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D O S S I E R

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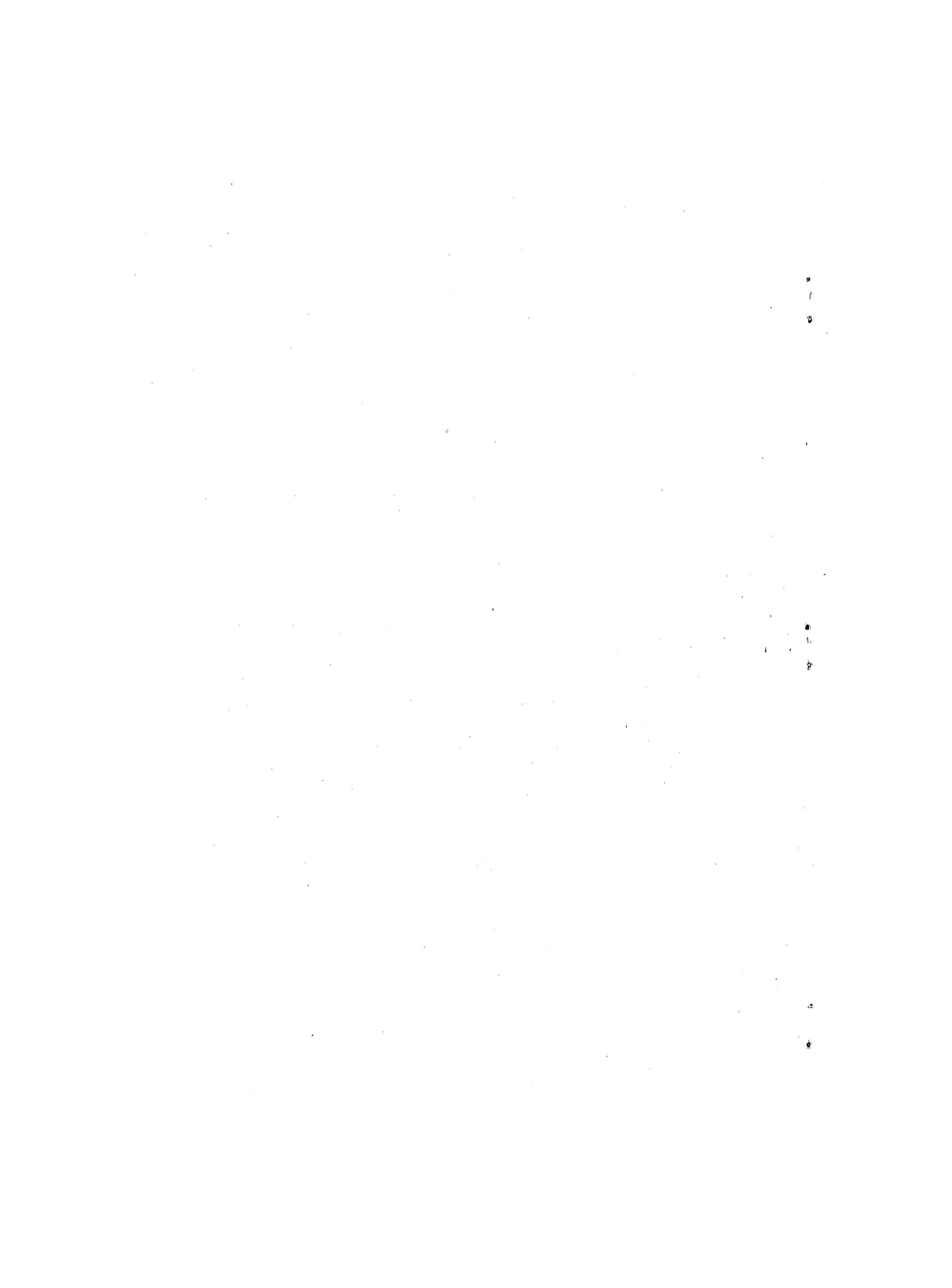
Caribbean Community and Common Market

Prepared by .

THE GOVERNMENT OF HAITI

in collaboration with

the ECLA Office for the Caribbean



F O R E W O R D

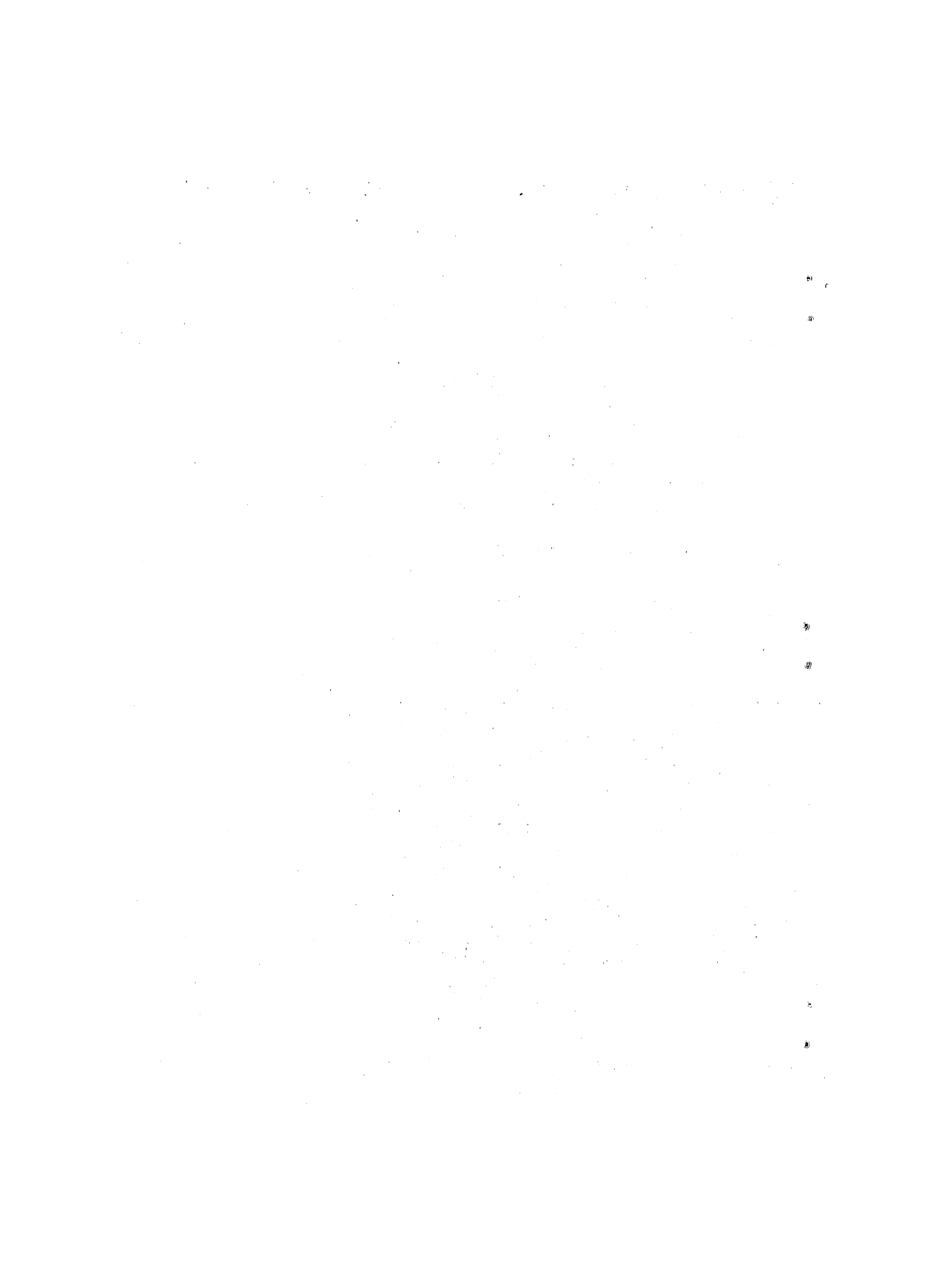
This dossier on Haiti has been prepared in pursuance of Haiti's declared interest in establishing permanently, closer economic relationships with the group of countries participating in the Caribbean Community and Common Market (CARICOM).

The material, presented in three sections, would serve to give the CARICOM group of countries, in consolidated form, a body of information that is pertinent to negotiation of the appropriate forms and terms of accession under the Chaguaramas Treaty and its related Agreements.

The essential background of Haiti's geography, history and geo-political structure of the country, are presented in Section A, together with summaries on natural and human resources endowment, infrastructure, the relevant administrative framework and the fiscal structure.

Section B offers a review of the economic situation and prospects, with analytical data on the main productive sectors and the other sectors of the economy.

Two specific aspects are dealt with in Section C, characteristics of the manufacturing industry sector, and Haiti's economic relationships with non-CARICOM countries, which are important for the common market arrangements. The first paper presents in consolidated form, a description of the body of fiscal incentives that are provided by various legislative acts for the encouragement of industry. The second summarizes the sets of commitments to non-CARICOM countries, through Special Preferential Arrangements, the General Agreement on Tariffs and Trade (GATT) and other international agreements.



Considering the relative lack of close trading arrangements between Haiti and other countries of the Caribbean region, special efforts will need to be made to establish commercial links, and these would need to be an element in the negotiations; and while one cannot foresee the particular terms that would emerge from the accession negotiations, it is fairly clear that they would need to include some transitional arrangements. Also there would need to be some specific treatments consonant with the situation of Haiti and the situation within CARICOM, to ensure that the process of co-operation would yield advantages both to the Government and People of Haiti, and the Governments and Peoples of the CARICOM group of countries.

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S E C T I O N A

Geographical, historical, geopolitical structure,
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A. BACKGROUND

1 - GEOGRAPHY AND CLIMATIC CONDITIONS

The island of Haiti commonly known as Hispaniola (Latinized form for "la Isla Española" adopted in English) is located at the centre of the "Greater Antilles", between Cuba and Puerto Rico. It is the largest after Cuba. Its northern coast is washed by the Atlantic Ocean and its southern by the Caribbean Sea. It is geographically situated between 17° and 20° North Latitude and 88° and 78° Longitude west of Greenwich Meridian.

The original name of the island was Haiti or precisely "Ayti" which in Arawak Indian means "lands of mountains". In fact the island is very mountainous. The Republic of Haiti, which occupies the western third, ends with two unequal peninsulas forming the shape of crab claws and looks strongly like the island of Trinidad. Its total area is 10,714 square miles or 28,750 square kilometres.

Being in the tropical zone the Republic enjoys a warm climate which is moderated by sea and mountain breezes. The four seasons of the year are variously marked throughout Haiti, because of its rugged topography. The country is substantially frost free all the year round even at elevations exceeding 8,000 feet, except for occasional and temporary white frost and hailstorm. Temperatures normally range from 25° to 30° Celsius (75° to 90° Fahrenheit) during the Winter months and 27° to 36° Celsius (80° to 96° Fahrenheit) during the Summer. However, due to its varied topography, zones of micro-climate exist and wide variations are likely to occur during the Winter months including circumstances where temperatures drop sometimes to freezing point on the high mountains.

As far as rainfall is concerned it varies widely from one part of the country to the other, abundant on the coast and insignificant sometimes in the interior, causing, on the one part, floods and damages to roads, crops and lives and, on the other part, extensive, arid or semi-arid zones. The four seasons are alternately rainy and dry. The first rainy season covers the months of April and May, followed by the first dry one, which extends from June to end of

August, the warmest months of the year. The second rainy season extends from September to November.

Haiti as most of the islands in the Caribbean, is located within a cyclonic zone; but, due to its position and topography the major part of the country is very seldom visited by hurricanes. The south-western and north-western peninsulas are exposed to this phenomenon during the period of the second rainy season.

2 - HISTORY

The Republic of Haiti has had one of the most brilliant, interesting, exciting, colourful but checkered histories among the countries of the area. Discovered by Christopher Columbus on 5 December 1492, while on his first voyage, and ruled by Spain from thereon until Spain ceded, by the signing of the Treaty of Ryswick of 1697, the western portion of Hispaniola (the present territory of the Republic of Haiti) to France. In the course of a few years of colonization the Spaniards eliminated the native inhabitants, the Arawaks, either on the field of battle or as a result of hard labour. It was then that, upon Bartolome de las Casas' suggestions, the Spanish crown consented to import African negroes and, started thus the hardships of slavery. Cattle husbandry was introduced in 1496 and crop growing began in 1536 with cotton, indigo, tobacco and sugar-cane.

Under the French régime slavery flourished and the colony became one of the most valuable and prosperous of the West Indies. The French Revolution of 1789 brought inevitably its repercussions in St. Domingué, the new name given to the territory by the French colonists. Out of the agitation for the abolition of slavery and extension of the privileges of citizenship came the ensuing struggles for independence, which resulted in the destruction of much life and property. The main forgers of independence (Toussaint l'Overture - Dessalines - Christophe - Petion) are well known the world over.

On 1 January 1804 the country was proclaimed independent and reverted to the original Indian name of "Haiti". By that Act the country became the second Republic in this hemisphere, 28 years after the United States of America and the first negro Republic of the new world, with French being adapted as the official language.

The circumstances surrounding the independence of the newly emerging State created almost unsurmountable obstacles against its sovereignty; obstacles caused by the colonial powers and oppressing racial forces of the world, to the point where one wonders whether the survival of the small state was not a miracle. It had been born of a violent revolution that lasted several years during which the wealth of the country had been destroyed. It lacked social order, schools and economic organization; its leaders were military men without political or administrative training.

In those circumstances from independence 1804 to date - only interrupted by the United States of America intervention in the internal affairs of Haiti from 1915 to 1934 - the country knew few periods of relative stability whose gains were lost immediately in succeeding civil warfares and divisions. The country of men who, by their exemplary union, astounded the world by breaking for the first time in history their chains of slavery; the country of men who helped to establish the Pan-American movement, by welcoming and assisting with men and ammunitions, first the precursor Miranda, and then the South American Liberator, Bolivar in the war of emancipation of many South American countries - they were also present in Savannah during the war of independence of the U.S.A.; - this country, because of the intricate interplay of many internal and external factors, had not known until the last few decades a period of relative peace. The history of Haiti is a history of the efforts made by the Haitian people under very trying conditions in search of a stable society.

However, despite those obstacles, the nation has been able to forge an original culture which blends harmoniously the spiritual, moral and technological values of western civilization with the African transcendental humanism. Though French continues to be the official language of the country, the people of Haiti speak Creole.

3 - GEOPOLITICAL STRUCTURE

For political administrative purposes, Haiti is divided into nine (9) districts commonly called Geographical Departments, as shown on

the attached map.^{1/} The North-west Department at the extreme north-western part is mountainous and semi-arid. It contains approximately 5 per cent of the population and its capital city is Port-de-Paix. The North Department, though mountainous, includes fertile plains of importance. Its capital city is Cap-Haitien, the second largest city of the country. About 16 per cent of Haiti's population lives there. The North-east Department with only 1 per cent of the total population, is situated on a mountainous and semi-arid zone, along the Dominican Republic border. Its capital city is Fort-Liberté. Artibonite Department sustains about 12 per cent of the population. It includes two historical and important coastal cities: Gonaives and St. Marc, and, through it runs the river of the same name, Artibonite, the largest in the country. The Central Department, located south of the North-west Department, is a region of highland plateaux too uneven in character to allow for economic irrigation. Only 7 per cent of the total population lives in this region whose capital city is Hinche. The West Department - where the country's capital city, Port-au-Prince, is located - forms together with Artibonite Department the most important agricultural areas of the country. In addition to the main entry for imports and sustaining the main export crops, this Department contains important forest areas and supports around 28 per cent of the population. The South-east Department which accommodates 8% of the country's population, has its capital at Jacmel. The soils in the "Plaine de Jacmel" are favourable to coconut and banana growing. Its beaches are among the best of the country. The South Department, with a population estimated at 14 per cent of the total is situated in the extreme south-west of the country. Good telluric and climatic conditions prevailing there, provide this region with a great agricultural potential. Finally, the Grand 'Anse Department, with about 9 per cent of the population contains the country's most heavily wooded region.

Traditionally, the departmental divisions served as centres of local administration, with, at the head a Prefect who is the representative of the Executive, for political matters, and in addition a Mayor who deals

^{1/} Under the New Constitution of 1957.



HAITI - Its DEPARTMENTS and Main CITIES

with administrative problems, and a Magistrate for juridical purposes.^{2/}
The functions of the Departments also included regional responsibilities in revenue collection and assistance to central government with various economic and social programmes.

^{2/} Prior to the 1957 Constitution there were five departments.

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4 - NATURAL RESOURCES ENDOWMENTS

The shape and topography of the country in many respects constitute serious handicaps for development of the natural resources and for the construction and maintenance of a community network. Consequently, the different regions of the country are not closely integrated physically, economically and socially; and successful exploitation of the country's resource base has been limited so far. These aspects elaborated under the general title 'natural resources', give consideration to available arable land, mineral resources and human resources.

a) Land Use and Land Tenure pattern

Haiti was once hailed as the richest colony in the world (at the end of the 18th Century). Since then, its natural resources in respect of the capacity of the land for agricultural production has deteriorated considerably. Of its 2.8 million hectares total area, 54 per cent have slopes of more than 40°. According to estimates of the Department of Agriculture the cultivated area of 870,000 hectares in the country is distributed in the following way: approximately 550,000 hectares in mountains and 350,000 hectares in plains. Of the total area in plains 70,000 hectares are under irrigation.^{3/} Some 20 to 30 per cent of the plains have not been exploited due to lack of infrastructure (road-irrigation - drainage).

LAND USE IN HAITI

Total Area	27,750 km ² or 2,775,000 has.
Tilled Land	8,700 km ² or 870,000 has.
Untilled but tillable land	3,000 km ² or 300,000 has.
Pasture land	5,300 km ² or 530,000 has.
Forests	2,000 km ² or 200,000 has.
Non-agricultural land (includes Roads, Buildings, Airports, etc.)	8,700 km ² or 870,000 has.

N.B. 1 hectare = 2.4710 acres.

Source: Haitian Institute of Statistics.

^{3/} Plan Indicatif 1976/77 - 1980/81 du SECTEUR AGRICULTURE -
Département de l'Agriculture, des Ressources Naturelles et du
Développement Rural. Unité de Programmation - HAITI 9 October 1975.

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The forests which occupy some 10 per cent of the total territory provide an insufficient cover for the mountains. Besides other uses, they supply annually about 13 million cubic metres of wood for household uses; wood being so far the most important source of energy in Haiti. The indiscriminate felling of trees on steep slopes, as a consequence of the pressure of higher demand of an increasing population for wood and charcoal, in addition to over-cropping and malpractices in subsistence farming, have precipitated the process of erosion of the mountain slopes.

The forest potential in production of wood is estimated to be of the order of 150 million cubic metres. This stock increases yearly by about 1.5 million m³. But annual consumption of wood is estimated to be approximately at 5.25 million m³. At this rhythm the country's forest reserves would disappear, in approximately 30 years, with all its consequences, if control measures are not introduced to retard the destruction of the forest.

As far as land tenure is concerned, minifundia (small-scale operations) are predominant in Haiti despite the existence of a few large estates specializing mainly in sugar and sisal. As a consequence of the application of the Haitian Law of Inheritance, land in farms has been subject to a successive process of fragmentation which constitutes a serious problem for the programming of agricultural development. Moreover, and correlative to the above-mentioned situation, land titles to small plots are frequently unclear or insecure.

An estimated 70 per cent of the number of agricultural holdings are less than 1.29 hectares and occupy only one-third of the total arable land of the country. In contrast, about 29 per cent of the holdings range between 1.29 hectares and 13 hectares; accounting for 62 per cent of the tilled and tillable land. The rest of holdings (less than 1 per cent) is distributed in units exceeding 13 hectares and account for the remaining 5 per cent of arable land.

Despite an extensive coastal line, development of fisheries had stayed in the experimental stage. Annual fish and sea food catchments were estimated on average at 8 million pounds, which contrasts with

Haiti's imports of fish and fish products amounting to some 36 million pounds.^{4/} As can be seen, there is ample room for future development.

b) Mineral Resources

Haiti's mineral resources have not so far been thoroughly prospected. Of the resources actually known^{5/} only copper and bauxite have so far been exploited. In both cases development has been undertaken with the participation of foreign companies. Recent prospections into lignite deposits and the results of research have shown the possibility of using it for fueling thermo-electric plants and the manufacture of lignite bricks for household fuel. This development would assist in controlling erosion resulting from the extensive deforestation related to the use of wood for fuel. Also, prospections in the north specially, have revealed new mineral deposits notably of copper.

c) Human Resources

According to the 1971 census the total population of Haiti was 4,514,628 inhabitants. Estimates, based on a survey carried out by the Haitian Institute of Statistics thereafter, placed the population at the levels of 4.44 million inhabitants in 1973 and 4.58 million in 1975. The following indicators were derived from the same survey:

<u>Haiti - Selected Demographic Indicators</u>	
<u>1973 Estimates</u>	
Gross birth rate	35.0 ‰
Gross death rate	15.0 ‰
Natural growth rate	2.0 ‰
Real growth rate	1.58 ‰
Infant death rate	149.1 ‰
Fertility rate	150.0 ‰
Life expectancy	50 years

Source: Demographic Survey - Haitian Institute of Statistics.

^{4/} CONADEP: Planification et Développement: Bulletin No.2 July 1969.

^{5/} Such as copper, bauxite, manganese, iron, lignite and some petroleum, clay or ceramic, soils and sands and other construction materials.

Haiti's population is relatively young, demographically speaking. In fact about 42 per cent is under 15 years old, and active population accounts for about 54 per cent of the total population of the Republic as shown in the following table:

Haiti - Distribution of 1973 Population
by age groups

Age Groups	Both sexes		Male		Female	
	000 Inh.	% Total	000 Inh.	% Total	000 Inh.	% Total
0-14	1,851.3	41.7	938.4	21.1	912.9	20.6
15-64	2,406.8	54.2	1,133.0	25.6	1,273.8	28.6
65 & over	181.5	4.1	81.0	1.8	100.5	2.3
Total	4,439.6	100.0	2,152.4	48.5	2,287.2	51.5

Source: Demographic enquiries - HAITIAN INSTITUTE OF STATISTICS.

Of the total population in 1973 about 80 per cent lived in rural areas; and of the remaining 20 per cent which constituted the urban population, 12 per cent or a little more than half a million persons were in Port-au-Prince, the capital city. In respect of total land area the population density is very high, about 160 inhabitants per square kilometre; and 360 inhabitants per square kilometre of cultivable land.^{6/}

As far as education is concerned, the level of illiteracy which is very high, has constituted and still continues to be a serious constraint to the social and economic development of the country. Recent estimates suggest that the adult illiteracy rate is of the order of 80%. In large part this is due to the socio-historic conditions prevailing^{7/} before

^{6/} Esquisse du Deuxieme Plan de Développement Economique et Social. 1976-1981 - CONADEP December 1974.

^{7/} It is an historical fact that the slaves were considered an object and not a person and therefore, had no access to education. However, under the French régime a freed man (Affranchi, born of a white colonialist and a slave woman, or a slave freed by his master) had the right to education. Nevertheless, the Affranchi was restricted in the exercise of a specific profession or trade and administration. The only outlet for him was the army. The forgers of Haiti's independence were only military men. They acquired relative administrative skill in the service of arms at the head of a completely illiterate mass of slaves.

independence, and the subsequent violent, troubled and recurrent periods of internal civil wars which ranged from 1804 to recent decades; and during which the country plunged into an accelerating state of protracted poverty.

Genuine efforts are being made towards reducing the level of illiteracy, and the institutional machinery is already created to cope with the important problem of adult education. However, the means, not only in terms of finance but also personnel and educational infrastructure, are very limited. Increasingly, emphasis has been brought on the area of education on the part of the Government with the help of international agencies operating in the country.

In the area of health, the high death rate - especially infant death rate - is indicative that health is a serious problem area. There has been a high incidence of mortality due to tropical illnesses and diseases. However, after a successful campaign financed mainly by foreign and international assistance since the 1960's, the country is now free from yaws and malaria. Operating teams are maintained to avoid recurrence of those former endemic diseases in the Haitian countryside.

5 - INFRASTRUCTURE

As mentioned before the shape and topography of the country constitute serious constraints to the development of physical infrastructure. Despite all that, some progress has been achieved.

a) Internal Transport

The country has no navigable river and the railroad system, which used to connect the Artibonite Department with the capital, long ago ceased to operate. The road or highway network, which along with the coastal shipping service constitute the only means of transport of goods from one point of the country to another, was estimated in 1973 to be 3.157 kilometres long. However, only 200 kilometres of that network were well surfaced, and only 100 kilometres paved. This was insufficient to link the capital with the main production centres of the country, and to facilitate the easy flow of goods from one part of the country to another.

Recent financial assistance from international financial institutions has facilitated reconstruction of the main artery linking the north and the south with the capital city. Feasibility studies are being carried out, with the assistance of international agencies, for the reconstruction of the central road linking the capital with the north through the central plateau. Moreover, the Government assigns high priority to the rehabilitation of the road system and construction of feeder roads.

b) Maritime and Air Transport

Shipping in general handles the bulk of the country's exports and imports of goods.^{8/} However, all or almost all of ocean transport is operated by foreign maritime lines which connect Haiti with the main European and North American ports. Communication with the ports of other Caribbean countries are difficult or almost non-existent. The only maritime contact between the country and other Caribbean countries is assured through the "schooner" service.

The limited road network and the resulting economic isolation of many coastal cities favoured the development of schooner coastal shipping services which connect the main coastal cities to the capital. There are actually 26 motor vessels with an average capacity of 123 tons, and 579 sailing vessels of 25 tons average capacity, which ply along the 1500 kilometres coastal line of the country.

Besides the capital seaport, port development and facilities for maritime transportation until recently were modest. The wharf at Port-au-Prince has been improved to the point that it receives container cargo ships; consequently, most future shipments of goods will be concentrated at the capital to be distributed throughout the country.^{9/}

^{8/} Total weight of goods shipped by air estimated to be of the order of 50 tons a year.

^{9/} (IDAI) INSTITUT DE DEVELOPPEMENT AGRICOLE ET INDUSTRIEL.

As far as airports are concerned a few domestic airstrips are used to link the capital with the main provincial cities. For international air transport, Haiti is linked with Europe and North and South America by many airlines and, among them, one national. However, except for Jamaica there is no direct air communication with the other CARICOM countries; presently connections are made through Jamaica or Puerto Rico. The international airport in Port-au-Prince (opened to traffic in 1967) was recently expanded due to accelerated and intensified air traffic.

As regards air cargo, only perishables or goods of high unit value are sent or received by air. It is probable that the establishment of the new Industrial Park^{10/} in the vicinity of the airport and expansion of export-oriented manufacture will exert pressure for further expansion of air cargo transport facilities.

c) Energy

As far as energy is concerned the situation has improved considerably since 1970 with the installation of the hydro-electric plant of Peligre in the Artibonite Department, near the border with the Dominican Republic. The third stage, completed with the installation of the third turbo-alternator in late 1973, brought the potential increase to 47,000 kilowatt-hours or an additional electric power generation of 180 million kilowatt-hours per year, thus doubling the former existing capacity.

Besides Peligre there exist other possibilities of significant potential for hydro-electric energy. However, up to now many provincial towns use gas oil fueled electric plants,^{11/} which amounts to an additional 5,682 kilowatt capacity.

^{10/} The hydro-electric capacity is being further expanded under a recently concluded construction agreement with the Federal Republic of Germany. The additional capacity will not only supplement the electricity supply of the city of Gonaives, but will provide energy for the irrigation pumping facilities to raise the level of water in the plain of Gonaives.

^{11/} Since 1971 electricity is the responsibility of public enterprises. It is operated by the "Compagnie Electricite d'Haiti" created to run the power supply in major towns of the country.

d) Other Physical Infrastructure

Other elements of the physical infrastructure of the country are the irrigation systems, and the telephone and telecommunications system. Telephone and telecommunications remain very limited. By the end of 1972 the telephone system reached 6,600 lines mainly in use in the capital city. This service is supplemented by subsidiary facilities in the other main cities.

The irrigation network covers only 20 per cent of the cultivated land. The network of canals is served by a combination of water from high level dams and from wells dug specially for this purpose. Present efforts involve not only expansion of the irrigation system but also the rehabilitation of some 130 kilometres of canals and drains serving some 4,000 hectares of cultivation.

6 - ADMINISTRATIVE FRAMEWORK

Within the general administration of the country three organizations would be directly involved in the process of possible integration with CARICOM countries, although it is evident that others will have significant participation especially in the areas of functional co-operation. The three organizations are CONADEP, (the planning body), IDAI (the bank for development), and the Department of Trade and Industry.

Public administration of the country is being reorganized and, since the creation of the planning and co-ordinating body, CONADEP (CONSEIL NATIONAL DE DEVELOPPEMENT ET DE PLANIFICATION), a new orientation has been given to the development of public affairs. CONADEP, the planning agency - the titular head of which is the President of the Republic, represented by the Minister of Finance and Economic Affairs - operates through a National Council, its main policy-making body, which includes the Ministers of Public Works, Trade and Industry, Education, Agriculture and Public Health and Population. CONADEP has three nominal functions: Long-term economic planning, preparation of development budget, and assistance to ministries and semi-autonomous agencies in project preparation. The

recent establishment in each ministry of a planning unit has reinforced the activities of CONADEP in development planning, by assuring a more effective and sounder co-ordination of programmes.

The implementation of specially selected agricultural and industrial projects have been carried out by the INSTITUT DE DEVELOPPEMENT AGRICOLE ET INDUSTRIEL (IDAI) which is the only development institution in Haiti. It extends credit and technical assistance for development, and has created many small industries which are managed through the SOCIETE d'EQUIPEMENT NATIONAL (SEN).

The organization that would have most to do with Common Market matters is the Department of Trade and Industry. The Organic Law of April 1973 provided for the restructuring of the Department to enable it to play its role in the orientation of trade and industrial policies of the Government. In the first instance a Technical Council was established which groups all the heads of Divisions, and which has the function of co-ordinating action at the industrial and commercial levels. The Council operates through several directorates and service bodies.

Two Directorates were created to take over the functions of the former Division of Internal and External Trade: (a) the Directorate of Internal Trade with its various services (Price control - Distribution - Inspection - Standards and Specifications) whose function is to regularize the process of distributing the imported as well as the locally produced commodities at seasonal prices; and (b) the Directorate of Foreign Trade which embraces the whole range of foreign trade activities through its services of: Documentation and Information, Orientation of Trade and Promotion of Exports, Tariff and Non-Tariff Studies and Relations with International Institutions and Commercial Zones.

The law also provided for the separation of the Division of Industry and Handicraft into two new Directorates: the Directorate of Industry and the Directorate of Handicraft. These new bodies have responsibility for effective control, promotion and programming of the activities in those sectors. The creation of a Unit of Programming

within the Directorate of Industry further reinforces the formulation and implementation of industrial policy, inasmuch as this is decisive for the general economic development.

The Legal Directorate is in charge of all the formalities related to the registration of firms and societies within the framework of existing laws, trade marks and letters patent. It also studies and determines the conditions of applying the Postal and Industrial property legislation.

These substantive Directorates receive supporting services from the Directorate of Statistics, the General Secretariat, and the Regional Offices.

7 - FISCAL STRUCTURE

The responsibilities for tax collection are shared in varying degrees by four public autonomous agencies: l'Administration Générale des Douanes (AGD), Administration Générale des Contributions (AGC), Banque Nationale de la République d'Haiti (BNRH), and The Regie du Tabac et des Allumettes.

The first is responsible for the collection of most foreign trade taxes and the second for internal taxes. In general the taxes collected by these two public agencies serve to finance the fiscal Budget accounts, a portion of the Development Budget, and extra-budgetary earmarked funds for some autonomous institutions.

The Regie directly levies taxes called "commissions" on locally produced goods as well as on many imported products, and use these funds for the realisation of its projects. Whereas, the BNRH, although not strictly a tax collection agency, receive some tax payments, mostly related to exports and imports.

A quick analysis of recent years would reveal the importance of Customs Duties which represented 50 per cent of total taxes over the period 1967/1968 to 1969/1970. This contribution has fallen to about 48 per cent on average for the last four years. Next in importance are Excise Taxes or taxes on production and consumption, whose contribution to the total of tax receipts has grown during the period

1970/1971 to 1973/74, reaching approximately 20 per cent. Income Taxes comprise the third most important category.

a) Taxes on Foreign Trade

During the American occupation the Haitian fiscal system was modified to absorb the foreign debt, mostly American. Since then no significant change has been made to the fiscal system. Approximately 50 per cent of the revenues in the fiscal budget comes from taxes on foreign trade, which comprise Export Duties, Import Duties and other customs charges.

The most important contributor to export taxes is coffee, on which there are separate rates corresponding to the three types: unwashed Arabica, washed Arabica and broken coffee.^{12/} The total taxes applied

^{12/} These rates are as follows:

- i) a fixed duty of Gourdes 55 or US\$11 for each 60 kgs. bag;
- ii) a duty depending on the quality of the coffee: (washed coffee - exemption; unwashed coffee - Gds. 18.75 or US\$3.75; and broken coffee - Gds. 20 or US\$4.00.
- iii) stamps Gds. 3.30 or US\$0.66 each bill of lading.
- iv) additional duties computed on the quantity of exported coffee and earmarked for:
 - coffee production promotions Gds. 4.00 or US\$0.80 for each 60 kgs. bag,
 - education of adults Gds. 1.32 or US\$0.26 for each 60 kgs. bag,
 - "economic liberation" bonds computed on the global amount yielded by the application of the above first three duties on 100 bags of each type of coffee, as follows:
 - 2.5% on the first Gds. 1,000 or US\$200,
 - and 1% on the remaining amount;
- v) National Defence Gds. 1.25 or US\$0.25 for each 60 kgs. bag.

See also appendix table.

to a bag of coffee unwashed, washed and broken are respectively US\$17.30, \$13.51 and \$17.55. These differential tax rates were applied with the object of promoting exportation of washed coffee, but they have tended to produce the opposite effect. As a result, the Government revised the system of coffee taxation, in August 1973, by lowering the fixed rate and supplementing it with progressive ad valorem rates.^{13/}

In the case of sugar, the export tax is levied on the basis of the 100 pounds f.o.b. price.^{14/} The other agricultural export products

13/

New Coffee Tax Schedule

<u>FOB Price per 60 Kgs.</u>		<u>Washed Coffee</u>	<u>Unwashed and Broken</u>
From Gdes.	to Gdes.	Gdes.	Gdes.
0	225	23	43
225	230	23 + 1%	43 1%
230	235	23 - 2%	43 2%
235	240	23 - 3%	43 3%
240	245	23 - 4%	43 4%
245	250	23 - 5%	43 5%
250	255	23 - 6%	43 6%
255	260	23 - 7%	43 7%
260	265	23 - 8%	43 8%
265	270	23 - 9%	43 9%
270	275	23 - 10%	43 10%
275	280	23 - 11%	43 11%
280	285	23 - 12%	43 12%
285	290	23 - 13%	43 13%
290	295	23 + 14%	43 14%
295	300	23 + 15%	43 15%
300	375	70	90
Over	375	19%	24%

Source: Le Moniteur, 20 August 1973.

14/ The rates of export tax on sugar are:

<u>F.o.b. Prices/pound</u>	<u>Tax Percentage</u>
Up to US\$3.50	Exemptions
From US\$3.51 to 4.00	10% on the excess of 3.50
From US\$4.01 to 4.50	40% on the excess of 4.00
From US\$4.51 to 5.00	60% on the excess of 4.50
Over US\$5.00	80% on the excess of 5.00

are subjected to a specific tax, whereas, the manufactured products are free of all export taxes.

With regard to import duties, the rate applied to each product accords to the listing in the Customs Tariff. In comparison with many Latin American countries the general level of import duties are moderate, and do not exceed 28% of total import value according to estimates by the National Bank of the Republic of Haiti.

b) Internal Taxes

The group of internal taxes comprise: Income Tax, Taxes on consumption and production or Excise duties, Travel taxes, Taxes on documents, acts and transactions.

Income Tax: The law establishes the principle, that income taxes are levied only on incomes earned in Haiti, and progressive rates apply both to personal incomes and corporate incomes. In relation to a legal entity, mainly industrial or commercial enterprises, the income tax, after deduction of some exemptions allowed by law, is levied on the net profit.^{15/} In addition, the enterprise is subject to another tax, "Droite de Patents", in conformity with the law of 1 September 1966.

Concerning individual income tax, the same schedule used for the computation of the income tax for industrial and commercial enterprises is applied. For salaried persons the computation is

^{15/} The tax rates applying to incomes of enterprises and other legal entities are:

<u>Net Taxable Revenue in US\$</u>	<u>Tax in %</u>
Up to \$ 1,000	5
From 1,000 to 2,000	10 of US\$ 1,000
From 2,001 to 6,000	15 of 4,000
From 6,001 to 12,000	20 of 6,000
From 12,001 to 20,000	25 of 8,000
From 20,001 to 40,000	30 of 20,000
From 40,001 to 100,000	35 of 60,000
	40 of the excess

made on net income after the deductions of all allowed exemptions; whereas, for professional persons the income tax is computed on an assessed basis or on the final declaration of the taxpayer.^{16/}

In addition, all individuals are liable to an identity card tax which is graduated according to level of income.^{17/}

Corporate bodies, House Owners, State property Renters, Motor Vehicle Owners have to pay a tax on licences, capital value of the built property, the rental or the second registration of vehicles.

Land Tax: Land tax on built properties, is levied on the basis of the rental of the house, that is to say, the value effectively paid for rent or the value the proprietor will likely obtain if he wishes to let his property.^{18/}

^{16/} The scale applied for professional persons is:

<u>Average Individual Income (Adjusted)</u>	<u>Tax %</u>
Up to \$2,000	2
From 2,001 to 4,000	3
From 4,001 to 6,000	5
Over 6,000	7

the assessment being based on the average final declaration of the last two years.

^{17/} The scale applying to public employees and pensioners is:

<u>Monthly Income in US\$</u>	<u>Tax in US\$</u>
Up to 21	2
From 22 to 60	3
From 61 to 100	4
From 101 to 140	6
From 141 to 200	8
From 201 to 300	12
From 301 to 400	20
Over 400	30

^{18/} The built property is subject to a progressive tax as follows:

<u>Rental Value or Estimated Rental (Yearly in US\$)</u>	<u>Rate %</u>
Up to \$ 480	6
From 481 to 660	7
From 661 to 1,500	8
From 1,501 to 1,800	9
From 1,801 to 3,000	10
From 3,001 to 4,800	11
Over 4,800	12

c) Taxes on Consumption and Production

This category of taxes contains the Excise taxes, Travel taxes and taxes on theatrical performances and cinema.

Excise Taxes: In this group there are some taxes levied on a specific base, whereas the others are on ad valorem basis, applied on the price sale base of several domestic articles and of some imported ones. The list in the appendix indicates the more important taxes.

Travel Tax: A specific tax of 10% is levied on all ticket prices of persons travelling abroad. In addition, a departure tax is paid by all passengers travelling by air: \$2.00 for all flights to foreign lands and \$0.50 for all internal flights.

Tax on Entertainment: This tax is applied on the amount of revenue yielded by theatrical representations or cinemas.^{19/}

d) Other Taxes

Taxes on documents, acts and transactions: They are the following taxes: Vehicles' registration, Drivers' licences, Licences for foreigners operating an enterprise or practising a profession, Residence licence, Acquisition of an ordinary passport and related receipts and documents. They all appear in the lists in the appendix together with the collection rates and the basis used to compute them.

^{19/} The collection rate is as follows:

<u>Amount of Income (in US\$)</u>	<u>Tax in %</u>
Up to 40,000	5
From 40,000 to 100,000	10
Over 100,000	15

STATISTICAL
APPENDIX
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SECTION A

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TABLE A.1 - HAITI: Projection of Total Population
1950-1985

Year	Total Population
1950	3,097,220
1955	3,354,471
1960	3,623,216
1965	3,911,568
1970	4,235,000
1975	4,589,723
1980	5,008,502
1985	5,501,895

Source: HAITIAN INSTITUTE OF STATISTICS

Table A.2 - HAITI: URBAN AND RURAL POPULATIONS

	1950	1960	1970	1971	1972	1973
	(thousands)					
Urban	378.8	554.8	836.2	873.2	911.4	951.6
Port-au-Prince	(151.9)	(268.1)	(473.3)	(501.5)	(530.9)	(562.0)
Other	(226.9)	(286.7)	(362.9)	(371.7)	(380.5)	(389.6)
Rural	2,713.3	3,033.2	3,390.7	3,428.0	3,466.0	3,503.8
<u>Total</u>	<u>3,092.1</u>	<u>3,588.0</u>	<u>4,226.9</u>	<u>4,301.2</u>	<u>4,377.4</u>	<u>4,454.4</u>
	(percent)					
Urban	12.2	15.5	19.8	20.3	20.8	21.4
Port-au-Prince	(4.9)	(7.5)	(11.2)	(11.7)	(12.1)	(12.6)
Other	(7.3)	(8.0)	(8.6)	(8.6)	(8.7)	(8.8)
Rural	87.8	84.5	80.2	79.7	79.2	78.6
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Sources: 1950 and 1971 - Preliminary Results of General Census. Haitian Statistical Institute; 1971 figures are interpolated to mid-year. Other years are interpolations and extrapolations.

Table A.3 - HAITI: Population on 1 July 1973
by age groups and sex

Age Group	Male	Female	Both Sexes
0 - 4	349,440	336,753	686,193
5 - 9	307,582	296,994	604,576
10 - 14	281,410	279,112	560,522
15 - 19	244,348	251,641	495,989
20 - 24	184,909	206,088	390,997
25 - 29	130,865	165,429	296,294
30 - 34	109,187	141,354	250,541
35 - 39	102,195	127,668	229,863
40 - 44	103,693	117,978	221,671
45 - 49	91,406	93,204	184,610
50 - 54	72,026	70,927	142,953
55 - 59	54,444	53,744	108,188
60 - 64	42,756	42,956	85,712
65 - 69	33,066	36,163	69,229
70 and more	47,951	64,334	112,285
TOTAL	2,152,424	2,287,199	4,439,623

Source: Demographic Survey - HAITIAN INSTITUTE OF STATISTICS

Table A.4 - AGE AND SEX STRUCTURE OF THE POPULATION
(thousands and percent)

Age	Males	%	Females	%	Total	%
Less than 1	73.3	1.7	76.4	1.8	149.7	3.5
1 - 4	230.4	5.3	226.1	5.3	456.5	10.6
5 - 9	292.1	6.8	296.8	6.9	588.9	13.7
10 - 14	300.3	7.0	294.3	6.8	594.6	13.8
15 - 19	229.5	5.3	250.3	5.8	479.8	11.1
20 - 24	152.3	3.5	181.2	4.2	333.5	7.7
25 - 29	131.2	3.0	167.0	3.9	298.1	6.9
30 - 34	103.1	2.4	126.4	2.9	229.5	5.3
35 - 39	121.2	2.8	147.6	3.4	268.8	6.2
40 - 44	104.8	2.4	109.2	2.5	214.0	4.9
45 - 49	94.5	2.2	90.2	2.1	184.7	4.3
50 - 54	70.8	1.6	66.0	1.5	136.8	3.1
55 - 59	45.3	1.1	44.0	1.0	89.3	2.1
60 - 64	46.6	1.1	48.3	1.1	94.9	2.2
65 - 69	33.2	0.8	37.1	0.9	70.3	1.7
70 - 74	22.4	0.5	28.0	0.7	50.5	1.2
75 - 79	13.8	0.3	18.1	0.4	31.9	0.7
80 - 84	8.6	0.2	12.5	0.3	21.1	0.5
85 and +	7.3	0.2	14.2	0.3	21.6	0.5
TOTAL	2,080.9	48.2	2,233.7	51.8	4,314.6	100.0

Source: 1971 Population Census, Haitian Statistical Institute.

Table A.5 - HAITI: Number of Agricultural Holdings
by size

Size (in Carreaux) ^{1/}	Number of Holdings
0.01 to 0.08	16,820
0.09 to 0.16	36,050
0.17 to 0.25	107,480
0.26 to 0.38	2,485
0.39 to 0.50	130,890
0.51 to 0.78	68,260
0.79 to 1.00	76,010
1.01 to 1.55	65,920
1.56 to 2.00	44,340
2.01 to 2.33	9,260
2.34 to 3.00	27,370
3.01 to 3.87	8,440
3.88 to 4.00	4,300
4.01 to 5.00	7,810
5.01 to 7.75	6,440
7.76 to 10.00	2,660
10.01 to 15.00	1,285
15.01 to 20.00	590
More than 20.00	300
TOTAL	616,710

^{1/} 1 Carreau = 1.29 hectares or 3.19 acres.

Source: Preliminary results of General Census of
Population, Housing and Agriculture (September 1971).
HAITIAN INSTITUTE OF STATISTICS.

Table A.6 - HAITI - CHARACTERISTICS AND CAPACITY OF MAIN SEAPORTS

	Length of Wharf for: International Motor or Sailing Trade Vessels (Metres)	Sea depth for berthing (Metres)	Crane Capacity (Tons)	Area (Metres)	Usable Height (Metres)	Observations
PORT-AU-PRINCE *						
1) Main Wharf ^{1/}						Original length 592m, now 571m.
1st Section	220	3.60 - 7.70)				
2nd Section	159	7.00 - 9.15)	25			
3rd Section	190	7.30 - 9.80)		184.0 x 14.2		Temporary depots only
2) North: Second Wharf	60	1.00 - 2.75				For small vessels
3) North: New Wharf		2.10 - 4.50				For small vessels
4) South: Slipway	54					Slipway capacity - 750 tons
5) South: Wharf	360	12.81				For Petroleum
CAP-HAITIEN						
Main Wharf	274	6.40				
Small Wharf	137	2.10 - 2.75		2 depots of 124.0 x 11.0	4.26	Small vessels
GONAIVES						
Small Wharf		2.4 - 3.0		32.3 x 11.8 16.0 x 9.7 16.0 x 6.7	4.00	
SEDRON Wharf						
	44-59	1.80 - 2.40		27.9 x 9.2	4.0	For export of Copper
JEREMIE						
		1.80		32 x 13.5 30 x 14.7	4.0	
CAYES						
	90	1.80 - 5.20	1	40 x 35	4.9	
JACMEL						

* Project of modernization prepared in 1962. If implemented, the port could efficiently accommodate 10 steamships of 100 to 300 metres long. Three big ocean tourist liners could berth easily.

^{1/} Size of Custom house depots not available.

Sources: HAITI - Mission d'Assistance Technique Intégrée, OEA 1972.

Table A.7 - Taxes on Export Coffee per bag of 60 kgs.
(In US Dollars)

Duties	Washed Coffee	Unwashed	Brokens
Total	13.51	17.30	17.55
Fixed duties	11.00	11.00	11.00
Duties based on the type	-	3.75	4.00
Additional duties			
- Electrification Peligre Project	0.40	0.40	0.40
- Coffee Promotion	0.80	0.80	0.80
- Adult Alphabetisation	0.26	0.26	0.26
- Economic Liberation bonds	0.14	0.18	0.18
- Stamps on Bill of Lading	0.66	0.66	0.66
- National Defence	0.25	0.25	0.25

Sources: BNRH, IHPCADE et Département des Finances.

Table A.8 - Comparisons between different Tax Rates
(In US Dollars)

Price/ quintal (46 Kg)	Costa Rica	Guatemala	Honduras	Nicaragua	Dominican Republie	Salvador	Haiti
20.00	Exempt	2.00	4.83	1.13	Exempt	2.00	12.57
25.00	Exempt	3.00	4.83	1.13	Exempt	2.50	12.57
30.00	Exempt	3.75	4.83	1.13	Exempt	3.00	12.57
35.00	1.35	4.75	4.83	1.13	Exempt	4.00	12.57
40.00	2.45	6.25	4.83	1.13	Exempt	5.25	12.57
45.00	4.95	7.75	4.83	1.13	Exempt	6.75	12.57

Sources: Haiti, Mission intégrée de l'OEA - 1972.

Table A.9 (continued)

Export Products	Taxation Base	Collection rate (US\$)
Hides and skins (bovine)	100 Kgs	7.984
Hides of other animals	100 Kgs	5.326
Lumber	m ³ (cubic metre)	1.46
Turtle shell	100 Kgs	0.264
Raw Rubber	100 Kgs	0.214
Bee Wax	100 Kgs	0.214
Castor Oil	Kg	0.10
Castor Beans	...	Exemption
Sponges	100 Kgs	5.122
Orange Skin	100 Kgs	0.214
Sofram	100 Kgs	0.214
Raw Salt	100 Kgs	0.40
Coconut fibres	100 Kgs	0.214
Pineapple	100 Kgs	0.20 Temporary Prohibition
Rice and others	100 Kgs	0.214 Temporary Prohibition
Legumes (Miscellaneous)	..	Exemption - Temporary Prohibition
<u>Small Industry Products</u>		
Mahogany articles	100 Kgs	0.21
Imitation of leather articles
Straw articles	100 Kgs	0.214
Sisal articles	100 Kgs	0.276
Sea shell articles	100 Kgs	0.214
Turtle shell articles	100 Kgs	0.214
Animal hair articles	100 Kgs	0.214
Manufactured Products	-	Exempt of tax

Source: Département du Commerce et de l'Industrie - Haiti: Mission Intégrée de l'OEA - 1972.

N.B. Other custom house duties are: wharfage, warehousing, steerman fee for foreign steamships, embarking and disembarking fee, penalties, etc.

Table A. 10 - Haiti: Taxes on Sales and Production
(Exercise Taxes)

Taxable Products	Taxation base	Tax rate collection (US\$)	
		A. G. C.	Régie
Sugar	Unrefined: 100 lbs/ bag	-	1.50
	Refined: 100 lbs/ bag	-	2.10
Cement	Imported: 42.5 kg/ bag	-	0.30
Flour	Ordinary: 200 lbs/ sack	6.62	2.45
	Superior: 200 lbs/ sack	7.24	2.45
Soap	Washing: /kg net	0.03	0.03
	Toilet box	3.00	-
Textiles	Cotton: (according to quality) : yard	0.013 to 0.026	0.04
	Domestic: Yard	0.00	0.016
	Imported: Yard	-	0.00
	Yard goods: lbs.	-	0.05
	Other: Yard	0.00	0.18
Cotton thread	C. I. F. price	5%	0.00
Cigarettes	Domestic: Pack of 20	0.04	0.073
	Imported: Pack of 20	0.06	-
	C. I. F. price	-	20%
Cigars	According to quality / unit		-
Prepared tobacco	lbs.	0.015	-
Pork fat	Can		1.00
	60 lbs/ pack kg.	0.05	0.60
Edible oil	Domestic: barrels of 55 gallons	0.00	4.30
	Soya, cottons kg.	0.05	0.00
	Imported: lbs.	0.05	0.10
Butter, Cheese & Margarine	kg.	0.03	0.10
Ham	kg.	0.00	0.11
Matches	Imported: C. I. F. Price	0.00	5%
Rum	Small bottle (1 pt)	0.00	0.05
	bottle - 1 star	0.20	0.10
	bottle - 3 stars	0.30	0.20
	bottle - 5 stars	0.60	0.30
Alcohols			
Anisette, Eau-de-vie, brandy, bitters	litre	0.50	0.00

Table A. 10 . (continued)

Taxable Products	Taxation base	Tax rate collection (US\$)	
		A. G. C.	Régie
Alcohols contd:			
Whiskey, Cognac, Gin	litre	3.33	1.00
Beers, ales and so on	litre	0.05	0.08
Ciders	litre	0.40	...
Wine	litre	0.40	0.30
Champagne	litre		0.50
Refreshment drinks	Gross	0.665	-
Toothpastes, Perfumes	Imported: C. I. F. Price	3%	5%
Beauty Products, cosmetics	Once	0.004	...
Lipsticks	Gross	1.50	-
Shoes	Sale Price	2%	-
Belts	Sale Price	5%	-
Aluminium Products	Sale Price	2%	-
Leather & Leather articles	Sale Price	2%	-
Toys	Sale Price	2%	-
Paints	Sale Price	3%	-
Plastic Products	Sale Price	1%	-
Pharmaceutical Products	Sale Price	1%	-
Silverware	Sale Price	3%	-
Paper of any type	Kg.	0.03	-
Imported Luxury Foods	C. I. F. Price	4 & 6%	-
	Additional tax/c. i. f. price	2%	-
Radios & Television			au verso
Fuels & Lubricants :			
Gasoline	Imported: Gallon of 3.7853 litres	0.24	
Gas oil	Imported: Gallon of 3.7853 litres	0.09	
Fuel	Imported: Gallon of 3.7853 litres	0.02	
Lubricants	Imported: Gallon of 3.7853 litres	0.03	
Electrical & Mechanical Appliances	C. I. F. Price	-	2%

Table A. 10. (continued)

Taxable Products	Taxation base	Tax rate collection (US\$)	
		A. G. C.	Régie
Non-electrical & Mechanical appliances	C. I. F. Price	-	2%
Tyres	C. I. F. Price	-	5%
Candies & Chocolate	C. I. F. Price	3%	10%
Marmalade, Jams, Fruit, Juice	Imported: lbs	0.02	0.05
Fresh fruit	Imported: lbs	0.00	0.10
Vegetables, raisins, etc.	Imported: lbs	0.00	0.05
Milk, cream, dry milk	Imported: kg	0.00	0.04
Rice	Imported: lbs	0.00	0.05
Biscuits	Imported: Sale Price	3%	
Construction materials	(See Addendum)	0.00	

Source: Table elaborated on the basis of data from A. G. C. and Régie.

Table A.11 - HAITI: Other Internal Taxes

	Taxation base	Collection Rate (US\$)
I. Income Tax	Net taxable Revenue in \$US	
a) Enterprises and individuals	Up to 1,000	5%
	from 1,001 2,000	10% of US\$ 1,000
	from 2,001 6,000	15% of 4,000
	" 6,001 12,000	20% of 6,000
	" 12,001 20,000	25% of 8,000
	" 20,001 40,000	30% of 20,000
	" 40,001 100,000	35% of 60,000
	Over 100,000	40% of the excess
b) Professionals	Average individual revenue adjusted (last two years) in US\$.	
	Up to 2,000	2%
	from 2,001 4,000	3%
	from 4,001 6,000	5%
	Over 6,000	7%
c) Identity Card		
- House owners	Value of rental rate,	15%, but not less
- State land renters	contribution on properties	than \$200
- Motor vehicle owners	second registration tax	
- Salaried, Public employees and pensioners	Monthly revenue	
	Up to \$ 21	\$ 2
	from \$ 22 to 60	3
	61 to 100	4
	101 to 140	6
	141 to 200	8
	201 to 300	12
	301 to 400	20
	Over 400	30
- Moral Persons	Value of: (Licence, con-	%, but not less than
- Professionals	tribution on Property, second registration tax)	\$5.00
	Computation of Identity Card tax with Licence	
	Amount for Licence:	
	Up to \$ 200	25%
	from \$ 201 to 1,000	10%
	Over 1,000	5%
d) Taxes on constructed grounds	Annual Rental value in US\$	
	Up to \$ 480	6%
	from \$ 481 to 660	7%
	" 661 to 1,500	8%
	" 1,501 to 1,800	9%
	" 1,801 to 3,000	10%
	" 3,001 to 4,800	11%
	Over \$4,800	12%

Table A.11 (continued)

	Assessment base	Collection rate (US\$)		
II. <u>Travel Tax</u>	Ticket price	10%		
	Additional tax: each passenger Flight bound for abroad	2.00		
	Internal flight	0.50		
III. <u>Duties on Theatrical Performances (theatre, cinema)</u>	Amount of revenue			
	Up to \$ 40,000	5%		
	From 40,000 to 100,000	10%		
	Over 100,000	15%		
IV. <u>Taxes on Documents, Acts & transactions</u>	a) Vehicles registration	(1) Number of cylinders and weight of vehicle	%	
		(2) Fixed duty on private cars of 6, 8 & 12 cylinders and weighing more than 4,000 lbs.	100.00	
	b) Driver's Licences - motor vehicles	Persons less than 21 years of age	15.00	
		Persons more than 21 years of age	8.00	
		- Mopeds	2.00	
		- Animal-drawn vehicles	1.00	
	c) Licence for foreigners	(1) Amount of licence for individuals, storekeepers	50%	
		(2) Amount of licence for their employees	50%	
	d) Obtention of a single or Official Passport	(1) Fix tax	3.00	
		(2) By number of years	- 1 year	100.00
			- 2 years	150.00
			- 5 years	200.00
		(3) Declaration of travel	10.00	
	(4) Exit visa	25.00		
	e) Residence authorization	DURATION OF STAY		
- 1 year residence / per year		40.00		
5 years " / per year		30.00		
	Over 10 years / per year	20.00		

N/B: A contribution called *Wto Salibaryo*

- (I) of 50 per cent for paid on duties, licences, communal taxes.
- (II) of 10 per cent on rental of state and communal property by absentees and
- (III) of 5 per cent on initial amount of registration.



S E C T I O N B

Economic Situation and Prospects

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SECTION B

C O N T E N T S

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B. ECONOMIC SITUATION AND PROSPECTS

The favourable political and economic climate in the country which is reflected in the improved trend of the Gross Domestic Product augurs well for further development in the future. The recovery of the economy since 1968 was led by expansion in the manufacturing, tourism and construction sectors, especially by the extraordinary development of small-scale export-oriented assembly industries. This increased momentum was also reflected by the expansion of financial services, mainly through the opening of many foreign bank subsidiaries, which contrasts with the period of isolation during most of the 1960's.

1 - REVIEW OF THE ECONOMIC SITUATION AND PROSPECTS

Though the GDP is not a sufficiently sure yardstick to measure economic progress and general well-being, however, its growth is indicative of the efforts made to move the economy forward. From 1955 to 1967, the rate of growth of GDP (0.98% per year) was slower than the rate of growth in population (1.55%).^{1/} The period 1967 to 1972 however, showed a complete reversal of the past trend. Facilities granted to new industries under the law enacted in March 1963, generated from 1966 onwards a continuous flow of investment to this new sector, which together with highway reconstruction activity^{2/} and the expansion of the hydro-electric capacity, stimulated increased purchasing power, internally, and had favourable impact on other sectors of the economy. External factors also helped to reinforce this trend; exports increased by 7.94%, and international transfers rose by 4.56%. The stimulation of internal and external savings was decisive for the development of investments from 1967 to 1972. This combination of circumstances resulted in an annual growth rate of 3.09% for GDP during that period, substantially above the growth rate of 1.64 per cent of the population for the same period.

^{1/} The economic stagnation was attributable to a variety of causes, among them adverse conditions for investment, military invasions, and hurricanes. [Hazel (1954) - Greta (1956) - Ella (1958) - Gracie (1959) - Flora (1963) - Cleo (1964) - Inez (1966)].

^{2/} The Southern Highway.

Estimates of national accounts^{3/} prepared by the Haitian Institute of Statistics reveal that the growth in the economic sectors from 1967 to 1972, by order of importance, was:

Construction	18.2%	Manufacturing	4.33%
Mining & Quarrying	9.89%	Transport and communications	4.10%
Water & Electricity	7.84%	Retail & Wholesale Trade	3.53%
Government	6.93%	Real Estate	1.63%
		Agriculture	1.51%

Despite the relative stagnation in agriculture it remained the predominant sector contributing some 47% of the total GDP.

More recent information on the performance of the economy has shown that the trend initiated in 1967/68 was further accentuated during the period 1971/72 to 1973/74, revealing an average increase of the GDP of the order of 5%, attributable in large measure to favourable movements in exports, public consumption and private investments. Detailed analysis of this data shows a considerable increase of manufacturing industry and the construction sector, with respectively, average annual increases of 14% and 23% within that period. With regards to the Services sector, the increase was approximately 13%, stimulated mainly by annual increases of 13% in Commerce and 15% in Government sub-sectors. However, agriculture did not follow the same trend. On the contrary the stagnation in this sector contributed to strengthen the pressure of demand for imported foodstuff. It is notable that there has been a consistent decrease in the relative contribution of agriculture to GDP, reaching in 1974 a level below 40%, ceding ground to the manufacturing, construction and the main service sectors. The appendix tables show the macroeconomic situation of the country up to 1974, as analysed above and the contribution of each sector to the economy.

^{3/} Comptes Nationaux et Projections macroéconomiques - Institut Haitien De Statistique - Decembre 1974.

With regard to the future, if the conditions that prevailed between 1971/72 and 1973/74 continue, there could be improvement over the 5% growth rate already obtained (3.4% per capita); and gross internal savings added to external financing could lead to investments representing almost 20% of the GDP by the year horizon of 1980.^{4/}

The expectation of continued buoyancy in the economy is revealed in the performance of the Public sector, where investment expenditures have increased at an annual rate of about 11%^{5/}, rising from US\$13.4 million in 1968/69 to \$20.3 million in 1972/73. However, participation of the resources of the central government in public investment diminished from 36% in 1972 to less than 12% in 1974. It should be noted that the Development Budget does not embrace the totality of public investments, which according to the Institute of Statistics estimates was of the order of US\$40.9 million in 1972/73 with an annual rate of increase of almost 20%. In general, public investments represent more than 50% of total investment and close to 5% of the GDP. As far as total investment is concerned, it also reflects the positive growth of the economy, with its ratio to GDP raising to a level above 11%, which contrasts with the comparable ratio of 7% in 1968/69. Similarly the savings to GDP ratio moved from 4% in 1968/69 to 6% in 1973/74.

2 - MAIN PRODUCTIVE SECTORS

The Sectors which contribute most of the Gross Domestic Product are agriculture, manufacturing and construction by order of their contribution to the economy in general, as was indicated above. However, their performance during the last few years have been very unequal. The following is an account of their performance along with some preliminary assessments of their prospects.

^{4/} See "Comptes Nationaux - Projections macroéconomiques" - Institut Haitien de Statistique - Decembre 1974.

^{5/} CONADEP figure.

a) Agriculture

As in most Caribbean countries, Agriculture is the most important sector of the economy of the country far surpassing all the other sectors in terms of output and employment. 80 per cent of the population derives its livelihood from this activity, whose contribution to the Gross Domestic Product was estimated at 47 per cent in 1972 and provisionally at less than 40 per cent in 1974.

During the last decade agricultural production increased at an annual rate of only 1.5 per cent approximately; consequently there was no improvement in rural revenue. This slow growth was attributable not only to the low rate of investment in this Sector but also to a certain number of other constraints; structural, technological, physical and economic. In addition periodic decreases in the level of export prices for some products, contributed in a measure to shifts in production from traditional export crops (coffee, sugar-cane, cocoa, sisal) to production of food crops (rice, corn, beans and ground provisions), and to expansion of subsistence farming.

In the course of the last three years, though there was some improvement in the rate of growth in output, the increase was not sufficient to satisfy the increasing internal demand. To relieve the shortfall the Government was obliged to supplement the supply with imports, for example in 1973, 8,700 tons of cereals were imported (rice, corn and beans) at a cost of 11.7 million of gourdes.^{6/} In the following table is presented the performance of the most important agricultural products from 1967/68 to 1971/72.

^{6/} Gourdes = National currency - Fixed conversion rate
5 Gourdes = US\$1.00.

Production of selected Agricultural Commodities
(thousand metric tons, unless otherwise specified)
Fiscal years 1967/68 to 1971/72

Product	1967/68	1968/69	1969/70	1970/71	1971/72
Coffee ('000 60 kg. bags)	526	503	450	543	540
Sisal ('000 short tons)	19	17	17	18	20
Cotton ('000 250 Kg. bags)	4	5	7	12	12
Bananas	174	189	189	190	195
Cacao	2,5	2,7	2,9	3,1	3,3
Corn	220	242	240	252	265
Rice	77	83	80	81	92
Sugar-cane	4,300	4,600	4,800	4,900	5,047
Sorghum	189	209	210	211	217
Beans	36	40	40	42	43
Tobacco	1,9	2,2	2,2	2,2	2,3
Potatoes	6,6	7,4	6,6	7,0	7,2
Manioc	111	121	130	134	141

Sources: National Bank of the Republic of Haiti, Ministry of Agriculture and Conseil National de Développement et de Planification. (CONADEP)

Three commodities provide the main base for the agricultural sector coffee, sisal and sugar-cane, and only the last has shown a consistent trend of increase in production, the other two suffering more marked short-term fluctuations in production. On the other hand, many of the other crops experienced a very slow but very steady growth in output. But taken altogether the performance of the sector was substantially below the results obtained throughout the rest of the economy.

Various studies have indicated as leading causes of agricultural stagnation (in addition to infrastructural deficiencies), the following:

- (i) Reduction in quantity and quality of major agricultural export products particularly coffee;
- (ii) production of most of the country's food on subsistence farms which lack the physical and educational facilities necessary to improve operating methods;

- (iii) progressive deforestation and increase in erosion;
- (iv) fragmentation of holdings;
- (v) counter-productive movements of producer prices in case of certain export products;
- (vi) lack of working capital.

As far as livestock is concerned, there is consensus that the size of the national herd has declined during the past decade. The herd which is widely distributed over a large number of subsistence holdings has the feature that females account for just over one-half of the stock, which contrasts to generally accepted efficient herd management females ratio of 90% to 95 per cent. With regard to fisheries, the general condition is one of under-development.

The 1976/1981 five-year plan which outlines the strategy for dealing with the crucial situation in agriculture, is designed to mobilize the potential market represented by the rural active under-employed population, and incorporates the following features:

- (i) Creation of highly-intensive projects;
- (ii) agricultural development directed towards a process of expanding industrialization;
- (iii) reduction in the movement of transfers of production factors towards other sectors through improved price mechanisms and marketing system for agricultural output;
- (iv) promotion of co-operationism and association with the object of minimizing the problems facing the minifundia; and
- (v) regionalization of activity in zones and sub-zones of homogeneous ecological characteristics which will serve as a basis for integrated projects of development.

The overall aim is to substantially increase production of food-stuffs and agricultural raw materials for domestic supply, through application of improved technology combined with better soil and

water utilization, thus reducing dependence on the importation of agricultural commodities, and also for increasing exports. In summary, substantial increases are contemplated in crop and animal production during the period 1976 to 1981, with emphasis on those products destined for popular consumption, which would result mainly from increases in productivity. It is also envisaged that by 1981 effectively 708,000 persons will be employed in agriculture, that is to say, about 37 per cent of the economically active rural population.

To reach this goal numerous projects are being studied, many institutional measures taken, and others identified, with the aim of positively stimulating production, investment, savings and innovations. Technical education and manpower training are also parts of the picture. Given the application of improved techniques of cultivation and technical assistance in the organization of production, the proper use of fertilizers (which is now negligible), the development of credit facilities and suitable incentives, the extension and improvement of the irrigation network^{7/} and well-drilling in some regions of the country, productivity could be substantially increased, not only to make the country more self-sufficient in food but also to transform it into a net exporter of some food items. In the meantime imports of food proper are close to US\$10 million yearly; and if "beverages and tobacco", and "animal and vegetable fats and oils" are added they bring the total up to US\$15 million.

b) Manufacturing and Mining

After years of stagnation, the manufacturing sector especially after 1969/1970 reveals itself as one of the most dynamic sectors of the Haitian economy. In 1971/1972 the annual growth rate of the manufacturing industries was 9%. By 1973/1974 it reached more than 17%, bringing its contribution to the Gross Domestic Product to more than 15%.

^{7/} According to recent assessment present irrigation benefits do not exceed usually 40 per cent of the potential in existing systems.

Basic industries that are fairly developed are cement, flour, inexpensive textiles, cooking utensils, soap. The traditional production for export of sisal twine and arts and crafts items are still maintained. In almost all its components, the industrial sector reflects an upward trend and many of those components which were working below the installed capacity are projected to expand.

Moreover, the small scale export-oriented manufacturing sector has expanded its activities in the last few years due to fiscal incentives facilities afforded by the Government. Most of these export plants are under Haitian management and housed in Haitian owned buildings located in the industrial zones. Foreign participation is usually limited to credit, machinery and marketing arrangements. These "enclave" industries assemble or process imported components (sports goods, apparel, underwear, electronic parts, etc.) for re-export.

The exports of industrial goods originating from the assembly plants increased in 1972 to US\$23 million against US\$12.2 million in 1970 and US\$3.8 million in 1967.

As for mining, the operations have been limited only to two minerals, bauxite and copper. The bauxite mine actually in exploitation is located in the southern peninsula and is managed by the Reynolds Mining Company. In the last few years its output has increased steadily from 400,000 metric tons to 800,000 tons. As for copper, the Canadian company which owned and managed the mine has since ceased operations.^{8/}

As regards prospects, it is expected in the middle term that the continuing growth registered in the industrial sector will continue; however, in the meantime the Haitian economy would have to face problems posed by the limited scope of the internal market. In the longer run adjustments will need to be made by the manufacturing sector in the direction of some substitution of imports. The strategy of development for this sector therefore takes account of this weakness of the industrial

^{8/} Following recent discovery of a rich deposit of copper in the north, licenses have been issued for exploration and research to some foreign companies. In addition a Haitian-French joint venture (La Société Franco-Haitienne des Mines) has been established to undertake exploitation.

sector which could constitute an important obstacle to an accelerated development during the next five years (1976/1981); accordingly a moderate approach has been adopted in the preparation of the five year programme. This approach consists of a first step which envisages industrialization of the branches that are less difficult while taking into account notably:

- (i) Utilization of local agricultural and mineral raw materials;
- (ii) utilization of a technology that would allow substitution of manpower to capital;
- (iii) production of goods whose imports presently consume a relatively high proportion of foreign exchange.

As far as investment in manufacturing is concerned, it is projected to increase the manufacturing sector's contribution to GDP at a growth rate of approximately 10% (within a projected average annual growth of 5% for Gross Domestic Product). The total investment that would be required would be of the order of \$78 million for the five years of the plan.

c) Construction Sector

The construction sector after a period of stagnation and even decline followed the general trend of the economy. It experienced from 1968 a tremendous reversal that places this sector among the most dynamic ones of the economy. The increase in production of cement is indicative of this new trend. From 40,600 tons in 1967/68 production went up to 84,000 in 1971/72 forcing the administration of the Unique Cement Factory "Le ciment D'Haiti" to expand the installed capacity, which was 90,000 tons. Since then there was further increase in production to 130,000 tons in 1973/74. However, the participation of this sector in the Gross Domestic Product is still below 3 per cent of the total.

Among the factors which have stimulated this spectacular development, it is worth mentioning in the first place, the return to Haiti of many nationals who were living abroad, the Policy of National Reconciliation and better use of technicians having won their confidence. In the second place, the continuing arrival of

many foreigners following the signing of numerous agreements of technical cooperation between the Government and the multi-lateral and bi-lateral organizations, has created a great demand for housing. In the third instance, the Law of 1972 on Tourism affording free entry for raw materials destined to construction of hotels and guest houses, and the tax holiday on revenue during the first 10 years of operation, acted as a further stimulus for construction.^{9/}

With regard to the public sector the extension of public utilities has been assigned higher priority as the policy of the Government. Consequently, many Public Works activities have been undertaken, notably the construction of the first phase of the Southern Highway (Port-au-Prince - Leogane), the improvement of the seaport at Port-au-Prince, the construction of bridges, highway drainage, school buildings and hospitals in the provincial cities.

The indications for future performance of this sector points to further expansion. The pressure of demand for housing continues to grow. In less than 3 years house-rent has more than doubled. Moreover, further investments in infrastructure and extension of hotel capacities are envisaged. Besides, the Government, apart from the big projects of construction of national highways and modernization of the seaports of Port-au-Prince and Cap Haitien, and improvements of provincial airports, contemplates the construction of low-cost housing projects.

3 - OTHER SECTORS

In this section the situation of Foreign Trade, Tourism, Transport and Balance of Payments are analysed succinctly and without venturing too distantly into the future, an appreciation is made of the prospects.

a) Foreign Trade

In essence the international trade of the Republic of Haiti presents characteristics similar to those of most developing or under-developed countries: exports of a narrow range of agricultural items or mineral raw materials, imports of manufactured products combined with generally unfavourable or deteriorating terms of trade. In Haiti's

^{9/} These concessions were amended by more recent legislation.

case however, this relationship has been characterized by a relative stability because this flow of exchange has structurally registered only slight modifications. The noticeable fact of the last few years, especially since 1973, was the considerable increase in imports, not in volume but in value, due to the price increase of petroleum products and consequently all imported goods.

Imports: An analysis of imports from the fiscal years 1970/1971 to 1973/1974 is presented in the Statistical Appendix. Food, Beverages and Tobacco, Animal and Vegetable Oils and Fats accounted for 24 per cent of Haiti's imports during the year 1973/1974, as against 25.3 per cent in 1972/1973 (that is to say a slight decrease of the order of 1.3 per cent), due especially to the measures taken by the Government with the aim of restricting exports of food. Similarly, imports of Raw Materials, Chemicals and Related Products, Manufactured Articles, Machinery and Transport Equipment, registered a decrease of about 2 per cent in 1973/1974 compared to 1972/1973.

With regard to petroleum products, prices have almost trebled since 1970/1971, so that this group now accounts for more than 11 per cent of total imports of the country, compared to about 6 per cent in 1971/1972. One effect of these price increases has been to decrease the use of some petroleum derived products. On the basis of 1973 prices it was calculated that the same quantity of petroleum products imported in 1973/1974 would have cost the country about US\$5 million; that is to say, the loss to the country due to the oil crisis represented then about US\$6 million. If this demonstration of the effect of higher import prices is extended to all the imports of manufactured products, (almost 90 per cent of which came from industrialized countries), the real extra cost to the country would be appreciated; and since then the situation has tended to worsen.

Exports: 95% of Haiti's export goes to the United States, Europe and Japan. There has been marked expansion during the last four years, the increases both in volume and value, being the resultant of indigenous and exogenous factors. In this period the climatic conditions were favourable, the situation was conducive to the establishment of new industries oriented toward export, and there were increases in world prices which benefited certain traditional commodities.

The traditional structure of exports has not changed greatly. Coffee with about 34% (1973/1974) of the total of export receipts remains the predominant item, though experiencing a marked variation from one year to the next (approximately 40% in 1972/1973). Export earnings from the other agricultural commodities suffer from seasonal price fluctuations depending on the relationships of production prices which rules the raw materials in general. Sugar, for example, accounted for about 8% of total receipts in 1971/1972, but represented approximately 2% in the fiscal year 1973/1974. Inversely, sisal which contributed 1.3% of the total export earnings in 1971/1972 raised its contribution in 1973/1974 to 6.5%. Essential oils which experienced increases both in volume and in value, ranked second in export earnings in 1973/1974.

Bauxite, the only mineral now in exploitation (while hoping for the reappearance of copper) experienced a decline in its export earnings during the last few years, despite considerable increases in production (9.6% in 1973/1974 against approximately 16% in 1971/1972). This contrasts with the steady growth of earnings from manufactures which is indicative of the attention of public services of the Government to diversify its sources of revenues through a reorientation of its foreign trade policy.

Against this international background it is interesting to project the inter-regional trade and more precisely that between Haiti and the Caribbean countries. With regard to the level of imports from the Caribbean countries the figures in the appendix table are very eloquent. Taking fiscal year 1970/1971 as a base of reference the results are rather meagre; but if fiscal year 1973/1974 is considered, one discovers some increase though still weak. Petroleum from Curacao and manufactured articles from Puerto Rico constitute the basis of Haiti's imports from other Caribbean Countries.

As far as exports are concerned even if they increase in absolute value their contribution to the total export remains very small.

Imports from Caribbean Countries as
percentage of total imports

	<u>1971/72</u>	<u>1973/74</u>
Countries of CARICOM	0.75%	0.33%
Countries of CARICOM plus Bahamas	0.91%	0.38%
Whole Caribbean	6.58%	10.17%

Exports to Caribbean Countries as
percentage of total exports

	<u>1971/72</u>	<u>1973/74</u>
Countries of CARICOM	0.16%	0.57%
Countries of CARICOM plus Bahamas	0.98%	0.91%
Whole Caribbean	5.31%	5.23%

Trade policy perspectives: In the recognition that the inter-regional flow of trade is so small, the Republic of Haiti has established the necessary structures for its more intensive development within the efforts to expand international trade. The focus therefore is geared as much to the Caribbean, as it is to the level of traditional markets. The Department of Industry and Trade within the framework of its assigned objective "to define and orientate the industrial and commercial policy of the government" has the task (with the technical assistance of the United Nations), to "reinforce its structural framework and institute a more rational policy in the present trade system more in accordance with internal and external requirements".

In this context the Department in close collaboration with relevant organs, would monitor state policies especially as regards the markets for agricultural commodities. The push to be given to agricultural products has to be very decisive to change the situation where such "... exports are insufficient to cover ... imports of food" and, even worse, where agriculture is not in a position to supply the agro-industries. The stated objective for the next five years is "... to encourage and maintain ... a stable and profitable agriculture, susceptible to produce at prices comparable with a just remuneration, and the conditions of a decent living for the agricultural labourers and peasants, yielding a revenue proportional to capital investment". Implementation of this objective can be achieved only with an adequate institutional infrastructure.

The second aspect has been the compiling of an inventory of industries more capable of producing for the local market and for export, differentiated according to whether they use 100 per cent of

local raw materials, or use partly local and partly imported materials, or totally imported raw materials. The next step is to mobilize the resources towards achieving with the shortest delay, reversal of the trend according to which... "exports of goods originated in agriculture finance in large measure the purchase of consumption and capital goods".

Parallel with this a Unit for consolidating commercial information would have to undertake the systematic analysis of market prices and ensure the distribution of this information to relevant sectors, determine market requirements, study the distribution channels, and define the specifications and standards needed for products. At the same time there would need to be promotion of systematic studies of the traditional and new markets and the marketing structures, with the aim of determining the norms of controls and the possibilities for increase in trade for specific products of imports and exports. This exercise in market identification and product identification would be related not only to export earnings and import capacity but also to meeting the necessary capital needs for industrialization.

Within the same perspective the purchase or acquisition under licence of technology, its transfer, the encouragement to investors (national as well as foreign), the formation of mixed enterprises in specially sensitive or capital intensive sectors are in the centre of the preoccupations to build up the industrial sector, and increase the earnings of foreign exchange. This would be the object of careful verifications with regard to the quality of the products in view of creating and preserving the good image of the country. In order to meet these objectives it would be necessary to study all the structures which would represent an obstacle to the development of external trade, especially in areas of maritime and air transport, tariff and non-tariff procedures, and régimes applicable to entrepot trade.

On a broader scale and within the perspectives of optimising the chances for getting out of this secular isolation, and of its chronic under-development, Haiti is soliciting its participation to the Lomé Convention (its economy, structure and its production being comparable to those of the ACP countries).

In summary, the aim of the priorities assigned by the Republic of Haiti is justified on the basis of avoiding the unfavourable effects on the terms of exchange, identifying the new possibilities for trade and of promoting them in the Caribbean region, diversifying production, encouraging the establishment of industries and substitution, and stimulating agriculture by the reduction of production cost, price stabilization and its integration to the local industrial sector. These policy perspectives of demands and choices would be attainable through Haiti's close co-operation with the countries of the Caribbean Community and Common Market, and the family of ACP countries.

b) Tourism

Being part of an island in the Caribbean, tourists travelling to Haiti arrive there by air or by ship usually as cruise passengers. Those arriving by air are generally more important numerically and more significant for the tourism industry, especially because of the longer duration of stay and higher expenditure outlay. During the 1960's when the country was almost isolated, the number of visitors fell drastically from its record high of 145,000 in 1959, to below 40,000. However, since 1968 when there were 56,000 visitors, there has been a steady recovery to about 210,000 visitors in 1973 and 1974. The general slackening in tourism evident around the world was also evident in Haiti, where the number of tourists from traditional sources diminished during the winter 1974/1975. There has however been a quick recovery due to an inflow of visitors from Europe, so that 1974/1975 tourism revenues would almost equal those of 1973/1974, though due to currency inflation the net result would be a small decrease in real terms.

Although the bulk of visitors are accommodated in hotels, the available accommodation in Haiti falls into the three broad categories: Hotels, Guest Houses and Private Residences. There were 32 hotels and 44 guest houses in operation in Port-au-Prince and the neighbouring city Pétionville in 1974, with respectively 2,519 and 992 rooms available. In addition a further 354 rooms were under construction, 308 in hotels and 46 in guest houses. Tourist facilities exist also in Cap-Haïtien the capital of the North Department, one of the most

important tourist centres after Port-au-Prince because of its proximity to the Citadelle Henri Christophe and the ruins of the Palais Sans Souci. In some provincial cities guest houses are also to be found. While hotel expansion has not followed the increase in tourist arrivals (the emphasis being to use previously installed capacity), the guest house subsector registered a boom in construction in the recent years.^{10/}

The annual occupancy rate is relatively high, and, for example, was estimated at 60 per cent in 1973. When to this is coupled the fact that tourism prices in Haiti compare quite favourably with those in other Caribbean islands, it is not surprising that foreign exchange earnings from tourism has increased rapidly from US\$4.5 million in 1968 to US\$13.3 million in 1972, US\$16.8 million in 1973, and an estimated US\$18.5 million in 1974.

As far as future prospects for tourism are concerned, Haiti has a considerable potential. The country's tourism advantages are almost untapped. Its history and historical sites, its cultural background expressed so strongly in its rich and colourful folklore, its varied climate due to its rugged topography and its generous nature,^{11/} and the legendary hospitality of its people and peasantry, its mixed Creole-French cuisine, are important assets for the industry. However, the pace of exploiting these advantages will depend on the rate of improvement in the physical infrastructure. Development of this potential would considerably increase tourism's contribution to GDP.^{12/}

The study entitled "Développement du Tourisme en Haiti - OEA, 1972" stressed the potential of Haitian beaches, the popularity of Haitian handicrafts which are sold as "local products" elsewhere in the Caribbean, and its art which is experiencing an increasing vogue in Western Europe, the United States and Canada. But while the scope

^{10/} See footnote under Construction sector.

^{11/} Haiti is among the few countries of the Caribbean without any dangerous, ferocious and venomous animals, with low crime rate.

^{12/} Estimated between 1.38 and 1.65 per cent in 1972/1973 and 1.25 to 1.50 per cent in 1973/1974. As value added they represent 50 to 60 per cent of tourism revenues to Haiti.

for promotion of tourism (national and international) is considerable, the extent of increase in the earnings from tourism will depend on the realization of projects in the sectors of transport, telecommunications, water supply and agriculture. ^{13/} The Northern and Southern roads actually under reconstruction will enormously benefit tourism by facilitating extended day excursions. Contribution of the agricultural sector for tourist food consumption, to reduce dependency on food imports, would constitute a considerable improvement while increasing the net benefits from tourism.

As far as the Caribbean is concerned, Haiti stands to participate in and reciprocally benefit from a movement of intra-Caribbean tourism to allow the countries of the area to know each other better.

c) Transport

Transportation facilities and the related services constitute one of the weak areas of the Haitian economy, and as such is a serious constraint to the economic development of the country. Accordingly the Government has placed high priority on the extension and improvement of the transport services (by road, sea and air) in its programme of development, with the view of facilitating internal and external traffic and trade.

Port-au-Prince, with the prime seaport and airport facilities, because of its geographical position constitutes a sort of turntable toward and from which flow the main volume of trade. The links between the capital and the rest of the country require more adequate infrastructure if there is to be integrated development. The capacity of coastal shipping and its present state of organization do not offer facilities for intensive communication, and the same could be said for internal air transportation. Consequently, greatest reliance is placed on the road system which is undergoing reconstruction and extension.

^{13/} Aside from projects falling under other sectors of the economy, consideration is being given to an investment programme for tourism prepared by the OAS which forecasted an expenditure of over US\$20 million over a period of 10 years, in addition to foreign financing needs of the order of US\$11 million. The plan envisaged the development of the northern part of the country and some expenditures in the Port-au-Prince region including infrastructure, rehabilitation and hotel capacity expansion.

Road Transportation: The road network is characterized by three types: national highways, the departmental roads and the feeder roads. Though this network may seem relatively extensive, deficiencies in maintenance during the 1960's led to general deterioration. Of the existing 3,000 kilometres of roads only 200 kilometres are paved with cement or asphalt. Some 1,100 kilometres are gravel-topped, while the rest "dust roads", which are partially or totally impassable depending on the climatic season. The relatively low level of security and comfort particularly of the last category, limits average speed to 25-30 kms/hour, and consequently the road infrastructure does not play as effective a role as it should.

However, it is through this means of transport that the bulk of the commercial transactions of the country are conducted. The principal centre of internal and external trade, Port-au-Prince, attracts most of the traffic of passengers and merchandise; and from it start all the national roads which serve as the main arteries, with the departmental roads serving as links of distribution to the different regions of the country.

The national roads total 800 kilometres which are distributed as follows:

- N.R. No. 100 : Port-au-Prince - St. Marc - Gonaives -
Cap-Haitien (246 kms)
- N.R. No. 150 : Gonaives - Gros Morne - Port-de-Paix
(73 kms)
- N.R. No. 200 : Port-au-Prince - Petit Goave - Les Cayes -
Jérémie (309 kms)
- N.R. No. 300 : Port-au-Prince - Hinche - Grande Riviere
du Nord, Cap-Haitien (205 kms).

The departmental roads, too numerous to be listed, usually start from a national road and link one Department to the next, and (in the case of Departments on the national border) with the Dominican Republic. Finally the feeder roads, sometimes in the form of trails for animals and pedestrians which are seldom used by motor vehicles, link the zones of production of the interior that are otherwise inaccessible.

The total volume of goods transported over the roads in 1975 was estimated at 133,000 tons,^{14/} the order of magnitude of which is indicative of transportation needs for the processes of internal and external trade. Some export goods are transported over only short distances due to the proximity of the centre of production to the ports. This is the case with bauxite, sugar and molasses, wheat flour and by-products. However, for coffee, sisal, essential oils, and the other agricultural and manufactured goods and handicrafts, long distances have to be covered between the production, preparation and transformation sites and the different shipping ports. On the basis of 1971 estimates^{15/} the flow of merchandise transported by road to be exported via Port-au-Prince was:

Annual Flow of Goods (in metric tons)

Roads	Coffee	Sisal	Raw materials for essential oils	Other	Total
- National Road 200	2,700	10,500	2,500	7,900	23,600
- National Road 100 & link NR 150-113-NR 300	3,100	3,100	-	7,000	13,200
- Roads 300 & 305	2,200	500	-	2,450	5,150
- Road 102	2,200	-	-	650	2,850
Total	10,200	14,100	2,500	18,000	44,800

At the level of internal transactions, over 90% of imported goods are received at Port-au-Prince, and almost 40 per cent of these imports are distributed from Port-au-Prince by road transport to the rest of the country. As far as locally manufactured products are concerned - cement, sugar, wheat flour whose volume of consumption is larger than

^{14/} If the industrial production from imported raw materials is added, then some 160,000 tons total of locally manufactured goods are distributed by road through the country. The appendix table shows the flow of road transportation for the distribution of imported and manufactured goods over the period 1969/1971.

^{15/} Base et priorités des programmes sectoriels - Période quinquennale 1971/1976 - CONADEP.

70,000 tons - the distribution is roughly the same proportions indicated above, as between Port-au-Prince and the interior of the country. This pattern is related to the fact that activities in the manufacturing industries, commerce, transport and government and services are more intense at the capital than in the other cities.

It was in recognition of the deficiencies that the Government established an emergency programme for upgrading of the road system. The North-South artery constituting the backbone of the national network got the first priority. In fact it runs through the major part of the territory and its production zones. This artery is essential to production for local consumption and for export, and also for the development of tourism because it leads to all the beaches and touristic sites.

The National Road 100 (Port-au-Prince - Gonaives - Cap-Haitien) whose reconstruction has already started was financed by international institutions. The National Road 200 (Port-au-Prince - Cayes) will be reconstructed with joint funds of the Haitian Government and specialized international institutions. France, as a gift to the Haitian people, is completing very shortly the Port-au-Prince - Jacmel road. By 1977 when these three main roads will be completed, Haiti would have available a national network of 700 kilometres of asphalted roads.

Parallel to this, further studies are being carried out to improve the links between national and departmental roads, and also for extensions of the network, to accommodate a volume to be transported by road of 400,000 tons approximately.^{16/}

Maritime Transportation: Haiti is served by two types of Maritime transport having contrasting characteristics:

i) Coastal Shipping: The 1,500 kilometres of coastline of Haitian territory and the deficiencies of the national road network have permitted the increasing development of a maritime transport essentially national called 'cabotage'. The shallow draught of the ships comprising this fleet allow them to reach points on the seacoast that

^{16/} Projections made by the Ministry of Transport.

are inaccessible for road cargo transport or for larger vessels, including the small islands surrounding Haiti (La Gonave, La Tortue, etc.).

This means of transportation which may seem anachronistic in terms of recent technology, is important not only for providing the means of existence for more than 100 families, but also for contributing in large measure to the development of internal trade. Its traffic of passenger-merchandise serves as the link for supplies between various regions and Port-au-Prince, as well as among the different regions themselves. The appendix table shows the strong concentration of this fleet at Port-au-Prince, 88 per cent of which plies between Port-au-Prince and the rest of the seaports, while the remaining 12 per cent serves the traffic between different regional ports.

Approximately 20,000 passengers travel annually by these coastal vessels (motor boats are the most utilized) and some 50,000 tons of merchandise are transported in this way. In general, their cargoes combine products for local consumption (charcoal and wood for burning etc.) as well as items for export abroad (coffee, sisal etc.), thus providing a transshipment service.

Since 1973/1974 a certain disaffection in the use of these coastal vessels has been evident due mainly to the low safety factor. The Proprietors who are at the same time Captains of their vessels cannot assure the safety of the transported goods, and do not benefit from an adequate infrastructure of Maritime navigational aids. In addition, the volume of cargo is often affected by climatic conditions in the production areas especially when there is prolonged drought in certain regions of the country. On the other hand the coastal shipping suffers because of its lack of organization and its lack of access to bank credit. However, the Government is conscious of this situation and envisages that, with technical assistance from the United Nations to study more closely the characteristics of the subsector, its deficiencies can be corrected.

ii) International Maritime Transport: More than 99 per cent of the cargo passing in transactions between Haiti and the rest of the world is moved by surface water transport. Most of this service is

provided by foreign companies, as there are only three ships carrying the Haitian flag, with a total tonnage of 448 tons.

If one omits Miragoane, the bauxite shipping port, Port-au-Prince occupies the leading position followed by Cap-Haitien in terms of volumes and values of cargo handled. Port-au-Prince by itself handles more than 92 per cent of the total of inbound and outbound traffic.

The most important recent innovation affecting the international Maritime trade of Haiti has been the establishment of facilities to handle containerized cargo at Port-au-Prince. This service was introduced by Sea-Land at the end of 1970, and by 1974, 6,574 containers were handled. Already in 1973 practically all the cargo between Haiti and the United States was shipped in containers on roll-on/roll-off vessels. A further development was the formation of a consortium by three European steamship companies: "La Compagnie Générale Transatlantique", "Hamburg-American Line" and "Royal Netherlands Line" under the name "Caribbean Overseas Line" (CAROL), in order to establish a weekly service by the end of 1976 with NPC of a capacity of 1,388 containers each. The Norwegian Caribbean Line, the Commodore Line and four others, the Antillean Line, the KNSN, the KIM (plying between Japan and Colombia), and the DFDS (Mexico) passing through Haiti, are partially containerized.

Taking into account these developments, the Haitian Government, with the assistance of international financing institutions, has begun enlargement and modernization of the seaport of Port-au-Prince, where as a consequence, more traffic will be concentrated. The improvements include rehabilitation and modernization of the existing wharf to allow not only the berthing of ordinary ships but also the large ocean cargo liners. In addition, a new wharf is being constructed with modern warehousing facilities, and the sea-bed deepened to allow big ships to berth alongside the pier. The improvements also include construction of a new wharf for the coastal vessels, and reception facilities for tourists. The projections of total merchandise for 1985 were established as follows:

Maritime Transport

Traffic at Port-au-Prince in 1985 (Metric tons)

	<u>Imports</u>	<u>Exports</u>	<u>Total</u>
By NPC	412,000	158,000	570,000
Trucks	32,000	-	32,000
Containers	380,000	158,000	538,000
By other types of ships	171,000	59,000	230,000
<u>Total</u>	<u>583,000</u>	<u>217,000</u>	<u>800,000</u>

Source: James C. Buckley, Phase I, Diagnosis Table 2.

It is also contemplated that the Ministry of Transport will work in close collaboration with the Division of External Trade at the Department of Commerce in studying the structure of freight rates and shipping patterns to determine the aspects that constitute a constraint to development of foreign trade and tourism.

Air Transport

National: The national air transport service which assures connection between the principal provincial towns has increased considerably since 1970, as is shown in the appendix table. The indications are that the annual growth rate is likely to be maintained. Port-au-Prince, the Capital, absorbed about half of this traffic in 1975:

Port-au-Prince	49.7%
Cap-Haitien	26.2%
Jacmel	12.0%
Cayes	9.9%
Port-de-Paix	2.2%

Growth was most pronounced for the Cayes Region (70 per cent compared to 1974) and appears partly to be a result of the bad condition of National Road 200. Correlatively, this growth in internal air transport has not stimulated an increase in volume of air freight which has not exceeded 50 tons per year.^{17/}

^{17/} The planes in use are of low capacity, and so far no exclusive cargo service has been introduced.

HAITI AIR INTER, created in 1973 to ensure a regular transport service between the Capital and the main provincial towns, in replacement of COHATA (Compagnie Haitienne de Transport Aérien) has not yet begun to operate. It has signed a contract with Turks and Caicos Airways, the terms of which cover management, maintenance and exploitation of the internal routes. It already owns two DC-3's, of a capacity of 28 seats each. They are not yet in service. As of now, besides a private rental service using two Beachcrafts D-18's of 28 seats each, the only 'planes in interior traffic are two Hawker-Siddeley (Irish) of 10 seats each, and one De Havilland Twin Otter (20 seats).^{18/}

The Government's decision to modernize the provincial airports forms part of the national developmental priorities, so as to serve both local passengers and the tourists desirous of visiting the interior of the country. Already Cap-Haitien Airport has been modernized with the help of FAC (Fonds d'aide et de Coopération Française) so far as telecommunication equipment is concerned. Soon Jacmel and Cayes would benefit from the same attention.

International: Haiti has only one international airport. Four international companies maintain regular flights to and from Port-au-Prince: Pan-American Airways, American Airlines, Air France, Eastern Airways. Others with relatively small operations are ALM, which is an affiliate of KLM, Flamingo Airlines, Bahamas Air, and Air Haiti. To this list could be added Haiti Inter-Continental Airlines. Authorization for its operation was published in the official journal, "Le Moniteur", of 7 October 1974. This new Airline will connect Port-au-Prince with Montreal once a week and would fly twice a week to New Orleans. Other flights to Venezuela and Guatemala are contemplated. This new Airline would use two DC-8's of a capacity of

^{18/} It is to be noted that the Haitian owned AIR HAITI, created in 1971, though carrying exclusively international freight on the route Port-au-Prince/Miami, had started beginning May 1975 to land occasionally in Cap-Haitien.

150 and 180 passengers respectively. It is not yet operational. The airlines serving Haiti use Boeing 707, 727-200 and one DC-9 aircraft.^{19/}

Data on passenger movements classified by airlines reveal the predominance of Pan-American followed by Air France, Air Haiti and American Airlines. In 1975 there was a total of 244,698 passengers arriving and departing, of which Pan-American carried 28 per cent, American Airlines 25 per cent, Air France 24 per cent, Eastern Airlines 17 per cent, and 6 per cent for the rest. Overall, there was only a small increase (1.3%) in the international movement of passengers in 1975 as compared to the volume in 1974. Haitians residing abroad, particularly in the USA, generate a relatively constant movement of about 25,000 to 30,000 passengers a year, while the rest is comprised of tourists, Americans and Canadians in majority. It may be observed that while the number of air flights tends to diminish (3,800 in 1974 and 3,542 in 1975), the movement of passengers has tended to grow slowly. Moreover, while American Airlines has a lower schedule of flights than Air France (381 against 732), the number of transported passengers is much greater for American Airlines than for Air France.^{20/}

With regard to the movement of goods, the national company, Air Haiti, transported about 60 per cent of the total international freight of Haiti in 1974 (6,413 tons). However, in 1975 the volume of freight decreased to 14,144 tons (compared with 15,577 tons in 1974). Of the 1975 total, Air Haiti transported 5,575 tons (35.7%), Pan-American 3,428 tons, American Airlines 3,390, Air France 6,011, and Eastern Airlines 189 tons.

The decrease in 1975 in the volume of freight is attributable to many factors, the most important of which would be the imposition of quantitative restrictions on imports for certain categories of Haitian textiles, into the American Market. Within the general pattern Pan-American maintains a predominance in the movement of Parcel Post in air cargo.

^{19/} Neither the volume of traffic nor the facilities of landing at the airport would allow for the landing of the Boeing 747.

^{20/} This derives from the fact that the direct flight, Port-au-Prince/New York/Port-au-Prince draws more Haitian passengers than Port-au-Prince/San Juan/Port-au-Prince, or Port-au-Prince/Martinique/Port-au-Prince.

In summary, air transport, internal as well as international, pose some problems in that consideration has to be taken of tourism and its contribution to foreign exchange on the one hand, as against the capacity of the airports and related facilities on the other. The problem is at the level of adequacy of the provincial airports and the Francois Duvalier International Airport, to meet national and international requirements. The two prime areas for consideration are administration and management on one side, and physical conditions and techniques of air transportation on the other. The Decree of 21 March 1974 created institutional machinery within the service of Civil Aviation, to improve the administration of Haitian airports. In addition, consideration is being given to the investment requirements for making the administrative and technical services more functional, and for adapting the airports to the requirements of modern air traffic.

d) Balance of Payments

The balance of payments of Haiti has been characterised since the 1960's by deficits on merchandise trade and on invisibles in the current account, which have been offset mainly by transfers in the capital account. More recently the inflow of funds has been augmented by a steady increase in capital for investment, and expansion in earnings of the tourism sector.

As regards merchandise transactions, the last four years have been marked by a more rapid expansion of imports than of exports. Exports, which are entirely dependent on climatic variations and on fluctuations of prices in the world market, have certainly increased, but not to the extent of counter-balancing the 15 per cent increase registered by imports.

Though coffee continues to be the principal earner of foreign exchange, it is gradually being displaced as the pattern of exports becomes more diversified; and this is increasingly apparent with expansion of products from the manufacturing sector, notably essential oil^{21/} and goods from the assembly industries. Bauxite, despite an

^{21/} The registered increase for this product is, in volume, of 20% from one year to the next (394 tons in 1973/74 against 323 tons in 1972/73) resulting in an increase of revenue of the order of 75%.

increase in volume and value, has diminished its contribution to total exports from year to year. As for copper, its exportation has ceased during these last few years.

With regard to imports, their continued increase have a strong effect on the total trade balance of Haiti, which reached nearly US\$23 million in 1973/1974. In fact, every sort of increase in income within the urban population (most concentrated in Port-au-Prince), is likely to provoke an increase not only in imports of durable consumer goods but also of foodstuffs. It is notable that from 1969/1970 to 1972/1973, food imports had increased their participation in the total of imports from 16 per cent to 18 per cent. As a result measures were taken to restrict the export of foodstuffs which could favourably substitute for imports and this, with the aim of reducing the pressure of imports of consumer goods and to facilitate purchase of capital goods for the production sectors.

During the same period the expansion of tourism receipts has helped to counterbalance the trade deficit. Up to 1972, the trade deficit was entirely offset by receipts of transfers (remittances of migrants, private gifts, aids under the form of technical assistance); but in 1972/1973 and 1973/1974 the amount of transfers declined and was not sufficient to cover entirely the deficit registered by the visibles and invisibles in the current account of the balance of payments. The inflow of capital and transfers, however, increased appreciably in 1975, attributable mainly to larger private transfers and increases in international loans for financing the infrastructure projects. This reversal has had the effect of diminishing the overall deficit; and it is expected that this pattern would extend through 1976.

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STATISTICAL
APPENDIX
to
SECTION B



SECTION B

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T A B L E B-1

HAITI: GDP by Account Sectors at 1955
Constant Prices
(in million of gourdes)

	1970/1971		1971/1972		1972/1973*		1973/1974*	
	Value	%	Value	%	Value	%	Value	%
<u>Total GDP</u>	1,756,227	100	1,772,653	100	1,917,512	100	2,049,971	100
<u>Sub-total of Goods</u>	1,087,695	61,93	1,098,825	61,98	1,136,148	59,25	1,185,688	57,84
1. Agriculture	837,880	47,71	832,160	46,94	808,136	42,14	813,999	39,71
2. Mining	33,689	1,92	28,805	1,62	32,754	1,71	33,594	1,64
3. Manufacturing	173,649	9,88	188,654	10,64	222,000	11,58	261,000	12,73
4. Construction	42,477	2,42	49,206	2,78	73,258	3,82	77,095	3,76
<u>Sub-total of Basic Services</u>	68,978	3,93	75,363	4,25	90,368	4,71	101,988	4,97
5. Water and Electricity	25,328	1,44	28,177	1,59	33,768	1,76	40,588	1,98
6. Transport & Communications	43,650	2,49	47,186	2,66	56,600	2,95	61,400	2,99
<u>Sub-total of other Services</u>	599,554	34,14	598,445	33,76	691,176	36,04	762,195	37,18
7. Wholesale & Retail Trade	181,772	10,35	178,643	10,07	222,500	11,60	259,100	12,64
8. Banking & Insurance	8,065	0,46	9,532	0,54	9,503	0,50	12,273	0,60
9. Real Estate	159,813	9,10	161,802	9,13	164,412	8,57	167,270	8,16
10. Government	134,430	7,65	128,656	7,26	178,461	9,31	200,852	9,80
11. Personal Services	115,474	6,58	119,812	6,76	116,300	6,06	122,700	5,98

SOURCE: Haitian Institute of Statistics

* Figures for 1973 and 1974 are provisional.

T A B L E B-2

HAITI: Annual Growth Rate of GDP by Economic Sector
at 1955 Constant Prices
(Percentage)

	1971/1972	1972/1973*	1973/1974*
<u>Total GDP</u>	: <u>0.93</u>	: <u>8.17</u>	: <u>6.91</u>
<u>Sub-total of Goods</u>	: + <u>1.02</u>	: + <u>3.40</u>	: + <u>4.36</u>
1. Agriculture	: - 0.68	: - 2.88	: + 0.73
2. Mining	: - 14.50	: + 13.71	: + 2.56
3. Manufacturing	: + 8.64	: + 17.68	: + 17.57
4. Construction	: + 15.84	: + 48.88	: + 5.24
<u>Sub-total of Basic Services</u>	: + <u>9.26</u>	: + <u>19.91</u>	: + <u>12.86</u>
5. Water and Electricity	: + 11.25	: + 19.84	: + 20.20
6. Transport & communications	: + 8.10	: + 19.95	: + 8.48
<u>Sub-total of other Services</u>	: - <u>0.18</u>	: + <u>15.50</u>	: + <u>10.28</u>
7. Wholesale & Retail Trade	: - 1.72	: + 24.55	: + 16.45
8. Banking & Insurance	: + 18.19	: - 0.30	: + 29.15
9. Real Estate	: + 1.24	: + 1.61	: + 1.74
10. Government	: - 4.30	: + 38.71	: + 12.55
11. Personal Services	: + 3.76	: - 2.93	: + 5.50

SOURCE: CONADEP (based on estimates of HAITIAN INSTITUTE OF STATISTICS)

* 1973 and 1974 annual growth rates are provisional

Table B-3: Expenditures on GDP
(In millions of gourdes)

	1966	1967	1968	1969	1970	1971	1972
<u>Domestic expenditure</u>	<u>2,056</u>	<u>2,051</u>	<u>2,004</u>	<u>2,164</u>	<u>2,338</u>	<u>2,538</u>	<u>2,819</u>
Consumption	1,978	1,971	1,918	2,077	2,228	2,402	2,650
Private sector	(1,816)	(1,804)	(1,753)	(1,902)	(2,050)	(2,186)	(2,434)
Public sector	(162)	(167)	(165)	(175)	(188)	(216)	(216)
Investment (including change in stocks)	78	80	86	87	100	136	169
Private sector	(40)	(39)	(36)	(45)	(66)	(81)	(111)
Public sector	(38)	(41)	(50)	(42)	(34)	(55)	(58)
<u>Balance on goods and non- factor services</u>	<u>-82</u>	<u>-75</u>	<u>-36</u>	<u>-62</u>	<u>-83</u>	<u>-72</u>	<u>-104</u>
Exports	228	205	237	242	265	322	318
Imports	-310	-280	-273	-304	-348	-394	-422
<u>Gross domestic produce at market prices</u>	<u>1,974</u>	<u>1,976</u>	<u>1,968</u>	<u>2,102</u>	<u>2,255</u>	<u>2,466</u>	<u>2,715</u>
Net factor income payments	-20	-15	-16	-16	-18	-20	-22
<u>Gross national product at market prices</u>	<u>1,954</u>	<u>1,961</u>	<u>1,952</u>	<u>2,086</u>	<u>2,237</u>	<u>2,446</u>	<u>2,693</u>
Net Indirect Taxes	150	138	166	179	204	235	249
Subsidies	3	6	5	6	6	7	7
Indirect taxes	153	144	171	185	210	248	256
<u>Gross national product at factor cost</u>	<u>1,804</u>	<u>1,823</u>	<u>1,786</u>	<u>1,907</u>	<u>2,033</u>	<u>2,211</u>	<u>2,444</u>

Note: To obtain GDP at current prices, the real GDP at factor cost was adjusted by the cost of living index, except for the value of exports which was adjusted by the export price index. The balance on goods and nonfactor services and the net factor income payments were obtained from the balance of payments. Public sector consumption, investment, subsidies, and indirect taxes were calculated on the basis of available fiscal data. Private sector investment was derived from indicators of construction activity, direct foreign investment, and capital goods imports. Private consumption is a residual.

Sources: Haitian Statistical Institute.



Table E-4: PRODUCTION OF SELECTED AGRICULTURAL COMMODITIES
(thousand metric tons, unless otherwise indicated)

	Fiscal Years ending September 30				
	1968	1969	1970	1971	1972
Coffee (thousand 60 Kilogram bags)	526	503	450	543	540
Sisal (thousand short tons)	19	17	17	18	20
Cotton (thousand 250 kilogram bags)	4	5	7	12	12
Bananas	174	189	189	190	195
Cacao	2.5	2.7	2.9	3.1	3.3
Corn	220	242	240	252	265
Rice	77	83	80	81	92
Sugarcane ^{1/}	4,300	4,600	4,800	4,900	5,047
Sorghum	189	209	210	211	217
Beans	36	40	40	42	43
Tobacco	1.9	2.2	2.2	2.2	2.3
Potatoes	6.6	7.4	6.6	7.0	7.2
Manioc	111	121	130	134	141

^{1/} Government estimates.

Sources: National Bank of the Republic of Haiti; Ministry of Agriculture; and National Council for Development and Planning.

Table B-5: COFFEE EXPORT QUOTAS AND SALES
(bags of 60 kilos or SDR's)

	Final Adjusted Quota (in bags of 60 kg.)	Export Volume (bags of 60 kg.)	Excess or Shortfall (-) (bags of 60 kg.)	Average Unit Price (\$ per 60-kg bag)	Value of Exports (millions of \$)	Value of Shortfall (millions of \$)
1960	500,000	476,068	- 23,932	42.40	20.2	-
1961	500,000	273,455	-226,545	44.25	12.1	-
1962	420,000	544,560	124,560	38.00	20.7	-
1963	420,000	424,965	4,965	39.50	16.8	-
1964	392,000	364,212	- 27,788	48.05	17.5	1.3
1965	418,500	382,782	- 35,718	50.45	19.3	1.8
1966	426,104	407,604	- 18,500	51.00	20.8	0.9
1967	414,994	282,793	-132,201	47.40	13.4	6.3
1968	442,983	324,982	-118,001	44.30	14.4	5.2
1969	418,684	308,166	-110,518	43.50	13.4	4.8
1970	462,700	274,766	-177,934	56.40	15.2	10.0
1971	421,000	358,333	- 62,667	52.20	18.8	3.3
1972	405,000	310,762	- 94,238	51.46	16.0	4.9

Source: Based on statistics from: Ministry of Finance and Economic Affairs,
Customs Administration, and the Haitian Institute for the Promotion
of Coffee.

Table B-6: BASIC SUGAR STATISTICS
(thousands of tons or millions of U.S. \$)

Year	Sugar cane Production 1/ (metric tons)	Sugar Production (short tons)	Sugar Consumption 2/ (short tons)	Sugar Exports	
				in short tons	U.S. \$
1960	4953	72.8	36.1	36.7	3.9
1961	5041	88.5	43.4	45.1	4.5
1962	5063	84.7	66.1	18.6	1.7
1963	5124	84.8	30.4	54.4	5.5
1964	4813	79.0	62.8	16.2	2.0
1965	4786	77.3	51.7	25.6	2.4
1966	4952	64.8	32.8	32.0	2.8
1967	4900	60.5	25.1	35.4	4.0
1968	4300	63.7	36.8	26.9	3.1
1969	4600	58.2	39.6	18.6	2.1
1970	4800	63.9	44.0	19.9	2.5
1971	4900	68.6	45.7	22.9	3.4
1972	5047	75.4	n.a.	n.a.	3.4

Notes: 1/ These are the official statistics on sugar cane production. A recent OAS study considers these figures too high. See OAS, Haiti, Mission D'Assistance Technique Integree, Vol. III, p. 199.

2/ Consumption has been calculated as a residual by subtracting exports from production.

Sources: National Bank of the Republic of Haiti, Customs Administration, and Haitian Statistical Institute.

Table B-7

PRODUCTION OF SELECTED MINERAL AND INDUSTRIAL COMMODITIES
(thousand metric tons, unless otherwise indicated)

	Fiscal Years ending September 30					Oct. - March	
	1968	1969	1970	1971	1972	1972/3	1973/4
Bauxite ^{1/}	469.9	763.8	648.5	753.2	770.4	359.6	479.0
Copper	4.4	5.9	4.8	6.5	1.4	1.4	-
Sugar (thousand short tons)	63.7	58.2	63.9	68.6	75.4
Molasses (million gallons)	3.3	3.3	3.5	3.3	4.0
Cement (thousand metric tons)	40.6	51.2	62.4	72.5	84.0	39.3	49.0
Cotton textiles (million yards)	4.0	3.5	3.6	5.9	2.9	1.8	1.8
Cigarettes (millions)	342.0	361.0	320.7	451.4	461.7	217.6	259.5
Flour	11.1	10.9	25.9	32.0	44.5	22.2	23.1
Soap	5.6	4.8	4.4	7.6	4.4	2.1	2.5
Cooking oil	4.7	5.0	4.9	8.2	11.9	5.9	7.4
Lard	0.5	0.6	0.7	1.5	1.2	0.7	0.4
Shoes (thousand pairs)	187.8 ^{2/}	173.1	221.2	215.1	243.5	97.6	167.5
Soft drinks (million bottles)	14.8	20.5	25.5	27.8	30.1	12.5	17.6
Perfume essence oils (thousand kilograms) ^{1/}	342.5	306.3	206.0	381.6	316.2	164.3	132.9

^{1/} Export data.

^{2/} In 1968 coverage was extended to a manufacturer who was not previously listed.

Source: National Bank of the Republic of Haiti.

Table B-8

HAITI: IMPORTS*

1970/71 to 1973/74^{1/}(In '000 US \$ Dollars)^{2/}

Section Code	SITC SECTIONS Section Headings	1970		1971		1972		1973		1974	
		Value \$'000 US	%	Value \$'000 US	%	Value \$'000 US	%	Value \$'000 US	%	Value \$'000 US	%
0	Food	7,411	12.51	10,210	15.51	13,719	17.90	15,841	14.23		
1	Beverages and Tobacco	1,556	2.63	1,300	1.97	1,340	1.75	2,576	2.31		
2	Raw materials, inedible, except fuels	1,575	2.66	1,446	2.20	2,776	3.62	4,340	3.90		
3	Mineral fuels, lubricants, and related minerals	3,790	6.40	3,918	5.95	4,350	5.67	12,382	11.12		
4	Animal & vegetable oils & fats & waxes	5,312	8.97	5,320	8.08	4,058	5.29	8,322	7.48		
5	Chemical & related products, n.e.s.	6,172	10.42	6,462	9.82	7,677	10.01	9,674	8.69		
6	Manufactured articles	16,162	27.28	17,639	26.79	20,272	26.44	25,769	23.15		
7	Machinery & transport equipment	10,442	17.63	11,441	17.38	13,972	18.23	18,089	16.25		
8	Miscellaneous manufactured articles	4,570	7.71	5,668	8.61	6,546	8.54	9,979	8.96		
9	Miscellaneous	2,247	3.79	2,430	3.69	1,956	2.55	4,352	3.91		
	TOTAL	59,237	100.00	65,834	100.00	76,666	100.00	111,324	100.00		

* Imports are calculated C.I.F. (about 15%)

^{1/} Fiscal year in Haiti = October to September^{2/} Values are given in (US \$'000) converted at the rate - 5 Gourdes = US \$1.00

Source: Customs House Administration.

Table B:9 - HAITI: Exports (F.O.B.)

	1971-1972		1972-1973		1973-1974		1974-1975	
	Volume (tons)	Value 000'G	%	Volume (tons)	Value 000'G	%	Volume (tons)	Value 000'G
Coffee	18,636	78,568	37.14	19,420	103,072	40.18	18,768	119,858
Sisal	4,026	2,671	1.26	6,474	6,146	2.39	12,220	23,170
Essential oils	316	16,581	7.84	333	18,489	7.21	394.4	32,610
Meat	1,567	5,310	2.51	1,140	6,732	2.62	1,058	5,930
Sugar	20,685	17,024	8.05	13,715	13,152	5.13	8,038	7,660
Molasses	23,789	2,194	1.04	21,082	3,457	1.35	20,808	5,537
Bauxite	770,438	33,783	15.97	790,457	32,895	12.82	809,883	34,258
Cement	907	65	0.03	-	-	-	-	-
Small industries articles	11,230	41,301	19.52	14,352	53,781	20.96	-	90,550
Others	-	14,038	6.64	-	18,820	7.34	-	35,815
TOTAL	-	211,535	100.00	-	256,544	100.00	-	355,308

BNRH (Total FCB)

IHS Macroeconomic data at constant prices

352,100

Source: Custom House Administration

248,050

335,800

470,872

428,071 (provisional figures)

Table B-10

HAITI: IMPORTS FROM CARIBBEAN AREA
(in '000 US\$)

	1970/71	1971/72	1972/73	1973/74
Antigua	-	-	-	-
Barbados	-	0,1	4,3	0,2
Grenada	-	-	-	-
Guyana	-	-	-	-
Jamaica	237,1	403,0	205,6	212,9
St. Lucia	-	-	-	-
St. Vincent	-	-	-	-
Trinidad & Tobago	32,5	93,4	111,9	156,2
Sub-Total	269,6	496,5	221,8	369,3
Bahamas	80,2	103,6	126,8	64,3
Sub-Total	349,8	600,1	448,6	433,6
Curacao	3,211,3	2,790,5	3,380,2	8,089,9
Guadeloupe	2,2	8,4	18,2	5,5
Martinique	1,4	5,1	12,8	18,6
Puerto Rico	552,0	811,0	1,702,1	2,061,9
Dominican Republic	23,3	116,7	249,9	686,5
St. Kitts	-	-	-	-
St. Croix (U.S.)	-	-	0,0	21,7
St. Martin	-	0,0	0,9	0,0
St. Thomas (U.S.)	-	-	-	0,1
Turks & Caicos Islands	1,2	0,9	27,0	6,1
Virgin Islands	59,1	0,0	0,0	-
Sub-Total	3,850,5	3,732,6	5,391,2	890,4
GRAND-TOTAL	4,200,3	4,332,7	5,839,8	11,324,0

Source: Custom House Administration.

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Table B-II

HAITI: EXPORTS TO CARIBBEAN AREA

Base FOB
Value US currency

	1970-1971	1971-1972	1972-1973	1973-1974
Antigua	16,561	8,482	8,249	9,371
Barbados	21,837	17,893	19,751	9,840
Grenada	937	4,500	2,871	4,074
Jamaica	340,523	20,613	45,357	111,991
St. Kitts	-	-	-	-
St. Lucia	1,177	4,262	2,133	5,802
St. Vincent	18	1,066	111	1,502
Trinidad	10,714	14,523	17,161	269,918
TOTAL (1)	391,767	71,339	96,633	412,498
Bahamas	249,404	344,425	265,358	239,922
TOTAL (2)	641,171	415,764	361,991	652,420
Curacao	36,337	21,954	23,531	44,385
Guedeloupe	18,670	14,732	43,758	47,909
Martinique	43,677	32,176	56,849	68,624
Puerto Rico	1,280,213	1,323,684	1,219,163	2,028,821
Dominican Republic	428,589	274,013	354,014	719,069
St. Croix	687	-	1,701	880
St. Martin	6,225	9,495	11,420	13,832
Virgin Islands (USA)	1,204	36	6,769	14,268
Turks & Caicos Islands	-	60	90	8,884
Virgin Islands (British)	199,164	158,384	198,089	132,964
TOTAL (3)	2,014,766	1,834,534	1,915,384	3,079,626
GENERAL TOTAL (4)	2,655,937	2,250,299	2,277,375	3,732,046

Source: Administration Generale des Douanes.

Table B-12
HAITI: FOREIGN EXCHANGE RECEIPTS FROM TOURISM
(In millions of U.S. dollars)

	Fiscal Years ending September 30						
	1968	1969	1970	1971	1972	1973	1974
Number of tourists arriving by plane (thousand persons)	20.5	26.9	31.6	41.6	60.9	69.8	79.5
Number of tourists arriving by boat (thousand persons)	<u>35.7</u>	<u>22.1</u>	<u>27.9</u>	<u>39.8</u>	<u>76.3</u>	<u>140.3</u>	<u>129.5</u>
<u>Total number of tourists</u> (thousand persons)	56.2	49.0	59.5	81.4	137.2	210.1	209.0
Expenditures by tourists arriving by plane (staying in Haiti for five days on the average)	3.8	5.0	6.1	7.9	11.8	14.0	15.9
Expenditure by tourists arriving by boat (staying for one-half day on the average)	<u>0.7</u>	<u>0.4</u>	<u>0.5</u>	<u>0.8</u>	<u>1.5</u>	<u>2.8</u>	<u>2.6</u>
<u>Total Expenditures</u> ^{1/}	4.5	5.4	6.6	8.7	13.3	16.8	18.5

^{1/} Estimates based on US \$40.00 per day for tourists arriving by air and US \$20.00 for those arriving by boat. Moreover the same daily expenditure has been maintained as a base of calculation for the last years despite price increases due to incipient inflation.

Sources: National Bank of the Republic of Haiti National Office of Tourism and Public Relations.

TABLE B-13
IMPORTANCE OF MAIN ROADS OF THE REPUBLIC OF HAITI

Roads	Production of 8 main agric. commodities (millions of US\$)	Flow of Road Transportation: Estimates (metric tons)			Value of exported coffee, sisal, cocoa, essential oils (millions of Gourdes)	Percentage of national production of sugarcane, castor beans, cotton
		Exported commodities via Port-au-Prince	Distribution of imported goods & locally manufactured goods	Supply of agricultural products to cities		
National Road 100: Port-au-Prince-Gonaives-Cap-Haitien	13,388	13,200	62,600	105,500	36,328	22,3%
Link 150-113 Road 300 (Section Hinche Cap-Haitien)	41%	29%	39%	41%	30,613	18,6%
National Road 200: Port-au-Prince-Cayes-Jérémie	11,219	23,600	70,300	115,100	56,099	33,4%
National Road 300 (South) and 305: Port-au-Prince-Hinche/Mirebalais-Belladère	5,164	5,150	21,500	30,700	25,818	15,7%
Road 102: (140 kms)	3,266	2,850	5,600	8,700	16,330	
Croix-des-Bouquets-Belle-Anse	10%	5%	4%	3%		10%
Total (other roads)	100%	100%	100%	100%	165,188	100%

Source: CONADEP

Table B-14

HAITI; COASTAL SHIPPING

	<u>Total</u>	<u>Registration at Port-au-Prince</u>	<u>Registration in Provinces (driving in direction of Port-au-Prince</u>	<u>Others</u>	<u>Average tonnage</u>
Total	605	337	192	76	29
Motor Boats	26	14	4	8	123
Sailing Boats	579	323	188	68	25
60 tons and over	10	3	7	-	67
46-60	41	7	25	9	51
31-45	137	48	71	18	39
16-30	236	140	73	23	22
1-15	155	125	12	18	12

Source: Custom House, October 1974.

TABLE B - 15
HAITI: COASTAL SHIPPING TRAFFIC

	1972	1973	1974
Number of arriving schooners	4,955	5,425	3,321
Number of disembarking passengers	23,859	23,163	19,919
Main commodities			
Charcoal	29,786	22,162	9,207
Wood for burning	10,470	8,378	12,287
Sisal	33,591	12,355	4,580
Coffee	4,463	2,923	3,279
Cocoa	1,703	995	1,456
Wheat	1,938	1,764	1,736
Wood for buildings	6,336	3,829	1,805
Livestock (head)	9,304	10,108	5,531
Hides (cow)	1,141	1,852	1,763
Hides (goats)	3,623	4,834	2,292
Precious woods	398	304	184

Source: Custom House: unpublished data.

Note: Conversion in metric tons from traditional local units (bags, bales, drum etc.) using IICA's coefficients.

Table B-16

Export Tonnes by Port

	<u>1968AF</u>	<u>1969AF</u>	<u>1970AF</u>	<u>1971AF</u>	<u>1972AF</u>	<u>1973AF</u>	<u>1974AF</u>
Miragoâne*	473,751	765,240	650,506	758,370	771,425	792,036	831,091
Port-au-Prince	62,166	51,108	61,919	64,890	59,609	51,571	66,935
Les Cayes	15,395	15,506	14,863	12,402	6,345	14,484	2,393
Cap-Haitien	3,787	3,717	3,516	11,774	10,072	8,690	7,175
Conaives	9,330	8,154	8,983	10,191	3,909	4,256	1,473
Jacmel	1,788	2,231	1,633	2,218	1,140	1,788	1,127
Jérémie	1,259	1,528	1,063	1,780	1,081	1,779	51
Petit-Goâve	1,388	1,614	1,665	768	1,781	1,671	-
Port de Paix	980	749	745	1,528	1,031	526	2,031
St. Marc	411	-	-	-	271	301	-
Fort-Liberté	<u>8,402</u>	<u>8,697</u>	<u>7,150</u>	<u>2,622</u>	-	-	<u>619</u>
Total	578,657	858,544	752,043	866,543	856,664	877,102	912,895

Source: Yearbook of Foreign Trade of Haiti

* Bauxite

Table B-17
Import Tonnes by Port

	<u>1968AF</u>	<u>1969AF</u>	<u>1970AF</u>	<u>1971AF</u>	<u>1972AF</u>	<u>1973AF</u>	<u>1974AF</u>
Port-au-Prince	207,180	228,770	240,798	274,752	273,493	338,582	330,466
Cap-Haitien	10	1,580	556	2,499	3,547	6,012	5,636
Miragoâne	4,809	4,770	156	8,970	11,483	6,036	2,375
Les Cayes	48	1,482	2,502	1,485	831	2,219	2,166
Saint-Marc	51	415	863	1,203	687	1,251	1,093
Gonaives	2,073	294	2,358	414	472	93	1,962
Port-de-Paix	7	723	252	900	63	15	60
Port-Liberté	-	4,674	2,869	1,401	-	-	356
Petit-Goave	-	-	-	-	-	-	-
Jérémie	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>12</u>	<u>-</u>	<u>187</u>
Total	214,179	242,709	250,354	291,628	290,568	356,208	347,506

Source: Yearbook of Foreign Trade of Haiti

T A B L E B-18

Domestic Passenger Flight

	<u>Total</u>	<u>Port-au-Prince</u>	<u>Cap Haitien</u>	<u>Port-de-Paix</u>	<u>Jacmel</u>	<u>Cayes</u>
1975	72 597	36 145	19 046	1 588	8 597	7 221
1974	61 342	30 671	17 429	1 105	7 880	4 257
1973	49 872	24 936	14 117	1 150	6 263	3 406
1972	28 508	14 254	6 820	2 033	726	4 675
1971	22 178	11 089	4 990	1 728	446	3 925
1970	13 248	6 627	2 737	1 143	160	2 581
1969	NA		NA	NA	NA	NA
1968	5 095		2 154	133	39	1 008
1967	4 941		1 918	12	101	1 248
1966	8 885		2 643	102	681	2 406
1965	14 722		3 100	713	3 360	4 595
1964	15 455		3 560	570	3 744	3 863
1963	13 742		2 242	528	5 039	3 322
1962	6 577		1 260	397	1 594	1 271
1961	6 803		1 768	466	1 707	1 285
1960	22 989		5 308	1 315	4 929	6 505
1959	24 455		6 999	616	3 500	5 056
1958	27 760		10 188	857	6 140	3 353
1957	22 171		8 014	1 014	5 464	2 944
1956	26 622		9 687	1 087	5 849	3 316
1955	22 551		9 627	886	3 802	3 208
1954	20 451		8 926	815	3 246	3 206
1953	17 671		9 914	940	2 651	1 798
1952	18 542		10 807	1 352	2 701	1 669
1951	15 264		8 505	1 016	2 426	1 702

Note: 1975 actual scheduled traffic between Port-au-Prince and other destination. Does not show Cayes-Gonaives traffic, both of which are negligible.

TABLE E-19

FRANCOIS DUVALIER AIRPORT

AIR MOVEMENT
(Year 1975)

	AIR MOVEMENT					AIR		
	PANAM DEP	AA DEP	AF DEP	EA DEP	IM DEP	22/UP DEP	HAITI DEP	OTHERS DEP
JANUARY	70	33	62	62	9	8	40	18
FEBRUARY	62	28	56	56	8	8	41	15
MARCH	70	31	64	62	9	8	40	19
APRIL	71	33	60	60	8	6	44	7
MAY	74	27	62	62	9	2	51	6
JUNE	68	35	60	60	9	-	42	9
JULY	70	49	62	62	9	-	48	4
AUGUST	71	41	62	62	9	-	57	6
SEPTEMBER	69	31	60	56	9	-	61	12
OCTOBER	70	22	62	62	9	-	59	8
NOVEMBER	65	30	60	61	8	12	50	12
DECEMBER	67	31	62	62	2	9	60	15
TOTAL	827	381	732	727	98	53	593	131

TABLE B - 20
GENERAL TRANSPORT OF FREIGHT

	<u>Arriving & Departing Tonnage</u>
1965	3107.1
1966	2935.9
1967	3719.4
1968	4641.3
1969	4211.4
1970	6714.9
1971	7851.8
1972	7064.0
1973	12287.4
1974	15877.7
1975	14144.1

Source: Administration Aeroport International
de Port-au-Prince (AAIPP)

TABLE B-21
FRANCOIS DUVALIER AIRPORT
MOVEMENT OF FREIGHT
(In Kilos)

	PANAM		AA		AP		EA		DM		AIR HAITI		DIVERS	
	ARR	DEP	ARR	DEP	ARR	DEP	ARR	DEP	ARR	DEP	ARR	DEP	ARR	DEP
JANUARY	82902	65165	93522	97075	28191	13822	5357	4403	1814	1555	24643	22643	38751	40446
FEBRUARY	110528	78393	105941	122569	22237	14215	7288	5825	5485	515	242951	138236	31971	31773
MARCH	126605	77955	145117	120972	45424	18270	8707	8748	2362	2157	230455	150165	32747	42199
APRIL	106224	150069	131158	116844	26755	23716	6935	7052	2999	1099	264211	164625	25410	42235
MAY	81706	210100	124576	140182	23602	19003	9481	54648	5581	1131	299890	142241	-	15303
JUNE	118927	71107	139526	146314	23638	30412	7075	7730	3607	1855	273513	159454	47619	43633
JULY	117806	96483	141611	176704	35912	37698	6624	5498	2195	2628	274240	156377	24696	11340
AUGUST	117634	60804	128934	150290	20587	15068	11738	6278	2278	4303	331037	151683	21457	17371
SEPTEMBER	191536	100409	134662	188618	30346	19022	7392	5238	3035	4978	377345	158906	52067	25346
OCTOBER	132555	93678	190025	173134	33420	29006	11302	5631	4028	2291	342361	203270	49850	40602
NOVEMBER	111208	97635	142853	150011	30530	33677	3341	7658	2935	3542	289303	178962	66287	52110
DECEMBER	119823	66383	177706	149236	19349	27954	9453	10107	3565	5295	347474	216737	57794	58739
TOTAL	1417504	2011181	1656251	1733920	340211	271663	100033	89181	40000	31349	3522210	2053145	449349	427933

Table B-22

Francois Duvalier Airport

Movement of Air Mail (in Kilos)

	PA		AA		AF		EA		LM	
	ARR	DEP	ARR	DEP	ARR	DEP	ARR	DEP	ARR	DEP
JANUARY	4494	3201	1036	-	-	-	1542	-	47	-
FEBRUARY	4409	4086	1257	-	400	-	1286	-	-	-
MARCH	4431	2714	1268	-	182	-	1679	-	12	-
APRIL	3815	3540	1490	-	297	454	1691	-	21	-
MAY	3841	3264	1375	-	90	427	1931	-	29	-
JUNE	3414	2200	1535	-	199	445	900	-	35	-
JULY	3613	3573	1568	4703	157	397	1868	-	25	-
AUGUST	3962	2098	2593	1754	122	519	1877	-	50	-
SEPTEMBER	3785	1004	1320	1656	221	425	1755	-	36	-
OCTOBER	4131	1506	1180	1580	233	444	1995	-	57	-
NOVEMBER	3124	1485	1643	1742	184	493	2449	-	38	-
DECEMBER	4026	1323	2712	2728	763	746	2333	-	12	-
TOTAL	47045	29994	18977	11163	2848	4350	21306	-	362	-

Source: For Tables B-18 to B-22 inclusively - Administration International Airport of Port-au-Prince (AAIPP)

TABLE B-23

HAITI: Balance of Payments - Current Account
(Millions of US\$)

		1973/74
Exports, f.o.b.		71.58
Imports, f.o.b.		94.50
<u>Trade Balance</u>		<u>-22.92</u>
Receipts from Services		<u>21.92</u>
Other Transport	0.62	
Travel	18.48	
Investment Income	0.24	
Government, n.i.e.	2.06	
Other Services	0.52	
Payments for Services		-39.48
Freight and Insurance	13.14	
Other transport	4.50	
Travel	5.44	
Investment Income	6.14	
Government, n.i.e.	6.80	
Other Services	3.46	
Net Services		<u>-17.56</u>
Balance on Goods and Services		<u>-40.48</u>
Private Transfer		8.10
Receipts	19.00	
Payments	10.90	
Government Transfers		13.48
Receipts	13.50	
Payments	0.02	
Net transfer		<u>21.58</u>
Current Account Balance		<u>-18.90</u>
Capital Movement		
Non-monetary sector		-6.90
Direct Investment	4.30	
Central Government	2.60	
Monetary sector		27.48
Central monetary institutions	18.6	
Other monetary institutions	9.2	
Errors and Omissions		= 2.04

Source: Banque Nationale de la République d'Haïti.

S E C T I O N C

Aspects of the manufacturing sector, and
international economic relations

SECTION C

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C. CHARACTERISTICS OF THE MANUFACTURING INDUSTRY SECTOR

The processing of sugar-cane to sugar is the oldest manufacturing activity of Haiti. Along with sugar was the by-product molasses, and rum production, and this group has remained an important industry sub-sector up to the present. In time the range broadened to include the manufacture of cigarettes and the bottling of soft drinks, and the establishment of factories for cement, textiles, flour, cooking oil, lard and soap, and the manufacturing of sisal twine. Except for the sugar group of products and sisal including twine, outputs of all these items were geared towards internal consumption needs. Broadly speaking, establishment of these enterprises were partly as extension of some other activities, whether in agriculture or distribution.

Since the late 60's light transformation industries have become one of the most dynamic sub-sectors of the Haitian economy. This sub-sector is characterized by labour-intensive assembly or processing of imported components, virtually all of USA origin, into finished or semi-finished goods for the USA market. Among the factors which have contributed to this phenomenon are low Haitian wage rates, proximity to the USA market, and the Haitian tax incentive legislation. By 1974/1975 over 150 USA firms are involved in manufacturing in Haiti (through subsidiaries or contractors), and at least 80 Haitian companies are established in this field. The majority of the latter are Haitian-owned contracting firms, but there is a significant number of USA-Haitian joint ventures, and some wholly-owned USA subsidiaries. Of the total, the majority were established since 1970.

Though a wide variety of goods emerge from this sub-sector, textile apparel is predominant. Electronic and mechanical assembly are characteristic of most individual firms entering Haiti since 1972, but to date these tend to be smaller operations. The third largest group, Sewing, including the hand-stitching of baseballs and softballs, accounts for two-thirds of total production in the industry. An encouraging trend is the assembly of more complex electronic components, including semi-conductor devices and integrated circuits, which involves somewhat more fixed investment and greater technology transfers.

Several large USA electronic firms are in the process of establishing Haitian subsidiaries for this purpose.

Total employment in light manufacturing has been estimated at 25,000 (perhaps 15,000 permanent employees and 10,000 part-time workers and trainees), which, with the possible exception of retail trade, accounts for more employment than other economic sectors in the Port-au-Prince area.

The real effort towards the creation of a modern industrial sector is therefore relatively recent, dating back not more than some ten years. Inevitably, the process of industrialization could not be undertaken without drawing on foreign finance and skills; accordingly, special arrangements and inducements were granted to foreign investors. In this phase, which was marked by the establishment of many "enclave" industries, there was a considerable widening of the range of activity, and by 1973/1974 there were some 130 plants operating in participation with American capital. While more than thirty per cent of these operations have been broadly classified as being "electronic and electrical", the range was still sufficiently wide to embrace also garments, footwear, sporting goods and a further miscellaneous range of items. Table C.2 shows a listing of these various industry activities and the numbers of plants involved in them. Nearly all the outputs from the enterprises in this listing are destined for the United States market.

Industrial Policy

As the industrialization process became more established, efforts were made to introduce a greater degree of rationality, by guiding it more into lines that would better serve the national interest. With this in view, the programming unit of the Ministry of Commerce and Industry prepared a selected list of products for manufacture in Haiti, classified according to items geared for the internal market or for export; and these two groups being in turn classified according to raw materials usage, whether fully local, or utilizing partly or wholly imported raw materials. This list is reproduced as Table C.3. These basic classifications are reflected in the Tables 4 and 5 which

bring out the considerable importance of the United States market for Haitian light manufactures.

In formulating industrialization policy, consideration was given to the needs of the national market for consumption goods, on the one hand, and to the export situation on the other. The most important aspects for export, were the demand abroad for imported products most especially in the USA market, and changes that have occurred in the policy of other exporting countries, specially in the Caribbean.

Similarly, on the question of raw materials and other inputs to industry, consideration was given to existing domestic supplies of raw materials and natural resources, and also to the anticipated expansion of raw materials that may be required for agro-industries. As regards employment, the general policy was adopted that labour-intensive industries would receive privileged treatment.

Incentives Legislation for Industrial Promotion

The main legislative framework for incentives policy is contained in the 16 August 1960 Law on New Enterprises and The Decree of March 1963. In the Law of 1960, definition was provided for the conditions governing "Eligibility", nature of fiscal and customs concessions, and controls and limitations that apply to these enterprises. The Decree of 1963 gave more emphasis to outlining the criteria for the granting of privileges to new industries, and stipulated the customs and other fiscal exemptions from which new enterprises could benefit.

The Laws defined "Eligible" enterprises, as any contemplating the manufacturing in Haiti, on a commercial basis, of goods not manufactured locally before 26 January 1959. New Industrial Enterprises, Privileged Product and Privileged Income were defined as:

- "(a) New Industrial Enterprise: Any enterprise producing one or more goods not produced in Haiti on an industrial basis;
- (c) Privileged Product: Anything produced by a New Enterprise;

- (c) Privileged Income: Income resulting from trade of Privileged Products."

The legislation also enumerated the conditions under which exoneration from some duties on goods and imported machinery are granted as:

- "(a) Enterprises using raw materials, locally produced amounting to at least 50% of the total cost of all raw materials to be utilized;
- (b) Those which utilize imported raw material that cannot be produced in Haiti without undue delay, the amount being more than 50% of the total cost of all raw materials utilized;
- (c) Enterprises importing materials to be finished in Haiti and intended to be sold locally;
- (d) Enterprises importing materials for finishing in Haiti and re-exporting the finished product."

Within this set of conditions the fiscal and customs exemptions are:

- "(a) All needed machinery, appliances and tools, for the installation and operation of the enterprise;
- (b) Raw materials not produced locally;
- (c) Packing material - not produced in Haiti for manufactured products;
- (d) Trucks, rail cars, accessories and parts as well as wagons,^{1/} push carts exclusively intended for transportation of material and products - buses for workers."

These exemptions are however subject to the restriction that existing industrial corporations and enterprises having more than 10 years of operation are not eligible for this treatment. Further, the customs advantages are granted on the following priority basis:

- "(a) Industry utilizing local or imported raw materials for the production of finished or half-finished goods intended to supply enterprises established in Haiti;
- (b) Hand labour and finishing enterprises using local raw materials and working for export;

^{1/} The Law of 1969 limits some privileges granted according to this Decree, particularly on "trucks, rail cars", gasoline, etc.

- (c) Enterprises wishing to operate in non-developed areas outside Port-au-Prince and its surroundings."

In addition to the exemptions from customs duties on the conditions outlined above, the eligible enterprises can receive various exemptions from property taxes and from income taxes. These are respectively:

"PROPERTY - (The periods extending from October first of the fiscal year during which the exonerated enterprise started its operations.)

- (a) When investments - movable or real estate - do not exceed \$20,000, exonerated from property taxes is 5 years;
- (b) From \$20,001 to \$100,000 inclusively, 6 years;
- (c) From \$100,001 to \$200,000 inclusively, 7 years;
- (d) From \$200,001 to \$1,000,000 inclusively, 8 years;
- (e) From \$1,000,001 to \$2,000,000 inclusively, 9 years;
- (f) Over \$2,000,000, 10 years.

INCOME TAX - "Privileged Income" is exonerated from Income Tax over the first five years - then taxation will be as follows:

- (a) Sixth year, 15% of the Privileged Income is taxable;
- (b) Seventh year, 30% of the Privileged Income is taxable;
- (c) Eighth year, 45% of the Privileged Income is taxable;
- (d) Ninth year, 60% of the Privileged Income is taxable;
- (e) Tenth year, 80% of the Privileged Income is taxable.

On the eleventh year, such income no longer will be considered "Privileged" and will be taxable in accordance with the law on Income Tax."

In applying these concessions, there are however the restrictions that: (a) if enterprises established already produce less than 25% of local consumption, new enterprises are entitled to the advantages stated above; and (b) if those enterprises produce or will be able to produce shortly 50% of local consumption, any new enterprise contemplating the same kind of activities, will have the said benefits

only for two years, or the remaining period of exoneration, the same as enterprises already established are enjoying. When that period of time expires, taxation will be as follows:

First year, 15% will be taxable;
Second year, 30% will be taxable;
Third year, 45% will be taxable;
Fourth year, 60% will be taxable;
Fifth year, 80% will be taxable.

Starting in the sixth year, the income accruing from the "privileged product" shall no longer be considered as a "privileged income".

Further, the legislation laid down a procedure for establishing New Enterprises, where information has to be submitted on: the capital to be invested; location of the enterprise; detailed list and cost of machinery and their origin; approximate number of employees including foreign specialists and duration of service for the latter; nature of goods to be produced and, if possible, samples; complete list of raw materials with their local or foreign origin; sales markets contemplated; and the tentative date the enterprise wishes to start installation and operation.

Moreover, manufacturers are required to keep a stock book, open to examination on request; and, are also required to submit a monthly statistical report of production. The legislation also provides that these customs and fiscal benefits would be terminated:

- if the enterprise fails to initiate operations within the period set by the Commerce Department for its installation; or
- when the exemptions granted are the result of false statements about the importance or the nature of the enterprise; or
- when the enterprise stops operating for three months over a period of ten months except "force majeure"; or
- when the enterprise is found guilty of fraud or abuses.

Protection of Industries

Aside from the degree of protection afforded by the exemptions from customs duties, there is the trend towards promotion of import substitution and protection of enterprises already in operation, by the use of quantitative restrictions on imports. The principle applied is based on the allocation of import quotas in relation to the level of domestic demand and existing production capacity. The Law of June 1960, "Loi sur le Contingentement" refers to the type of protection an enterprise, that fills the requirements, can get. Article 15 of the Law of March 1963 stated: "Should the existing enterprise prove to the satisfaction of the Department of Commerce and Industry:

- (a) that they can meet 50% of the needs of the local market in certain given categories;
- (b) that the manufactured products are at least of equivalent quality to those imported and meet the same requirements;
- (c) that the selling price of the manufactured products does not exceed that of similar or identical articles of the same quality manufactured abroad, including whatever applicable compensating internal tax."

Then, a request for the benefit of the law on the fixing of quotas may be submitted to the Office of the Secretary of State of Commerce and Industry.

ECONOMIC RELATIONS BETWEEN HAITI AND NON-CARICOM COUNTRIES

Trading Patterns

The predominant fact in the overall commercial relationship between Haiti and the world is her net dependence on the United States of America, as well as for its imports and its exports. The EEC comes in second position with the following regions in the order: ^{2/}

Imports: Asia, the Caribbean, the rest of North America (Canada, Mexico, Bermuda) the rest of Europe, Central America, Latin America, etc.

Exports: The Caribbean, Asia, the rest of Europe, the rest of North America, etc.

Exports: The United States absorbs more than 60 per cent of Haiti's exports. In 1973/1974, coffee, sisal, sugar, molasses and essential oils, accounted for 45 per cent of total exports and bauxite 15 per cent. Assembling industries along with meat, cocoa and others fill the remaining 40 per cent. The EEC absorbs 28.8 per cent of Haiti's total exports, receives 60 per cent of total coffee exports and 50 per cent of total exports of essential oil. The Caribbean region comes in third position with 5 per cent of total exports, and before Asia, the rest of Europe and North America. Food products and articles from the small industries constitute the main exchange between Haiti and the region.

Because of the low level of trade between Haiti and the rest of the world, there is no need for detailed analysis. In short, the USA, the EEC and the Caribbean altogether absorb exactly 96.1 per cent of Haiti's total exports.

Imports: During the fiscal period 1970/1971 to 1973/1974, 40 per cent of the country's imports came from the USA comprising: food products, animal and vegetable oils, manufactured products, etc.; the EEC came in second position with 24 per cent. With regard to others, if we take into consideration the fiscal years 1970/71, 1971/72, 1972/73,

^{2/} For the determination of positions it was preferable to establish the arithmetic average of the percentages obtained in the fiscal years 1970/71 to 1973/74. The obtained results cannot be used as indicators for 1975 and the following years.

Asia accounted for 10 per cent, the rest of North America 8 per cent, and the Caribbean region 7 per cent. In 1973/74 the Caribbean accounted for 10.2 per cent and the rest of North America and Asia 7.2 per cent. This was the effect of increase in the price of oil from Curacao.

The net position taking the four fiscal years together would be 42.8 per cent of total imports from the USA, 23.97 per cent from EEC, 7.9 per cent from the Caribbean, 9.9 from Asia, 7.5 per cent from the rest of North America, and 7.93 per cent from the rest of the world.

The Haitian Government, taking into consideration the increase in world prices, has adopted policies to facilitate imports of capital goods, and to diversify import sources. Precise objectives have been assigned in mid-term and long-term plans to be achieved within Haiti's overall commercial relations (bilateral and multilateral).

Bilateral Relations

Bilateral relations are conducted in the spirit of friendship and co-operation. Most-favoured-nation treatment is the fundamental principle under which commercial treaties are signed between Haiti and her partners.

Arising from the historical links with France, Haiti afforded in a commercial treaty, very special treatment to a selected group of products^{3/} (perfumes, soap, certain textiles, alcohol, etc.). As far as the other treaties are concerned, their aim is to promote better industrial and commercial relationship between Haiti and the signatory Governments. In order to accelerate these processes, the Haitian Government concluded special agreements for protection of foreign investments in the country, notably French and German. There have been also cultural, scientific, technical and economic co-operation agreements signed between Haiti and France, and between Haiti and Venezuela.

^{3/} This is normally referred to, in the literature, as "Preferences Historiques" (Historical Preferences).

Multilateral Relations

Haiti is proud of her record of having always honoured her international responsibilities. Her relations with the rest of the world has been based on maintaining fraternal co-operation with all nations. In accordance with this principle, Haiti was one of the first countries to sign the General Agreement on Tariffs and Trade (GATT). Haiti adopted the GATT in the spirit of the 1958 decision which stated that "Industrialized nations should not protect their industries against products from under-developed nations".

Thus in conformity with the GATT commitment, Haiti revised her Customs Tariff to integrate the specific and ad valorem rates for certain categories of products. For the remainder there are alternative rates: one specific and one ad valorem; and for each item the rate which yields more revenue is adopted. Also, Privileged Rates were established for member nations and non-members of GATT with whom Haiti had signed commercial agreements. For the rest of the world, the customs rates are double the Privileged Rates, except in the case of natural silk for which it is triple. Besides, the Government can decide under specific conditions to apply minimum tariff to certain products for a certain period of time, even though the products may come from non-GATT countries. Such measures are justified by serious economic maladjustments, the negative effects of which are unfavourable to economic development.

The UNCTAD Conference in 1968 in New Delhi, in deciding a system of generalised preferences (GSP), opened a new chapter in International Commercial Relations. This system of generalised preferences offer special advantages to developing countries, but due to her weak economic condition, Haiti is still unable to derive the maximum benefit she could obtain. Conscious of these problems, the Haitian Government has been motivating the manufacturing sector. With the help of the EEC, Government organized in 1974, at Port-au-Prince, a seminar on the GSP to acquaint Haitian industrialists with its functioning. There has not yet been substantial improvement in trade performance. The arrival in Haiti in January 1976 of a UN mission for International Trade Planning was an opportunity to plan a new seminar, this time at the national level.

Some industrialized countries, among them the United States of America and members of the EEC, send to Haiti details regarding the scheme of preferences established for their respective countries. Haiti benefits under the International Agreement on Textiles, and further, as a result of the efforts of the Government, Haiti was put on the list of countries to benefit from preferences for certain textile products under the EEC scheme.

Haiti gets most of its export earnings from agricultural commodities which fall outside of the generalised system of preferences. On balance, Haiti does not gain much from International Agreements on basic agricultural products. In the cases of coffee and sugar, the allocated quotas could not be reached because of the growth of internal demand, combined with inelasticity of production. Further, even if the quotas were met, deterioration in the terms of trade, due to increases in the prices of manufactured products, serve to reduce the country's import capacity. Between 1960 and 1972 Haiti was one of the seven third-world nations that suffered most from deterioration of export prices (some 10% decrease) which diminished export earnings by 12 per cent. Since 1972 the drop has been much more drastic making it difficult not only to satisfy the most elementary needs of the people, but also to undertake developmental programmes.

Searching for means of reaching the policy objectives, the Haitian Government "opens itself to the world", and multiplies its efforts to break the peculiar isolation of Haiti.



STATISTICAL

APPENDIX

10

SECTION C



SECTION C

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TABLE C:1

HAITI: PRODUCTION OF SELECTED INDUSTRIAL COMMODITIES
(thousand metric tons, unless otherwise indicated)

	Fiscal Years ending September 30			Oct.-March	
	1968	1971	1972	1972/3	1973/4
Cement (thousand metric tons)	40.6	72.5	84.0	39.3	49.0
Cotton textiles (million yards)	4.0	5.9	2.9	1.8	1.8
Cigarettes (millions)	342.0	451.4	461.7	217.6	259.5
Flour	11.1	32.0	44.5	22.2	23.1
Soap	5.6	7.6	4.4	2.1	2.5
Cooking oil	4.7	8.2	11.9	5.9	7.4
Lard	0.5	1.5	1.2	0.7	0.4
Shoes (thousand pairs)	187.8	215.1	243.5	97.6	167.5
Soft drinks (million bottles)	14.8	27.8	30.1	12.5	17.6
Perfume essence oils ^{1/} (thousand kilograms) ^{1/}	342.5	381.6	316.2	164.3	132.9

^{1/} Export data.

Source: National Bank of the Republic of Haiti.

TABLE C:2

MANUFACTURING ACTIVITIES AND NUMBER OF ENTERPRISES (1973/74)

<u>Activity</u>	<u>Number of Enterprises</u>
Electronic parts and Electric	43
Sports goods and Sportswear	13
Sportswear incl. hunting apparel 4)	
Fishing rods 1)	
Baseballs and soft balls 8)	
Stuffed toys and stuffed toy bodies	9
Hairpieces and Wigs	2
Handbags, wallets, billfolds and belts	7
Plastic 3)	
Leather 3)	
Suede 1)	
Textile (garments)	30
Men's, Women's and children's apparel 18)	
Ribbon bows for ladies underwear and garter grips 3)	
Brassieres and foundation garments 4)	
Embroidery on Ladies' underwear 5)	
Footwear	11
Sandals & Moccasins 3)	
Boots 1)	
Shoe uppers 6)	
Shoe vamps 1)	
Miscellaneous (1 plant each)	15
Paper specialty products, Macrame clothing accessories, Beaded braids and ornaments, Hand rolling and artificial, Emblems and uniform lettering, Marine hardware, Cotton workers' gloves, Knitted gloves, Button carding, Animal hair, Paint, Paint brush, Cosmetic brush, Screwdrivers, Sprayer valves.	

Source: Based on publication "Invest in Haiti" - The Secretary of State for Commerce and Industry.

TABLE C:3

SELECTED LIST OF PRODUCTS FOR MANUFACTURE IN HAITI

A - Most Favourable Industries for the Haitian Market

1) To utilize 100% Haitian raw materials:

- Sugar mills (refined sugar)
- Textile mills (cotton)
- Clothing
- Leather goods (handbags, purses, shoes ...)
- Feedmills
- Plywood and hardboard
- Tinkeries
- Dairy products
- Paper mills
- Table salt
- Instant coffee
- Canning of meat
- Canning of fish
- Canning of vegetables
- Fruit preserves
- Fruit juices
- Wooden furniture
- Essential oils for perfumes and soft drinks
- Toilet soaps

2) To utilize partly or exclusively imported raw materials:

- Fertilizers
- Insecticides
- Chemical and pharmaceutical products
- Agricultural tools and light equipment
- Sanitary appliances
- Clothing
- Paints
- Cars and other vehicle assembly
- Office furniture and equipment
- Electrical appliances
- Synthetic fabrics
- Matches
- Auto parts and appliances
- Bottle caps
- Ceramics
- Rubber and synthetic tyres
- Fishing equipment

TABLE C:3 (Cont'd)

B - Most Favourable Industries for Export to Foreign Markets and Specially to U.S.

1) To utilize locally obtained raw materials and components:

- Sugar mills (raw and refined sugar)
- Feedmills
- Fruit juices
- Instant coffee
- Plywood and hardboard
- Cigars and cigarettes
- Canning of meat
- Canning of fish
- Canning of vegetables
- Fruit preserves
- Furniture
- Brooms, brushes
- Buttons
- Coated or impregnated textile fabrics and products - twine, cordage, nets, hat bodies ...
- Carpets, carpeting rugs
- Perfumes
- Mats and matting
- Cotton fabric
- Leather manufacture
- Articles manufactured of wood
- Glass art (gem, stone, beads)

2) To be made of imported components:

- Transformers, switchgear
- Clothing (textile fabric and clothing accessories, hats and caps)
- Toys
- Office machines and parts
- Rubber and plastic manufactures
- Travel goods, Handbags, etc....
- Tulle, lace, ribbons, bows
- Equipment for distributing electricity (cable harnesses, etc...)
- Power Generating machinery
- Dolls
- Fountain pens
- Wigs and hairpieces
- Leather garments
- Car and vehicle assembly
- Typewriter
- Electronic devices and components
- Electric Shavers
- Adding and other calculating machines

TABLE C:3 (Cont'd)

- Sewing machines
- Cash registers
- Telephone and telephone equipment
- Leather shoes
- Plastic shoes
- Rubber shoes
- Slippers
- Hearing aids
- Photo exposure meters
- Dictating and other recording machines
- Baseballs, softballs
- Footballs
- Lawn tennis balls
- Golf balls
- Baseball gloves
- Tennis rackets
- Roller skates
- Slipper soaks
- Dog collars, leashes
- Wallets, purses, watch bracelets etc...

TABLE C:4

FOB EXPORTS TO UNITED STATES OF HAITIAN
LIGHT MANUFACTURED PRODUCT 1970-1971-1972-1973

Products Made of Locally Produced Components

<u>Description</u>	Value (In thousands of \$)			
	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Leather Manufactures, nes	377	257	388	339
Wood Manufactures - Domestic or Decorative use & articles manufactured of wood	214	187	265	361
Cotton fabric, woven	100	70	47	409
Coated or impregnated textiles fab. & products - Twine, cordage, nets manufactures of textile fiber, hat bodies	1786	2356	2492	2131
Made up articles of textile mtl. nes	300	442	526	876
Carpets, carpeting and rugs, mats matting, etc.. veg. plaiting mtl.	57	61	90	116
Glass art, nes incl, imit. gem, stones, beads	17	15	5	148
Furniture, wood	12	16	33	100
Works of art, collectors pieces antique	130	65	173	243
Brooms, brushes, buttons, candles other manufactured articles nes	206	409	770	855
Under \$251 formal & informal entres Est.	756	684	1096	934
	<u>3955</u>	<u>4562</u>	<u>5865</u>	<u>5512</u>

TABLE C:5

FOB EXPORTS TO UNITED STATES OF HAITIAN
LIGHT MANUFACTURED PRODUCT 1970-1971-1972-1973

Products Made of Imported Components

<u>Description</u>	Value (In thousands of \$)			
	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Tulle, lace, ribbons, other small wares	125	174	278	279
Articles of iron or steel	53	14	5	22
Power Generating Machinery and parts	-	-	-	125
Office Machines & Parts	-	-	-	1657
Machinery and appliances parts	120	140	343	436
Transformers, switchgear, etc..	288	669	1394	2347
Equipment for distributing Electricity	-	76	237	220
Radio receivers & Parts - radio phone, radio apparatus, TV	203	231	87	265
Electric apparatus and parts	12	72	197	1162
Travel goods, handbags	54	190	312	733
Clothing - Text. Fab. clothing accessories, hats & caps	1786	2656	5186	11710
Footwear	1803	1934	1381	1833
Sound Recorders, etc.	153	355	393	461
Rubber & Plastic manufactures - wearing apparel, rubber articles	64	107	186	358
Toys, sporting goods (inc. baseballs)	3918	5332	8440	10549
TOTAL	<u>8179</u>	<u>11950</u>	<u>18458</u>	<u>32157</u>

Table C:6
Exports of Small Industry Articles
utilizing local raw materials
(Value in Gourdes)

A R T I C L E S	FISCAL YEAR		INCREASE OR DECREASE %
	1972 - 1973	1973 - 1974	
Mahogany Articles	5,214,205,95	4,994,386,15	- 4,21
Wooden Articles	4,160,068,75	4,874,410,50	+ 17,17
Imitation Leather Articles	---	5,836,316,70	---
Straw Articles	3,749,167,95	3,975,979,75	+ 6,04
Sisal Articles	2,675,953,95	2,778,635,60	+ 3,83
Vegetable Beads Articles	2,419,323,50	2,579,020,00	+ 6,60
Horn Articles	716,441,20	194,439,25	- 72,86
Shell Articles	196,744,95	235,000,00	+ 19,44
Cow Hide Articles	3,340,75	---	---
Goat Hide Articles	1,063,955,50	942,080,00	- 11,45
Woolen Articles	60,00	---	---
Tanned Hides Articles	274,600,55	183,000,00	- 33,35
Animal Hair Articles	3,884,109,55	1,894,500,00	- 51,22
Leather Articles	2,428,986,50	4,897,876,65	+ 101,64
Miscellaneous Articles	4,386,456,10	4,947,459,15	+ 12,78
TOTAL:	31,173,415,20	38,333,103,75	

NOTE: Figures adjusted by the Division of Statistics of the Ministry of Trade and Industry.
Source: Service of Control of Industrial Enterprises - Department of Commerce and Industry.

TABLE C-7

Exports of Small Industries articles
utilizing Imported raw materials
(Value in gourdes)

Articles	Fiscal Year 1972/1973	Fiscal Year 1973/1974	Increase or Decrease %
Aluminium articles	28,161.60	21,500.00	- 23.65
Wrought iron articles	16,537.50	34,797.00	+ 110.41
Woollen articles	74,750.00	197,152.00	+ 163.74
Buttons	8,962.70	7,625.85	- 14.91
Embroidery	4,196,183.05	5,788,490.40	+ 37.94
Magnetic tapes	33,195.00	---	---
Plastic barrels	1,648.00	---	---
Nylon stockings	8,066.25	---	---
Buckles	826,500.00	---	---
Ties	477,841.25	218,000.00	- 54.37
Cassettes	1,724,768.10	1,851,661.30	+ 7.35
Coils	---	623,936.85	---
Computer cables	1,150,685.90	153,888.70	- 86.40
Plastic beads	431,279.65	341,448.55	- 20.83
Aluminium hinge	---	39,183.75	---
Ornamental cuts in cloth	1,047,400.30	1,436,075.15	+ 37.10
Decoration in ribbon	5,561,253.85	5,734,518.70	+ 3.11
Laces	26,667.50	---	---
Scarves	2,250.00	---	---
Gum Arabic	13,500.00	---	---
Harnesses for telephone	38,181.45	---	---
Hooks	---	643,276.85	---
Stuffed Toys	5,795,415.10	5,496,256.60	- 5.16
Plastic Toys	---	226,661.10	---
Garters	246,750.00	---	---
Embroidered Jersey	834,449.60	875,320.00	+ 4.89
Letters sewn on felt	1,890,600.00	1,600,000.00	- 15.37
Iron bed	19,500.00	---	---
Animal hair-brush knots	---	---	---
Nylon brush knots	3,113,968.40	2,231,000.00	- 28.35
Mica	---	107,838.50	---
Slip trimmings	284,568.50	667,100.15	+ 134.42
Sport jackets	---	1,011,631.85	---
Electronic parts	6,433,517.40	10,882,858.25	+ 69.15
Tape recorder parts	300,610.30	3,236,681.75	+ 976.70
Wigs	472,935.00	1,126,802.50	+ 138.25
Potentiometers	75,347.50	---	---
Nylon brushes	1,398,909.50	901,398.75	- 35.56
Plastic pieces	137,088.35	---	---
Underwear	81,792.00	765,750.25	+ 836.21
Vinyl handbags	---	1,330,047.20	---

TABLE C-7 (Cont'd)

Articles	Fiscal Year 1972/1973	Fiscal Year 1973/1974	Increase or Decrease %
Sculptures	44,827.50	484,153.50	+ 980.03
Transistors	---	470,426.60	---
Transformers	10,435.85	---	---
Toupets for men	---	246,137.70	---
Nylon bags	---	256,432.05	---
Dresses	21,023,720.75	26,543,440.60	+ 26.25
Miscellaneous	4,668,958.50	2,714,040.30	- 41.87
TOTAL	72,124,349.00	78,265,532.75	

Source: Office of the Control of Industrial Enterprises Department of Trade and Industry.

N.B.: Figures adjusted by the Division of Statistics of the Secretary of State of Trade and Industry.

TABLE C-8

Exports of Small Industries articles
utilizing Mixed raw materials

(Value in Gourdes)

Articles	Fiscal Year 1972/1973	Fiscal Year 1973/1974	Increase or Decrease %
Cotton Articles	6,436,093.30	6,950,527.50	+ 7.99
Baseballs and softballs	33,148,163.85	39,256,272.30	+ 18.42
Shawls and Tops	542,568.00	849,070.00	+ 56.40
Brassieres	---	936,041.55	---
Shoes, boots	5,875,874.30	7,967,832.80	+ 35.60
Bales of twine	4,250,645.00	4,820,000.00	+ 13.39
Knitting needles	1,690,290.30	1,875,418.95	+ 10.95
Upper leather (shoe)	5,305,694.50	5,798,955.00	+ 9.30
Nets	243,848.00	419,800.00	+ 72.15
Gloves	1,343,105.00	2,732,945.80	+ 103.47
Paints	1,276,266.80	1,883,183.95	+ 47.55
Slippers	8,493,919.00	804,628.00	- 90.52
Handbags	828,728.35	5,945,661.45	+ 617.44
Place Mats	68,400.00	---	---
Paintings	524,491.00	2,634,745.15	+ 402.34
Embroidered fabric	4,801,139.15	3,268,123.25	- 31.93
Miscellaneous	7,738,630.55	7,846,090.70	+ 1.38
TOTAL	82,567,857.60	93,989,296.40	

Source: Office of the Control of Industrial Enterprises Department of Trade and Industry.

N.B.: Figures adjusted by the Division of Statistics of the Secretary of State of Trade and Industry.

Table C:9
Exports by Regions - 1970/1974
(US\$'000)

	1970/71	1971/72	1972/73	1973/74	70/71	% of Total 71/72	72/73	73/74
United States of America	30,065.3	26,777.6	30,603.2	46,165.2	62.3	63.2	59.6	64.7
European Common Market	13,362.2	11,861.4	16,987.7	18,833.4	27.7	28.03	33.1	26.4
Rest of North America	421.0	407.4	509.8	1,003.1	0.8	0.96	0.99	1.4
Rest of Europe	315.6	630.0	508.1	868.3	0.7	1.5	0.99	1.2
Latin America	14.5	14.9	33.8	31.1	-	-	-	-
Central America	10.6	2.1	180.7	45	-	-	-	-
Asia	1,346.8	346.7	185.6	604.3	2.8	0.8	0.4	0.84
Africa	0.3	1.2	1.1	30.9	-	-	-	-
East Europe	30.6	13.7	15.6	18.8	-	-	-	-
Oceania	2.0	1.3	5.7	0.9	-	-	-	-
Total	45,568.9	49,056.3	49,031.3	67,601.1				
Caribbean	2,660.3	2,250.7	2,277.5	3,732.0	5.5	5.31	4.43	5.23
Grand Total	48,229	42,307.0	51,308.8	71,333.1				

Table C:10
Imports by Regions - 1970/1974
(US\$'000)

	1970/71	1971/72	1972/73	1973/74	70/71	% of Total 71/72	72/73	73/74
United States of America	26,323.7	28,112.7	31,051.0	48,557.9	44.4	42.7	40.5	43.6
European Common Market	13,499.7	15,682.3	19,698.0	26,293.3	22.8	23.8	25.7	23.6
Rest of North America	3,531.0	5,474.4	6,476.4	7,936.5	6.0	8.4	8.4	7.2
Rest of Europe	1,664.2	1,865.0	1,842.7	2,973.0	2.8	2.8	2.4	2.7
Latin America	335.4	603.6	1,032.4	2,355.2	0.6	0.9	1.4	2.1
Central America	876.3	834.7	994.0	1,886.9	1.5	1.3	1.3	1.7
Asia	6,504.3	7,047.6	8,028.5	7,978.7	11.0	10.7	10.5	7.2
Africa	77.6	28.8	60.2	361.5	0.1	0.0 ^{1/}	0.1	0.3
East Europe	2,196.5	1,820.2	1,572.5	1,600.0	3.7	2.8	2.0	1.4
Oceania	31.9	29.4	70.3	57.6	0.0*	0.0 ^{1/}	0.1	0.0 ⁺
Total	55,040.6	61,498.7	70,826.0	100,000.6	92.9	93.4	92.4	89.8
Caribbean	4,196.3	4,335.7	5,839.8	11,324.0	7.1	6.6	7.6	10.2
Grand Total	59,236.9	65,834.4	76,665.8	111,324.6	100.0	100.0	100.0	100.0

* = 0.06

+ = 0.05

^{1/} = 0.04

