	19.2
Finished products	2,940	6.1	0-40	1.0	17.8

a One tariff line has been left out of the calculations because of the lack of statistics to calculate the *ad valorem* equivalent of the specific rate.
b ISIC classification (Rev.2), excluding electricity, gas and water (one tariff line).

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.2.4.2 Bound rates

3.36. Haiti has bound import duties on 89.4% of its tariff lines at an average rate of 18.2% (Table 3.3). Tariffs on agricultural products are bound at rates ranging from 0 to 50%, with an average bound rate of 21.3%. Zero-rated bound tariff lines concern in particular: powdered milk; certain bones and horn-cores; malt, not roasted; seeds, spores and fruit used for sowing, other than garden seeds; wheat and meslin; hops; certain plants and parts of plants of a kind used in perfumery, medicine or in pharmacy; straw and pellets of unprepared cereals; certain types of fodder; certain resins and fats for industrial use; vegetable saps and extracts; linseed oil; crude glycerol; animal oils and fats (in specific forms); yeast; denatured ethyl alcohol of any type; and some protein materials and their products. The ceiling rate of 50% applies to products such as maize, rice, buckwheat, millet, canary seed, sorghum and other products of the milling industry.

3.2.4.3 Tariff concessions

3.37. The Customs Code allows entry free of duties and taxes for goods such as: travellers' luggage; objects imported when changing residence; goods imported under diplomatic or consular privileges; articles for correspondence courses; agricultural equipment; samples of no commercial value; inherited goods; awards or sporting trophies; coffins, urns and funeral articles. The following are also exempt from payment of duties and taxes: school supplies[17]; printers' ink; articles for teaching the social sciences; newspapers and periodicals; maps and terrestrial globes; propane and containers for compressed gases; and charcoal.

[17] The list includes: books; exercise books; pencils; fountain pens; pens; pen cases; propelling pencils; erasers; felt pens; children's picture albums or books for drawing or colouring; math toolkits; graduated rulers; protractors; compasses; chalk; slate pencils; ballpoint pens; slates and blackboards for writing and drawing.

3.38. Subject to authorization from the competent ministry, non-profit-making institutions may obtain exemption from duties and taxes on their imports of food products, medical materials and equipment, provided that they are not intended for sale. NGOs recognized by the authorities are exempt from payment of duties and taxes on imported vehicles.

3.39. Exemptions from customs duty may also be given under other laws offering incentives (Section 3.4.1). For example, companies approved by the Interministerial Investment Commission under the Law on Industrial Parks (LPI), the Investment Code or the Law on Free Zones (LFZ) may obtain exemption from customs duty and inspection fees. Those importing duty-free goods must submit an exemption letter issued by the Ministry of the Economy and Finance, together with a tax compliance certificate (tax clearance, type B).

3.2.5 Other duties and taxes

3.40. During the Uruguay Round, Haiti bound other duties and charges at a ceiling of 16%, except for some edible animal products (bound at 20%); and vinegar and some grape must and cider (bound at 21%).

3.41. In practice, most imports are subject to preshipment inspection fees of 5% of their c.i.f. value (Section 3.2.1.2)

3.42. An environmental protection tax was introduced in 2015[18] and applies to imports of used vehicles, tyres, batteries and articles of worn clothing. The rate is 10% of the c.i.f. value for tyres, batteries and worn clothing. For vehicles over seven years old (or lorries over 12 years old), the rate is 25%. More modern vehicles are exempt from this tax. Used vehicles are also subject to a tourism tax at a rate of 10% of their c.i.f. value.[19] Taken together, these charges may lead to increases above the bound rates for other duties and charges on items such as used vehicles.

3.43. A first registration tax applies to vehicles imported by individuals for use on the road. The tax base is the c.i.f. value of the vehicle and the rate increases according to the value of the vehicle (with a minimum rate of G 5,000): 5% for vehicles valued at G 35,000 or less; 10% for vehicles of a value ranging from G 35,001 to G 55,000; 15% for vehicles of a value ranging from G 55,001 to G 75,000; and 20% for vehicles of a value exceeding G 75,000. Lorries and buses carrying more than 25 people are exempt.

3.44. Since 2015, goods vehicles registered abroad have had to pay a so-called "internal movement duty"[20], levied by the AGD at a rate of G 5,000 for lorries and G 6,000 for trailers.

3.45. The following are some of the other import charges:

a. down payment amounting to 2% of the c.i.f. value of goods, levied in connection with corporation tax;

b. storage charges on goods declared for storage, levied monthly at a rate of 2% of the declared or estimated value of the goods;

c. stamp duty of G 5 per document for various declarations and vouchers; and

d. a fuel duty of G 1 per litre of diesel fuel.

[18] Law amending the 2014-2015 budget, *Le Moniteur*, 170th year – Special edition No. 2, 27 March 2015. Viewed at: http://www.mef.gouv.ht/upload/doc/Budget_Rectificatif_14-15.pdf [20.08.2015].

[19] Online information from the General Customs Administration (AGD). Viewed at: http://www.douane.gouv.ht/index.php?option=com_content&view=article&id=227&Itemid=259 [20.08.2015].

[20] Law amending the 2014-2015 budget, *Le Moniteur*, 170th year – Special edition No. 2, 27 March 2015. Viewed at: http://www.mef.gouv.ht/upload/doc/Budget_Rectificatif_14-15.pdf [20.08.2015].

3.2.6 Internal taxes

3.46. In addition to customs duty and inspection fees, imports are subject to internal taxes such as the turnover tax; excise duty; down payment; and contribution to the local communities management fund.

3.2.6.1 Turnover tax

3.47. Turnover tax (TCA) accounted for 27.9% of fiscal revenue during the period 2013-2014 and is mostly collected on imports (Table 3.3). It generally applies to operations related to consumption or use of goods and services in Haiti.[21] There is a flat rate of 10% on the turnover of taxable transactions. For imports, the tax base comprises the c.i.f. value of the goods, customs duty, inspection fees and excise duty.

3.48. Imports of the following products are exempt from the TCA: petroleum products; inputs for manufacturing medicines; newspapers, books and school supplies; agricultural materials, equipment and inputs. The financial and real estate sectors, together with the international transport sector, are also exempt from the TCA.

3.49. Exports of goods and certain services are exempt from the TCA. The tax paid on some inputs may allow deduction of the TCA owing to the State. The list of eligible goods includes: unprocessed or processed raw materials used in production; semi-finished products for additional processing; and spare parts to be used to assemble a finished product. There is no zero rate for export transactions. Imported inputs are thus exempt, whereas local inputs are taxed, which can be prejudicial for exporters and domestic producers.

3.2.6.2 Excise duty

3.50. Excise duty applies to a wide range of local or imported products (Table 3.4). During fiscal 2013-2014, it represented around 1.8% of fiscal revenue (Table 3.1). It is mostly derived from petroleum products and imported vehicles. The tax base for imports is usually the c.i.f. value, with an exception for imported vehicles, and includes customs duty. Some products are subject to a rate that varies depending on their origin (domestic or imported), which could constitute a violation of national treatment. For example, following the law amending the 2014-2015 budget, products such as whisky, rum and beer have been taxed at a rate of 16% of their c.i.f. value if they are imported, while their local equivalents are taxed at a rate of 4% of their ex-factory price.

Table 3.4 Products subject to excise duty, and applicable rates, June 2015

Product	Domestic products	Imported products
Tobacco	12% ex-factory price	12% c.i.f. value
Whisky	4% ex-factory price	16% c.i.f. value
Rum	4% ex-factory price	16% c.i.f. value
Beer	4% ex-factory price	16% c.i.f. value
Wine-based beverages and other alcoholic beverages	4% ex-factory price	16% c.i.f. value
Aerated beverages	4% ex-factory price	G 7.2/144 corks
Malt-based beverages	..	G 2/crate
Milk-based beverages	..	5% c.i.f. value
Brown sugar	..	G 0.075/lb
Refined sugar	..	G 0.20/lb
Imported vehicles of over 2,200 cc	N/A	10% c.i.f. value + customs duty
Cigarettes and tobacco	..	12% c.i.f. value

[21] Law of 13 December 2002 amending the Law of 19 September 1982 on Turnover Tax, *Le Moniteur* No. 19, 10 March 2003. The law was amended by the Decree of 23 November 2005.

Product	Domestic products	Imported products
Petroleum products		
Gasoline	N/A	G 3.307/litre + variable excise duty
Diesel fuel	N/A	G 3.106/litre + variable excise duty
Kerosene	N/A	G 2.505/litre + variable excise duty
AV-jet fuel	N/A	G 0.02505/litre + variable excise duty

.. Not available.

N/A Not applicable.

Source: Law amending the 2014-2015 budget and AGD. Online information viewed at: http://www.douane.gouv.ht/index.php?option=com_content&view=article&id=62&Itemid=110.

3.51. There is variable excise duty as well on petroleum products, an additional levy to finance the smoothing of prices at the pump.[22] The adjustment mechanism is based on a reference price (including taxes and profit margins), updated upon each arrival of petroleum products. When the gap between the reference price and the retail price does not exceed 5% of the latter, the variable excise duty is adjusted to compensate for the gap as a whole. If it exceeds 5%, the variable excise duty remains constant and the adjustment is reflected in full in the price.

3.2.6.3 Other levies

3.52. The Law of 20 August 1996 introduced a contribution to the Fund for the Management and Development of Local Communities (CFGDCT) imposed on a certain number of domestic and imported goods and services.[23] For imports, the contribution is 2% of the c.i.f. value plus customs duty. The list of products exempt includes petroleum products, agricultural inputs, some food products (milk, rice, flour, beans, sugar, animal feed), postal packages, pharmaceuticals, books and exercise books. For other products and services, the rate of the CFGDCT is: 20% on the selling price of cigarettes; 5% on insurance premiums; G 20 on vehicle licence plates and stickers; G 0.90 per minute on outgoing international telephone calls[24]; G 25 per ticket on international airline tickets; and 5% on gains from the lottery, gaming or similar betting. Net income and salaries are also taxable (at a rate of 1%), but this provision appears not to be applied.[25]

3.2.7 Import prohibitions, restrictions and licensing

3.53. Haiti does not have any import licensing regime.[26]

3.54. Article 251 of the Constitution prohibits the import of agricultural foodstuffs and their byproducts, except in cases of *force majeure*, because it is deemed that sufficient quantities are produced domestically. It also prohibits the introduction into Haiti of waste or residues of foreign origin (Article 258).

3.55. In general, the Customs Code (Article 52) bans the import of a certain number of goods, including: counterfeit coins, banknotes or documents, and equipment used to manufacture or print them; obscene or pornographic articles; weapons of war and their ammunition (unless they are to be delivered to the Government); and narcotics and psychotropic substances (unless import is authorized by the Ministry responsible for public health).

[22] Law of 9 March 1995 establishing variable excise duty on petroleum products.

[23] Law of 20 August 1996 on contributions to the Fund for the Management and Development of Local Communities.

[24] Amending finance law for 2014-2015. Viewed at: http://www.mef.gouv.ht/upload/doc/Budget%202014-2015%2030%20pages.pdf

[25] Law of 23 October 2002, amending the Decree of 31 March 1980 establishing the special communications tax. The rate is G 1.35 per minute for outgoing international telephone calls (Amending finance law for 2014-2015).

[26] WTO document G/LIC/N/3/HTI/7 of 23 September 2014.

3.56. The import of worn clothing, bedding and footwear is forbidden in principle, but this measure is not applied. Some bans have an environmental objective. For example, since 1 August 2013, it has been forbidden to produce, import, sell or use polyethylene bags and inputs and articles in expanded polystyrene for one-off use for food (for example, trays, cartons, bottles, sachets, cups and plates).[27] The measure has been notified to the WTO.[28]

3.57. Some bans are temporary and are intended to deal with specific problems (Section 3.2.10). Since July 2015, all imports of flour from the Dominican Republic have had to be accompanied by an analysis certificate issued by the exporting country.[29] This measure follows on a notice concerning the discovery of a batch of contaminated imported flour.[30] The certificate has to indicate, *inter alia*, the percentages of any food additives in the product. A ban on the import of some products from the Dominican Republic by road is expected to come into force on 1 October 2015[31], when these products may only enter by sea or by air (except for cement) and may only be unloaded at the ports of Port-au-Prince and Cap-Haïtien. The measure has been adopted "in order to exercise better quality control and ensure the safety of the population".

3.58. An authorization from the competent authorities is required for the import of certain goods. For example, ethanol imports require an import authorization issued by the Ministry of Trade and Industry (MCI). A favourable opinion from the Ministry of Public Health and Population has to be obtained for products imported for pharmaceutical or medical purposes.

3.59. The import of used vehicles is restricted to one vehicle per person per year. Importing a second used vehicle during the same year is punishable by a fine equivalent to twice the customs duty. Moreover, any used vehicle imported over and above a second vehicle is systematically confiscated by the State.

3.2.8 Anti-dumping, countervailing and safeguard measures

3.60. Haiti has no laws or regulations on anti-dumping or countervailing measures. It has not set up any competent authority to initiate and conduct anti-dumping investigations.

3.61. The CARICOM's provisions on safeguard measures are contained in Article 150 of the Revised Treaty of Chaguaramas. Any member may impose quantitative restrictions temporarily in order to protect its balance of payments or to help a sector threatened by increased imports from other member countries. The member concerned must inform the Council for Trade and Economic Development, whose approval is required for any renewal of the measures after 18 months.

3.2.9 Standards and other technical regulations

3.62. Haiti still has no specific legislation on standards, testing, approval or certification. International standards (notably those of the ISO, the WHO and the FAO) serve as a reference but have not been officially adopted. A product conformity verification programme has been operating since 2012 (Section 3.2.1.3).

[27] Ministry of Trade and Industry, Information Letter MCI/0369 of 26 June 2012.
[28] WTO document G/TBT/N/HTI/1 of 3 July 2014.
[29] Ministry of Trade and Industry, document MCI/DCQPC/001360/15, 28 July 2015.
[30] Online information from the Ministry of Trade and Industry. Viewed at: http://www.mci.gouv.ht/index.php?option=com_content&view=article&id=324%3Afarine&catid=1%3Anouveautes&Itemid=227&lang=en.
[31] The 23 products affected are: cooking butter; beer; biscuits; soft drinks; grey cement; detergent powder; drinking water; packaging foam; heavy equipment for construction; wheat flour; rebar; edible oil; juice powder; ground maize; manteca; mattresses; expanded metal and sheet; edible pasta; paint and car body products; laundry soap; snacks (*cheeco)*; PVC pipes; and plastic household utensils. Online information from the Ministry of the Economy and Finance. Viewed at: http://www.mef.gouv.ht/index.php?page=D%C3%A9tails%20de%20l%27actualit%C3%A9&id_article=398.

3.63. The Haitian Bureau of Standards (BHN) was set up in December 2012 with the task of organizing and managing standardization, certification, industrial metrology and quality promotion activities. It appears to be the enquiry point for the WTO Agreement on Technical Barriers to Trade, but no notification to this effect has been made. The BHN represents Haiti in regional and international bodies such as the CARICOM Regional Organisation for Standards and Quality (CROSQ) and the Codex Alimentarius. A metrology laboratory was established in December 2012. Haiti is an Associate Member of the International Electrotechnical Commission.

3.64. In 2012, the MCI and the Ministry of Public Health and Population issued a notice setting out the obligations applicable to food products and pharmaceuticals. The requirements also cover labelling. Labels must be in one of the official languages and contain information on the ingredients, the manufacturer, packager or distributor, the dates of manufacture and expiry, the weight and the contents. Operators had to implement these measures by 1 March 2013 at the latest.

3.2.10 Sanitary and phytosanitary requirements

3.65. The Quarantine Directorate at the Ministry of Agriculture, Natural Resources and Rural Development (MARNDR) is the enquiry point for the Agreement on the Application of Sanitary and Phytosanitary Measures. A number of restrictions and prohibitions have been adopted since 2013 (Table 3.5) but have not been notified to the WTO.

Table 3.5 Temporary import bans, 2006-2014

Product	Country of origin	Reason	Period
Salami and poultry products	Dominican Republic	Non-compliance with sanitary standards	2013 - present
Pigs	Dominican Republic, United States, Canada, Brazil and Mexico	Porcine epidemic diarrhoea (PED)	June 2013 - present
Meat products and live animals	Dominican Republic	Avian flu	June 2013 - present
27 fruits and 4 vegetables	Dominican Republic	Mediterranean fruit fly	March 2015 - present

Source: Information provided by the Haitian authorities.

3.66. The legislation on SPS measures is dispersed and outdated[32] and has not been regularly updated to reflect the new provisions imposed by international conventions, although numerous draft laws have been drawn up and await ratification by Parliament. They concern in particular: plant protection; animal health; quarantine; and sanitary controls of agricultural and fisheries products.

3.67. The application of SPS measures (including control at the border) is the responsibility of the MARNDR's National Quarantine Unit. Controls are carried out on domestic sales and on imports or exports of live animals, meat, foodstuffs of animal origin and animal or plant products.

3.68. Haiti is not party to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), although it does apply its directives.

3.69. Haiti continues to face problems in meeting the standards imposed by importing countries on its products and in setting up its own system.

[32] For example, the Decree prohibiting the entry into Haiti of animals, plants, plant seeds and their byproducts without a special authorization from the MARNDR (*Le Moniteur*, 14 November 1986).

3.3 Measures directly affecting exports

3.3.1 Export procedures and requirements

3.70. The procedures to be completed for exercising the profession of exporter are similar to those for importers (Section 3.2.1). A customs declaration is required for direct exit export transactions, supplies or temporary export. Three copies of the customs declaration must be presented, accompanied by documents such as the following: export permit, issued by the MCI; export certificate, endorsed by the Central Bank; tax clearance certificate and any other document required by the legislation in force. Certificates of origin are usually issued by the MCI. Those for exports of coffee and cocoa are issued by the AGD. These numerous documentary requirements may constitute an obstacle to the competitiveness of the export sector. According to the World Bank's *Doing Business* report[33], formalities for exporting a standard container from the capital on average necessitate eight documents. The procedures may take four weeks, most of which is for preparing the documents (17 days) and completing customs and inspection formalities (four days). These requirements can result in high costs for companies, particularly for micro, small and medium-sized enterprises. Streamlining them might help improve the competitiveness of some export-oriented businesses.

3.71. Export declarations may be submitted through ASYCUDA. The formalities include the following stages: admissibility, clearance, verification and payment of duties and taxes (where applicable). Goods cannot usually be loaded until the declaration has been processed.

3.72. All carriers must produce an exit manifest (in four copies) before leaving customs territory, and this is required even if the goods are not loaded.

3.3.2 Export taxes, charges and levies

3.73. Export transactions are exempt from the turnover tax. Absence of a zero rate could, however, penalize SMEs that export locally processed products because the TCA paid on inputs is not reimbursed in such cases.

3.74. Goods under customs control (after having received an export authorization) may be subject to payment of storage fees. These generally apply as of the seventh day of storage. Coffee and cocoa cargoes are allowed a longer period (one month).

3.3.3 Export prohibitions, restrictions and licensing

3.75. Most of the quantitative restrictions in force are dictated by international treaties to which Haiti is party. The authorities may take measures to restrict exports for a number of reasons, including health, safety or environmental protection. The following are among the products that may not be exported: illicit drugs; fauna and flora; fertilizer; arms and ammunition (unless prior authorization is given); knives and lethal weapons; toxic waste; counterfeit goods; and pornographic material.

3.76. As a general rule, exports of fauna and flora products require prior authorization from the MARNDR. Some kinds of live animals belonging to endangered species (green anoles, mabuya, snails) may not be exported in order to preserve the national heritage.

3.77. Quality controls, as well as phytosanitary and animal health measures, apply to exports of coffee, cocoa, mangoes and animal products.

3.3.4 Export support and promotion

3.78. According to notifications to the WTO, the Haitian Government does not grant export subsidies pursuant to Articles 10 and 18.2 of the Agreement on Agriculture.[34]

[33] World Bank (2014).
[34] The latest notification in this respect is for fiscal 2014 (WTO document of 19 August 2015).

3.79. Industrial parks (Section 4.5) are an important component of Haiti's strategy to conquer export markets. Originally, the aim was to receive export- or re-export-oriented companies. This strategy was reinforced by the adoption of the LZF.[35] The Government's policy on free zones is intended to facilitate investment, create stable jobs and secure the transfer of technology to domestic industry. The LZF sets out the criteria for the creation of free zones and the fiscal and customs regime applicable to them. The implementing measures were adopted in 2012.[36]

3.80. The LZF defines two types of free zones: private free zones and mixed free zones set up under a public-private partnership. Free zone status may be accorded to any natural or legal person recognized as having a good moral and professional reputation and as being entirely financially solvent in the country of origin or in the country(ies) of operation over the previous five years. The fees for initiating the procedure are G 300,000 and are not reimbursable. Three types of activity may be conducted in free zones: industrial activities; business activities; general services (i.e. any international trade-related service activity).

3.81. Free zone status may be granted to any business exporting at least 70% of its output. Businesses set up in free zones (and their promoters) are eligible for the benefits defined in the Investment Code (Section 3.3.1). The legislation also makes provision for benefits specific to free zones. For example, investment in free zones or free enterprises is given ten years total exemption for the income earned from the investment and the sums invested in a free zone may be deducted from tax. The investment must, however, be retained for at least five years.

3.82. Goods produced or assembled in free zones may obtain supplies from the domestic market for up to 30% of their total output (during any particular quarter) and after paying the customs duty and taxes applicable. Businesses providing a certain number of services deemed to be special may reserve up to 30% of their turnover (or capacity) for local clients over any particular quarter. This concerns suppliers of services such as: tourism services; clinics or specialized hospitals; retirement homes; detoxification centres; and spa residences. The same applies to businesses providing financial, scientific or tourism services.[37]

3.83. The National Free Zones Council (CNZF) is the institution responsible for implementing the LZF. Its task is to examine applications for admission to free zone status, to ensure that approved projects are carried out in accordance with the terms, and to regulate free zones. It is composed of representatives of the principal government authorities involved in implementing the LZF, together with two representatives from the private sector. These are selected by the Government from a list of ten persons nominated by employers' and cooperative associations and trade unions. The CNZF has the authority to examine and approve or reject candidatures. A free zone concession is usually granted by means of an order adopted by the Council of Ministers and published in the official journal *Le Moniteur* and is valid for a renewable term of 25 years.

3.84. The management and regulation of free zones are the responsibility of the Free Zones Directorate, under the authority of the MCI. It is the body responsible for regulation and coordination as regards the development, exploitation, operation, management, maintenance and promotion of free zones.

3.3.5 Export financing, insurance and guarantees

3.85. There is no special framework for export financing, insurance or guarantees.

[35] Law of 2 August 2002 on free zones.

[36] Order determining the regulatory conditions for creating, establishing, managing, operating and controlling free zones in Haiti. Published in *Le Moniteur*, 167th year, No. 121, 24 July 2012.

[37] Order on choosing the members of the National Free Zones Council (CNZF). Published in *Le Moniteur* No. 36, 16 August 2012.

3.4 Measures affecting production and trade

3.4.1 Incentives

3.86. The incentives regime accounts for a sizeable proportion of the revenue foregone by the State. For fiscal 2010-2011, total exemptions were estimated at G 12.1 billion, or 4.1% of GDP, of which 2.5 percentage points were for exemptions given by the customs administration. There are several types of investment incentive (Table 3.6) and these are mainly contained in the Investment Code (CDI), the LZF and the LPI.

3.87. The incentives under the CDI are restricted to investment in the following sectors: agriculture, handicrafts, industry, tourism and related services, and free zones. Investment in operations exclusively devoted to export and re-export is also eligible.

3.88. The incentives provided under the legislation are administered by an Interministerial Investment Commission (CII), which rules on the eligibility of candidates and also on withdrawal of benefits if the business fails to comply with its obligations. Benefits are granted by means of an agreement between the business and the State. The CII was set up to examine applications and make recommendations to the Government. The Investment Facilitation Centre (CFI) acts as the technical secretariat for the CII. It provides investors with support during the procedure, notably by providing information on formalities and following up the application until the CII has rendered its decision. Between 2010 and 2014, it would seem that around 145 projects were approved by the CII.[38]

3.89. Businesses benefiting from incentives are subject to a number of obligations and restrictions and are periodically controlled by the CII. For example, an authorization from the CII is required for any sale, assignment or transfer, merger, takeover or other form of partnership involving such a business.

Table 3.6 Principal incentives, June 2015

Form of benefit	General provisions	Eligibility
Customs and fiscal exemption	• Total exemption for capital goods and materials needed to establish and operate the business; • 20-year exemption for raw materials imported by industrial firms; • Exemption from the security deposit for imports under the temporary admission procedure	Businesses established in free zones (LZF) Businesses approved under the CDI
	Imports of capital goods and materials needed to the establish and operate the business	Assembly and finishing firms working exclusively for export (LPI)
Exemption from the security deposit	Imports under the temporary admission procedure	
Exemption from the payroll and other internal taxes	Exemption for a period not exceeding 15 years	Businesses approved under the CDI
Exemption from corporation tax	Total exemption for a period not exceeding 15 years, followed by partial tax liability as follows (% of income taxed): 15% - 30% - 45% - 60% - 80% - then 100% at the end of the sixth year	Businesses approved under the CDI Businesses established in free zones (LZF)
	The exemption applies to income attributable to the product benefiting. The period of total exemption is eight years, followed by five years of partial tax liability.	Businesses established in industrial parks
Exemption from income tax	Ten-year exemption for income earned from investment in free zones	Businesses established in free zones (LZF)

[38] Online information viewed at: http://lenouvelliste.com/lenouvelliste/article/148508/LATH-braque-ses-projecteurs-sur-les-avantages-du-Code-des-investissements [20.08.2015].

Form of benefit	General provisions	Eligibility
Accelerated depreciation	• Heavy operating equipment, motors, machinery, tools and standing equipment: 25%; tractors: 25%; rolling stock: 50%; minor equipment, tools and instruments, air conditioning appliances: 50%; • Developed property: 10%; furnishings: 20%; • Computer equipment: 50%; software: 100%; • Naval and aviation equipment: 50%; office equipment: 33%; • Hotels: tableware, glassware, kitchen utensils, silverware: 100%; linen: 100%; • Various charges: start-up costs: 50%; layout, design and installation costs: 20%; development costs: 33%; study and research costs: 100%	Businesses approved under the CDI
Exemption from built-up property tax (CFPB)	Exemption for a period not exceeding 15 years	Businesses established in industrial parks
Exemption from communal taxes (except the standing business licence cost)	Exemption for a period not exceeding 15 years	Businesses established in free zones (LZF)
Employment of a foreigner with a contract exceeding three months	Exemption from the licence fee for foreigners; Work permit for foreigners granted without payment of fees	..
Health card	Exemption, provided that there is a health service duly authorized by the authorities	..

.. Not available.

Source: Information provided by the authorities. Viewed at: http://haitidroitinvestissement.blogspot.ch/2013/12/obligations-fiscales-des-entreprise-en.html.

3.90. The Code also provides sector-specific benefits, one of which is the agricultural sector. The range of eligible investment includes areas such as deep-sea fishing, industrial fish-farming, factory farming, horticulture and forestry.

3.91. Investment in the processing of raw materials (including those of foreign origin) is considered to be a priority and the raw materials are eligible for customs exemption for a period of 20 years, although this period is not supposed to exceed five years if the business is modernized or rehabilitated. Output must include local value added of at least 35% and be intended for domestic consumption. Purely commercial activities such as packaging and wrapping products imported in bulk are excluded from this regime.

3.92. The specific provisions concerning the tourism sector include: exemption from the built-up property tax for the first ten years for restoring heritage-listed buildings; exemption from tax on the income earned from the investment; and possibility of obtaining a lease for a period not exceeding 50 years. On the other hand, the customs and fiscal exemption for imports of capital goods and materials is only allowed if these cannot be found locally on the same terms.

3.93. Investment in other sectors of activity may also be eligible for incentives in certain cases. The promoter must enter into negotiations with the State with a view to signing an agreement. The criteria taken into account include: the advantages of the investment project for the local community; the use of new production technology or sources of energy intended to protect or conserve the environment.

3.4.2 Competition policy and price controls

3.94. Haiti has no special legislation on competition. The relevant CARICOM provisions should apply once the Revised Treaty of Chaguaramas comes into force.[39] The legislation on price controls is outdated and is not applied. Matters of competition and price control are the responsibility of the MCI.

3.95. The MCI's price control activities are confined to random checks carried out by mobile units. The price of regulated products and services must be approved by the competent authorities. Such products and services include: petroleum products; electricity; water; fixed telephony services; and road transport of passengers.

3.96. The price of petroleum products is determined by a mechanism for smoothing prices at the pump, based on a reference price. The latter includes the cost of import and transport, and the trade margin negotiated. The distribution and import margins are negotiated between the Government, importers and distributors. Variations within a 5% margin for the regular price are absorbed by adjusting the variable component of excise duty (Section 3.2.6.2). The price at the pump is only adjusted when the reference price differs by more than 5%. The difference is then reflected entirely in the price. In practice, the price at the pump was frozen between March 2011 and October 2014, which resulted in cumulative subsidies estimated at G 19 billion.[40] Since 6 February 2015, prices have once again been frozen.[41]

3.97. Temporary price control measures may be applied to some food products such as imported rice.

3.4.3 State trading, State-owned enterprises and privatization

3.98. In 2000, Haiti notified that there were no State-trading enterprises.[42]

3.99. The creation and operation of State-owned enterprises are regulated, *inter alia*, by the Decree of 17 May 2005 on organization of the State's central administration. Such enterprises have usually been established in order to produce goods and services of general interest and they operate on the basis of their economic and social profitability. The State may also join with natural or legal persons in order to create such enterprises. They are administered and managed by a board of directors (nominated by the Government). The board determines the enterprise's overall policy and monitors its implementation, while the executive management is responsible for managing the enterprise. State-owned enterprises have administrative and financial autonomy. The Government may intervene if one of the following situations arises in the enterprise: a deficit exceeding one third of income at the end of the fiscal year; a deficit exceeding 15% of income for three years (over a five-year period); losses which exceed one third of assets; or a decision by the courts condemning the enterprise to pay debts exceeding 80% of its income. A commission is then set up to stabilize the enterprise's finances and to propose recovery measures. The Government may propose to Parliament that the enterprise be liquidated if it is considered that the enterprise will be unable to carry out the mission for which it was set up or if its mission is no longer deemed necessary. The State usually guarantees the debt of State-owned enterprises. As a result of arrears in payment of taxes, the Haitian State is reportedly in a position of liability to several State-owned enterprises.[43]

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[39] The Revised Treaty of Chaguaramas (Article 177) prohibits abuse of a dominant position, as well as understandings between firms, concerted decisions and practices which have as their effect the prevention, restriction or distortion of competition within the Community.

[40] Clarification by the Government of the Republic, 12 February 2015. Viewed at: http://www.communication.gouv.ht/wp-content/uploads/2015/02/Prix_produits_petroliers.pdf [31.08.2015].

[41] Ministry of the Economy and Finance, DIF/DIR: 150. Viewed at: http://www.mef.gouv.ht/upload/doc/Comparaison%20Haiti-RD%2022au28%20Aout%202015.pdf [31.08.2015].

[42] WTO document G/STR/N/6/HTI of 13 April 2000.

[43] It would appear that the State's arrears from State-owned enterprises amounted to around 0.1% of GDP for fiscal 2013-2014.

3.100. The Law on the modernization of State-owned enterprises defines the terms for the State's withdrawal from such enterprises.[44] It provides for three forms of modernization: management contract, concession, and capitalization. Concessions are usually given for periods of at least ten years. In the case of capitalization, the State's share may not be less than 20% or more than 49%. In any event, shares are given to the highest bidder after an invitation to tender. For some services such as electricity, telephony and water, the State may require bidders to make a commitment to a specific investment programme, covering in particular smaller towns and rural areas.

3.101. The State-owned Enterprise Modernization Board (CMEP) is in charge of implementing the programme to modernize State-owned enterprises. The first phase led to the privatization of three enterprises: Minoterie d'Haïti (which became Moulins d'Haïti); Ciment d'Haïti (which became Cimenterie nationale); and Société des télécommunications (which became NATCOM).

Table 3.7 Current status of privatization of certain Haitian enterprises, June 2015

Entreprise	Sector of activity / monopoly	State holding (%)	Current status
Moulins d'Haïti	Production of wheat flour and bran	30	Privatized in 1998
Cimenterie nationale (CINA)	Production of cement	31.84	Privatized in 1999
Électricité d'Haïti (EDH)	Generation, distribution and marketing of electric power	100	Under management contract
Centrale autonome métropolitaine d'eau potable (CAMEP)	Production, distribution and marketing of drinking water	..	..
Autorité portuaire nationale	Regulation and supply of port services	100%	Restructuring under way in order to separate the regulation and supply of services activities
Autorité aéroportuaire nationale	Creation and operation of airport facilities	100%	..
NATCOM (formerly TELECO)	Telecommunications	40%	Privatized in 2010

.. Not available.

Source: Information provided by the authorities.

3.4.4 Government procurement

3.102. Haiti is neither a signatory nor an observer of the Plurilateral Agreement on Government Procurement. The Law of 12 June 2009 and its various implementing orders define the general rules applicable to government procurement and public service concession agreements.[45] It applies to the State; regional authorities; autonomous bodies of an administrative, cultural or scientific nature; State-owned enterprises and autonomous bodies of a financial, commercial or industrial nature; and joint enterprises with a majority State holding. The Law also applies when the operation is conducted by a legal person under private law acting on behalf (or with the financial support or the guarantee) of one of the aforementioned authorities. Government procurement financed through external resources is covered, unless international financing agreements contain clauses contrary to the Law. The Law's provisions do not apply to defence- or national security-related procurement or to procurement following implementation of a law declaring a state of emergency.

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[44] Law of 26 September 1996 on modernization of State-owned enterprises. *Le Moniteur* No. 75-A, 10 October 1996.

[45] Law determining the general rules applicable to government procurement and public service concession agreements (Republished because of typographical errors in *Le Moniteur* No. 78, 28 July 2009). The texts of the law and the decrees are available at: http://www.cnmp.gouv.ht/textesfondamentaux/index [09.06.2015].

3.103. At the institutional level, the National Government Procurement Commission (CNMP) is responsible for the regulation and control of procedures for the award of government procurement contracts and public service concession agreements. The CNMP is subject to the authority of the Prime Minister. Departmental commissions have been set up within each ministry and administrative institution with the task of preparing draft invitations to bid and ensuring liaison between the committee opening and evaluating the bids and the CNMP. When each contract is to be awarded, a committee is set up within the contracting authority for the purpose of opening and evaluating the bids. These committees comprise experts from other ministries or institutions, together with two observers selected from outside the government sector.

3.104. As a general rule, government procurement contracts must be awarded according to one of the following three methods: invitation to bid (open, restricted or in two stages), by agreement or direct award of a contract. Open invitations to bid are the rule. They may be preceded by a pre-qualification stage if the subject matter of the contract is complex or requires particular technical skills. Recourse to a two-stage invitation to bid is justified only if the procurement is particularly complex or the contract has to be awarded on the basis of performance criteria and not on technical specifications. A restricted invitation to bid may be used if the goods, works or services are only available from a limited number of suppliers. The criteria are set in advance by the CNMP and the contracting authority has to make a no-objection application to the CNMP (or the departmental commission) before awarding the contract.

3.105. The legislation allows the use of consultation procedures or price quotations for contracts below certain thresholds (Table 3.8). These thresholds have been substantially revised upwards in order to meet the needs arising from the earthquake in January 2010.

3.106. Government procurement through invitations to bid must be the subject of a notice calling for competition published in a national newspaper with broad circulation. The time limit for receiving candidatures and bids must be at least 30 days for national bids and 45 days for international bids. Bids must be opened at a public session, which has to take place at the latest 30 minutes after the time limit for submitting the bids.

Table 3.8 Thresholds for the award of government procurement contracts by type of institution

(G million)

Contracting authority	Purchase order or invoice	Consultation / price quotation	Award of contract		
			Works	Supplies	Services and intellectual services
Central administration and departmental authorities	Below 8 million	8 to 40 million	40 million	25 million	20 million
State-owned enterprises (or those with a majority State holding)	Below 8 million	8 to 40 million	40 million	25 million	20 million
Communes of Port-au-Prince, Delmas, Pétion-Ville, Carrefour, Tabarre, Cité Soleil, Croix-des-Bouquets	Below 1.5 million	1.5 to 15 million	15 million	8 million	4 million
Communes capitals of districts	Below 1.5 million	1.5 to 10 million	10 million	4 million	4 million
Other communes and communal sections	Below 1.5 million	1.5 to 8 million	8 million	2.5 million	2.5 million

Source: Order of 25 May 2012 determining the thresholds for the award of government procurement contracts and thresholds for intervention by the CNMP (*Le Moniteur* No. 104, 29 June 2012).

3.107. For contracts awarded directly, the CNMP's approval is required for procurement for any amount exceeding G 800,000. Furthermore, government procurement contracts for G 10.5 million or more must be accompanied by a risk insurance contract.

3.108. The legislation also covers other aspects such as the conclusion of addendums and subcontracting. An addendum may under no circumstances lead to an increase or decrease exceeding 30% of the original amount of the contract.[46] In addition, the person awarded a government procurement contract for works or services may subcontract up to 40% of the amount of the contract. Priority must be given to small and medium-sized enterprises under Haitian law. In every case, the contracting authority has to give prior approval.

3.109. A preference margin of up to 15% of the amount of the contract may be given to natural persons, groups of artisans, or SMEs of Haitian or CARICOM origin.[47] Suppliers of products of community origin or manufacture may also be eligible for the preference margin. In that case, the preference must be indicated in the invitation to bid. Eligibility for the preferential margin depends on a certain number of local content requirements. For example, for the supply of manufactures, the manufacturing cost must include a minimum of 30% national or regional value added; in the construction and works sector, a minimum of 30% of national or regional inputs must be used in the works, and 70% of the personnel must be of local or regional origin; for consulting firms and design offices, the margin falls to 10% if they bid in conjunction with foreign firms and if their share is at least 30%.

3.4.5 Intellectual property rights

3.110. Haiti's Constitution guarantees the protection of intellectual property. In 1999, Haiti notified its laws and regulations on matters relating to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)[48] and has been given the transition period granted to LDCs for implementing the Agreement.[49] In general, the terms of protection accorded under Haiti's legislation are not consistent with the TRIPS provisions (except for copyright, for which the term of protection exceeds the minimum prescribed).

3.111. Industrial property-related matters are the responsibility of the Industrial Property Service within the MCI, which also serves as the country's liaison with the African Intellectual Property Organization (OAPI) and the contact point under Article 69 of the TRIPS Agreement. In 2014, it registered close to 2,000 applications for trademarks and 21 applications for patents (Table 3.9). Most of these applications came from non-residents.

Table 3.9 Number of applications received, 2011-2014

Sector	2011	2012	2013	2014
Trademarks	1,896	1,769	1,736	1,949
Residents	608	567	622	460
Non-residents	1,288	1,202	1,114	1,189
Patents	14	17	11	21
Residents	1	2	0	2
Non-residents	13	15	11	19

Source: Industrial Property Service.

[46] Order specifying the methods for implementing the Law determining the general rules applicable to government procurement and public service concession agreements.
Published in *Le Moniteur* - Special edition No. 10, 4 November 2009.

[47] In order to be recognized as a CARICOM Community SME, at least 50% of the business must be owned by citizens of the region, who must be in control of its governing bodies.

[48] WTO document IP/N/1/HTI/1 of 12 November 1999.

[49] TRIPS Council Decision of 27 June 2002 (IP/C/25) granting LDCs an extension until 1 January 2016 for implementation of specific provisions relating to pharmaceutical products. The decision of 11 June 2013 (IP/C/64) granted a further extension of the transition period for implementation of the general provisions until 1 July 2021.

3.112. Haiti is a member of the World Intellectual Property Organization and is a contracting party to the following treaties: the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (ratified in 1961); the Berne Convention for the Protection of Literary and Artistic Works (ratified in 1995); and the Paris Convention for the Protection of Industrial Property (ratified in 1958). The following treaties are awaiting ratification: the Patent Law Treaty; the Singapore Treaty; the Marrakesh Treaty; and the Beijing Treaty on Audiovisual Performances.

3.113. Patents and industrial designs are still governed by the law of 14 December 1922. A patent is granted for any new method of manufacturing industrial products, any new machine or mechanical or manual apparatus used to manufacture such products, any discovery of a new industrial product, any application of known means with a view to obtaining better results, and any new, original or ornamental design for an industrial article. A patent application may be rejected if the invention or discovery has been made public in any country one year prior to the application being filed in Haiti or if the invention is contrary to morality or the law. The term of protection for a patent is 5, 10 or 20 years as of the date on which it is granted (Table 3.9).

3.114. The Decree of 12 October 2005 on copyright[50] governs the protection of copyright and related rights. Protection is given for literary, scientific and artistic works irrespective of the mode or form of expression. It also encompasses translations, adaptations, arrangements and other transformations of works or expressions of folklore (provided that they are the personal creations of their authors), collections of works or expressions of folklore or mere facts or data. As a general rule, works are protected throughout the author's lifetime (or that of the last surviving author) and for 60 years after his death (Table 3.10).

Table 3.10 Subject and terms of protection of intellectual property rights

Subject	Term of protection (limit)	Legislation
Copyright and related rights		Decree of 12 October 2005
- joint works	60 years after the death of the last author	
- anonymous works	60 years after publication/making	
- collective works/audiovisual works	60 years after publication/making	
- posthumous works	60 years after publication	
- photographic works	25 years after making	
- performances	50 years after fixation of the phonogram or performance	
- phonograms	50 years	
- broadcasts	25 years	
Patents, industrial designs	5, 10 or 20 years after date of granting	Law of 14 December 1922
Trademarks	10 years after registration	Law of 17 July 1954
Geographical indications	..	..
Layout-designs (topographies) of integrated circuits	..	..
New breeds of plant	..	..

.. Not available.

Source: Information provided by the Haitian authorities.

[50] *Le Moniteur* No. 23, 161st edition, 9 March 2006. Online information viewed at: http://bhdahaiti.com/?wpdmdl=1233 [10.06.2015].

3.115. The protection and exploitation of copyright and related rights are the responsibility of the Haitian Copyright Bureau (BHDA), a government body set up in 2005 and in operation since 2007.[51] The BHDA is the sole agency responsible for: collecting and distributing royalties; signing and securing compliance with contracts signed with users of repertoires under its management; and signing reciprocal agreements with similar agencies in other countries. The BHDA is financed through levies on the royalties collected and has financial autonomy, but may receive assistance from the State. The legislation provides for State support during its first nine years of operation: all costs for the first three years, half for the following three years, and then only those other than operating and equipment costs for the last three years.

3.116. As a contracting party to the Lisbon Agreement, Haiti in principle protects the appellations of origin entered in the international register. It is not a signatory to the International Convention on the Protection of New Varieties of Plants (UPOV Convention).

3.117. The most frequent cases of infringement concern the illegal use of trademarks or their counterfeiting. The system of protection for intellectual property is still weak.

[51] Decree of 12 October 2005 creating the Haitian Copyright Bureau. *Le Moniteur* No. 21, 161st edition, 2 March 2006. Online information viewed at: http://bhdahaiti.com/?wpdmdl=1238 [10.06.2015].

4 TRADE POLICIES BY SECTOR

4.1 Introduction

4.1. Since the last Trade Policy Review in 2003, agriculture's share of domestic value-added has continuously declined (Table 4.1). The contribution of the mining and energy sector to GDP remains marginal. Manufacturing has grown steadily during recent years. The increase in GDP has been driven mainly by the services sector and, in particular, by its "commerce, restaurants and hotels" and "transport and communications" branches.

Table 4.1 Gross domestic product, 2005-2014

(% and G million)

Branch	2005 - 2006	2006 - 2007[a]	2007 - 2008[b]	2008 - 2009[c]	2009 - 2010	2010 - 2011[a]	2011 - 2012[b]	2012 - 2013[c]	2013 - 2014[c]
Agriculture, forestry, livestock and fisheries	3,302	3,378	3,125	3,288	3,298	3,262	3,220	3,360	3,311
Mining and quarrying	15	15	16	17	17	20	17	18	19
Manufacturing	1,017	1,030	1,029	1,067	912	1,074	1,150	1,175	1,201
Electricity and water	58	57	52	68	70	91	69	69	70
Building and public works	1,005	1,031	1,085	1,119	1,169	1,275	1,345	1,470	1,586
Commerce, restaurants and hotels	3,451	3,661	3,868	3,911	3,601	3,765	3,954	4,147	4,322
Transport and communications	842	910	967	991	963	1,092	1,078	1,117	1,158
Other tradeable services	1,573	1,602	1,653	1,654	1,536	1,577	1,638	1,692	1,779
Non-market services	1,379	1,443	1,514	1,518	1,540	1,584	1,629	1,671	1,705
Fictitious branch[d]	-553	-619	-716	-689	-839	-810	-854	-909	-967
Total gross value-added	12,110	12,508	12,593	12,944	12,267	12,930	13,246	13,810	14,184
Taxes less subsidies on products	961	1,000	1,029	1,071	1,003	1,073	1,161	1,209	1,248
Gross domestic product	13,071	13,508	13,622	14,015	13,270	14,003	14,407	15,019	15,432
Growth rate	**2.2**	**3.3**	**0.8**	**2.9**	**-5.5**	**5.5**	**2.9**	**4.2**	**2.8**

a Semi-definitive.
b Provisional.
c Estimates.
d A special conventional unit that takes into account the use made by other branches of the "imputed output of banking services".

Source: Haitian Institute of Statistics and Information Technology (IHSI).

4.2. Despite its declining contribution to domestic product, the agricultural sector remains an important source of employment. Coffee, cocoa, essential oils, pita fibre and twine, mangoes, and sugar cane are the main cash crops, while maize (corn), sorghum and tubers are the main local food crops. The sector is facing a number of serious problems, such as a lack of infrastructure, particularly for irrigation purposes, soil degradation, and insecure title deeds. The fisheries subsector remains traditional, although numerous efforts are being made to modernize it. Forestry activities are limited because of serious deforestation.

4.3. Haiti has considerable mining potential. So far, however, medium- and large-scale operations have been obstructed by legal uncertainty in the sector. The Haitian population has very uneven access to electricity and the cost is high. Only a small part of the country is supplied with electricity, the rural areas having the least coverage.

4.4. Most of Haiti's exports are in the manufacturing sector, which contributes about 8% of real GDP. Textiles and clothing is Haiti's most important manufacturing subsector. Manufactured products have preferential access to the United States market, the main outlet for exports.

4.5. Services are the leading sector in the Haitian economy. Although the contribution of financial services to GDP is still modest, the assets held by banking institutions have increased notably in recent years. Despite the poor state of Haiti's road network, road transport is the main means of transport for goods and passengers. Two seaports handle about 90% of Haiti's international trade; the charges for port services remain high. Mobile telephone services have continued their rapid expansion. Tourism plays a key role in the Government's export growth and diversification strategy. In 2013, for the first time, Haiti received more than one million visitors.

4.2 Agriculture and related activities

4.2.1 Overview

4.6. The Haitian economy has a large agricultural sector. However, the importance of the sector (including fisheries, livestock and forestry) in economic terms has been declining steadily in recent years. From 38% at the end of the 1980s and 28% in 2002, agriculture's share of real GDP fell to about 22% in 2013-2014. The sector contributes around 50% of total employment, 66% of employment in rural areas, and 75% of employment in low-income households; agriculture also remains one of the country's principal sources of income. More than one million families own mainly small subsistence holdings, with an average size of less than 1.5 hectares.[1]

4.7. Haiti's agriculture is chiefly rain-fed and production is heavily dependent on the amount of rain and its distribution. Only 10% of crops are irrigated. The main crops are coffee, cocoa, rice, sugar cane, bananas, sweet potatoes, beans, maize and sorghum (Table 4.2). The leading export products are still coffee, cocoa, sugar cane, sisal and fruit (especially mangoes).

Table 4.2 Trends in main crop production, 2006-2014

(tonnes)

Crop	2006	2007	2008	2009	2010	2011	2012	2013	2014[a]
Rice, paddy	110,000	130,000	110,000	128,520	141,075	144,603	97,000	167,643	143,650
Maize (corn)	205,000	270,000	210,000	303,750	364,500	375,435	201,792	400,933	320,747
Sorghum	100,000	120,000	100,000	121,500	145,800	150,174	92,203	111,364	122,500
Sweet potatoes	200,000	220,000	269,000	360,450	414,518	437,316	533,526	600,000	510,000
Cassava	400,000	450,000	378,000	510,300	561,330	573,556	699,138	615,000	615,000
Yams	220,000	230,000	232,000	313,200	344,520	346,817	423,116	433,333	476,667
Bananas	280,000	295,000	270,000	364,500	400,950	406,965	..	457,145	502,860
Fig bananas	..	320,000	260,000	340,000	374,000	379,610	265,727	..	..
Malanga	..	96,000	96,000	129,600	142,560	146,836	155,646	142,188	142,188
Beans	40,000	60,000	65,000	83,700	92,070	102,084	81,667	113,000	100,613
Coffee	35,000	47,000	35,000	49,950	53,696	..	..	58,720	35,232
Cocoa beans	6,000	8,500	8,400	11,340	12,474	12,724	..	12,724	14,633
Mangoes	265,000	295,000	330,000	445,500	498,960	508,939	610,727	615,744	677,318
Sugar cane	1,075,000	1,340,000	1,110,000	1,387,500	1,526,250	1,541,512	1,418,191	1,488,533	1,488,533

.. Not available.

a Provisional data.

Source: Ministry of Agriculture, Natural Resources and Rural Development (MARNDR).

4.8. The Ministry of Agriculture, Natural Resources and Rural Development (MARNDR) is the main authority responsible for defining and implementing agricultural policy. The general objective of agricultural policy is to contribute to the economic and social development of the Haitian people by improving food security; increasing farmers' incomes; increasing foreign-currency earnings; and reducing the vulnerability of the population to natural disasters.

4.9. The situation with regard to the support infrastructure for agricultural and rural development is critical. The road network is in generally poor condition. Many areas around the country with a strong production potential are isolated and practically inaccessible in the rainy season. Facilities for storing and preserving agricultural products are rare and, where they do exist, inadequate.

[1] According to the data of the latest agricultural census, carried out in 2008-2009, 73.9% of the country's farmers cultivate less than 1.29 hectares of land. MARNDR (2012).

A serious obstacle to increasing agricultural productivity is the poor availability of, and very limited access to, agricultural inputs such as high-quality seed, fertilizers, pesticides, veterinary products and cattle feed. Lack of electricity is another major constraint on the development of certain branches of agriculture. Finally, Haiti has a tropical climate and is therefore subject to hurricanes and frequent droughts.

4.10. The degradation of natural resources is another serious challenge for Haiti's agricultural sector.[2] Around 85% of the country's catchment basins are significantly degraded or transformed, causing frequent floods and depletion of the basic factors of agricultural production. Soil erosion is estimated at around 12,000 hectares a year. The main factors responsible for this degradation are poor land management, the fragility of the physical environment (steep slopes, nature of the materials), severe demographic pressures, the low level of agricultural productivity, extreme weather conditions, erosive farming practices, and intensive wood-cutting to meet energy needs and for building purposes.

4.11. Land rights are legally insecure. It is estimated that less than 5% of Haiti's land has been registered and that more than 75% of rural land contracts were drawn up in accordance with traditional procedures without being officially registered.[3] Several fruitless attempts have been made at national level to establish an automated land registration system.

4.12. In general, the Government does not intervene in the markets to control the prices, production, distribution, trading or marketing of agricultural products or inputs. However, farmers do benefit from some support mechanisms. Thus, they are exempt from income tax. Complete exemption from import duties is also accorded to all agricultural inputs and equipment. Likewise, the Government provides assistance for agricultural producers in the form of low-interest loans and subsidies on the price of seed and fertilizer. The annual cost of the subsidy programme is around G 300 million. Agricultural inputs and local agricultural products are exempt from turnover tax (TCA) (Section 3.2.6.1). Most agricultural products and some inputs are also exempt from the contribution to the Fund for the Management and Development of Local Communities (CFGDCT).

4.13. Investment in the development of the agricultural sector is largely financed through international cooperation. Thus, for fiscal 2014-2015, the MARNDR envisages an investment budget (including counterpart funds for investment projects with associated financing) of the order of G 6 billion, with about 80% being financed through external cooperation.

4.14. The credit available for agricultural production is still limited.[4] Despite the significant expansion of microfinance institutions, only a small fraction of the total amount of lending by the private banking system is allocated to agricultural activities. The annual amount of the loans for agricultural production distributed by the Agricultural Credit Office (BCA), the main government player in the sector since 1963, is estimated at G 15 million, which barely corresponds to 0.1% of the sector's GDP. The MARNDR's aim is to set up an agricultural loan guarantee system backed by a credit insurance system calculated to encourage the financial institutions to increase the percentage of their portfolio devoted to agricultural production and its processing.

4.15. In August 2013, the first agricultural free zone was established in Haiti.[5] Sited less than 30 km from the Dominican border, this 1,000-hectare project, called "Nourribio", should, over a five-year period, create 3,000 direct and 10,000 indirect jobs. The free zone should produce about 20,000 tonnes of organic bananas, as well as well as other organic farming produce. To benefit from the tax and customs incentives reserved for free zones, producers will have to export at least 70% of their output.

4.16. Domestic sales, imports and exports of certain commodities, including coffee and cocoa, are subject to quality controls. These controls are carried out jointly by the MARNDR, the Ministry of Trade and Industry (MCI) and the Ministry of Public Health and Population (MSPP). The MARNDR is

[2] MARNDR (2011a).
[3] World Bank (2013).
[4] According to the data of the latest agricultural census, carried out in 2008-2009, only 52,725 farmers had applied for agricultural credit, i.e. barely 5.2% of the total number of farmers counted nationwide. MARNDR (2012).
[5] *Haïti Libre,* "Creation of the first Haitian agricultural free zone", 20 August 2013.

also responsible for applying plant and animal health controls to, among other things, coffee, cocoa, fruit, vegetables, tubers, seafood, live plants and animals, and animal products (Section 3.2.10). As a general rule, the marketing, including the exportation, of plant and animal products, requires prior authorization from the MARNDR (Section 3.2.4).

4.17. Agricultural production was not significantly affected by the 2010 earthquake. On the contrary, the success of the 2010 agricultural seasons provided a vital food safety net during the post-earthquake period. The good crops also made it possible to stabilize the need for food imports at a time when the capacity to supply the market had not yet been fully restored. The main impact on the rural areas was the result of the major movements of people (about 600,000) immediately following the earthquake, as they tried to return to their home villages. However, these flows of people were rapidly reversed.

4.18. Nevertheless, the agricultural sector has not escaped entirely unscathed. Thus, the cholera epidemic that broke out in October 2010 and Hurricane Thomas in November 2010 severely affected Grande-Anse, one of the country's most prosperous farming regions, while Hurricane Sandy damaged 70% of crops in October 2010.

4.19. In 2013-2014, Haiti's agricultural exports (HS 01-24) amounted to US$47.8 million, while agricultural imports were worth US$1,144.2 million.[6] Haiti imports about 50% of its needs in calories (in particular, rice, wheat and edible oil).

4.20. The simple average tariff on imports of agricultural products (Major Division 1 of ISIC, Rev. 2) is 5.6%, with a maximum rate of 40%. The average tariff rate is 6.1% on animal and vegetable products (HS Sections 1 and 2), zero on forest products and 0.7% on fisheries products (ISIC, Rev.2) (Table A4.1). Due to tariff protection and the levying of other charges, some agricultural products are subject to relatively high overall rates.

4.2.2 Main subsectors

4.2.2.1 Cash crops

4.21. Haiti's main cash crops are coffee, cocoa, essential oils, pita fibre and twine, mangoes, and sugar cane. As distinct from food products, the marketing of export products depends on a small number of exporters.

4.22. Over the whole of Haiti, coffee plantations occupy nearly 100,000 hectares of land. Coffee exports generated more than US$8 million in 2012 (Table 4.2). According to the authorities, a large proportion of exports are informal, to the Dominican Republic.

4.23. The Haitian National Coffee Institute (INCAH) is a non-profit autonomous public body accountable to the MARNDR, established by presidential decree of 7 February 2003. Its overall responsibility is to promote the development of the coffee subsector, while seeking to improve the living conditions of the people who work in it. The INCAH's annual budget amounts to about G 25 million.

4.24. In May 2015, the INCAH and the MARNDR drew up a National Coffee Subsector Revival Plan[7], which seeks to: (i) strengthen and improve the coffee ecosystems; (ii) encourage the establishment of medium-sized and large coffee plantations; (iii) help to reduce poverty among rural families engaged in coffee-growing and (iv) develop an engine of economic growth.

[6] The Haitian Government has not reported any foreign trade data to the UN Comtrade database since 1998. Accordingly, the foreign trade figures in this section are generally based on the mirror statistics obtained from that database.

[7] MARNDR (2015); INCAH.

4.25. Annual cocoa production is around 5,000 tonnes. Productivity in the subsector is relatively low. Whereas in Latin America production may reach 3,000 kg per hectare, in Haiti, it does not exceed 250.[8] Ageing plantations and rudimentary production techniques are the main problems.

4.26. Annual mango production has traditionally ranged from 200,000 to 400,000 tonnes, but has increased sharply since 2009. The total production area amounts to nearly 4,400 hectares, with more than 3,000 hectares thought to have been recently planted. Mango production is a major source of income for some 150,000 Haitians, most of whom live in rural areas. Mangoes are mostly grown by individual farmers (around 50,000 to 75,000 families) with mango-growing forming part of their small-scale farming activities. Only a small proportion of mangoes are produced on plantations.

4.27. The inadequate packaging of fruit and vegetables, the dilapidated road network and the use of vehicles unsuitable for transporting agricultural goods are responsible for considerable post-harvest losses.[9]

4.28. Government intervention in these subsectors takes the form of technical assistance (for example, projects in support of production and marketing or disease control) and financial aid (for planting out seedlings and financing marketing activities, among other things).

4.29. The average tariff rate is 2.6% on coffee, tea, maté and spices (5% on unroasted coffee and 15% on roasted); 12.5% on cocoa and cocoa preparations; 13% on sugars and sugar confectionery; and 40% on mangoes.

4.2.2.2 Food crops

4.30. Maize, sorghum, tubers (cassava, yams, sweet potatoes), bananas, beans and pigeon peas are the main local food crops. These products are grown chiefly for domestic consumption with a few informal exports to the Dominican Republic. Traditionally, activities in these subsectors are carried on by independent producers, while the marketing of the food products is in the hands of a multitude of small operators.

4.31. The Haitian Government intervenes in production by subsidizing fertilizers, seed and some equipment and by providing technical assistance (including training for planters).

4.32. Processing conditions remain one of the key problems of Haiti's rice subsector, in particular, the lack of modern rice-processing machinery. The equipment is generally dilapidated and therefore inefficient.

4.33. The average tariff rate is 10.6% on edible vegetables, roots and tubers (HS 07); 16.1% on edible fruit, peel of citrus fruit or melons (HS 08); 7.6% on cereals (HS 10); and 7.9% on products of the milling industry, malt, starches, inulin and wheat gluten (HS 11).

4.2.2.3 Livestock

4.34. Livestock farming forms an integral part of the range of activities of most family farms, in particular by generating necessary income during hunger seasons. The role of livestock farming as a savings system is also primordial. Haiti has a herd of more than 1.5 million head of bovine cattle, 2.5 million goats, nearly 1 million pigs, and 4 million poultry. Finally, the asses, mules and horses raised still provide the main means of transport for agricultural products in rural areas. Livestock raising on small family farms accounts for over 90% of domestic production.

4.35. The development of livestock farming in Haiti faces numerous constraints, such as the low level of availability of fodder, inputs and watering infrastructure and limited access to prophylactic and therapeutic veterinary care and to knowledge of how to improve productivity.

[8] *Le Nouvelliste,* "Haiti's cocoa, an unexploited potential", 22 April 2015.

[9] For example, it is estimated that between 30 and 50% of mangoes are damaged during transport from the Cayes region to Port-au-Prince, from where they are shipped abroad. World Bank (2013). According to *Le Nouvelliste* [4 August 2015], "because of the excessive losses caused by poor harvesting and transport practices in the mango subsector, less than 25% of all mangoes harvested reach the export markets".

4.36. The sector is also facing serious animal health problems. Annual losses attributable to internal and external parasite diseases have been estimated at several tens of millions of US dollars. The organizational shortcomings of the MARNDR's veterinary services and their lack of human, material and financial resources have made it impossible to check the spread of animal diseases of major economic importance (such as classical swine fever and Newcastle disease) or zoonotic diseases (such as rabies and anthrax) which, for decades, have been doing considerable damage to Haitian livestock farming and which, in the case of zoonotic diseases, pose a risk to human health.

4.37. However, a number of training and technical advisory programmes have brought about some improvement in livestock farming practices. In particular, the strengthening of animal health programmes has made it possible to reduce the losses due to animal diseases in livestock raising and to reduce the risks of animal diseases being transmitted to humans or being introduced. Technical training programmes have also led to the extension of a network of mini-dairies. The number of these long-life dairy product manufacturing units rose from 20 to 35 between 2011 and 2015.[10] Set up in 2011, a bovine cattle identification programme, using ear-tags and a vaccination certificate, has led to a significant reduction in cattle theft and laid the foundations for a traceability programme.[11]

4.38. Imports of certain animal products are subject to sanitary control and quarantine measures (Section 3.1.10). In June 2014, the MARNDR temporarily prohibited the importation of live pigs from several countries affected by porcine epidemic diarrhoea.

4.39. The average tariff rate is: 0% on live animals; 10.9% on meat and edible meat offal (with rates ranging from 5% to 25%); and 6.5% on dairy produce, birds' eggs, natural honey and edible products of animal origin, not elsewhere specified or included (rates ranging from zero to 20%).

4.2.2.4 Fisheries

4.40. Haiti has a 1,535 km-long coastline and a continental shelf with an area of 5,000 km^2. It has almost 20,000 hectares of natural and artificial ponds and lakes and nearly 800 hectares of temporary ponds and lakes that fill up during the rainy season. The sector's annual production reportedly consists of around 15,000 tonnes of fish, 600 tonnes of rock lobster, 200 tonnes of lambi (conch) and 50 tonnes of shrimp, with a total value of more than G 3 billion.

4.41. Haiti has over 54,000 fishing families, spread over more than 420 localities, with 26,000 fishing units (14,800 canoes, 10,000 sailing boats and 1,200 motorboats). In addition, it is estimated that nearly 20,000 people are involved in marketing seafood products, which are primarily destined for the domestic market.

4.42. Fishing is still an essentially traditional activity that uses little modern technology. The equipment used by fishermen is often rudimentary and not very productive. Given the obsolescence of the vessels, fishing times are limited, as is the number of days in the year on which it is possible to go out fishing. The lack of preservation facilities results in the loss of about 40% of the catch. Moreover, the resources available along the coast and on the continental shelf are in sharp decline due to the increased pressure exerted by a growing number of fishing units and the deterioration of certain ecosystems that favour the reproduction of fish and crustaceans.

4.43. The Haitian Government is seeking to develop fisheries, *inter alia*, by distributing fishing gear and equipment for stocking natural lakes and ponds, and ensuring the organization, development and rational exploitation of fisheries. The MARNDR also has a budget for financing research in fisheries-related subsectors.

4.44. In 2009, the Haitian Government, in collaboration with other institutions, drew up a National Fisheries Development Plan[12], with the following key objectives: (i) to promote the development of rural fishing communities through improved artisanal fishing, (ii) to achieve a significant increase in fish production, and (iii) to ensure sustainable fishing. According to the Government, these

[10] MARNDR (2015a).
[11] MARNDR (2015b).
[12] MARNDR (2010). The document was amended after the 2010 earthquake in order to integrate the fisheries subsector into the national reconstruction and development effort.

measures will make it possible to raise annual production from 15,000 tonnes to between 20,000 and 30,000 tonnes.

4.45. The installation of fish aggregating devices (FADs) is one of the principal measures envisaged to facilitate the exploitation of deep-water pelagic species. These devices enable fishermen to go and seek fish much further out at sea, thereby reducing the pressure on coastal waters, which is currently endangering numerous species. The fishermen are already benefiting from about 50 installed FADs.[13]

4.46. Haiti has considerable potential for the development of aquaculture and lake fishing. To develop aquaculture, the MARNDR has adopted a plan that aims, *inter alia*, to support the production of young fish for stocking lakes and breeding in fish ponds and to continue implementing the programme for building hill catchment ponds.[14] The objective for the period 2012-2017 is to raise young fish production from the current 3.5 million to 40 million per year.

4.47. Trade in certain species, including exportation, is subject to restrictions aimed at protecting the aquatic fauna heritage (Section 3.4.3). It is not necessary to obtain a licence or a permit to engage in fishing; catches are not regulated, despite the overexploitation of the coastal waters.

4.48. The average tariff rate is 0.3% for fish and crustaceans, molluscs and other aquatic invertebrates (HS 03). Rates range from 0% to 5%. Where prepared fish, caviar and prepared crustaceans are concerned, the average is 12.8% (HS 16.04).

4.2.2.5 Forestry

4.49. Forestry activities are extremely limited. Haiti suffers from serious deforestation caused by the use of wood for heating and the strong demand for farmland. There is therefore very little exploitation of forest products, which are mainly used for firewood, because other forms of energy (particularly electricity) are so expensive, or for building. The harmful effects of the degradation of the forest environment include soil erosion, the silting up of hydraulic works, and a qualitative and quantitative decline in water resources.

4.50. It is estimated that the country has about 99,000 hectares of forest (out of a total land area of just over 27,500 km^2).[15] Forestry resources include those in coastal areas, which comprise around 15,000 hectares of mangrove forest; the Forêt des Pins, in the departments of Ouest and Sud-Est, which consists of some 16,000 hectares (out of a total area of 32,000 hectares) of natural forest (mostly hardwood); the Macaya Park in the Massif de la Hotte, covering more than 6,000 hectares of forest (hardwood interspersed with softwood); and the La Visite Park, which extends over 5,000 hectares (mainly softwood).

4.51. A new provision concerning forest protection was introduced into the Constitution in 2012. It stipulates that exceptional measures must be taken to help restore the ecological balance, as long as the forest cover remains below 10% of the national territory.

4.52. The average tariff rate is 1% on forestry and logging products (zero for forestry alone) and 8.4% on live plants, cut flowers and ornamental foliage (HS 06).

4.3 Mining and quarrying

4.53. Haiti has a rich history of mining, particularly for gold, copper and bauxite. It also has substantial reserves of marble, calcium carbonate and pozzolan (a volcanic rock and one of the constituents of cement). Crushed limestone aggregates are still being obtained from hill quarries and river beds all over the country and used for building and public works.

4.54. However, mining and quarrying still contributes only marginally to the Haitian economy. Artisanal mining is the dominant form of exploitation and only small quarries for building materials such as clay and sand are being exploited. There are no medium- or large-scale operations.

[13] *Haïti Libre*, "Fishing in Haiti, review and prospects", 27 March 2015.
[14] MARNDR (2015c).
[15] FAOSTAT, 2012.

The extractive industries' share of real GDP in fiscal 2013-2014 was less than 0.2%.[16] These industries are believed to employ 4,000 people, mainly in sand quarries.

4.55. The Mines and Energy Bureau (BME) is a body under the authority of the Ministry of Public Works, Transport and Communications. It is responsible for exploring and promoting the exploitation of Haiti's mineral and energy resources. Its mission also includes supervising operations from the technical, environmental, economic and safety standpoints. Mining operations are run mostly by the private sector.

4.56. The current mining decree dates back to 1976.[17] Under the terms of Article 1 of the decree, natural mineral sites, liquid or gaseous hydrocarbon deposits, mineral and thermo-mineral sources, geothermal energy and other concentrations of natural energy, and natural resources in general belong to the Haitian Nation. Natural resources are separate from land ownership and constitute a public domain managed by the State. According to the authorities, the decree is currently under review.

4.57. The Decree of 2 March 1984 specifically governs quarry products. It requires the operator: (i) to apply to the BME for an operating permit (valid for a renewable period of five years); (ii) to supply all technical, financial, land ownership and environmental information on the quarrying project; (iii) to take steps to ensure personnel safety, hygiene and health; and (iv) to protect the environment and rehabilitate quarrying sites as work progresses. The permit holder must pay an annual fee of G 100 per hectare.

4.58. Every operation in the mining and energy sector is subject to the issue of a permit for the type of activity involved. Three types of permit apply to metal resources, namely, a prospection permit, an exploration permit and an operating permit. For non-metal resources an operating permit is required. Prospection permits may be granted to Haitian or foreign companies. However, exploration and operating permits may only be granted to companies established and domiciled in Haiti.[18]

4.59. An exploration permit can be obtained only after the applicant has signed a mining agreement with the Government.[19] Agreements are valid for 25 years and can be renewed for ten-year periods. The terms of the agreement are not regulated by the Investment Code, but are open to negotiation. Certain clauses are usually incorporated to ensure that companies benefit from a temporary admission procedure with the suspension of all import and export duties. A system of rebates on internal taxes may also be included. However, these concessions are not uniform and depend, among other things, on the type of activity or products covered by the agreement and on the investor's negotiating power.

4.60. Between 2006 and 2011, the Government issued 63 exploration permits; 18.6% of Haiti's total area is currently under permit to mining companies. Thanks to these efforts, several historical discoveries have been confirmed and new deposits with high concentrations of copper, gold and silver have been discovered, notably in the Massif du Nord.

4.61. Since the previous review of Haiti's trade policy three operating permits have been issued. Although most of the country is theoretically open to exploitation and despite a promising mining potential, major obstacles, notably legal uncertainty, have so far prevented any medium- or large-scale operations.

4.62. The average tariff protection for the extractive industries amounts to 2.7% (Major Division 2 of the ISIC, Rev.2). In 2014, the value of mining exports amounted to US$164,000.

[16] Bank of the Republic of Haiti (2015).
[17] Decree encouraging mineral prospection over the entire extent of the territory of the Republic and adapting the existing legal structures to the realities of the mining industry, of 3 March 1976.
[18] The head office must include at least one Haitian representative.
[19] The legislation requires the signature of a mining agreement even before the commercial viability of a deposit has been proven.

4.4 Energy and water

4.4.1 Energy

4.63. The main energy sources used in Haiti are firewood, which accounts for more than 72% of energy consumed, petroleum products (about 25% of energy consumed), and electricity (some 3% of energy consumed), of which about 85% is produced by thermal generators and the rest by hydro-power.

4.64. All petroleum products are imported from Venezuela under the ALBA Agreement and distributed by private companies (DINASA, TOTAL and SOL). Under the PetroCaribe Agreement, the Haitian State benefits from preferential payment facilities for the purchase of these petroleum products, in accordance with international oil prices. They are exempt from turnover tax.

4.65. National electricity coverage is around 30%. The Haitian population's access to electricity varies widely. Electricity is available to 45% of the inhabitants of Port-au-Prince, but to only 3% of the rest of the population, including the inhabitants of the large provincial towns.

4.66. Electricity is distributed mainly by a State-owned enterprise, Électricité d'Haïti (EDH). Haiti's installed generating capacity is estimated at some 300 megawatts (MW). Electricity production and distribution face numerous problems due to deterioration of the generating and transmission facilities, lack of maintenance, and the silting-up of the country's main hydroelectric power plant, the Péligre Dam on the River Artibonite. Technical and non-technical losses (commercial and due to fraud) are an obstacle to progress in the sector. The current is unstable and power cuts are frequent. EDH receives about US$200 million a year in central government subsidies.

4.67. The cost of electricity is one of the highest in the region. Under the tariff schedule currently in force, the price of electricity depends on the type of customer and the amount consumed.[20] The average tariff for electricity delivered to the customer is around G 16 per kilowatt-hour.[21]

4.68. The Government considers electricity to be a high-priority sector. The objective is both to improve the quality of the supply and to cover a wider area of the country. The measures taken by the Haitian State to encourage investment in energy are essentially tax-related and consist of reductions on taxable amounts and tax exemption in specific cases. Thus, duty-free treatment is granted for imports of capital goods and raw materials needed for exploitation and production during the set-up phase, with the exception of imports of petroleum products. Concessions for investment in energy are not governed by the Investment Code, but are negotiated directly between the State and the companies concerned.

4.69. In 2011, a private company, E-Power, began generating electricity in Port-au-Prince. The new power station has a capacity of 30 MW and burns heavy oil, which results in production costs much lower than those of the existing plants. In 2012, the Government announced a project to rehabilitate the Péligre power plant, which should enable the plant to recover its original 54-MW capacity.

4.70. The Haitian State wants to modify the power generating matrix by developing renewable energies, in particular, hydro, wind and solar energy. Haiti's total hydro-electric potential is estimated at 153 MW, including 23 MW from 27 micro-sites which can be developed to provide isolated areas with energy services.

4.71. The average tariff rate is zero on electricity and 2.9% on mineral fuels, mineral oils and products of their distillation, bituminous substances and mineral waxes. Customs duty on gasoline is 40%, which is the highest rate in the tariff with 11 other lines.

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[20] Électricité d'Haïti. Online information viewed at: http://www.edh.ht/tarif.php.

[21] G 11.7 for households; 15.6 for businesses; 15.4 for low-voltage industry; and 17.3 for medium-voltage industry.

4.4.2 Water

4.72. Haiti is facing considerable challenges in the drinking water and sanitation sector. Drinking water is rare and sewer systems practically non-existent. Very few have access to the public service, its quality is dubious and the sector's public institutions remain very weak despite foreign aid and the Government's declared intention to strengthen them.

4.73. The Ministry of Public Works, Transport and Communications (MTPTC) is responsible for drinking water and sanitation through its National Drinking Water and Sanitation Directorate (DINEPA). In the long term, the Government aims to decentralize drinking water services to commune level. The Economic and Social Assistance Fund (FAES) intervenes primarily in the country's small towns. The NGOs, often with the financial support of the aid donors, also play an important role in the sector, especially in rural and deprived areas.

4.5 Manufacturing

4.74. The manufacturing sector's contribution to GDP has remained relatively stable over recent years, at around 8%. At mid-2015, the sector was employing around 36,000 people solely for exports. It was particularly hard hit following the earthquake in 2010, with production falling by more than 17%. The main branches of manufacturing in Haiti are the food, beverage and tobacco industries; the textile, clothing and leather industries; the industries producing non-metallic mineral products and metal products; and the chemical industries. These subsectors account for almost 95% of manufacturing value-added.

4.75. Industrial activities are mainly concentrated in the Ouest department. According to information provided by the Chamber of Commerce and Industry, more than 83% of industrial companies and more than 78% of workers are located in Port-au-Prince. The textiles, clothing and leather subsector is the most important in terms of exports. The industry continues to concentrate on the production of large volumes of low-margin clothing for the mass market. This subsector is also characterized by a high level of subcontracting. Fabrics, cut to size or in rolls for cutting from patterns, are imported and then assembled and exported. Nevertheless, investment in this subsector is limited.

4.76. The non-metallic mineral product, metal product and chemical product subsectors are important as well. However, their output tends to be directed at the local market. Handicrafts and the creation of works of art (ironwork, painting on furniture or fabrics) are also major manufacturing activities. They are mostly in the informal sector, however, and are carried out in addition to a regular job, which makes them difficult to quantify.

4.77. The United States is the main outlet for Haitian products. The "HOPE" and "HELP" initiatives (Section 2.3.2.1) have helped to boost textile and clothing exports. This legislation enables Haiti to assemble textiles, whatever the origin of the imported fabrics, and export them to the United States, where they enter free of duties and taxes.

4.78. Industrial parks and free zones are the key tools for promoting the country's industrial development. The National Industrial Parks Company (SONAPI) was established in 1974. SONAPI is responsible for providing the siting and ensuring the organization and management of industrial parks for manufacturing companies.[22] It manages Haiti's largest industrial centre, the Port-au-Prince Metropolitan Industrial Park (PIM), where most of the clothing exporters are concentrated. Since October 2012, SONAPI has also been managing the Caracol Industrial Park (PIC) in the Nord-Est department. Companies located in these parks generally benefit from free-zone concessions, in particular, exemption from customs duty and inspection fees (Section 3.5.1). In June 2015, the PIM's workforce numbered 13,000 and that of the PIC 6,000. The authorities estimate that about 95% of the production from these two parks is exported to the United States. They note that preparations are being made to expand the PIM by adding around 100,000 square metres of buildings.

4.79. The Industrial Development Fund (FDI) is responsible for promoting the country's industrial development by helping to meet the financing requirements of small and medium-sized

[22] SONAPI (2013).

enterprises. It has G 2.5 billion in assets. The Government has also taken a series of measures to enhance the technical skills of the Haitian workforce and facilitate technology transfer.

4.80. According to UN Comtrade data, using the mirror statistics for the country's main trading partners[23], Haiti's manufacturing exports amounted to US$960 million in 2014. The textiles and clothing sector is the leading manufacturing sector, accounting for around 90% of exports.

4.81. Haiti's manufacturing imports amounted to US$3,139 million in 2014, as compared with US$1,697 million in 2009. They are dominated by food preparations, beverages and tobacco (27.5%); chemical industry products (16.7%); textiles and clothing (16.2%) and machinery (14.0%), in accordance with the ISIC two-digit classification. Manufacturing exports totalled US$1,012 million in 2014, as against US$614 million in 2009. The main manufacturing exports (ISIC two-digit classification) are textiles and clothing (89.6%), chemical industry products (2.2%) and base metals (1.4%).

4.82. The simple average tariff rate on manufactures is 5.0% (Table A4.1). The most protected industries (with an average tariff rate of between 7.4 and 8.9%) are the food product and wood industries and other manufacturing industries (Chart 3.2). Customs tariffs are generally degressive from the first stage of processing to the semi-finished product, then progressive from the second stage to the finished product. Such a tariff structure in itself (without corrective measures) is not usually conducive to domestic production of certain semi-finished products. In addition to customs tariffs, imports of manufactured goods are generally subject to 5% inspection fees (Section 3.2.1.2).

4.6 Services

4.6.1 Overview

4.83. Services contributed around 56% to real GDP in 2013-2014. Entrepreneurship in Haiti is directed mostly towards the tertiary sector. According to the data of the latest census of industrial and commercial enterprises, carried out in September 2012, 81.6% of businessmen are engaged in the buying and selling of goods and services. Haiti is a net importer of services. The deficit in the services balance is recurrent and amounted to US$377 million in 2014 (Section 1.2). The State continues to play an important part in the sector's production activities, particularly in the telecommunications, transport and postal services subsectors.

4.84. Under the General Agreement on Trade in Services (GATS), Haiti has bound, without limitations on market access or national treatment, measures relating to all modes of supply of educational services in adult training centres in rural areas and of banking and other financial services (with the exception of insurance). Measures relating to all modes of supply (with the exception of the presence of natural persons) of construction, related engineering services and hotel and restaurant services have also been bound, without limitations on market access or national treatment. In the case of veterinary services, only measures relating to consumption abroad remain unbound; all other modes of supply have been bound without limitations. Likewise, measures relating to the cross-border supply of reinsurance and retrocession services have been bound without limitations, and those concerning consumption abroad and commercial presence for the provision of such services have been bound without limitations on national treatment. Measures relating to the provision of other types of services remain unbound. Given the importance of transfers of funds for the Haitian economy, services provided under Mode 4 of the GATS are one of the Government's priorities.

4.6.2 Main subsectors

4.6.2.1 Financial services

4.6.2.1.1 Introduction

4.85. The financial services subsector still makes no more than a modest contribution to the country's GDP. In Haiti, financial services mainly involve monetary intermediation by the banking

[23] Canada, China, Dominican Republic, France, Germany, Netherlands, United States.

institutions and insurance. The commercial banks account for the lion's share of activities in this subsector.

4.86. In November 2013, the Law sanctioning money laundering and the financing of terrorism was adopted. It establishes measures for detecting and discouraging money laundering and the financing of terrorist activities and for facilitating investigations and prosecutions relating to the offences of money laundering and the financing of terrorism.

4.87. In the financial services subsector, Haiti's GATS concessions cover banking and other services (with the exception of insurance); concessions made for the supply of reinsurance services remain limited.

4.6.2.1.2 Banking services

4.88. Haiti currently has two State commercial banks (National Credit Bank and Haitian People's Bank), six privately owned Haitian banks, two branches of foreign commercial banks, and one privately owned Haitian savings and housing bank. The assets held by the banking institutions have increased substantially in recent years, rising from around G 155 billion in September 2011 to G 194.8 billion in December 2014. Over the same period, banking sector lending rose from G 38.7 billion to G 69.8 billion.[24] The market is heavily concentrated, with the top three institutions (all privately owned) holding around 80% of assets.

4.89. The Law of 17 August 1979 establishing the Bank of the Republic of Haiti (BRH) entrusts it with the task of supervising banking financial institutions. The BRH discharges this responsibility by conducting inspections and laying down prudential regulations. The financial indicators available point to a sound and solvent banking system.

4.90. The Law of 14 May 2012 on banks and other financial institutions and the Decree of 14 November 1980 regulate the organization and operation of financial institutions in Haiti.[25] A minimum capital of G 60 million must be subscribed in order to be able to start up and maintain a banking activity. An application for authorization to operate a banking enterprise must be submitted to the Ministry of the Economy and Finance (MEF), which reviews the file jointly with the BRH and the MCI. Once authorization has been granted, the bank's activities are subject to Haitian legislation, which stipulates, *inter alia*, that bank mergers and takeovers are subject to BRH authorization. Likewise, all banks operating in Haiti must apply for authorization from the BRH to open an office, agency or branch outside their headquarters. Foreign banks are subject to the same regulations as domestic banks. In particular, licensing conditions for foreign banks are the same as those for local banks. Haiti applies the Basel I principles.

4.91. Haiti's microfinance sector has more than 300,000 borrowers. A study carried out in 2010 valued the microcredit market at G 4.7 billion in terms of gross portfolio and there are one million depositors.[26] The industry comprises about 200 microfinance institutions. A national financial inclusion strategy was launched in September 2014.

4.6.2.1.3 Insurance services

4.92. In the insurance sector, the public system comprises the Occupational Injury, Sickness and Maternity Insurance Office (OFATMA), the National Old-Age Insurance Office (ONA) and the Motor Vehicle Liability Insurance Office (OAVCT). The private system includes several public limited companies under Haitian law and local branches of foreign insurance companies. In July 2015, there were 13 private companies engaged in insurance activities (as compared with 14 before the 2010 earthquake), including two in life insurance and two composite insurance companies. There is only one foreign insurance company operating in Haiti, in the life insurance branch. There are no reinsurance companies. Several foreign insurance companies maintain representative agencies.

[24] Bank of the Republic of Haiti (2015): Quarterly financial data of the banking institutions.

[25] The Law does not apply to insurance companies, pension funds, savings and loan cooperatives and microfinance institutions.

[26] USAID (2011).

4.93. The MEF is the sector's supervisory authority, pursuant to the Decree on Insurance of 20 March 1981. It is also responsible for granting authorization to operate to Haitian and foreign insurance companies that request permission to do so. In July 2012, the Insurance Control and Supervision Unit (UCSA) was established within the MEF as a regulatory body. The UCSA has drawn up two draft laws, the framework law on insurance establishing a regulatory framework, and the law establishing the insurance regulation and control body.

4.94. Insurance premiums are set freely by the market and are not subject to state intervention or control. Insurance companies are free to develop activities in different fields at the same time and the same company may offer several types of cover (life insurance and motor vehicle/accident insurance, for example).

4.95. The earthquake of 12 January 2010 had serious financial consequences for the insurance sector. Most companies had to borrow on the local market or raise additional capital to fulfil their obligations to the parties insured; several companies experienced difficulties in meeting their contractual liabilities.

4.96. The insurance penetration rate is less than 1%, which means that Haiti still has one of the lowest rates in the world. Turnover in the insurance sector amounted to G 2.06 billion in 2012, the latest year for which figures were available.

4.6.2.1.4 Other financial services

4.97. Other financial services in Haiti mainly comprise pension fund and money transfer and foreign exchange activities. Existing pension funds include the civil service pension funds; the pension funds and retirement plans for bank employees; and the pension funds and retirement plans for employees of petroleum companies and private and industrial enterprises. There is no stock market in Haiti.

4.98. The money transfer agencies (currently seven) and foreign exchange bureaus operate under the supervision of the BRH. The money transfer agencies arose out of the need for Haitian nationals working abroad to make regular payments in Haiti for investment purposes and to provide financial support for relatives who remained in the country.[27] Foreign exchange transactions are carried out partly on the informal market, despite the existence of foreign exchange bureaus.

4.99. Among the institutions offering non-banking services, mention should also be made of the Industrial Development Fund (FDI-Haiti) and the Haitian Financial Development Company (SOFIHDES), which specialize in guaranteeing loans made by financial intermediaries, in short and more or less long-term financing, and credit for small and medium-sized enterprises. The FDI is answerable to the BRH and is financed by a loan from the World Bank. The SOFIHDES is a private company partly financed by the United States and European development agencies.

4.6.3 Transport services

4.6.3.1 Land transport

4.100. Land transport is the principal means of transporting goods and passengers in Haiti. The road network comprises some 4,370 kilometres of roads, about 40% of which are paved. The network is generally in poor condition and many villages have no access to the main roads during the rainy season. Haiti's seriously underdeveloped transport infrastructure has also been damaged by frequent hurricanes, floods and the 2010 earthquake. Only the trunk roads are asphalted, while the secondary and tertiary networks are surfaced with laterite or compacted gravel.

4.101. The Ministry of Public Works, Transport and Communications (MTPTC) plans investment in the land transport sector, defines the technical standards applicable, monitors the state of the infrastructure, and hires and supervises construction and public works contractors.

[27] The annual value of private transfers to the Haitian economy from the diaspora is estimated at almost US$2 billion (Section 1.4).

The Road Maintenance Fund, under the MTPTC, is responsible for highway financing and maintenance. The Fund is financed from the revenue collected on petrol sales. The railways ceased operating in Haiti in 1991.

4.6.3.2 Maritime transport

4.102. As a small island economy, Haiti is heavily dependent on the quality, frequency and cost of the means of transport that link it with the international markets. The Haitian port system consists of two international ports (Port-au-Prince and Cap-Haïtien) and 14 regional ports, a number of which also receive traffic from the Caribbean. The ports handle about 90% of Haiti's international trade and generate about 85% of customs revenue. Maritime cargo traffic has grown strongly in recent years (Table 4.3). The port of Port-au-Prince accounts for the bulk of international goods traffic. Haiti *has* no merchant marine.

Table 4.3 Maritime cargo traffic, 2007-2012

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Exports					
Number of containers	42,688	52,360	48,437	60,539	51,956
Containers TEU	69,067	81,875	75,516	97,332	82,835
Containers, full, TEU	21,433	16,114	15,162	21,486	22,201
Weight in tonnes	173,500	105,733	64,801	11,465	106,602
Non-containerized cargo (tonnes)	15	3,371	..	..	..
Total cargo (1) (tonnes)	173,516	109,104	64,801	11,465	106,602
Imports					
Number of containers	46,463	51,342	58,101	57,664	51,949
Containers TEU	73,420	80,297	87,940	91,696	81,881
Containers, full, TEU	72,492	79,891	86,458	90,218	80,218
Weight in tonnes	800,391	938,891	974,372	946,984	964,340
Non-containerized cargo (tonnes)	1,969,877	2,155,640	1,894,299	1,986,730	3,342,635
Total cargo (2) (tonnes)	2,770,268	3,094,531	2,868,671	2,933,714	3,342,635
Total					
Number of containers	89,151	103,702	106,538	118,183	103,905
Containers TEU	142,487	162,802	163,456	189,028	164,716
Containers, full, TEU	93,925	96,005	101,620	111,704	102,419
Weight in tonnes	973,891	1,044,624	1,039,173	1,058,449	1,070,941
Non-containerized cargo (tonnes)	1,969,892	2,159,011	1,894,299	1,986,730	2,378,295
Total cargo (1+2) tonnes	2,943,783	3,203,635	2,933,472	3,045,179	3,449,236

.. Not available.

Source: National Ports Authority.

4.103. Most of Haiti's ports, including all the major ports, are State-owned enterprises. However, some port services such as piloting and handling are provided by private companies. The National Ports Authority (APN) is a parastatal body under the authority of the MEF.[28] It is responsible for the administration, planning and development of port activities and services in Port-au-Prince and Cap-Haïtien. The APN also establishes tariffs, fees, rates and regulations for all the ports, including the docks managed by private companies. Harbour charges in Port-au-Prince, about US$650 per TEU container, are among the highest in the region.

4.104. The Haitian Maritime and Navigation Service (SEMANAH), under the authority of the MTPTC, is responsible for beacons and buoys, maritime traffic and shipping compliance throughout Haitian territory.

4.105. In 2013, the Government decided to proceed with the institutional and operational modernization of Haiti's ports.[29] The general objective of the port reforms is to ensure the provision of efficient and competitive services. A new law on the port sector and a national port development plan are in process of being drawn up. In particular, the Government envisages the

[28] In 2008, the APN began relinquishing its role of service provider in order to concentrate on its regulatory role.
[29] APN (2014).

separation of the regulatory and operational roles and greater integration of the private sector into the management of the State-owned ports.[30]

4.6.3.3 Air transport

4.106. Haiti has 13 airports, including three with paved runways and two international airports (Port-au-Prince and Cap-Haïtien). Haiti is linked with the rest of the world by a dozen international airlines. Haitian airlines fly between Port-au-Prince and the country's main cities.

4.107. The National Airports Authority (AAN), under the MTPTC, is responsible for managing and developing airport infrastructure. It establishes Haiti's airport and aviation fees. The National Civil Aviation Bureau (OFNAC) is the authority in charge of regulatory matters and of enforcing the Civil Aviation Law.

4.108. Haiti has signed bilateral air transport agreements with Canada, Cuba, France and Jamaica. These agreements deal, *inter alia*, with price monitoring and the definition and scope of agreed traffic rights.

4.6.4 Communications services

4.6.4.1 Telecommunications services

4.109. The Decree-Law of 12 October 1977 governs telecommunications services in Haiti. It is supplemented by that of 10 June 1987 redefining the responsibilities of telecommunications bodies and laying down a tariff structure for these services. The two decree-laws establish a state monopoly on telecommunications services, which has been delegated to the National Telecommunications Council (CONATEL), a regulatory body under the authority of the MTPTC. According to the authorities, the legal framework is under review.

4.110. CONATEL is responsible for regulating and supervising telecommunications activities. Its sphere of competence includes enforcing the applicable rules, examining draft technical standards for electrical and radio equipment, analysing tariff-scheduling and taxation proposals and proposals relating to all other telecommunications costs, and helping to develop national telecommunications policy. CONATEL also sets fixed telephone charges. Interconnection tariffs are negotiated among operators and subject to approval by CONATEL.

4.111. The Decree-Law of 12 October 1977 granted a monopoly on telecommunications services to Télécommunications d'Haïti S.A. (TELECO), a State-owned enterprise. However, under the State-owned enterprise modernization process, TELECO was partially privatized in 2010. A 60% stake was acquired by the Vietnamese company Viettel, the Haitian State's share was fixed at 40%, and the company operates under the name of NATCOM. The fixed network was largely destroyed in the January 2010 earthquake. At June 2015, the number of fixed lines was less than one thousand, as compared with 150,000 in 2006.

4.112. Mobile telephone services have developed rapidly in recent years and are provided by two companies, DIGICEL and NATCOM. An invitation to tender for a third operator was issued in 2014, but subsequently suspended to allow NATCOM to recoup its investment costs. In June 2015, there were about 7 million mobile lines as compared with 1.2 million in 2006. Mobile telephony also plays an important role in money transfers, given that only a small fraction of the population has a bank account.

4.113. Outgoing international calls are subject to a special communications tax of G 1.35 per minute, as well as to the Contribution to the Fund for the Management and Development of Local Communities (CFGDCT), at a rate of G 0.90 per minute.

4.6.4.2 Postal services

4.114. Postal services have always been separate from telecommunications. Postal services in Haiti are mostly handled by the Haitian Post Office (OPH), an autonomous body established by

[30] MEF (2014).

the Decree of 10 August 1987 and operating under the MCI. The OPH has a *de jure* monopoly of mail transport in Haiti and is responsible for regulating mail-related matters. It deals with the dispatch of ordinary mail, parcels and international express mail. In practice, private companies provide the same services as the OPH, except for the regulatory aspects. Each operator sets its own tariffs, and those of the OPH are established by its governing body. The OPH is subsidized by the State. The MCI grants licences for the provision of postal services.

4.6.5 Tourism

4.115. Tourism offers unquestionable potential for the country's economic development. Haiti's main tourist attractions are its natural sites (beaches and uninhabited islands), its historical heritage and its cultural specificities (art, handicrafts, gastronomy, religious tourism and festivals). However, the subsector faces numerous problems. Political instability and security concerns are largely responsible for the relatively small number of tourists visiting Haiti. Moreover, inadequate infrastructure, in particular the limited number of hotel rooms, the poor condition of the road network, environmental degradation and dilapidated airport facilities are other factors limiting the medium-term growth prospects for tourism. The tourist enclaves for Caribbean cruise ship passengers are the most likely focus for immediate development.

4.116. In recent years, there has been a considerable increase in the number of visitor arrivals in Haiti. In 2013, for the first time in its history, the destination received more than a million visitors (Table 4.4). However, a large proportion of tourist arrivals, estimated by the authorities at around 65 to 70%, actually consists of Haitians living abroad.

Table 4.4 Stay over and cruise ship tourist arrivals in Haiti, 2007-2013

	2007	2008	2009	2010	2011	2012	2013
Cruise-ship tourists	482,077	228,382	439,055	537,778	596,562	609,930	643,634
Stay-over tourists	386,060	258,070	387,219	254,732	348,755	349,237	419,736
Total visitors	868,137	486,452	826,274	792,510	945,317	959,167	1,063,370

Source: Ministry of Tourism.

4.117. In 2015, Haiti's hotel capacity was estimated at around 9,000 rooms in a total of 460 to 470 hotels. For a few years, Haiti has been benefiting from the direct investments of several large international hotel chains. The authorities estimate that Haitian hotel capacity should exceed 13,000 rooms by 2017.

4.118. The Government has identified tourism as one of the priority sectors capable of generating economic growth and creating sustainable employment. Accordingly, the main objective of the Ministry of Tourism (MT) is to put the destination back on the world tourism map. Its strategy is based on three pillars: training, regulation and promotion. The National Hotel and Tourism Training Institute (INFORHT) was inaugurated in 2013 and now has 200 students enrolled. In the same year, the MT established a classification system ("Hibiscus") for assessing and classifying the various forms of tourist accommodation in the country. Haiti has also provided itself with a tourism police force consisting of around 100 police officers deployed in the priority tourist areas.

4.119. The 2002 Investment Code devotes an entire chapter to investment in tourism and related services (Section 2.4.1). The Code identifies the various fields of investment eligible for concessions, which range from the development and exploitation of tourist areas, tourist accommodation, and transport, restaurant, entertainment and leisure services to vocational training services. In accordance with the various provisions of the 2002 Code, any investment in the tourism and related services sector can benefit from the privileges and concessions granted by the Interministerial Investment Commission (CII).

4.120. Under the Investment Code, any investment in the tourism subsector would be eligible, *inter alia*, for the following benefits granted directly by the Government:

i. exemption from all import duties and taxes on construction materials, furnishings, kitchen, sanitary and electrical equipment, appliances, items and finishings used in hotel construction, renovation or expansion;

ii. five-year tax exemption as of the date of commissioning in the case of construction; and

iii. two-year tax exemption in the case of renovation leading to the creation of at least 30 permanent full-time jobs.

4.121. The management and exploitation of tourism investment are governed by the Law of 12 March 1975 regulating the operation of tourist establishments. Under this Law, any natural or legal person wishing to open and run a tourist establishment is required to satisfy the following terms and conditions: the project (plans and specifications, market surveys, financial documents) must be submitted to, and authorization requested from, the MT, which forwards approved applications, together with a reasoned report, to the MEF. Any developer wishing to benefit from certain fiscal and customs concessions must follow these procedures (see below). The developer is then authorized to begin construction work. The technical services of the MT and other relevant bodies ensure compliance with the regulations and plans and issue a certificate of conformity. The investor then applies to the MT for an operating licence, which must be obtained before the establishment opens for business.

4.122. Since July 2014, visitors holding a foreign passport have been required to pay a tourist fee of US$10 (€8 or C$10). This measure is intended to finance the promotion of the destination, the reinforcement of the Tourism Police (Politour) and training in tourism-related occupations in Haiti.

4.123. Where tourism is concerned, Haiti has made concessions under the GATS for hotel and restaurant services.

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5 APPENDIX TABLES

Table A1.1 Structure of merchandise exports by HS section, 2009-2014[a]

(US$ million and %)

Description	2009	2010	2011	2012	2013	2014
Total exports[b]	661	695	910	962	1,047	1,083
Exports to main partners	648	672	883	917	1,007	1,056
	(% of exports to main partners)					
1 - Live animals; animal products	0.7	0.7	0.9	0.7	1.0	1.3
03 - Fish and crustaceans, molluscs and other aquatic invertebrates	0.7	0.7	0.8	0.6	0.9	1.2
2 - Vegetable products	2.6	2.0	2.1	2.0	1.9	1.8
08 - Edible fruit and nuts; peel of citrus fruit or melons	2.1	1.6	1.7	1.4	1.7	1.6
09 - Coffee, tea, maté and spices	0.4	0.2	0.2	0.3	0.2	0.1
3 - Animal or vegetable fats and oils; prepared edible fats	0.0	0.0	0.0	0.0	0.0	0.0
4 - Prepared foodstuffs; beverages, spirits; tobacco	2.1	2.5	1.3	1.5	0.9	1.4
18 - Cocoa and cocoa preparations	1.4	2.1	0.8	1.0	0.4	0.8
22 - Beverages, spirits and vinegar	0.3	0.3	0.4	0.3	0.3	0.3
24 - Tobacco and manufactured tobacco substitutes	0.0	0.0	0.0	0.0	0.0	0.1
5 - Mineral products	0.1	0.0	0.0	0.0	0.0	0.0
6 - Products of the chemical or allied industries	1.6	2.8	1.9	1.5	1.6	1.9
33 - Essential oils and resinoids; perfumery, cosmetic or toilet preparations	1.5	2.8	1.9	1.5	1.5	1.9
7 - Plastics and articles thereof; rubber and articles thereof	0.0	0.0	0.1	0.2	0.2	0.3
39 - Plastics and articles thereof	0.0	0.0	0.1	0.2	0.2	0.3
8 - Raw hides and skins, leather, furskins; travel goods, handbags	0.3	0.3	0.2	0.3	0.3	0.2
42 - Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut)	0.3	0.3	0.2	0.2	0.2	0.2
9 - Wood and articles of wood	0.1	0.1	0.0	0.0	0.0	0.0
10 - Pulp of wood or of other fibrous cellulosic material; paper and paperboard	0.0	0.1	0.2	0.2	0.1	0.1
11 - Textiles and textile articles	88.8	87.0	86.7	87.6	88.5	89.2
61 - Articles of apparel and clothing accessories, knitted or crocheted	70.5	70.2	69.4	68.1	67.7	67.7
62 - Articles of apparel and clothing accessories, not knitted or crocheted	17.3	15.4	16.7	19.4	20.6	21.4
12 - Footwear, umbrellas; artificial flowers	0.1	0.0	0.1	0.2	0.5	0.6
67 - Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair	0.0	0.0	0.0	0.0	0.2	0.5
13 - Articles of stone, plaster, cement; ceramic products; glass and glassware	0.0	0.0	0.0	0.0	0.0	0.0
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals	0.0	0.5	0.0	0.0	0.1	0.1
15 - Base metals and articles of base metal	1.3	1.9	5.0	4.5	3.7	1.4
74 - Copper and articles thereof	0.2	0.2	0.8	1.2	1.4	1.2
16 - Machinery and mechanical appliances; electrical equipment; image and sound recorders	0.6	1.0	0.7	0.6	0.3	0.4
85 - Electrical machinery and equipment and parts thereof	0.5	0.9	0.6	0.6	0.2	0.3
17 - Vehicles, aircraft, vessels and associated transport equipment	0.1	0.0	0.0	0.0	0.0	0.0
18 - Optical, photographic, precision and medical instruments; clocks and watches; musical instruments	0.0	0.0	0.0	0.0	0.0	0.0
19 - Arms and ammunition	0.0	0.0	0.0	0.0	0.0	0.0
20 - Miscellaneous manufactured articles	0.1	0.1	0.1	0.2	0.3	0.2
95 - Toys, games and sports requisites; parts and accessories thereof	0.1	0.1	0.1	0.2	0.2	0.2
21 - Works of art, collectors' pieces and antiques	0.1	0.1	0.0	0.0	0.0	0.0
Other	1.3	0.7	0.6	0.4	0.5	0.8

a Mirror statistics from the Republic of Haiti's main trading partners: Belgium, Brazil, Canada, China, Colombia, Dominican Republic, France, Germany, Guatemala, India, Indonesia, Italy, Japan, Luxembourg, Malaysia, Mexico, Netherlands, Peru, Spain, United Kingdom, United States, Viet Nam. The figures are under-estimates, as the Netherlands Antilles/Curaçao do not report trade statistics to the Comtrade database, yet appear as an important partner in national statistics.

b Mirror statistics from all the Republic of Haiti's partners.

Source: WTO Secretariat, on the basis of Comtrade data.

Table A1.2 Structure of merchandise imports by HS section, 2009-2014[a]

(US$ million and %)

Description	2009	2010	2011	2012	2013	2014
Total imports[b]	2,352	3,432	3,632	3,273	3,622	3,877
Imports from main partners	2,022	2,983	3,176	3,059	3,374	3,710
	(% of imports from main partners)					
1 - Live animals; animal products	5.0	4.6	5.8	6.3	5.7	6.0
02 - Meat and edible meat offal	2.0	2.0	2.6	2.9	2.4	2.4
04 - Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	2.2	1.9	2.4	2.7	2.1	2.4
2 - Vegetable products	15.2	11.8	12.6	12.5	12.8	12.6
10 - Cereals	10.5	6.6	7.2	7.8	8.4	6.7
11 - Products of the milling industry; malt; starches; inulin; wheat gluten	2.2	2.8	3.5	2.9	2.7	3.5
07 - Edible vegetables and certain roots and tubers	1.9	1.8	1.3	1.3	1.1	1.3
3 - Animal or vegetable fats and oils; prepared edible fats	4.5	3.5	4.8	3.4	4.2	1.8
4 - Prepared foodstuffs; beverages, spirits; tobacco	10.3	10.4	9.7	10.2	9.5	10.5
21 - Miscellaneous edible preparations	2.7	2.2	2.1	2.5	2.5	3.5
19 - Preparations of cereals, flour, starch or milk; pastrycooks' products	2.4	3.0	2.4	2.5	2.2	2.2
22 - Beverages, spirits and vinegar	0.8	1.0	1.0	1.1	1.0	1.4
17 - Sugars and sugar confectionery	3.1	3.0	2.5	2.7	2.3	1.2
5 - Mineral products	2.9	2.6	3.4	4.2	4.7	7.0
27 - Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	0.8	1.1	1.4	1.9	2.6	4.8
25 - Salt; sulphur; earths and stone; plastering materials, lime and cement	2.1	1.5	2.0	2.2	2.1	2.2
6 - Products of the chemical or allied industries	5.7	5.4	4.9	5.4	4.8	5.1
7 - Plastics and articles thereof; rubber and articles thereof	4.7	4.2	4.8	5.1	4.6	6.3
39 - Plastics and articles thereof	3.7	3.3	4.0	4.1	3.8	5.5
8 - Raw hides and skins, leather, furskins; travel goods, handbags	0.1	0.2	0.2	0.2	0.2	0.2
9 - Wood and articles of wood	0.7	2.2	1.7	1.0	1.0	0.9
10 - Pulp of wood or of other fibrous cellulosic material; paper and paperboard	1.9	1.6	1.8	2.0	2.1	2.5
48 - Paper and paperboard; articles of paper pulp, of paper or of paperboard	1.5	1.1	1.4	1.5	1.6	2.2
11 - Textiles and textile articles	18.7	14.8	15.4	17.4	16.8	16.0
52 - Cotton	12.6	6.6	7.3	7.2	10.8	9.3
60 - Knitted or crocheted fabrics	0.2	0.3	0.4	0.5	0.8	1.5
55 - Man-made staple fibres	0.9	0.8	1.1	1.2	1.1	1.0
12 - Footwear, umbrellas; artificial flowers	0.4	0.4	0.5	0.7	0.8	0.8
64 - Footwear, gaiters and the like; parts of such articles	0.4	0.3	0.4	0.6	0.7	0.7
13 - Articles of stone, plaster, cement; ceramic products; glass and glassware	0.9	0.7	1.0	0.9	0.8	0.8
69 - Ceramic products	0.5	0.4	0.5	0.6	0.5	0.4
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals	0.1	0.0	0.0	0.0	0.0	0.0
15 - Base metals and articles of base metal	4.2	5.6	6.1	5.3	5.5	5.0
72 - Iron and steel	2.1	2.2	3.3	3.0	2.9	2.5
16 - Machinery and mechanical appliances; electrical equipment; image and sound recorders	7.5	9.8	10.0	7.4	8.2	7.6
85 - Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	3.5	5.6	6.2	4.3	4.6	4.0
84 - Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	4.0	4.2	3.8	3.1	3.6	3.6
17 - Vehicles, aircraft, vessels and associated transport equipment	4.2	6.0	4.7	3.7	3.0	3.5
87 - Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	3.9	5.7	4.6	3.5	2.9	3.3
18 - Optical, photographic, precision and medical instruments; clocks and watches; musical instruments	0.4	0.9	0.7	0.4	0.5	0.5
19 - Arms and ammunition	0.0	0.0	0.0	0.1	0.1	0.0
20 - Miscellaneous manufactured articles	1.0	2.0	1.8	2.0	1.3	1.4
21 - Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.0	0.0	0.0
Other	11.5	13.3	10.2	11.9	13.3	11.8

a Mirror statistics from the Republic of Haiti's main trading partners: Belgium, Brazil, Canada, China, Colombia, Dominican Republic, France, Germany, Guatemala, India, Indonesia, Italy, Japan, Luxembourg, Malaysia, Mexico, Netherlands, Peru, Spain, United Kingdom, United States, Viet Nam. The figures are under-estimates, as the Netherlands Antilles/Curaçao do not report trade statistics to the Comtrade database, yet appear as an important partner in national statistics.

b Mirror statistics from all the Republic of Haiti's partners.

Source: WTO Secretariat, on the basis of Comtrade data.

Table A1.3 Merchandise exports by trading partner, 2009-2014[a]

(US$ million and %)

Description	2009	2010	2011	2012	2013	2014
Total exports[b]	661	695	910	962	1,047	1,083
Total exports to main partners	648	672	883	917	1,007	1,056
	(% of total exports)					
United States	85.6	81.3	83.5	82.4	82.7	85.6
Canada	2.9	3.6	2.9	3.1	3.0	3.4
Mexico	2.0	2.0	1.2	1.8	1.9	2.0
Viet Nam	0.5	0.8	2.8	2.4	1.9	n/a
China	0.4	0.9	0.8	1.0	1.4	1.4
France	1.0	1.4	1.1	0.9	0.9	1.1
United Kingdom	1.0	0.6	0.3	0.7	0.8	1.0
Belgium	0.9	0.4	0.3	0.6	1.1	0.9
Germany	0.6	1.7	0.6	0.4	0.6	0.3
Spain	0.2	0.8	0.7	0.6	0.4	0.4
Dominican Republic	2.0	2.3	1.3	0.1	0.3	0.4
Japan	0.2	0.2	0.2	0.3	0.3	0.2
Italy	0.1	0.1	0.1	0.2	0.2	0.3
Netherlands	0.1	0.0	0.1	0.1	0.2	0.1
India	0.3	0.2	0.2	0.2	0.1	0.1
Malaysia	0.0	0.2	0.1	0.1	0.1	0.0
Brazil	0.1	0.1	0.1	0.1	0.1	0.1
Colombia	0.1	0.0	0.0	0.0	0.0	n/a
Guatemala	0.0	0.0	0.0	0.0	0.0	0.0
Peru	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	n/a	0.1	0.9	0.4	0.0	n/a
Luxembourg	n/a	n/a	0.0	0.0	0.0	0.0
Rest of world	1.9	3.3	3.0	4.7	3.9	2.5

n/a Not applicable.

a Mirror statistics from the Republic of Haiti's main trading partners: Belgium, Brazil, Canada, China, Colombia, Dominican Republic, France, Germany, Guatemala, India, Indonesia, Italy, Japan, Luxembourg, Malaysia, Mexico, Netherlands, Peru, Spain, United Kingdom, United States, Viet Nam. The figures are under-estimates, as the Netherlands Antilles/Curaçao do not report trade statistics to the Comtrade database, yet appear as an important partner in national statistics.

b Mirror statistics from all the Republic of Haiti's partners.

Source: WTO Secretariat, on the basis of Comtrade data.

Table A1.4 Merchandise imports by main trading partner, 2009-2014[a]

(US$ million and %)

Description	2009	2010	2011	2012	2013	2014
Total imports[b]	2,352	3,432	3,632	3,273	3,622	3,877
Imports of main partners	2,022	2,983	3,176	3,059	3,374	3,710
	(% of total imports)					
United States	33.7	35.5	29.2	32.4	34.0	32.9
Dominican Republic	26.3	23.4	27.9	31.7	28.8	36.7
China	6.3	7.5	8.4	8.7	8.9	10.1
India	1.5	1.7	1.3	1.9	1.7	1.9
Peru	2.0	1.6	2.0	2.4	2.1	1.9
Indonesia	n/a	0.5	0.6	1.5	2.0	n/a
Mexico	1.0	0.9	1.6	1.4	1.7	1.7
Colombia	2.6	1.7	1.8	2.0	1.5	n/a
France	1.7	1.7	1.4	1.5	1.5	1.6
Japan	2.2	1.9	1.9	1.7	1.2	1.2
Guatemala	0.4	0.8	0.5	0.7	1.0	1.2
Canada	1.5	1.4	1.0	1.1	1.0	1.1
Netherlands	0.9	1.0	0.9	1.1	1.3	1.0
Brazil	1.4	1.6	2.6	1.6	1.4	1.0
Viet Nam	n/a	0.9	0.4	0.4	1.2	n/a
Malaysia	1.9	1.1	2.8	1.2	1.2	0.6
Germany	0.5	1.0	0.6	0.4	0.7	0.7
Spain	0.5	0.6	0.6	0.5	0.7	0.7
Italy	0.4	0.8	0.9	0.6	0.5	0.6
United Kingdom	0.4	0.7	0.6	0.6	0.4	0.4
Belgium	0.8	0.8	0.4	0.4	0.4	0.4
Luxembourg	0.0	0.0	0.0	0.0	0.0	0.0
Rest of world	14.0	13.1	12.6	6.5	6.8	4.3

n/a Not applicable.

a Mirror statistics from the Republic of Haiti's main trading partners: Belgium, Brazil, Canada, China, Colombia, Dominican Republic, France, Germany, Guatemala, India, Indonesia, Italy, Japan, Luxembourg, Malaysia, Mexico, Netherlands, Peru, Spain, United Kingdom, United States, Viet Nam. The figures are under-estimates, as the Netherlands Antilles/Curaçao do not report trade statistics to the Comtrade database, yet appear as an important partner in national statistics.

b Mirror statistics from all the Republic of Haiti's partners.

Source: WTO Secretariat, on the basis of Comtrade data.

Table A4.1 MFN tariff statistics by ISIC Rev.2 category, 2015

ISIC code	Description	Number of lines	Simple average (%)	Range (%)	Standard deviation
	Total	**5,285**	**4.9**	**0-40**	**6.1**
1	**Agriculture, hunting, forestry and fishing**	**296**	**5.6**	**0-40**	**7.6**
11	Agriculture and hunting	224	7.2	0-40	8.0
12	Forestry and logging	22	1.0	0-3.5	1.6
121	Forestry	14	0.0	0-0	0.0
122	Logging	8	2.6	0-3.5	1.5
13	Fishing	50	0.7	0-15	3.0
1301	Ocean and coastal fishing	43	0.5	0-15	2.4
1302	Fishing not elsewhere classified	7	2.1	0-15	5.2
2	**Mining and quarrying**	**97**	**2.7**	**0-15**	**4.1**
21	Coal mining	4	2.5	0-5	2.5
22	Crude petroleum and natural gas production	4	0.0	0-0	0.0
23	Metal ore mining	23	0.2	0-5	1.0
2301	Iron ore mining	2	0.0	0-0	0.0
2302	Non-ferrous ore mining	21	0.2	0-5	1.1
29	Other mining	66	3.8	0-15	4.5
2901	Mining of feldspar	32	3.8	0-10	3.8
2902	Chemical and fertilizer mineral mining	12	1.3	0-5	2.2
2903	Salt mining	1	3.5	3.5-3.5	0.0
2909	Mining and quarrying not elsewhere classified	21	5.2	0-15	5.9
3	**Manufacturing**	**4,891**	**4.9**	**0-40**	**6.0**
31	Manufacture of food, beverages and tobacco	532	8.9	0-40	8.9
311	Food manufacturing	427	7.5	0-25	7.6
3111	Meat products	80	10.5	0-25	8.5
3112	Manufacture of dairy products	22	6.9	0-20	4.9
3113	Canning and preserving of fruits and vegetables	98	11.4	0-20	6.5
3114	Fish industry	78	3.1	0-20	6.1
3115	Manufacture of vegetable and animal oils and fats	78	2.5	0-20	3.4
3116	Grain mill products	35	6.2	0-20	7.0
3117	Manufacture of bakery products	13	13.5	0-25	7.7
3118	Sugar factories and refineries	9	8.2	0-15	6.2
3119	Manufacture of cocoa, chocolate and sugar confectionery	14	14.3	5-20	7.0
312	Manufacture of other food products and prepared animal feeds	59	9.1	0-20	6.5
3121	Manufacture of food products not elsewhere classified	50	10.0	0-20	6.0
3122	Manufacture of prepared animal feeds	9	3.9	0-20	6.6
313	Beverage industries	35	20.7	0-40	12.9
3131	Distillation of spirits and alcohol production	16	28.1	0-40	13.4
3132	Wine industries	8	15.6	0-20	6.3
3133	Malt liquors and malt	3	10.0	0-30	14.1
3134	Soft drinks and carbonated waters industries	8	15.0	5-20	6.6
314	Tobacco manufactures	11	25.5	20-40	8.9
32	Textile, wearing apparel and leather industries	849	6.1	0-20	6.0
321	Manufacture of textiles	660	5.6	0-20	6.3
3211	Spinning, weaving and finishing textiles	385	6.1	0-15	6.7
3212	Manufacture of made-up textile goods except wearing apparel	55	9.1	0-15	2.9
3213	Knitting mills	149	2.2	0-5	2.5
3214	Manufacture of carpets and rugs	21	18.1	15-20	2.4
3215	Cordage, rope and twine industries	10	11.0	5-15	4.9
3219	Manufacture of textiles not elsewhere classified	40	1.3	0-10	2.7
322	Manufacture of wearing apparel, except footwear	127	8.8	5-15	2.6
323	Manufacture of products of leather and fur, except footwear	48	5.6	0-15	6.6
3231	Tanneries and leather finishing	28	0.4	0-10	1.9
3232	Fur dressing and dyeing industries	6	10.0	10-10	0.0
3233	Manufacture of products of leather, except footwear	14	14.3	10-15	1.7
324	Manufacture of footwear, except vulcanized rubber or plastic footwear	14	9.3	0-15	4.2
33	Manufacture of wood and wood products, including furniture	107	7.8	0-20	7.6
331	Manufacture of wood and wood products, except furniture	78	5.0	0-20	5.2
3311	Sawmills, planing and other wood mills	49	2.7	0-5	1.7

ISIC code	Description	Number of lines	Simple average (%)	Range (%)	Standard deviation
3312	Manufacture of wooden and cane containers and small cane ware	14	14.3	5-20	5.3
3319	Manufacture of wood and cork products	15	4.0	0-5	2.0
332	Manufacture of furniture and fixtures, except primarily of metal	29	15.3	0-20	7.9
34	Manufacture of paper and paper products, printing and publishing	149	2.9	0-20	3.8
341	Manufacture of paper and paper products	123	2.6	0-10	3.3
3411	Manufacture of pulp, paper and paperboard	78	0.9	0-10	2.0
3412	Manufacture of containers and boxes of paper and paperboard	9	6.1	0-10	3.1
3419	Manufacture of pulp, paper and paperboard articles not elsewhere classified	36	5.6	0-10	2.8
342	Printing, publishing and allied industries	26	3.8	0-20	5.4
35	Manufacture of chemical, petroleum, coal, rubber and plastic products	1,068	3.3	0-40	5.1
351	Manufacture of industrial chemicals	683	2.1	0-25	3.7
3511	Manufacture of basic industrial chemicals	509	1.4	0-10	1.9
3512	Manufacture of fertilizers and pesticides	29	0.0	0-0	0.0
3513	Manufacture of synthetic resins, plastic materials and man-made fibres except glass	145	5.1	0-25	6.2
352	Manufacture of other chemical products	243	4.5	0-20	6.1
3521	Paints, varnishes and lacquers	16	9.4	0-15	6.3
3522	Manufacture of drugs and medicines	89	0.7	0-3.5	1.4
3523	Manufacture of soap	30	13.3	0-20	5.4
3529	Manufacture of chemical products not elsewhere classified	108	4.5	0-20	5.6
353	Petroleum refineries	23	4.8	0-40	8.8
354	Manufacture of miscellaneous products of petroleum and coal	15	3.0	0-5	2.4
355	Manufacture of rubber products	78	5.2	0-15	4.3
3551	Tyre and tube industries	23	3.9	0-15	4.2
3559	Manufacture of rubber products not elsewhere classified	55	5.7	0-15	4.2
356	Manufacture of plastic products not elsewhere classified	26	14.0	0-25	7.8
36	Manufacture of non-metallic mineral products, except products of petroleum and coal	165	6.4	0-20	4.5
361	Manufacture of pottery and china	16	6.6	0-15	5.5
362	Manufacture of glass and glass products	64	5.3	0-20	4.9
369	Manufacture of other non-metallic mineral products	85	7.2	0-15	3.8
3691	Manufacture of structural clay products	17	9.4	0-10	2.4
3692	Manufacture of cement, lime and plaster	11	4.1	0-10	3.5
3699	Manufacture of non-metallic mineral products not elsewhere classified	57	7.2	0-15	3.7
37	Basic metal industries	377	2.4	0-20	4.8
371	Iron and steel basic industries	207	3.0	0-20	5.6
372	Non-ferrous metal basic industries	170	1.7	0-10	3.5
38	Manufacture of fabricated metal products, machinery and equipment	1,455	4.2	0-20	4.5
381	Manufacture of fabricated metal products, except machinery and equipment	234	5.0	0-20	5.1
3811	Manufacture of cutlery and general hardware	73	3.4	0-20	4.1
3812	Manufacture of furniture and fixtures primarily of metal	8	10.6	5-20	6.3
3813	Manufacture of structural metal products	20	5.0	0-10	3.2
3819	Manufacture of fabricated metal products except machinery and equipment not elsewhere classified	133	5.6	0-20	5.4
382	Manufacture of machinery except electrical	505	3.5	0-20	3.9
3821	Manufacture of engines and turbines	12	2.1	0-5	2.5
3822	Manufacture of agricultural machinery and equipment	33	0.5	0-5	1.4
3823	Manufacture of metal and wood working machinery	108	2.4	0-10	3.1
3824	Manufacture of special industrial machinery and equipment	142	2.3	0-5	2.5
3825	Manufacture of office machinery	35	4.1	0-5	1.9
3829	Machinery and equipment except electrical not elsewhere classified	175	5.7	0-20	4.7

ISIC code	Description	Number of lines	Simple average (%)	Range (%)	Standard deviation
383	Manufacture of electrical machinery and apparatus	270	3.1	0-20	4.8
3831	Manufacture of electrical motors and apparatus	61	2.2	0-10	2.6
3832	Manufacture of radio, television and communication equipment and apparatus	114	1.1	0-10	2.2
3833	Manufacture of electrical appliances and housewares	26	5.6	0-10	2.1
3839	Manufacture of electrical apparatus not elsewhere classified	69	6.4	0-20	7.3
384	Manufacture of transport equipment	237	5.0	0-20	4.5
3841	Ship building and repairing	22	5.0	0-20	6.4
3842	Manufacture of railroad equipment	23	0.2	0-5	1.0
3843	Manufacture of motor vehicles	145	6.0	0-10	3.9
3844	Manufacture of motorcycles and bicycles	21	2.1	0-10	3.6
3845	Manufacture of aircraft	21	7.4	0-10	3.7
3849	Manufacture of transport equipment not elsewhere classified	5	2.0	0-10	4.0
385	Professional and scientific equipment	209	5.4	0-20	4.5
3851	Professional and scientific, and measuring equipment	99	2.7	0-10	2.4
3852	Manufacture of photographic and optical goods	58	7.1	0-20	4.7
3853	Manufacture of watches and clocks	52	8.8	5-15	3.9
39	Other manufacturing industries	189	7.4	0-25	6.4
3901	Manufacture of jewellery and related articles	20	13.8	0-25	5.2
3902	Manufacture of musical instruments	18	8.9	0-10	3.1
3903	Manufacture of sporting goods	26	4.8	0-10	4.0
3909	Manufacturing industries not elsewhere classified	125	6.7	0-25	6.7
4	**Electricity**	**1**	**0.0**	**0-0**	**0.0**

Source: WTO Secretariat calculations based on data provided by the authorities.

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