

FINAL REPORT

INITIATIVE OF PROMOTION OF THE FOREIGN DIRECT INVESTMENT (FDI) IN HAITI

Technical assistance Inter-American Development Bank – BID

Ministry of Trade and Industry of Haiti – MCI

Center Facilitation of the Investments - CFI

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List Abbreviations

ACDI	: Canadian Agency for the International Development
APE	: Economic Partnership Agreement
APN	: Autorité Portuaire Nationale (National Harbour authority)
BID	: Inter-American Development Bank
BRH	: Banque de la République d’Haïti (Bank of the Republic of Haiti)
AHE	: Association Haïtienne des Economistes (Haitian association of the Economistes)
CARICOM	: The Carribean Common Market
CFI	: Centre de Facilitation des Investissements (Investment Facilitation Center)
CMEP	: Commission de medernisationdes Entreprises Publiques (National Commission for the Modernization of Public Companies)
CNMP	: Commission Nationale des Marchés Publics (National commission of Procurement Contracts)
CCI(ITC)	: Centre du Commerce International (International Trade Center)
CCI	: Cadre de Cooperation Intérimaire (Temporary Cooperation Framework)
UNCTAD	: United Nations Conference on Trade and Development
DGI	: Directorate-General des Impots (Internal Revenue Service)
DSNCRP	: Document Stratégie Nationale pour la Croissance et la Réduction de la Pauvreté National Strategy Document for Growthand Poverty Reduction
FAO	: Food and Agriculture Organization
GFCF	: Gross fixed capital formation
FDI	: Industrial Development funds
IMF	: International Monetary Funds

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HOPE	: Haitian Opportunity Partnership
FDI	: Foreign Direct investment
IHSI	: Institut Haïtien de Statistiques et Informatique (Haitian institute of Statistics and Data processing)
MCI	: Ministère du Commerce et de l'Industrie (Ministry of the Trade and Industry)
MEF	: Ministère de l'Economie et des Finances (Ministry for the Economy and Finances)
MENFP	: Ministère de L'Education Nationale et de la Formation Professionnelle Ministry of National Education and Vocational training
MPCE	: Ministère du Plan et de la Coopération Externe (Ministry of planning and the External co-operation)
MFN	: Most Favored Nation
NCIT	: New Communication and Information Technology
WTO	: World Trade organization
MDO	: Millenium Development Objectives
GDP	: Gross Domestic Product
UNDP	: United Nations Development Program
ULCC	: Unité de lutte Contre la Corruption Anti-Corruption fight Unit
USAID	: United States Agency for International Development

Foreword and Executive Summary

Of the Final Report

1-The proposal for Promotion of Foreign Direct Investments in Haiti, the formulation of a strategy to attract FDI in Haiti's profit, which we present in this document, wants to be an innovative approach of presentation of a short and medium-term vision to help the country take the path of growth and lasting development

2-The statement of this approach fits under the expansion of the CFI mission, one of which aspects consist in ensuring the promotion of the FDI. It also fits in the policy speech of the Prime Minister and President Préval's efforts to maintain the stability of the institutions and law-and-order, which are the critical elements to encourage investments.

3-This document contains a declination of the plan in several stages. First, it is to set up a practical network to attract FDI and then define a strategy to motivate foreign investments at two target markets: the Diaspora and the foreign investors.

4-To facilitate the implementation of the strategy, research has been conducted to identify the real and the potential supply of Haiti, as well as the growth sectors of the Haitian economy. Finally, we offered a methodology for promoting and managing the export consortium. The objective is to facilitate the creation of the export consortia which has many advantages for exporting companies, especially small and medium enterprises or

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industries SMBs/SMEs through networking the pulling of funds and of resources; as well as, productivity gains in perspective.

5-This strategic document is the result of an extensive collaboration process; on the one hand, visits were organized both inside and outside the country: First, in our provinces to meet and interview the directors of the exporting companies, members of the chambers of commerce, officials of the local civil service, parliamentarians and the civil society in general. Second, we made trips abroad to meet with the associations of the Diaspora, businesspersons and diplomatic representations.

6-The challenges are enormous: Attracting FDI in Haiti, increasing their flow, which is still very low in comparison with our neighbors in the Caribbean. Trigger a strong momentum in order to make up for lost time towards the achievement of objectives of lasting development for the country.

7-In light of the diagnosis made on our strengths and weaknesses, threats / opportunities within the formulation of the strategy to attract FDI, there is reason to be optimistic because despite our weaknesses. The country has considerable strengths; however, we must face the fact that there is no more time to lose in proposing strategies in the short and medium term for attracting FDI in Haiti.

8-The CFI takes full measure of the difficulty to attract FDI and intends to fully assumed leadership of the proposed strategy. The CFI expects from the BID as well as other partners and backers a relation based on trust and solidarity in continuity with the efforts made so far.

9- The CFI is committed in this action whose results will be measured against a constant and steady growth flow of FDI towards Haiti.

EXECUTIVE SUMMARY

Context

Among the efforts achieved to put Haiti back to his feet and to propel it on the rails of development, the Haitian Government decided to make FDI one of the pillars of its policy of economic revival. Thus, in 2007 a technical assistance IDB/MCI/CFI was launched to conceive a **Foreign Direct Investments promotion strategy (FDI)** for the benefit of Haiti. This document is the executive summary of the work from the two consultants who were recruited for the consultation.

Objectives & Targets

The objective of the consultation is double:

- I. Set up a practical network of FDI promotion.**
- II. Define a strategy to stimulate the foreign investments.**

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The two priority targets of the mission are:

- **Haitian Investors in the Diaspora.**
- **Foreign Investors.**

Methodology

Two complementary methodological approaches were used:

- I. **Information Recovery**, collect/analyze information on FDI
- II. **Understanding the Ground of Investigations** at the national and international level.

Strategic Analysis

Obstacles to FDI (weaknesses and threats):

1) “**Bad Image**” of Haiti overseas

- Political violence, social violence: insecurity, kidnapping
- Economic violence: poverty, low standard of living, illiteracy

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2) “Socio-Economic Structural Problems”

- Administrative incompetence: slowness, absence of well defined procedures
- Absence or scarcity of basic infrastructures
- Under-qualified labor
- Corruption: “Clientelism”

3) Absence of Financial Mechanisms “ready” for Investments:

limited and sometimes inadequate offer in the banking market.

Opportunities with respect to FDI (services and assets)

- § “All is to be built”: the Haitian market is still practically virgin
- § Proximity with the United States, the largest world market
- § Cheap labor
- § Saturation of our Caribbean neighbors in the tourism industry
- § Introduction of Haiti in the dynamics of regional integration: “special advantages” in business creation and exportation.

FDI Promotion Network

The mission network is to disseminate and organize events to promote FDI in Haiti. It is made of government officials and representatives of the private sector and the civil society. The participating institutions are:

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- Ministries of Trade and Industry, Agriculture, Tourism, Foreign Affairs and the Ministry for Haitians living abroad
- Chambers of Commerce and Industry, Associations of exporters, Organizations of the Diasporas and Universities.

Haiti's exportable supply

A) Traditional Products

- Coffee, (Blue Mountain) Cocoa, mangos (Francique) and other varieties
- Essential oils
- Craft industries
- Manufacturing various articles, (embroidery)

B) Exportable supply

- Art cultural products, paintings...)
- Fruits: banana, pineapple, avocado, papaya (organic) mushroom
- Vegetables: pois congo (black eye pea)
- Food processing industry: (cassava pancake) mamba (peanut butter) jelly

C) **Growth sectors**

A Growth sector is a sector of market which has important growth margins or which has a pool of unexploited or under-exploited opportunities. The growth sectors in Haiti are:

- A. Organic farming
- B. Tourism
- C. Free zones
- D. Textile
- E. Services: outsourcing, offshore, new banking services
- F. Energy (conventional and renewable)
- G. New communication and information technologies (NCIT).
- H. Mines and quarries

STRATEGY TO ATTRACT FDI

Eight (8) strategic areas of intervention to

Five (5) Short Term Areas of Intervention:

- 1) Launch a major campaign of "**Promoting the Image**" of the country abroad: building the "Marketing of Haiti" in the target countries.

- 2) Organize a comprehensive program of "**Information and Communication**" focusing on our strengths and the investment opportunities in Haiti.
- 3) **Provide concrete solutions to the identified problems:**
 - legal framework, infrastructures, insecurity
- 4) Be in the Front Line now, too much time spent in the border line.
 - organization of targeted events for large audience
- 5) Creating investment support committees sustaining committees among outstanding personalities from the artistic, business, and professional circles. Capitalize and increase "The Wyclef Jean phenomenon".

Three medium-term areas of intervention:

- 6) **Addressing the deficiencies of basic infrastructures**
- 7) Addressing the problem of capital market and financial services
 - Make it easier to have access to investment credit
 - faciliter l'accès aux prêts pour investir.

- Free the capacity of the commercial banks to put more liquidity on the market, notably to sustain production
 - Create a bank of agriculture and industrial development
- 8) **Create an interdepartmental working group between MCI and 5 other sectional Ministries:** Foreign Affairs (MFA), Public Works Transportation and Communication (MTPTC), Tourism, Finance, Planning and External Cooperation (MPCE). ...

1.2 CREATION, MANAGEMENT & PROMOTION OF CONSORTIA OF EXPORT

Definition

An **export consortium** is a **voluntary agreement** among companies of the same sector with an aim of promoting their activities and **to facilitate the access of their products and services foreign markets**. The consortium of export is a device generally used by the small and medium companies - SMBs/SMEs.

Typology

There are two (2) major types of export consortium:

- **Consortium of Promotion**
- **Consortium of Sale**

Advantages

- Coasts reduction
- Mutualization of expertise, means and of resources
- Increase of volume and quality improvement of the supply

Risks/Challenges

- return on investment (ROI) in medium term: the consortium does not produce immediate benefit
- lack of collaboration among members mainly if the objectives are not shared by all.
- capital reserve or essential mechanisms of financing during the first years while waiting to start exporting and generating benefits

1.3- Guide to Public Promotion of Export Consortium

A Benchmarking results show that many developed and developing countries, have support programs for their exports. In a global perspective of economic recovery, Haiti also plans to encourage its exports, in particular

through the creation of export consortia. The recommendations for the implementation of this policy are based on three (3) major pillars:

Reinforcement of the Capacities

- training of export promotion agents
- contribute to the realization of market research on the current economic situation
- contribute to the development of business plan and feasibility studies
- set a network and facilitate the sharing of experience between similar organizations abroad.

Financial Backing

- tax assistances at export: reduction/tax exemption for the consortium.
- reduction of the custom duties on the import of raw material intended for the production and exportation of finished products.
- co-financing certain activities of the consortium.

Technical support

- Technical team support to maintain quality assurance to “label laboratory products”
- Training on: international standards, sanitary, phytosanitary norms, ISO certification.

CONCLUSION

The FDI constitutes one of the important tracks for the recovery of the Haitian economy and must be treated as a top priority; in addition, to a contribution of “**stream of productive and useful capitals**”. They make it possible to revitalize the national economy with the **creation of pools of employment; increase of production and supply** in general. Despite, a long standing negative image of Haiti conveyed overseas, and a widespread misconception of “**citizen-customer**” inefficiency in public services, there exists in Haiti a viable base on which the country can rebuild its image and kickstart its economy. Haiti offers opportunities and has assets to attract investors.

It is necessary to continue to bring concrete answers to the identified problems, **to improve the business climate** at the national level and **to clear up the opinion** at the international level. In short, there should be an offensive and proactive policy articulated around two pivots: « **make**” and “**let Know** ». While operating the levers of actions recommended by this

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strategy and giving a genuine support to exportations; in particular, through the creation of export consortium, it is possible over a period of 5 to 10 years to increase FDI flow in Haiti and boost the national production.

CHAPTER 1

1.1 CONTEXT

The Haitian Government, with the support of the Inter-American Development Bank, shows its interest through the Center of Investment Facilitation to conceive and implement a **technical cooperation to promote foreign direct investment** for the benefit of Haiti.

A bid was launched to recruit two consultants: Mr. Eddy LABOSSIÈRE and Frantz Toussaint were selected in that order as national and international consultants to formulate a study. The consultants have task to work in the construction of a virtual and practical network to promote foreign investments as well as the definition and implementation of a strategy to stimulate FDI. They had also as a mandate to provide the necessary support to the CFI to conceive, organize, structure and assure the operation and management of the network.

1.2 OBJECTIVES OF THE CONSULTATION

The consultation has two (2) principal objectives: The **first** is to implement a virtual promotion network of foreign direct investment. This entity should help conceive a mechanism to spread information related to FDI to the interested parties in particularly institutions and companies involved in foreign trade.

This must help identify the participating institutions inside the network, to establish an organizational structure and mechanism. This component also includes the design of a standardized methodology to collect information; as well as, an operational plan for the network. Finally, it should permit to establish strategic contacts to attract export-oriented

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foreign direct investments towards Haiti's exportation markets, especially those with a significant number of Haitian nationals or Diaspora.

Second objective is the definition of a strategy to boost up FDI. This element includes an methodology to define the actual and potential exportable supply of Haiti; as well as a methodology to select the strategic products to promote. It also includes the design of a method of creation and management of export consortia. For this reason, the consultants made a Benchmarking study of the best practices and, on this foundation, proposed a methodology of public promotion and management of consortia. This methodology includes all the stages of creation and promotion of export consortium, its legal constitution, its operating mode; as well as, the sources of financing. It also includes an accompanying guide and a corresponding handbook of operations intended respectively to the civil public servants and for the managers of export consortia.

1.3 METHODOLOGY

To conduct this study, two complementary procedural approaches were used:

1. **Information recovery**, collect and analyze existing data on FDI
2. **Carry out field investigation**, management and synthesis of information

The first approach consists of revising existing documentation, to collect and analyze the data thus, making it possible to establish an inventory of fittings on the foreign direct investments and of the marketing policy of Haiti. During this phase, the consultants targeted institutions such as Ministries (Trade and Industry, Economy and Finances, Foreign Affairs and the Ministry for the Haitians living abroad), the Center of Investments Facilitation (CFI),

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The private and public companies implied in foreign trade, the international institutions, the backers, foreign trade consultation firms, the Haitian institute of statistics and data processing (IHSI) and the Internet.

The second approach allows the consultants to reach out to actors on the field and to carry out investigations on the issues facing the FDI. It is centered on collecting their opinions as regards with investment in the country, take note of their needs and expectations within the framework of a strategy aiming to stimulate and relaunch the foreign direct investments in Haiti. These field investigations were carried out at the national and international level. The national consultant dealt with the internal surveys, while the international consultant had the responsibility to conduct the international ones.

During this phase the consultants approached the following categories and institutions to carry out the surveys: company directors, private sectors and associations, Chambers of Commerce and Industry, in particular those of the provinces, the Haitian diaspora, Embassies, Consular sections and Diplomatic representations, local conciliators, Trade unions, official Institutions implied in foreign trade and FDI, Associations of traditional products sellers; such as the traditional products and agricultural produce, fishery products, the craft industry and essential oils; as well as, groups of contractors having 'niche markets' or developing new products such as ethnic or organic products.

1.4 TRIPS TO PROVINCE

The objective of the trips to the provincial towns and the capital is to meet company directors and farmers involved in the production and exports in order to take note of some factors related to the management of these companies. We also met high executives

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public administration, members of the civil society, public companies, academics and teachers, elected officials, senators, deputies and mayors in order to collect information on FDI, the exportable supply, the growth sectors and export markets of the Haitian products, in particular that of the diaspora.

Two principal criteria were retained in the choice of the regions and companies:

- the existence of exporting companies
- significance in term of volume of the exported products.

The standard that guided the choice of the members in the civil society and the executive's administration is their experience in the field of national production and exportations.

During the trips the following departments and cities were visited:

1. The south department:
 - Cayes, Maniche
2. The department of Grand-Anse
 - Jeremy, Abricots
3. The center department:
 - Mirebalais, Lascahobas
4. The department of: Artibonite
 - Gonaïves
5. The department of the West:
 - Port-au-prince, Croix des Bouquets

A questionnaire was used to guide the discussions with the company directors' or their representatives (Appendix 4: a- list companies having filled out the questionnaire; b- survey questionnaire). The meetings with the members of the civil society and executives of the public administration were opened talks, without the use of formal questionnaire (Appendix 7: list of interviewed people)

1.5 INTERNATIONAL TRIPS

The objective of these trips is to meet potential investors - foreigners and diaspora - who wish to invest in Haiti. It is also about meeting the Haitian diplomatic representations accredited on the spot, in order to take note of their strategies and action plan pertaining to the promotion foreign investments. Finally, it is also a question of reaching out to [other circles of the Haitian Diaspora, like] the organize civil society, like academics, teachers, researchers, associations and socio-professional chambers which can develop reflections on the subject and take part in stimulating the network.

Two major criteria were retained to draw up the list of countries to be visited: a) the major trade partners of Haiti. This is measured in term of trade volume between Haiti and these countries, and; b) countries having a significant number of Haitian nationals or diapora. The latter are big consumers of Haitian products, in particular the farming produce and their derivatives. In addition, the category is most inclined to invest in the country in the very short term. During this trip the international consultant visited:

- Embassies, Consular sections, and diplomatic representations of Haiti accredited in these countries.
- Foreign contractors and Haitian contractors of the Diaspora
- Chambers of Commerce and Industry, socio-professional Associations implied in foreign trade and FDI.
- Teacher-researchers University professors.

Two half-opened interview guides were used to monitor the talks. One designed for the diplomatic representations and the other intended to potential investors. The two interview guides are attached to this report.

Taking into account these criteria; the international Consultant visited the following countries: The United States, Canada, France and the French West Indies. In the United

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States, the following cities were visited: New York, Miami and Boston. In Canada, the towns of Montreal and Ottawa were visited. In France, the main part of the meetings took place in Paris, in particular with UBIFRANCE and at the French Agency for International Investments (AFII). These two agencies have about the same role as the CFI. The mission of the first is the promotion of French exports abroad, while the second deals with the attractiveness of France in term of foreign investments and the development of the investors loyalty. For the French West Indies, we retained Guadeloupe, taking into account a growing interest of the investors of the Area for Haiti. At the time of the realization of this mission, several Guadeloupeans had already visited Haiti, on the initiative of the Regional Council of Guadeloupe and the Embassy of France in Haiti. Haitian delegations also went to Guadeloupe, within the framework of these same initiatives. A complete list of the routes of the visits and people met are annexed to the report.

The aim of the mission and the budgetary limits did not permit to visit other countries in the areas of Latin America and the Caribbean in particular; however, a mission on foreign investments for Haiti's benefit ought not to be neglected in the context of a globalized economy, where emerging countries play a significant role. Regional dynamics should no longer be overlooked. Namely, the countries of the southern cone like Brazil, Argentina and Chile are countries with strong potential that Haiti must pay close attention to within the framework of the FDI strategy. Venezuela is also a new partner, in particular within the Petrocaribe Agreement of which Haiti is member. Lastly, the Haitian Parliament in November 2007, approved the Accession Treaty with the CARICOM. Haiti must formulate decisions to benefit from this new trade area.

CHAPTER 2

INSTALLATION OF A VIRTUAL NETWORK TO ATTRACT FOREIGN DIRECT INVESTMENTS (FDI)

2.1 MISSION AND OBJECTIVES

The mission of the network is to produce and exchange information on FDI, to undertake activities allowing establishing strategic contacts to attract FDI directed towards Haiti's main export markets. The network must collect and distribute information on Haiti's exportable supply and the investment opportunities in the country. The network operation must enable the interested investors to understand the real attractiveness level of the country and to contribute to the creation of an inciting environment for business development. Overall, the activities of the network combined with the other aspects of the mission must allow a significant increase in foreign investments towards Haiti in the prospect of development and lasting economic growth.

- **Expected results**

1. Collect, process and distribute information on FDI opportunities in Haiti
2. Data base creation on: exporting companies, tariff preferences granted at export, exportable supply, external markets and growth sectors. The members of the network must carry out surveys in order to establish the data base.

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3. Be a hub and information relay at the national and international level, in particular at the level of the local authorities, the Consulates, the Embassies and the Diaspora.

- **Operation of the Network**

The correct operation of the network depends on the members who join it, but also on the means it has to achieve its mission. Thus, the network must have means allowing it to:

- carry out fairs, forums, and exhibition on investment opportunities in Haiti.
- organize meetings such as regional, departmental, international information days on FDI and open-door days on business opportunities in Haiti
- Exchange and share experience and practices particularly through training
- inform and communicate to the specialized sectors and the public on the incentive businesses environment and the investment opportunities: edition of directories, bulletins, plates and website creation.

Within the framework of its operation the network must also:

- organize at least a landmark event.
- publish regular Newsletter
- integrate the members by organizing crossed presentation sessions
- coordinate the actions of all the members.

The network will be integrated by a great diversity of actors of the private sector (Businessperson, Associations and Chambers of employers), public (Ministries, local authorities, and civil society organizations (professional organizations)). The members remain independent within the network and each member can affirm his freedom of expression there. However, the members should not lose sight of the fact that the correct

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operation and the dynamism of the network will depend on their spirits of initiative and their capacity to find consensus on the tackled issues and the type of management used to operate the network and attain the anticipated results.

We recommend a participative and co-operative operating mode. The organization of work groups, brainstorming on the subjects to be treated can constitute good operation methods , thus making it possible for each member of the network to express and put forward his/her arguments and points of view.

- **Organization of the network**

This part specifies the way the members organize themselves within the network, their institutional and functional links. On a whole, there is not any hierarchical bond among the members; it is the very essence of the network. Each one has responsibilities, qualification levels and sometimes even different means, but it is the conjunction of the members actions and the good coordination and animation of the network which will make it possible to produce results. Thus, we propose a flattened organizational structure, with practically a chain of command.

The installed structure coordinates the network for a three-year period. The members can be reelected in their function, according to their performance: results obtained and good coordination among members and the head structure, MCI/CFI. The structure makes sure of the production and information flow on FDI and supports the exchanges. This structure is chosen by the MCI in agreement with the CFI. During its mission, and with regards to the network actions, the installed structure communicates on behalf on MCI/CFI and not in its own name.

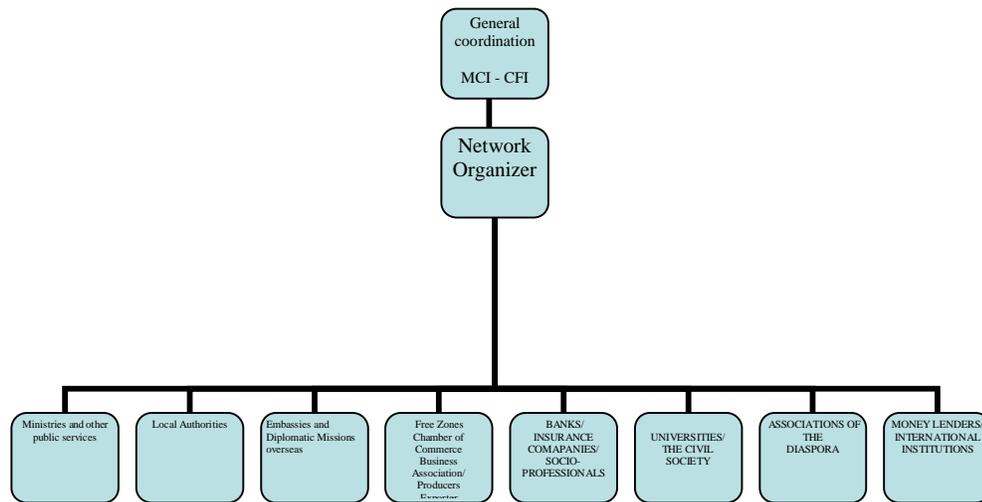
- **Role of the organizer**

The paid organizer of the network will monitor the meetings and ensure the group validates the decisions taken during these reunions. He will also be responsible to manage the potential problems, conflicts of people or interests, incomprehension, which can arise among members.

The network organizer, in collaboration with all the members, prepares an annual activity plan. This plan is then broken up into annual programs and projects with clear strategic and operational objectives. The network will function and exchange information in particular through the FDI portal, emails, fax and telephones. Each year, the network organizer in coordination with CFI organizes a meeting with all the members to draw up an operation assessment, to evaluate the actions and to measure the degree of realization of the objectives.

The network organization handbook will be prepared by the organizer. This handbook must specify the profiles of the network members and their responsibilities, the task descriptions of the active members. The organizer will also draft with the assistance of a consultant, the network chart, the policies and procedures manual, and the code of ethics.

• **Organizational Chart**



This organizational chart presents the diagram of a functional structure, but actually, it is about a coordinating structure. The organizer of the network while exerting a certain leadership on the members to motivate them to achieve the laid down goals, does not have any line of authority. The general coordination and the role of facilitator among the members constitute his fundamental mission.

Any person or entity who shares the values and principles consigned in the network chart and who commits to work toward attaining its objectives can join as member. The members come mainly from the list of member institutions proposed in this work. However, other people, natural person or legal entity, can express interest to join the network. In this case, they must mean it by email or mail to the network organizer.

Lastly, the persons or entities which support technically and/or financially the operation of the network, without necessarily being member, can have a statute of observer or partner.

2.2 IDENTIFICATION OF THE PARTICIPATING INSTITUTIONS AND DETERMINATION OF MOTIVATION FOR THEIR MEMBERSHIP TO THE NETWORK

Can belong to the network: State institutions, private or public organizations, or any person or entity having a direct or indirect link with the FDI. Associations of the civil society, the public services, the local authorities and the socio-professional organizations are also ready to integrate the network. The next paragraph is an indicative list of the institutions and people capable to join the network:

- Sectional ministries
- Investors
- Service providers intervening in the field of the private investments
- Social partners and NGOs/associations under their activities as investors or their support to the FDI
- Academics and researchers eager to contribute to the thought on the FDI
- Backers
- Haitian embassies and Consulates overseas
- Associations or Haitian and foreign entities pursuing the same goal as the CFI ; and finally
- Haitian associations of the Diaspora.

- **Type of members**

The network will include active members and honorific members.

- 1) The active members are the ministries, State organizations and civil society organizations working in the field of FDI. If they were not identified at the beginning, they must make a written request to the network organizer and be committed to working to the promotion of the FDI, according the provisions of the statutes and the work plan of the network.
- 2) The honorific members are persons or entities interested in the network and which, from their activity have a link with the FDI. Like the active members, these people must support the actions of the network, even if they do not take an active part in the actions carried out daily to make the network function

- **Members of the network**

Ministries and Local Authorities.

Within the government, several ministries and organizations have the responsibility, taking into consideration their mission, to promote the Foreign direct investments. Most important among the latter are (Appendix 1: complete list that should belong to the network)

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- **The Ministry of Trade and Industry**, whose principal mission in this context of economic liberalization and globalization is to set up strategies to attract FDI.

- **The Center of Facilitation of Investments (CFI)**, the executive arm of the MCI for the management of all issued related to FDI, as expressed in articles 2 and 3 of the decree creating the CFI.

- **The Ministry of Foreign Affairs** is implementing an “ **economy-oriented diplomacy** ». In a recent intervention, a spokesman of the ministry declared: « *the mission of the consulates and embassies of Haiti abroad from now on is directed towards the economy* ». This means that diplomatic or consular mission abroad, in addition to working to maintain good bilateral relations, must also ensure the promotion of Haiti in the broad sense, including attracting investors. The details of implementation of this new segment of economic diplomacy can be considered with the principal ministry in charge of the FDI, that is the the Ministry of Trade and Industry. In this respect, a draft-agreement must be ratified between the MCI and the MAE to endow the diplomatic missions of economic advisers specialized in international trade and foreign investments.

- **The Ministry of Haitians living abroad**. One of the important missions of this ministry is to develop relations between the Haitians of the Diaspora and their countries of origin. And for a very good reason, today the most important flow of foreign currencies towards Haiti, approximately 1,6 billion American dollars annually comes from the Diaspora. According to estimates' approximately 10% of this amount is intended to investment (sources: BRH-IHSI), the Diaspora constitutes without any doubt an important actor for the country as far as FDI are concerned.

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- **The Ministry for Tourism** : It is unanimously accepted that tourism is one of the pillars, impossible to circumvent in any development policy of Haiti. The tourist potential of the island is considerable and practically unexploited. The tourists who come to visit a country later become its best spokespersons. Thus, the Ministry of Tourism, in coordination, particularly with the MCI, the MTPTC and the MPCE must be associated to promotion strategy.

- **The Ministry of Agriculture.** In spite of the degradation of our farming production, there are still certain industries where Haiti has competitive advantages, and which could interest foreign investors. In addition, the farming sector also provides inputs for the agro-industrial sector.

- **The Environment Ministry.** Given the many environmental problems which Haiti faces, this ministry must take part in the orientation of the investments in order to reduce certain externalities.

- **The Ministry of Economy and Finances.** In command of the country economic policy, the MEF has a key role to play in macroeconomic stability, the control of inflation and the financial regulation; key parameters that the investors always look at closely when they must make their decision to invest in a country.

- **Local authorities of the 10 geographical departments of the country,** are also encouraged to conceive and set up programs to attract FDI in a logic of decentralization and geographical and space rebalancing of the investment.

• **Method to motivate people to join the network**

Apart from the network organizer, the members will not be remunerated including the two deputies. They are voluntary people or institutions, having interest in the FDI. However, to motivate them to integrate and make the network function, a stimulus system must be considered:

- 1) The first element to make them join the network and develop their customer loyalty is the level of professionalism of the network. According to the activities and especially to concrete results obtained, the members will be more or less enthusiastic and determined to 'keep alive' the network:
- 2) Level of simplicity of the necessary information. Each member of the network has his own occupation. It is in addition to its usual workload that he gives his support to the network. It is thus necessary to limit to the maximum the requirement imposed to the members, and ask them simple information. In the same way, in information intended to them: the contents, the format and the language must remain simple. The members of the network are not technicians and do not have vocation to be.
- 3) Operating mode. The network must privilege a participative model. All the emitted opinions, remarks and suggestions will be discussed among the members, with the greatest respect for those who voice them. Then the decisions are made by consensus, by explaining the reasons for the acceptance or not of a recommendation.
- 4) The organization of training sessions and refresher course for the members who make the request also constitutes a factor of motivation and can contribute to develop a feeling of membership to the network.

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- 5) At the time of the organization of special events, like the annual meeting of members, all the related expenses will be at the charge of the CFI, including lodging and transport.

More over, as a reminder during the membership process, it should particularly be insured that the people and institutions are motivated and convinced of the importance of the network which they are joining. It is necessary that they have a clear understanding of the mission of the network, and what their responsibility will, all by emphasizing on the simplicity of the task.

2.3 Design of the Action plan for the Network Operation

The following actions will be carried out to achieve the goals of the network:

- Realization of studies, surveys and field research;
- Constitution of a data base;
- Organization training seminars;
- Organization of fairs, open-door days;
- Communication on the activities carried out; - Publication.

• Resources and operational budget of the network

The operation funds of the network will come primarily from the budget of the CFI, with through the Treasury. Can come to supplement these funds subsidies, gifts and all other sources of financing which do not alienate the independence of the network. The management of finances and the follow-up of the expenditure are ensured by the accounting departments of the CFI which manages the funds in accordance with the established standards. The financial year begins on October 1 and finishes on September 30 of the following year, according to the same calendar of operation of the CFI.

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- **First-year operation budget of the Network**

1- Salary of the organizer and the computer technician.....	1,430,000
2- Surveys, training, Seminars.....	590,000
3- Organization of fares, public awareness day.....	1,700,000
4- Travel tickets/hotel.....	1,500,000
5- Communication (Website, telephone).....	800,000
6-Rent-electricity-water bills.....	500,000
7 Equipment (computers, printers).....	1,800,000
8-Traveling expenses.....	1,400,000
9-Miscellaneous.....	1,800,000
 Total.....	 12,520,000 Gde

Calculation basis:

1- The salary of the organizer will be 65,000 gourdes a month, plus one month bonus

The salary of the computer system manager will be 45,000 gourdes a month, plus one month bonus

Total salary : $13 \text{ months} * 65,000 + 13 \text{ months} * 45,000 = 143,000$ gourdes

2- During the year surveys and trainings sessions will be carried out ;

- Surveys to complete and update the data base for a total cost of 210,000 gourdes ;

- Training for the network members on FDI methodology , the exportable supply, the growth sectors etc. The envisaged cost for local and meal is 380,000 gourdes;

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3- During the year two fares for a total of 1,500,000 gourdes and an educational day for a cost of 200,000 gourdes;

4- Travel tickets and hotel fees : for the members of the network who live in the province

5- It is for the internet service and the maintenance of network website ;

Lack of office space at the CFI implies the renting of another office space as well as other expenses for the network;

7- Purchase of two new computers, a printer and a photocopier

8- Travelling cost in the countryside for the members of the network and fees for two visits of three days abroad for the organizer ;

It is for the unexpected expenses during the first-year of the network operation.

2.4 DETERMINATION OF THE ORGANIZATIONAL STRUCTURE, INTER-INSTITUTIONAL COORDINATION MECHANISM AND MANAGEMENT OF THE NETWORK

The organs which belong to the organizational structure of the network are:

- A central coordination ensured by the CFI
- An organizer who is tasked to operate the network, he is the maestro.
- Two units of support, one for surveys the other for communication, assist the organizer. They are non paid personnel
-

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- The members who ensure the functioning of the network (through the production and distribution of strategic contacts and information directed towards the FDI).
- **Attributions of the bodies**

Central coordination, at the level of the CFI, fixes the directives and makes the recommendations as regards to FDI. It examines and validates the activities and the operating budget presented by the organizer. As a last resort, he solves all questions related to the operation of the network.

The organizer is charged to carry out and control the annual operation plan of the network. He coordinates the activities of the entire members and ensures that the objectives are attained. In a more specific way, the organizer implements the decisions adopted by the CFI and represents the Network in its relationship with the third parties. He relies on two units of support to fulfill its functions and is able, if need be, to request the specific services of other collaborators, in particular at the time of the organization of specific events like fairs or exhibitions.

The organizer will submit a monthly activity report to the CFI. After validation, He will publish this report in the press and on Internet site of the network. This allows the members, the partners and the interested investors to be informed of the network operation. At least once a year, a great general meeting will be convened by the organizer to the members of the network to discuss questions relating to the mission and the operation of the network.

2.5 DESIGN OF A STANDARD METHODOLOGY OF INFORMATION COLLECTION ON FOREIGN INVESTMENT OPPORTUNITIES

The collection must relate to both commercial and statutory information. It must also include the environmental, legal, law-and-order and legal constraints. These constraints are important because they narrow the possibility of foreign investments. Overall to collect information, the members of the network must:

- Question the public records of the national and international institutions (IHSI, DGI, AGD, BRH, MEF, UNDP, IDB, the IMF, CCI, UNCTAD...)
- Skim through documentation on the evolution of the Haitian economy in general (AHE, IDB, USAID, UNDP, ECOSOF, FAO...)
- Go through the directories, the reviews, the local press (Le Matin, Le Nouvelliste,...)
- Consult the data bases (AHE, CCI, UNCTAD, MEF, BRH...)
- Use search-engines and Meta search-engines of Web pages.
- Interview the members of the private sector: the Chamber of Commerce, associations of producers and exporters, company directors.
- Interview members of the government, Parliament, civil society and trade unions.
- Exploit the informal information sources (fairs and exhibition).

§ Annual survey guide and information collection

The carrying out of surveys is an activity which falls within the scope of the objectives the network fixed to itself. A questionnaire with two parts A and B is elaborated for this purpose (Appendix 2). The first section is addressed to the exporting companies and second is intended for the collection of information on FDI

§ Objective of the surveys

The purpose of the surveys are to collect information on the foreign direct investment opportunities. They are carried out from a questionnaire made up of two sections. The questionnaire is sent by email or mail to the target people. These people, after reading, will fill out the questionnaire and return it to the organizer of the network. Within the framework of these surveys, the individual answers will be used only to fine statistics. They will not be used in a personal way and will never be revealed to third parties.

§ The questionnaire

The questionnaire indicates information which the members of the network must collect. Tables and/or graphs can be annexed to the answers.

DISTRIBUTION CARDS:

- Card#1: contain information on the Haitian economy for the last five years. This table will contain, among other things: the GDP, the growth rate of the GDP, GDP per capita, the inflation rate, the exchange rate, the central bank general interest rate , unemployment rate, competitiveness index of the Haitian economy, human development index.
- CARD#2: Table of evolution of the primary sector, secondary and tertiary sector of the Haitian economy for the last five years.
- CARD# 3: Identification of entry flows and possibly exit flows of FDI in Haiti by economic sector.
- CARD#4: Detailed tables of the list of the exported products and their country of destination during the last five years.

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- CARD#5: Detailed tables of the list of the imported products and their source during the last five years.
- CARD# 6: List sectors or industries in which Haiti has competitive or comparative advantages.
- CARD #7: Table on the potential at export of the farming sector, the countries and areas targeted by the supply.
- CARD# 8: Table on the potential at export of the industrial sector, countries and areas targeted by the supply.
- CARD#9: Table on the potential at export of the agro-industrial and craft industry, country and areas targeted by the offer.
- CARD#10: Table of the Haitian customs tariffs during the past twenty-five years for the exported products.
- CARD#11: List of Investors interested in the Caribbean area and in particular those who invest in the Dominican Republic.
- CARD#13: List of subsidiary companies, present in the Caribbean as part of FDI.

2.6 DESIGN AND INSTALLATION OF A SYSTEM OF MANAGEMENT, FOLLOW-UP AND INFORMATION DISTRIBUTION

Information which must be collected by the members of the network concerns:

- Haitian imports and exports;
- the real and potential exportable supply;
- flows of FDI towards Haiti by sector and area;
- tariff and no tariff barriers;
- output of the exporting companies, their reaction capacity to an additional demand of the market, products quality;
- marketing techniques of the exporting companies, their mastery of technology;

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- foreign subsidiary companies, the head offices and the potential investors;
- growth sectors and/or growth industries;
- export markets of the products constituting the exportable supply

N.B This list is not exhaustive. According to the needs and aims in view, it can be increased by using for example the reference framework (Appendix 8) on businesses environment in Haiti.

§ Information presentation format

The information presentation format must correspond to a standard model to allow a fast homologation, to facilitate the follow-up in time and the comparison among countries.

- Any document of information will take this following configuration: Source, Title, Reference, Date, Re-transcription (Appendix 13, card of collection and information).
- The documents will be presented in format: Word, Excel, Accesses.
- The photographic documents and the images must be inserted into the formats JPEG, PNG, GIF

§ Modes of information distribution

The success of a good distribution of the data collected depends on two essential elements:

1. a good definition of the “ distribution target”. Mainly, they will be the network members and other institutions or people interested in the FDI.

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2. the choice of the “media” of distribution. It is recommended that the broadest possible diffusion be ensured for a large audience. For that, we recommend paper distribution in the form of information leaflet and through the media: radio, television and the Internet.

The distribution will also be done via advertisements, the network directory, information conferences, newsletter, fast flashes of information at the time of the events.

§ **Methods allowing to assess users satisfaction (Feedback)**

To ensure the adequacy between the services provided by the network and the users’ expectations, we planned to periodically collect the feedbacks, comments and suggestions, of the members, on the network operation, as well as; the general evolutions expected. This will be done by using a simple and not very constraining method. Three approaches can be considered:

1. Use of a questionnaire to assess the users’ level of satisfaction (Appendix 3)
2. General comments on plain paper, and;
3. Particular suggestions aiming at bringing substantial modifications in the network operation. In this latter case, whether the network organizer validates these remarks and notifies them to the other members of the network, or analyses them with all the members during periodic meetings programmed or convened for this end.

CHAPTER 3

DEFINITION OF A STRATEGY TO STIMULATE FOREIGN DIRECT INVESTMENTS IN HAITI

3.1 CONCEPTUAL FRAMEWORK OF THE FDI

§ General standard of the FDI

The International Monetary Funds (the IMF) defines the foreign direct investment (FDI) as “the investments that an entity resident of an economy (the direct investor) carries out with an aim of acquiring a durable interest in a company resident of another economy (the company of direct investment)”.

By durable interest, one understands that there is a **long-term relation between the direct investor and the company** and that the investor exerts a significant influence on the business management. The direct investments include not only the initial transaction, which establishes the relation between the investor and the company, but also all the latter transactions between them...”

§ Direct Investment

The direct investment thus represents the total of the resources (contributions to the authorized capital, equipment, loans; placed at the disposal of the treasury, commercial appropriations or reinvested benefit) that a direct investor leaves at the disposal of companies with which it is in relation of direct investment. In the same way, the FDI

covers any goods or part of real estate which is the property of a resident and who is located in foreign territory,

§ Direct Investor

A direct investor is a public or private company having or not the legal entity, a group of companies dependent on each other, having or not the legal entity, a government, an individual or a group of individuals dependent on each other having a company of direct investment which operates in a country other than the home country of the investor or investors.

§ Company of direct investment

Companies in which a direct investor holds at least 10% of the ordinary actions or the voting rights, in the case of a subsidiary company or of an affiliated company, or the equivalent if it is of a branch or a seat of exploitation.

§ Relation between direct investment and the foreigner

Any direct or indirect link - respectively between a resident and a company established on the foreign territory or between a non-resident and a company established on the national territory - which allows this resident or this non-resident (the direct investor) to have a significant influence in the business management of the concerned company (the company of direct investment) and which testifies of a durable interest of the direct investor in the aforementioned company

3.2 HAITI AND FDI

The reception of the foreign direct investments (FDI) represents a major priority for Haiti in this context. In the policy speech of the Haitian Prime Minister, in April 2006, the FDI represents a top priority. The subject is more and more recurrent in the official speeches, it has even a guiding line for the actions of the governmental authorities, particularly of the Trade Ministry

§ **Inventory of fixtures on FDI in Haiti from 1990 to our days**

The contribution of the FDI to the total investment of the country (gross fixed capital formation) was very weak during the twenty last years, passing from an annual average of 3% between 1990 to 1995 to 3, 5% between 1996 to 2001.

From 1990 to 2002, the country's total investment was mainly national; there was no clearly defined strategy by the authorities in this matter. On the other hand since 2004, thanks to the investments in the telecommunications sector, in particular with **Comcel and Digicel**, the FDI increased considerably to reach 10% of the Gross fixed capital formation (GFCF) against 3,5% in 2001. In 2006 the flow of FDI in the country increased in a considerable way to reach for the first time 15% of the GFCF.

§ **FDI at level of the CARICOM**

Contrary to most CARICOM countries, Haiti presents a very weak index of attractiveness. As comparison, in 2002, the amount of FDI perceived by Haiti is equivalent to 0,4% of the total foreign investments perceived by the CARICOM, 16% of the amount perceived by the Bahamas, 1.3% of that of Jamaica and 0.8% of that of

Trinidad. At the level of the Caribbean in general, and at the level of the CARICOM in particular, the foreign direct investments show a strongly concentrated structure in which Trinidad Tobago and Jamaica play a prevalent part (See appendix 6, table 9).

§ Incidence of privatization on FDI

The privatization program, launched by the government in October 1996 while voting the “ **Law on the Modernization of the Public Companies** ”, very slightly helped increase the flow of FDI towards the country during the past decade. Only two public companies, the Minoterie (Flourmill) and the Ciment d’Haïti (Cement of Haiti) were privatized between 1998 and 2000, generating receipts of an amount of 10 Million US dollars, including 15% coming from the foreign investors.

After the virtual cessation of all its activities from 2000 to 2005, the political crisis, and a hostile opposition to the neoliberal project. The Commission for the Modernization of the Public Companies resumed its activities in 2006, relaunching the process with the aim to privatize TELECO and the NATIONAL HARBOR AUTHORITY.

3.2 STRATEGIC ANALYSIS OF HAITI WITH REGARD TO FOREIGN INVESTMENT

In spite of a real and progressive improvement of the general investment framework in Haiti, certain structural and economic constraints weigh on the country’s capacity to attract investments. In this section, we carry out a detailed strategic analysis of **forces and weaknesses, opportunities and threat of Haiti**. This strategic analysis was carried using the “SWOT¹” method.

¹SWOT: Strengths, Weaknesses, Opportunities.

§ Forces and Assets

1) **The existence of a legal framework and inciting devices to attract FCI**

Conscious of the importance of the foreign investments to start again its economy, Haiti adopted a **legal, juridical, and fiscal framework**, aiming to attract and promote FDI in the country. Fiscal innovations enforced, it is advisable to quote :

- **The mode of private property is guaranteed by the constitution of 1987** in article 36. The abrogation of nationalization by this same constitution in article 36-2 and the rights granted to foreigners at the end of articles 53, 54, 54-1, 55, 55-1 and 55-2 removed the main part of discriminations against foreign investments, including investments directly touching the exploitation of the primary resources of the country.

Among the main legislative measures and fiscal innovations enforced, it is advisable to quote :

The law of November 26, 2002 on the new code of investments comprise measures aiming at facilitating investments. Opportunities are offered in order to reduce the capital cost (various tax exemptions) and allows the free transfer of invested foreign capital, the profits and added value made .

- **Law on the Industrial Free Zones**, which offers all the facilities granted to investors within this framework

2) **An effort of modernization of the institutional framework in the Business field**

Creation of the Center of Facilitation of the Investments (CFI) by the decree of January 31, 2006. The CFI has the role of promoting and facilitating the development of private investment in Haiti, by the implementation of strategies and active policies of

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investment promotions, and by providing a personalized assistance to potential investors, Haitians or foreigners, in the various stages of the investment process.

- **Creation of the National Commission of Procurement Contract (CNPM).**
- The resumption of the activities of **the Commission for the Modernization of Public Companies (CMEP)**, which continues its mission of privatization of several public companies of which, TELECO and National Harbor Authority (APN).

Creation by the Chamber of Commerce and Industry of Haiti of a conciliation authority to prevent the opening of contentious procedures and to encourage the parties to establish out of court agreements.

3) Integration at the regional level and the insertion of Haiti in the world economy.

The liberalization of trade since 1987 is one of the essential elements of the trade policy of the country, **the tariff and non-tariff structures of the country were reduced and simplified** (table 4, Appendix 6 for a comparison of the customs tariffs at importation between Haiti and the other countries of the CARICOM).

The Republic of Haiti is a member of the major multilateral organizations of which OMC, the United Nations and its agencies, the International Monetary (the IMF) and the World Bank's group. The country is also a member of the regional groupings such as the Caribbean Common Market (CARICOM), the Association of the Caribbean States (ACS), and the CARIFORUM.

Haiti is granted the most favored nation (NPF) by the US, the UE and Haiti concluded from the bilateral trade agreements with Germany, the Bahamas, China, Colombia, Denmark, Italy, Iceland, Israel, Japan, Liberia and the Dominican Republic. They are master agreements established according to the principle of the most favored nation. Within co-operation South-South, Haiti has very positive cooperation agreements with Cuba, Venezuela and Brazil.

- Within the framework of the generalized System of preferences (SGP), **Haiti is granted preferential treatment by the EU, the USA and Canada.** In addition, since March 2007, Haiti profits from a preferential treatment for the products exported towards the United States. This is the **HOPE Act**. This mode envisages a tax free-entry in the **United States** for the eligible products, textile and automobile parts.

§ Weaknesses

The efforts made during the past 10 years to substantially reduce the administrative procedures, still too penalizing, have not produced any anticipated impact or result in to attract foreign investments. The country has certain deficiencies and still faces many challenges. Among the principal weaknesses of the country with respect to the FDI, we can name:

1. Institutional weakness

In general, the people interviewed mention the **chronic lack of effectiveness of the public administration** - too much slowness and gravity. Those who already took steps to create a business points to the random aspect of procedures and great uncertainty as for the results that one can expect of the system. According to their own remarks : « *one does not know how long will last the way of cross to the creation of a business* ». They say, among others, not to know:

Who does what : what interlocutor and what counter does one have to address himself ?
-What are the administrative procedures and formalities ?
-What is the legal and normative framework : what are the rights and duties, advantages and incentives, legal and social obligations ?

2. Administrative weaknesses and lack of transparency

- Absence or deficiency of the procedures and process
- Long and uncertain process.
- Not or not clearly defined procedures
- Lack of effectiveness and **Incapacity to deliver results**: « *there is nobody to ensure that a file will get through* »

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- **Absence of the customer service culture:** the concept of services to the customers is by no means suspected in the Haitian administration
- Corruption and clientelism. They are especially the personal contacts and “the relations” which operate the system: « *what counts is not what must do, but who you know* ».

3. Weakness of the Money & the Banking structure

- Absence of financial products and adapted mechanisms, in particular of loans, to finance the investments.
- Quasi total absence of liquidity : banks are limited by the Central Bank to lend only 10% of their reserves. It is definitely insufficient compared to the request; and completely counter-productive. The capital market accumulates a double handicaps thus, lack of liquidity to finance the productive activities and accumulation of “idle capitals”.
- Total absence of risk takers to finance projects even those which show a very weak rate of risk ! No operator on the spot proposes this kind of services while the State does not compensate for this absence.

4. Outstanding Capacity “to be conspicuous by our absence”

Haiti often points itself out by (leaving a vacuum in the place that belongs to it) in several great regional and international meetings. The country often has difficulty “**to mark its territory**” and to invest in public spaces that belong it/ are reserved to it to ensure its promotion. Haiti is too often absent in fairs, forums, conventions, seminars and conferences, at the regional and international level. This “**show of non-attendance policy** ” is harmful for the image of the country abroad and counter productive. Not only has it made “lose **podiums and waste opportunities**” to communicate on the assets

of the country, but also it leaves the door open for all to be said and shown on Haiti. Indeed, it is what occurs in the newspapers and foreign media, which say and post what they want on Haiti; without any official **channel to transmit another message** or to propose other images of the country.

5. Chronic deficit of communication

Haiti suffers from a serious deficit of communication and the country pains to communicate on what is happening home: what exists and what is being done. For example, after years of instability, since the return to the rule of law and democracy, Haiti still did not succeed (and no structured step was taken in this direction up to now!) to explain to the world what new “dynamics” is taking place and that the country is on the way of political and macro-economic stabilization. With regard to the investments themselves, Haiti has not managed yet to highlight the advantages offered to investors, to make known the legal and inciting existing framework, as well as steps taken recently to reinforce and modernize them.

“There is a hunger for information. We must be able to say to people what we do and where we are. What we have achieved in terms of security, political and macroeconomics stability? We have got over the hurdles of great challenges and kidnapping and we have made progress toward the political stabilization of the country”

§ Opportunities

1) Political stability

- In 2007, one can speak about the beginning of political stability in Haiti. The democratic transition is underway, with the assistance of the United Nations; a more serene future for the country is to be expected.

. 2) **Macroeconomic stability**

- A favorable evolution of the growth rate of the GDP, after more than ten years of consecutive fall, the GDP knew a growth rate of 2% in 2005 and for 2007-2008 the forecasts of growth are about 4.5%.
- A decreasing national debt passing from 7% of the GDP in 2004 to 6% in 2006.
- An increasingly controlled inflation passing from 25% in 2004 in annual downturn with 8.5% in 2007
- A national currency - the Gourde - increasingly stable
- The balance in the budget reached since 2004, not all speak budgetary surplus, which allow avoiding the monetary financing of the budget deficit source of inflation and depreciation of the gourde.

3) **Other Opportunities**

- An **underexploited tourist potentiality**. In this sector, Haiti has serious competitive advantages compared to its neighbors of the Caribbean; the main neighboring markets are saturated. There is a niche to take.

geographical situation : the Caribbean basin represents an important road for the maritime transport.

Proximity with the United States of America, the largest world market. Haiti is located at less than two hours by plane of Florida. Indeed, one can speak about a “stowing with the United States” our principal economic partner. The application of HOPE act and the prospect for HOPE II is an evidence .

the basin of diaspora is important, and there is a true will to contribute to the efforts of development of the homeland.

The dynamics of regional integration : Haiti is present in the various regional integration processes, in particular the CARICOM, the CARIFORUM and the AEC. Haiti also signed and ratified several Treaties as well as preferential treatment laws in

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term of trade and export with exemption of custom duties of several products made in Haiti towards Western markets of export.

In January 2008 a new EPA, more in adequacy with the principles of WTO, came into force between some countries in Africa, the Caribbean, and the European Union. It thus becomes urgent that provisions are taken to enable the country to profit from the opportunities offered by this agreement and other trade agreements such, the agreement of Canada with the LDCS, the Hope ACT, the CARICOM and the CARIFORUM, while being protected from the threats that such an opening can involve

The availability and the low cost of the labor compared to our Caribbean neighbors, are 2 U\$ dollars approximately per day.
“All is to be built”: nothing is saturated

§ Obstacles and threats

Although the business climate is improving and in spite of many assets, the country continues to face a certain number of obstacles which constitute barriers to the investments. The principal ones are:

1) **Bad image**

- One “**degraded image**” and a very “**bad press**” can summarize the situation of Haiti abroad. They do not mention Haiti very often in the foreign media! Moreover, when they do, it is to highlight and constantly show scenes of political and social violence, to speak about insecurity or as usual to report the level of poverty and illiteracy, which plague the country.

“ If I were not Haitian, if I had not lived and if I had not been educated in Haiti, I would never know that there are beautiful beaches in Haiti, that there is a profusion of movements and artistic expressions or that there are children who go to school.”

2) Structural Problem of socio-economic nature

- According to the international classification of *Global Competitiveness Report 2004*, Haiti is a country with **very low level of competitiveness**. The World Bank in its heading “**Doing Business**” draws up the same report.

The index of Human Development (IHD) is among lowest of the area and the per capita income is still very low.

The labor though abundant and not very expensive is not qualified and does not meet the standards of the international needs.

3) Chronic lack of infrastructures and low level of the public services

- The weakness of the basic infrastructures such transport, roads, electricity, ports, airports communication (high-speed internet, optical fiber,...) ports and airports represent serious obstacles to investments.

4) Normative framework and Organization of the Labor market

- The management of the tax systems can prove to be heavy and complicated for SME.
- **Social dialogue** is badly initiated. It is still in conflict and no serious attempt is made to control and normalized it.
- **The labor regulation standards dates back to 1963**. The principal provisions of this law which relates to the organization of the working time, the rights of the employees, allowances, conditions of dismissal and trade-union freedom would deserve to be brought up to date.
- In the field of justice the situation remains very fragile. In spite of a continuous process of reform, the legal insecurity remains strong in general, and in particular

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at the commercial level (slow and random courts decisions, deontology of certain actors). The execution of the judgments and ordinances remains too often difficult to obtain and appeals can prove to be complicated.

- **The lack of mechanisms of credits recovery**, in particular, is pointed by the foreigner operators
- There is not one **regulating organ of competition** nor true laws on competition in Haiti. The competition law is not very used.

§ Other obstacles to the investment

To the five principal barriers to investment that constitute the image, tax, land, infrastructures, the social businesses law, it is advisable to add:

Haiti is long way behind in the field of **New Communication and Information Technologies – NTIC**

Haiti is poorly classified in terms of index of corruption perception by “ Transparency International”

The guarantees of transparency and the possibilities of appeal offered to the foreign investors within the framework of the procedures of response to the bids remain insufficient.

At the level of the contractual relation, the foreign companies can run up against non the respect of their engagements by local partners and then test the difficulties of obtaining jurisdictions.

If the big groups can easily mobilize financing to develop their activities, on the other hand, the credit charges and the guarantees required are often out of range for the SMB/SME. More oves, many financial instruments dedicated to SME available in other countries of Caribbean, are not in Haiti

The exportable supply of Haiti for the traditional and nontraditional products is mainly made up of **agricultural produce with very low added-value**.

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Lack of accommodation facility : It is said that there about 830 hotel rooms with international classification in Haiti! Which are ironically occupied by Soldiers of the MINUSTAH (Mission of the United Nations for Stabilize Haiti).

The presence of foreign troops in Haiti, MINUSTAH, conveys the image of an unstable country which needs a foreign force to guarantee its stability ! It is a legitimate question for any investor to wonder until when this foreign presence is going to be, and what scenario will emerge in the country shortly after the departure of the foreign troops?

The Haitian Constitution of 1987 limits the Diaspora in its momentum because it prevents them from enjoying the totality of their civil and political rights, such as for example aspiring to elective positions

CHAPTER 4

STRATEGY FOR THE REVIVAL OF FDI IN HAITI

Taking into account the results of the strategic analysis, strategy to boost FDI in Haiti revolves around eight (8) areas of intervention. The actions aim to achieve two primary targets: foreign investors and investors from the diaspora. The strategy contains five (5) lines of short-term intervention and three (3) areas of intervention in the medium term.

The short-term action must start immediately after the validation of the strategy by the Board of Directors of the CFI. These actions must be made within a period of one (1) months to three (3) years. Thus, they spread over a timetable: March 2008 to March 2011.

The medium-term actions require a longer period for their implementation. Some prerequisites and actions are sometimes necessary before their start. However, there is no need to wait. The consultations and preparatory steps for their implementation must be launched immediately. The actions in the medium term can be considered – taking into account the essential prerequisites - two (2) years after the validation of the strategy and require approximately five (5) years for their full implementation.

4.1 **FIVE (5) STRATEGIC AREAS OF INTERVENTION IN THE SHORT TERM TO BOOST FDI**

The 5 areas of intervention in the short term are:

- **Orchestrating a major campaign of "Promoting the image of the Country": making the "Marketing of Haiti" abroad.**
- **Launch a comprehensive "Program of Information and Communication" on our strengths and our achievements.**
- **Provide concrete solutions to the problems identified / While strengthening institutions to support the FDI .**
- **"Occupying the ground" .**
- **Creating committees to support investments with prominent personalities from the business, artistic and professional world.**

The (3) areas of intervention in the medium term are:

- VI) Addressing the deficiencies of basic infrastructure.**
- VII) Addressing the problem of capital market and financial services.**
- VIII) Establishing an interdepartmental working group between MCI and 5 other sectional Ministries: Foreign Affairs, Public Works, Transportation and Communication, Tourism, Finance, Planning and External Cooperation.**

This working group will be responsible for working to accelerate the resolution of problems related to FDI and develop, in a concerted manner, an action plan aimed at cutting the revitalization of the economic and trade promotion abroad.

4.2 DEPLOYMENT OF THE STRATEGY

Short Term Actions:

- I) Orchestrating a major campaign of "Promoting the image of the Country":
making the "Marketing of Haiti" abroad

Haiti must begin to restore its image and gradually change the misperception that foreigners have of the country. These actions have a dual aim: to promote the country's assets abroad on the one hand, and making "institutional lobbying" on the other hand, with partners and target countries. This work must be carried out by professionals. For this, we advocate the CFI to hire a lobbying company that has expertise and proven successful experiences in similar situations and contexts. This lobby group main tasks will be to:

- Make a list of all target countries and identify in their documentation and on their websites the positioning of Haiti in terms of "risk factor" and scoring for "business climate".
- Obtain "**facts of foreign investors**" installed in the country and publicize and share their successes abroad.
- Obtain statements by diplomats and personalities on the stabilization efforts underway
- Identify and publicize the list of foreign companies and multinationals present in Haiti by insisting on the one hand on recent investments and secondly on the sustainability of activities of the oldest companies.
- Getting the message that the country's situation is improving. It must be known that after several years of political and social turbulence, efforts have been made and others are underway to achieve lasting stability in the country.

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- Develop a "kit of success stories" praising Haiti, and group together on a single support our strengths and efforts underway in terms of institutional modernization and economic stabilization: creation of the CFI, the new Code of public investment in 2002, Laws on free zones, accession to the regional integration process, ratification of agreements and treaties on free trade and "preferential treatment" enjoyed by Haiti vis-à-vis the USA and Europe for the installation of Businesses and selling of products in these markets. This kit will be available to support teams in governmental ministries, for example, and distributed in the diplomatic representations and within specialized agencies in the target countries.
- Negotiate and convince the target countries to "remove Haiti from the black list" of risky tourist destinations on their websites and in communications to their citizens (sites of the American Embassy, Embassy of France,...)
- Negotiate, with evidence to prove it , with the target countries to get a better ranking of the country regarding the business climate (World Bank "Doing Business", Overseas Private Investment Corporation - OPIC, etc...)

Initially, we advocate the lobbying company to choose and focus on one or two targets countries, to work and get convincing results. Then it could use those successes as a persuasive argument, to produce the advantage effects that will allow it to convince other countries more easily.

- II) Design and launch a comprehensive "**program of information and communication**" on our strengths and our achievements

A major campaign of information and communication must be launched to

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gradually change the bad perceptions foreign countries have of Haiti. It is necessary to "overcome prejudices" and make the world know what the real Haiti is. Despite negative a priori, even today, all foreigners who discover Haiti demonstrated their commitment and show the desire to stay or return. It must succeed "to trigger in the foreigner the desire to want to visit Haiti.". For this, we recommend that the CFI to engage these main actions:

"Hire a company specialized in institutional communications and politics, preferably an international company having in its record several successful missions in the field. The communication campaign will have two parts. A general component on the country's image and a specific section on the business climate. The company will:

- 1) Devise a Media Plan "
- 2) Identify and focus on communication on, notably:
 - the general political climate in the country and the social dynamics
 - the business climate and achievements in terms of political stability and macro-economic stabilization
 - the actions taken and results achieved in terms of administrative modernization and institutional innovation
 - **"Success Stories"**
 - Foreign companies and multinationals present in Haiti
 - Recent investments (Digicel for example), the increase and diversification of activities of companies operating in Haiti
 - incentives and facilities offered to investors to produce, market and export their products to the USA and Europe.

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- 3) Launch a massive press campaign - radio, newspapers and television - for the general public in the target countries
 - Spot commercials on CNN, Euro News, TF1 France, Radio Canada,...
 - Organization of radio and TV shows
 - Creation and broadcasting of documentaries on specialized channels, highlighting the beauty of our landscapes, the warmth and friendliness of our people: Planet voyages,
 - Write and publish articles and editorials in major international newspapers and magazines: Le Monde, The New York Times, The Washington Post, The Miami Herald, Financial Times, The Economist, tourism reviews of the Caribbean.
 - Use travel websites with large audience to have "flags net" on Haiti.

We also advocate more targeted actions toward the diaspora:

- Organize direct meetings with the Haitian community in the diaspora on investment opportunities and facilities offered
- Use the broadcasting channels of the diaspora, TV and radio to broadcast programs on what is working in Haiti
- Communicating on the tools and information available: stages for starting a business, different types of business and specificities, time need to mount a business...
- Have a toll-free phone number. - type hotline (Europe) or 1-800... (USA)
- where a CFI expert can answer questions relating to investment in Haiti.

This is a campaign of information and communication "to be visible - exhibit ourselves", and at the same time to "raise awareness and highlight the strengths and potentials" of Haiti.

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III) Provide concrete solutions to the problems identified / While strengthening institutions to support FDI

As a first step we must devote ourselves to actions that fall within the FCI and MCI competence. Key steps in this direction must include:

1) administrative efficiency and improved services to users. These measures do not necessarily require additional resources; in any case do not require significant budgets. It is mainly the will to:

- Initiate and launch as soon as possible a process of simplification of administrative procedures and formalities
- Improve existing procedures; clarify them and make them publicly available
- Establish a "quality of service to users' results-oriented and develop a culture of" customer service "
- Make effective and implement within a period not exceeding 2 years, the One-Stop Shop
- After subscribing to the agreement establishing the Multilateral Investment Guarantee Agency (MIGA), Haiti should ratify the convention establishing the center of international dispute settlement related to Investments (ICSID). International arbitration must also be recognized through the ratification of an arbitration agreement within the framework of CARICOM and the NEW YORK Convention on the Recognition and enforcement of arbitral sentences.

2) **Provide visibility on the national level to the CFI.** If the office of institutional and political communication recruited should especially focus its actions on the international, the CFI must be present at the national level and do virtually the same

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job of information and communication. The Center must make itself, its mission, and the facilities it offers to entrepreneurs known. Among the actions to take nationwide, we retain:

- Publicize about the existing legal and fiscal framework with the obligations and privileges granted to investors
 - Publicize information on the mechanism to obtain public assistance for business creation
 - Distribute information on administrative procedures to be undertaken and the necessary steps to create a business in Haiti
 - Connect the CFI to other facilitation centers in the world - networking - especially those in the Caribbean.
 - Post CFI, telephone numbers and website in visible and strategic spots: airports, ports and main avenues of the country
 - Create an internal database at CFI on the investors visits, the types of information required, and the project that they have.
 - facilitate contacts with foreign firms that want to set up joint ventures with local companies. For that, the CFI could have a repertoire of reliable partners (list of domestic firms, law firms approved specialist for Business Law, employers' associations, chambers of commerce and industry...), which may be the first interlocutors for foreign investors who want to settle in the country and create partnerships with Haitian companies. These national partners could be called upon to contribute to the CFI for the maintenance and updating of the list.
- 3) In collaboration with the MFA, engage in the revitalization of economic and commercial sections of the Embassies and Consulates of Haiti.

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IV) Be in the frontline

Haiti must end with "making a show of non-attendance" and assume its responsibilities. In this increasingly more competitive and challenging world, we can not entrust to others the responsibility of watching on our interests, "We are and remain our best Ambassador and Spokesman." This requires:

- Getting invited to radio and TV programs with large audience at prime time to talk about Haiti and its achievements
- Organize regular press conferences in Embassies, Consulates and diplomatic representations overseas
- Participate in forums on investment, trade fairs and tourism exhibitions t, agriculture, crafts, etc..
- "Make it possible for the public to access the CFI website in real-time" showing the events that are taking place, and the investors who are received (see the site of the ACS - Association of Caribbean States)
- Create automatic links between the CFI and the websites of MAE, the network of Embassies and Consulates, MCI(Finance Ministries), Tourism, Agriculture, MAHVE.
- Establish institutional twinning between employers organizations, chambers and social institutions dedicated to investments CEIRD, AFIL, UBIFRANCE, Mexico, Chile...
- Organize a big fair on investment in Haiti
- Strengthen the institutions that support the FDI.

Towards the diaspora we recommend to:

- Organize "direct meetings" on investment opportunities
- Participate in radio and television shows of the Haitian diaspora to present

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the CFI, the facilities offered.

- Use the broadcasting channels of the diaspora, TV channels and radios to communicate on the available tools: stages to create a business in Haiti, different types of businesses and particularities, time needed to create a business...
- Organize events and roundtables around the FDI with presentations, discussions and question and answer.
- Have a toll-free telephone no. - Hotline in Europe or 1-800 -....in the United States, where a CFI expert can answer to questions on investment.

V) Creating committees to support investment with prominent personalities from the business, artistic and professional world.

Many Haitian nationals are internationally well-known. Others occupy prestigious positions in the business circles, while others are entrusted with responsibilities of political importance. Several examples can be cited as the General Governor of Canada who is of Haitian origin. We recommend creating committees to support investment with personalities of the Haitian diaspora and personalities of reference in the target countries for supporting the strategy for boosting investment in Haiti. We must increase and take full advantage of the "Wyclef Jean phenomenon."

Mid-Term Actions

VI) Improve the physical infrastructures and increase accommodation facilities

- Accelerate the rehabilitation of road network and (re) construction of roads on existing tracks

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- Expansion and modernization of ports and airports, with equipment and specialized software, staff training...
- Energy: increase production and improve the distribution of electrical power. Haiti is an oil-importing country and the oil cost is high given the increasing price of black gold. Haiti has the opportunity to rethink its energy policy and diversify its sources of production. Beyond conventional generation, we have to use renewable energy sources: wind especially in coastal regions and the solar power in Haiti is inexhaustible.
- Encourage the national private sector and foreign investors to invest in tourism infrastructures and hotels to increase the country's accommodation facilities.

VII) Address the problem of capital market

- Increase the lending capacity of commercial banks which is currently limited to 10% of their liquidity
- Accompany the creation of real banks or departments dedicated to doing business in commercial banks
- Create an investment bank, mainly to co-finance the national investors' projects.

VIII) Establish an interdepartmental work group between MCI and 5 other Sectional ministries: Foreign Affairs (MAE:French, MFA), Public Works Transportation and Communication (MTTC:French,MTPTC), Tourism, Finance, Planning and External Cooperation (MPCE).

This work group will aim to work in collaboration to accelerate the resolution of

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problems related to FDI and to devise an action plan aimed at revitalizing the economic and trade promotion abroad. Several reasons explain these choices:

- Ministry of Tourism: One of the growth sectors in the medium term in Haiti is Tourism. To attract investment in this sector MCI, through the CFI, should work in close collaboration with the Ministry of Tourism.
- Ministry of Foreign Affairs: The first contact from abroad with Haiti is through the diplomatic missions, accredited diplomatic missions - Embassies and Consulates. The CFI should take advantage of the great international coverage offered by the diplomatic network to promote the country's image and attract foreign investors.
- Ministry of Public Works, Transportation, and Communication (MTPTC): basic infrastructures are a direct variable in the attractiveness and investment equation of the country.
- Finally, for more obvious reasons, the Ministry of Finance and the Ministry of Planning and External Cooperation cannot be kept out of any strategy and mechanism to kick-start the Haitian economy.

Among the topics this group can work on we can name:

- Think on a governing body to regulate competition
- Make more efficient tools and mechanisms to collect taxes and company taxes
- Reflecting on a plan to modernize and make efficient agencies related to investments as AGD and IMB
- Make the National harbor Authority - APN a modern institution, equipped both in terms of personnel, equipment and technologies. It would be wise to think on a plan to relieve the pressure on the capital's port, by transferring real powers to the port authorities of other departments. This debate should not exclude consideration of the possibilities of creating

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new ports like the Port Saint Louis in the South.

- Rethink the financing mechanisms and encourage investment in the growth sectors of the economy identified in this strategy.

To **conclude**, this work calls for a dynamic an offensive strategy based on an a active and qualitative presence on the field, improving the business climate, institutional strengthening and modernizing the physical infrastructure of the country. In addition, a strategy that emphasizes the dual **PUSH & PULL** approach. The CFI must be able, on the one hand, to meet the expectations of investors in terms of information and facilitation: those who push CFI's doors find answers to their questions in terms of investment (PUSH). On the other hand, the CFI must be a dynamic and proactive structure which will go to the investors to propose them solutions that meet their needs and expectation(Pull)

CHAPTER 5

EXPORTABLE SUPPLY

This section on the exportable supply has a double objective. First, it is about constituting an embryonic database that would make it possible to identify: exporting companies, exported products and the companies which do not have exporting activities but which have export potentials. Then, it is about noting the differences between the real supply and the potential supply of Haiti. This database, regularly updated by the members of the network, will also provide relevant data elements to better defend the interests of the country in trade negotiations whether at the regional level with the CARICOM, the CARIFORUM or with the WTO at the international level

For the identification of the exportable supply, more than twenty exporting companies were approached in several cities and departments of the country that are developing export activities, as Port-with-Prince, the South, the Grande Anse, the Center, Artibonite and the North.

Fifteen companies (Appendix 4 part a) answered a questionnaire (Appendix 4 part b) prepared to this end. More than 70% of the companies which answered are able to increase their sales turnover at export from approximately 10%, practically in all the sectors or industries, while declaring to be able to keep up with these possible additional demands within a time generally lower or equal to 6 months.

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Concerning the workday length, most of the companies functions with only one team, in particular in the textile and agro-industrial sector. The majority of the companies confirmed that they could keep up with a possible additional demand, by resorting primarily to overtime, and, to a lesser extent, by setting up another team, or by making new investments. These companies did not draw as FDI the possibility of opening their shareholding in order to attract new investments.

The survey made it possible to assess the exporters' capacity to keep up with possible increases in demand and the time necessary to do so. This kind of data is useful, in particular for negotiations with our economic partners and to organize export promotion activities. This survey did not cover the exporting activities related to informal trade of Haitian goods exported towards the Dominican Republic for example. This would require setting up a complementary operation to complete the database of the exportable supply.

Eventually, the survey should have allowed to constitute a preliminary data base which would include the following elements:

- a list of 36 exporting companies by branches of activities having renewed their certificate of eligibility for 2007 and number of jobs they have created (Appendix 5);
- The main export markets;
- installed capacities of the companies;
- Utilization ratio of the installations;
- existing infrastructures;
- Logistics for export;
- Background information on the supply elasticity of the exported products compared to possible increases in demand

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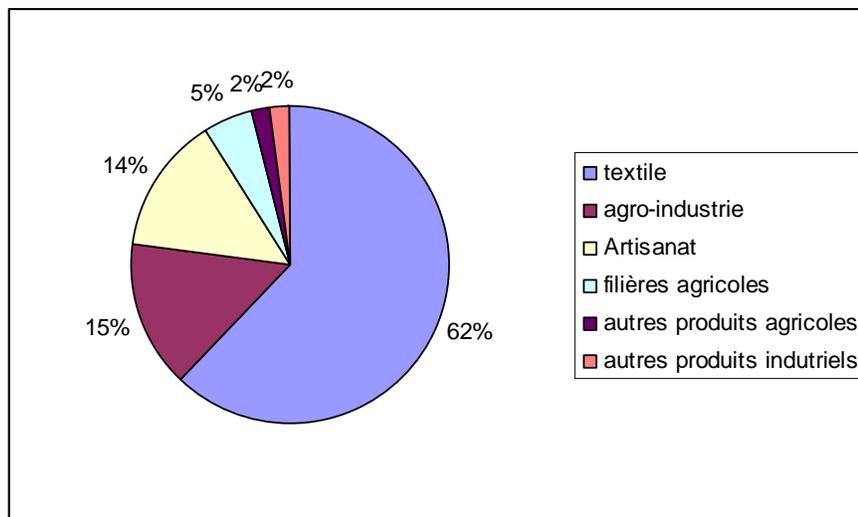
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In general, the existing infrastructures are in good condition. However, the companies do not work in full capacity and on average 30 to 35% of the installed capacity is not used.

5.1. DISTRIBUTION OF THE COMPANIES BY SECTOR

Approximately 2/3 of the answers come from companies of the textile sector. Companies of the food-processing industry or agro-industrial, craft, farming and other industrial goods represent approximately 15%; 14%; 7% and 2% respectively. (See Graphique#1)



Textile

Agro-industry

Craft

Farming Industry

Other farming Product

Other Industrial Products

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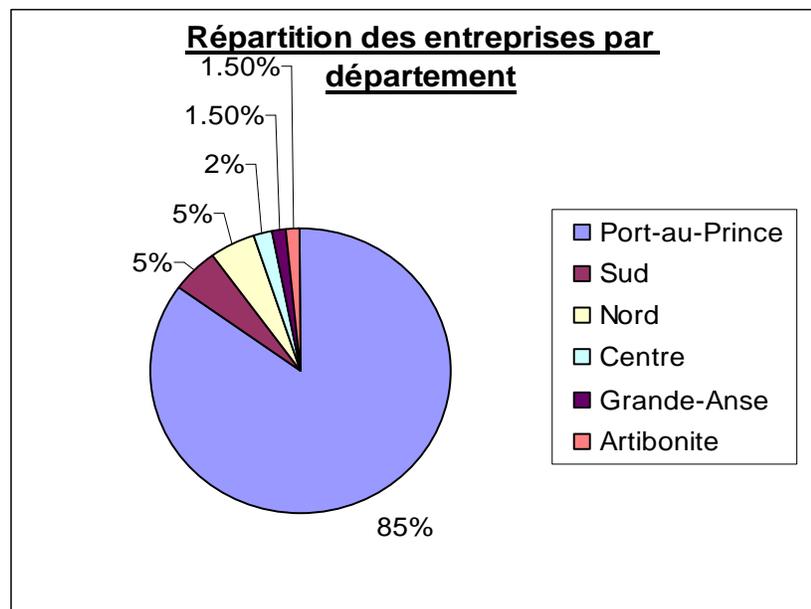
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5.2. DISTRIBUTION OF THE COMPANIES BY DEPARTMENT

The survey was carried out in the principal cities where export activities are sufficiently represented, as Port-with-Prince (85%), the South (5%), the Center (2%), La Grande Anse (1,5%), Artibonite (1,5%) and North (5%), (See Graph #2)

Distribution of the companies by department



5.3 IDENTIFICATION OF EXPORTED PRODUCTS AND MARKETS OF DESTINATION

§ Traditional farming produce

The traditional exported products are: coffee, cocoa, sisal, and mango. The principal markets are the United States in 2005, with nearly 75% of the Identified

products, France (10%), Canada (5%), Germany (6, 7%) England (3%), the other destinations (Japan, Belgium.) absorbs only a tiny portion (0, 3%).

§ **Nontraditional farming produce**

During the survey, new products with unquestionable potentials that were never subjected to a formal exportation process were identified. These products are mainly:

- Tropical fruits: banana, mangos (not only mango Francisque), papaya, pineapple, citrus and avocado.
- Vegetables: malanga, yam, Pois Congo (Black eye pea), peppers and mushrooms.

§ **Agro-industrial products**

They are consisted of essential oils, seafood and other tropical products. The principal markets of destination in 2005 are the United States, with nearly 65% of the Identified products, France (10%), Belgium (12%), the United Kingdom (5%) and Germany (3%). The other destinations absorb few products, mainly Canada, Japan, the Dominican Republic and the Bahamas.

§ **Nontraditional agro-industrial products**

During the survey, products that were never subjected to a formal exportation process were identified. They are:

- Mamba (peanut butter), Jam, jelly, Komparet, Cassava pancake, Rum, Cremas.

§ **Textile and leather products**

The most represented products are clothing and articles of clothing. The others are mainly leather articles and various articles of the clothes industry. Concerning the principal outlets, more than 90% of the products are intended to the U.S market, followed by France with 7% and the United Kingdom 1%. Products that are sold on other markets, constituted of Canada, the Dominican Republic and Venezuela, represent a small share.

§ **New textile products**

The survey also revealed the existence of new products in this sub-sector: embroidery, women outfit, and silk ties.

5.4 PRODUCTS OF THE CRAFT INDUSTRY

The majority of the companies or craftsmen produce articles of wood, straw, metal, leather and sundries.

The principal markets of destination in 2005 are: the United States, with nearly 70% of the Identified products, France (15%), Germany (12%), and Belgium (5%). The other destinations absorb few products. It is chiefly Canada, the Bahamas, and the Dominican Republic.

5.5. THE REAL SUPPLY

The main traditional export products are: coffee, cocoa, essential Oils, mango, seafood, craft, manufacturing products (Textile), (see Appendix 16)

Exportations d'Haïti par produits (en Millions de dollars US)

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ANNUAUL	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005(p)	2006(P)	2007(p)
Coffee	25,34	24,58	19,07	21,75	15,22	7,12	4,79	2,88	3,55	4,28	3,78	4,13	2,00
Cocoa	5,69	3,74	4,25	7,50	5,98	2,21	1,79	5,54	6,05	6,51	6,91	7,35	6,17
Essential oils	10,67	6,99	2,94	6,12	4,04	4,65	3,37	4,81	5,08	5,86	7,15	4,94	13,13
Pite et string	0,87	0,60	0,84	1,96	1,53	2,03	0,53	1,22	1,58	0,95	1,18	0,87	0,00
Mangos	7,04	5,03	7,02	5,80	6,74	7,98	4,16	5,46	4,66	6,63	8,92	9,45	7,93
Crayfish													4,33
Other primary products	5,86	1,94	9,03	9,53	9,58	12,56	10,47	9,58	9,10	8,95	5,32	2,24	0,89
Small business	11,26	13,06	14,82	19,77	15,27	9,62	7,80	5,75	4,94	4,33	5,44	7,32	5,16
Manufacturing Articles	30,00	41,54	53,03	79,58	103,74	100,47	97,94	86,10	108,44	124,84	154,72	169,66	180,58
Other Industrial Products	0,48	0,42	2,61	4,23	4,67	11,03	9,12	7,38	7,46	6,76	6,23	2,14	0,67
Adjustments for evaluations	6,61	7,06	9,24	13,90	14,13	13,97	11,98	11,02	12,68	13,91	17,17	17,82	18,85
Total 1/	103,82	104,96	122,85	163,15	183,15	174,47	151,93	139,73	163,55	182,43	216,82	225,92	239,70
													0,00
Adjustment for classification	49,00	64,96	82,60	131,62	160,14	157,23	153,29	134,69	169,62	195,26	242,02	265,32	282,44
													0,00
Total Export 2/(FOB)	152,82	169,62	205,45	294,72	343,29	331,70	331,70	274,43	333,16	377,69	458,84	491,24	522,14

Source: Annual report of the central bank of the Replic of Haiti - BRH

5.6. THE POTENTIAL SUPPLY AND CLASSIFICATION ACCORDING TO THE POTENTIAL AT EXPORT

The potential supply consists of products with a growth potential and which are presently exported, and also of new products, which were never formally exported, but which have all the necessary attributes to become export products.

§ Products belonging to the real supply and which have growth reserves

- The coffee gourmet, the mango, yam, cocoa, essential oils, sisal, craft, textile.

The criteria which were used to determine the potential of these products are justified by the demand, the world market sales turnover for these products, and the growth rate of this market which is relatively high, of about 10% (see CCI Product MAP). We also considered the demand expressed by the Diaspora market, the niches and the organic food market, which are expanding markets.

We should note also that according to studies carried out by several experts, that Haiti exports approximately 3% only of its mango output towards the United States and the EU. Such an insignificant percentage at export is recorded for other products such: yam, malanga, cocoa. One of the reasons of this poor performance is due to the fact that the country still cannot respect the current norms applied in export countries, in particular at the sanitary and phytosanitary levels.

§ New products which were subjected to export

- **Organic fruits:** bananas, pineapple, avocado, mangos, papaya
- **Vegetables:** malanga, yam, banana plantains, black eye pea, mushrooms, mamba (peanut butter), cassava pancake, jelly and furniture.

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The real supply and the potential supply products having the reserves of growth (in Million US dollars): (see appendix 15) :

PRODUCTS	Real Supply	Exportable Supply
Coffee	4,13	12,6
Cocoa	7,35	8,9
Essential oil	4,94	15,7
Twine and string	0,87	3,9
Mango	9,45	30
Crayfish	0,8	1,9
Other primary products	2,24	9,9
Small Business	7,32	12,4
Manufacturing Articles	169,66	300,5
Other farming Products	2,14	7,7
Adjustment for evaluations	17,82	
Total 1/	225,92	
Adjustment for classification	265,32	
Total Export 2/(FOB)	491,24	

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The real supply quantification is based on the reactivity degree of the companies to keep with an additional demand at export. The following factors allowed the quantification of the potential supply:

- § Installed capacities of the companies;
- § Utilization ratio of the installations;
- § Existing infrastructures;
- § Export logistics.

These factors and others helped to assess the elasticity degree of the demand for export products. Some products have a perfectly elastic supply, for others, the supply inelasticity is obvious.

With coffee for example, in 2008 the sum of 12,6 million dollars at export can be easily attained only by making provisions along the Haitiano-Dominican border to prevent the smuggling of the country's two thirds coffee production. According to information provided by the persons in charge, approximately 150,000 coffee sacks were smuggled along the border in 2006, whereas for this same year Haiti exported only only 38,000 sacks.

For essential oils, mangos, the manufacturing articles, three can easily multiply other product of the primary sector, seafood, and the supply, all that is needed is to solve certain administrative problems and to improve the basic infrastructures.

Cocoa as an organic farming product, can have a fast growth, of at least 20% on the European Union market, it only takes to solve the problems involved in quality and conditioning.

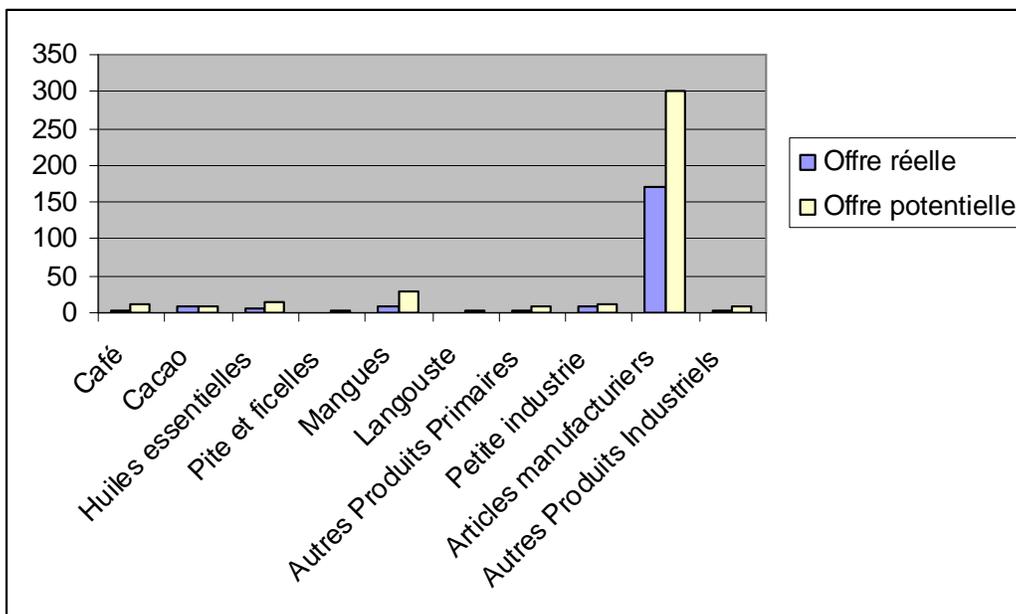
Exportable supply: real and potential (in Million US dollars): (see Graphique#3)

5.7 CLASSIFICATION OF THE PRODUCTS ACCORDING TO THEIR POTENTIAL AT EXPORT(see appendix 17)

Real and potential Supply (in Million of US dollars):

Real Supply

Exportable Supply



Coffee; cocoa; twine and string; mango; crayfish; other farming products; small business; manufacturing; other industrial products.

The table of appendix 17 gives us a precise FDI performance of the products in terms of potentiality an export

5.8 ADDITIONAL POSSIBILITIES OF EXPORT

§ Additional request and deadlines for reply

By taking into account the installed and utilized capacities, the level of technology, the production chains, logistics at export and financing possibilities available:

- approximately 83% of the companies are able to keep up with an additional demand lower than 10% on average of the exported sales turnover (TO) in a fewer than 6 months time, while 16% declared not to be able to keep with any additional demand. The remainder abstained from giving an opinion. The distribution by sector is:
 - The traditional farming industry : 80%
 - The Agro-industry : 85%
 - The textile industry : 80%
 - The craft industry : 89%

- With an additional demand lower than 10% of exported TO, the majority of the companies, that is to say 80%, are able to react within a time ranging between 6 and 12 months. By sectors the proportions are as follow:
 - The traditional farming industry : 80%
 - The agro-industry : 89%
 - The textile industry : 79%
 - The craft industry : 76%

- With an additional demand lower than 10% of exported turnover (TO) and an allotted exceeding 12 months, the companies reactivity is :
 - The traditional farming industry : 50%

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- The agro-industry : 60%
- The textile industry : 65%
- The craft industry : 69%

(See Graphic #4)

For an additional demand ranging between 10% and 20% of exported turnover (TO):

a) within an allotted time of less than 6 months

- The traditional farming industry : 97%
- The agro-industry : 96%
- The textile : 93%
- The craft industry : 98%

b) Within an allotted time ranging from 6 months to 12 months

- The traditional farming industry : 27%
- The food-industry : 30%
- The textile industry : 31%
- The craft industry : 8%

c) An allotted time exceeding 12 months

- The traditional farming industry : 17%
- The agro-industry : 16%
- The textile industry : 10%
- The craft industry : 5%

(See Graphic # 5)

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For an additional demand of more than 20% of exported turnover (TO):

- For a less than 6 months allotted, the reactivity of the companies is respectively 4% for traditional farming, 1,2% for the agro-industry, 2,2% for the textile industry, 2,6 percent for the craft industry.
- For an allotted time ranging from 6 to 12 months, the reactivity of the industries of traditional farming is 20%, those of the agro-industrial industries, 17%, the textile industries 5%, and 20% the craft industry.
- Within a deadline exceeding 12 months, the reactivity is relatively high in the agro- industry, the textile and the craft industries with respectively 57%,76%, and 75%, while that of traditional farming industries accounts for 55%.

(See graphic # 6)

Overall, the majority of the companies are able to validly satisfy a significant additional demand within a time not exceeding 6 months. By sectors, the distribution is as follows:

Agro-industrial products: relatively low reactivity in particular with regard to:

- Mangos
- Essential oils.

Textile products: relatively important reactivity with the exception of certain products, such as:

- Baby wear
- Sportswear
- Dressing gowns
- Towels

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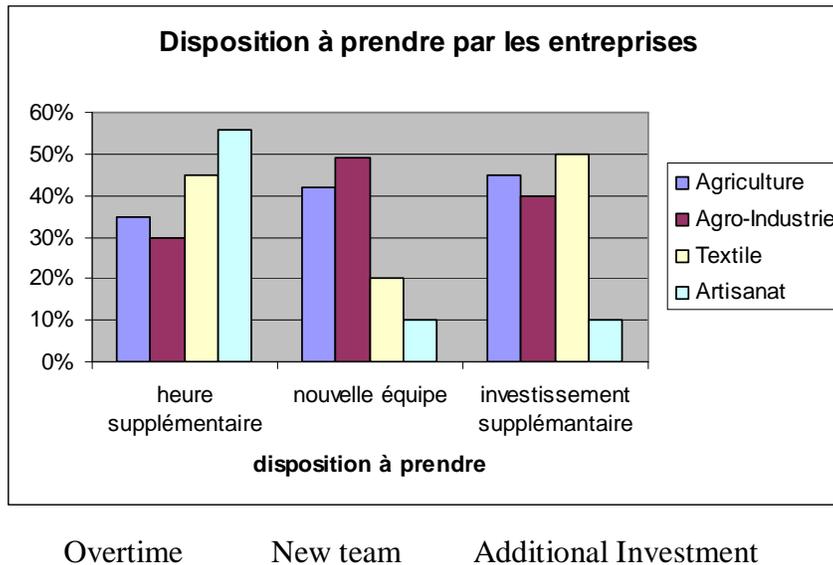
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Products of traditional agriculture: overall average reactivity for products like:

- Coffee
- The sisal
- The vetiver

§ Measures to be taken by the companies



§ Steps which the companies can take

The steps that the companies can take to keep up with an additional demand are generally centered on overtime, in particular with regard to the textile and craft industries for a respective increase of 45% and 56%. As for the installation of a new team, it is especially considered by companies of the agro-industrial and farming industries with

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42% and 49,9% respectively. Incurring an additional investment considered reasonable collects the following proportions:

- The traditional farming industry : 45%
- Agro- industry : 40%
- The textile industry : 50%
- The craft industry : 10%

(See Graphic # 7)

Finally the survey reveals that the companies are not very inclined (2%) to plan a significant investment to keep with an additional demand, even if very significant at export.

§ Number of teams

The majority of the companies operate with one team, in particular in the craft and farming industries, that is to say 68% and 65%. In the textile and agro-industrial companies, the proportions are about 45% and 40%.

As for the companies, which operate with two teams, they only represent: 9% for farming, 2% for the agro-industry, 2% for textile, and 5% for the craft industry.

5.9 GENERAL OBSERVATIONS

This survey on the exportable supply led to the following results:

- Creation of a preliminary database allowing the Identification of the exported products as well as the principal recipient countries. In the same way, it has allowed to estimate the low degree of reactivity of the industries to a possible
-

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additional demand at export, which highlights the inelasticity of our exportable supply.

- Prevalence of the companies operating in the textile industry and to a lesser extent those of the agro-industry.
- more than 80% of the exporting companies concerned are capable to keep with an additional demand that accounts for approximately 10% of the current T.O within a time generally not exceeding 6 months.
- The majority of the companies, all sectors considered, are ready to resort to overtime to keep up with an increase in demand.
- The exportable supply of Haiti largely remains poorly diversified and generally relates to products of intensive labor and low benefit.
- Finally, our exports have for principal outlets two markets: the United States (more than 75%) and the European Union, in particular France and Belgium.

CHAPTER 6

Growth Areas

Definition

In the context of this work we have retained the following definition: a growth area is a market sector that possesses important growth margin and/or which has an exploited or under exploited reservoir of opportunities.

An analysis of the three sectors of the economy, which are: the primary, the secondary and the tertiary sectors has helped to identify the areas and growth industries of the Haitian economy.

6.1 THE PRIMARY SECTOR

The components of the GDP have drastically changed during the last ten years in Haiti. The primary sector has been declining and is now supplanted by the primary and secondary sectors, from a contribution of 29.6 % to the formation of the GDP in 1996, it dropped to 25% in 2006; for the same period, the tertiary sector moved from 49, 4% to 51, 3%. (Annex 6, chart 1) Agriculture, the traditional source of value and wealth creation, is on steady death path.

Some programs of the agriculture ministry regarding the intensification of agricultural production, water management and the rehabilitation of irrigated areas, restoration of water sheds and the promotion of agricultural export product were conducted from 2004 to 2007 and also during the former years to launch back the

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agricultural supply in the short and mid terms, but these efforts were revealed insufficient to engage the desired dynamic and to improve the competitiveness of the sector.

§ Potentialities of the agricultural sector

Many studies and researches conducted by the experts of the agricultural Ministry¹, The Commerce Ministry have shown that despite the weaknesses of the agricultural sector, in some industries, may still play an important role as a driving force of growth in the rural community. These statements have been even more reinforced by the growing demand of the Diaspora for some these agricultural products and mostly the growing demand of the international market, particularly the European market, for organic food. Therefore, there are some potentialities in the sector that can be exploited to stimulate wealth creation in the farming community, growth and economic development in Haiti

§ Growth Industries

The following industries are considered to have growth potentials:

- The essential oil industry (vetiver, amyris , lime, ylang-ylang, lemon, bitter orange tree)
- The arboriculture industry (mango, cashew nut, avocado, mandarin tree, citrus fruit, etc.);
- The truck farming industry (scallion, eggplant, pepper, etc.);
- The ethnic and organic farming industry (plantain, malanga, cassava, yam, rice etc.);
- The food-processing industry (peanut butter, ak-100, mushroom, jam etc.);

¹ Study conducted by Gilles Damais, consultant for the IDB, for the Ministry of Agriculture in 2005, and titled: Identification of Growth Markets in the Haitian farming industries.

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An analysis of the exportable supply reveals that apart from the mango (Francisque) and essential oil industries, the other industries above mentioned never really went through a formal exportation process. However, by analyzing the demand trend of the targeted exportation markets of North America and the European Union, it is clear that exportation opportunities exist. It only calls for an effort to adapt the production to the technological requirements, the quality requirements and product certification to benefit from these opportunities.

With more than 11 million U.S. dollars in 2006 Haiti is the World's first exporter of vetiver and the only exporter of amyris. The setting up of an organization and expansion process of production of raw materials, particularly in the south, and the biological certification of the exported products will facilitate the access of the products to new exportation niches of the international market.

Like the mango, the other products of the fruit arboriculture, truck farming, organic farming and food processing industries can achieve breakthrough in some exportation niches, if the constraints affecting the exportable supply are addressed. If conditions are created or if a system of reinforcement, of development of the production basis, and rational exploitation of these different industries is set up. (See chart 6, annex 6 related to the needs of some agricultural and agro-industrial industries)

§ Validation of the growth industries of the primary sector

In the scope of this work, the criteria retained are the market turnover, the market growth rate and the untapped opportunities. There is no available data to take other criteria into account.

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Chart 5 of annex 6, shows a market growth for 2006, from to 8% to 12% in annual upturn of the different agricultural industries which present a growth potential. It is possible for Haiti, if it structures itself, to take a share of these growing markets.

Evolution des marchés :

Industry/Products	World Market Turnover in 2006 (in Thousand \$US)	World Market Growth rate 2005-2006	Turnover of the organic and ethnic products	Growth rate of the organic and ethnic products in 2005-2006
A- Essential Oils Industry	179,000	12%		
B- Fruit Arboriculture Industry	29,000	10%	3,700	8%
C- Truck Farming Industry	27,000	9%	3,000	3%
D- Ethnic and Organic Industry	30,000	8%	35,000	7%
E- Food- processing Industry			18,000	12%

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- **The constraints that prevent the agricultural sectors from becoming competitive and to profit from the markets growth opportunities.**
 - The free trade policy engaged in since 1987 (tax withdrawal on exportation, international trade liberalization) and which was reinforced in 1994 with the decrease of the custom tariffs at import in Haiti and the CARICOM) has led to a sharp increase in agricultural import. The Haitian business farms, because of their weak competitiveness, were never able to face the international competition, which led to a decline in domestic production.
 - Constraints related to land; land property issues, the predominance of informal management method of the land and the cost increase in some regions prevent some farmers access to this resource;
 - De-capitalization of the producers, inexistence of agricultural credit, and steep prices of the financial resources. The farmers access to credit is impossible, even at interest rates that reflect a high level of risk compared to the transaction;
 - The money lenders at the financial market level, even in the informal system are, are not interested to do business desiring to make productive investment either at the farms level, nor the agribusiness level;
 - The few sources of financing that exist are more interested in selling rather than productive activities. Weather you consider the supply or demand of capitals, the infatuation, the enthusiasm is very weak. The farmers have a great fear of risk because of the low productivity of the land and the lack of control on the distribution channels;

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- The lack or the poor quality of the infrastructures, whether it be roads, ports, airports, electricity production and drinking water conveyance, telecommunications and others. The deficiencies are huge;
- The rarity and continual decrease of the basic raw material that should supply the processing industries, due notably to the weakness of the production and the competition created by the domestic consumption needs.
- The structural weakness of the production, processing and marketing system;
- Land degradation particularly due to erosion;
- The shortage of means to fight the assault of pest, and animal and plant diseases cause significant lost;
- Deterioration of the irrigation infrastructure, and inappropriate water management
- The structural weakness the production, processing and marketing system, which result in a low agricultural productivity;
- The inexistence of a quality label for Haitian products, and the quasi-impossibility to meet the international standards required by external markets;
- The lack of organization and leadership in the agricultural and agribusiness industries;
- The absence of a strategic vision to develop production and exportation;

Needs of some farming and agro- industrial industries :

Industries	Raw Material	Marketing	Finance	Production Capacity	R&D	Finance	Norms /quality	Formation/technical support
Essential Oils	√	√	√	√	√	√	√	√

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Arboriculture	√	√	√	√	√	√	√	√
Truck Farming	√	√	√	√	√	√	√	√
Organic Products	√	√	√	√	√	√	√	√
Food Processing Industry	√	√	√	√	√	√	√	√

- **The sub-sectors of animal breeding and fishing**

The **sub-sectors animal breeding and fishing** are expanding markets and represent a significant reservoir of opportunity;

In fact, according to a study conducted in 2001 by the European Food Safety Network, in 2000 Haiti has imported from the Dominican Republic for 3,112,000 \$ U.S and 1,293,000 US of chicken. With the nearly-extinguished Haitian poultry sector, the supply for eggs in 2007 was only 40, 000, whereas the demand surpasses 1,000,000 per day. The same situation is observed for chicken where the monthly production capacity is 3,000, whereas the demand surpasses 300,000.

The fishing sub-sector also possesses great potentials, but its practice remains traditional. The sector should be modernized by investing in adapted fishing equipment in order to satisfy the growing national demand for seafood ,and increasingly stronger international demand for some seafood like crayfish and other fish variety.

6.2 THE SECONDARY SECTOR

The secondary sector has failed to replace the agricultural sector. Almost inexistent, only international sub-contracting has significantly grown during the past years. Chart 2, Annex 6 shows clearly that the general production index only slightly grew during the past ten years in Haiti.

§ Growth areas

An analysis of the secondary sector reveals, with some degrees of difference, the sectors which are considered growth areas:

The Sub-sector of assembling industry, with regards to the industrial free zones, is a growth area mostly because the new perspectives given by the HOPE 2 bill. There are not any real perspectives in the other branches, although they can bring a small contribute to the formation of the GDP.

The sector of construction. Since the return of the rule of law in 2006, the money purveyors have been intensively financing the governments infrastructure projects, such as: road construction, irrigation work, ports and airports construction etc.

In addition since 2005 the Construction sector shows a marked improvement over the years 1999-2000. The index of construction activities (ICA), the index used to monitor the economic situation of this sector, has registered over the past three (2005-2006-2007), an increase of 4.5%, 4, 9% and 5% respectively (Annex 6, Table 3). This performance is usually due to GDP growth during these periods.

If the Haitian economy steers a steady course of growth and if progress continues in terms of economic and political governance, the construction sector has the potential to become a promising sector.

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The agro-industry, not only with essential oils for export, but also with a strategy of substitution at import, can still contribute to increase the domestic added value, particularly by making the strategic choice of developing the organic farming industry. It is a good way to restructure the agricultural production and reorganize producers. We must reopen existing plants, such as tomato processing plants, milk, fruit juice etc. and create others.

Biofuels. In an international context marked by a sharp increase in the price of the oil barrel, which passed the mark of U.S. \$ 110.00 in March 2008, it becomes urgent for Haiti - a non-oil producer country - to put in place programs to diversify the range of energy production, including the development of biodiesel and biofuel. The country must take measures and adopt strategies to reduce its oil import bill.

The craft industry holds a huge pool of opportunity. Haiti is known for producing the most creative crafts of the Caribbean; valued throughout the world. This branch

is composed of real manufactures which employ many individual craftsmen often grouped within the informal sector.

The mines and quarries have huge deposits of opportunities which remain to be tapped. We can name the northern department for gold, specifically the region of Trou du Nord, in the la faille zone, where a feasibility study has proved the existence of an exploitable goldfield with high profitability. Today an ounce of gold exceeds \$ 900 us.

At Mole St. Nicolas, mines quarries (aggregate, ground stones) for construction: according to some sources operators are on the spot and exports will begin very soon to the U.S. Other departments of the country also have potentials, in the south-eastern department Jacmel can be name for marble and limestone marble.

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In the department of Nippes, specially Miragôane there are deposits of calcium carbonate.

In the department of the Artibonite, in Gonaives, there is copper. With a price of about \$ 4 U.S a pound on the international market, the mine of Terre Neuve (Sedran) and even that of Douvray have become profitable.

In Plateau Central, in Maïssade, the country has deposits of lignite (coal).

-- **Other sector**

The cultural production is a very interesting track with a request increasingly growing for music, folklore, Haitian art in general, this both nationally and internationally. If public authorities put in place a minimum of structures to support and promote cultural production, Haiti can derive considerable benefit of the work, creativity and talent of its artists and producers.

-- **The constraints which prevent the secondary sector to become competitive and take advantage of the markets growth opportunities.**

The Sub-sector of assembly industry. The major problems affecting the development of this sub-sector are: lack of available space in the parks and free zones, scarcity of skilled manpower and technical staff, lack of funding and infrastructure, political instability and insecurity. It may be added to this list the difficulties for investors to take full advantage offered by the HOPE Act because of some of the complexities of application. Moreover, it takes an average of five years to recover the capital invested in this sector while the benefits granted under this Act HOPE extends only over a period of three years.

Construction Sector: Problems related to land and financing.

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The agro-industry: The lack of credit and financing, the scarcity of raw materials, lack of qualified personnel, problems with quality standards.

Biofuels: The biggest problem in the production of biofuel in Haiti is the weakness of domestic production. Some products such as corn, for example, which must be used as raw materials have seen their level of production fall year after year.

Crafts: Lack of mentoring program for artisans, lack of technical training, lack of marketing training techniques, problem of equipment modernization and sometimes of raw material, scarcity of funding.

The cultural production: marketing problems, lack of supervision of the artists, lack of public policies to support the artists.

-- Validation of sectors or sub sectors identified in the secondary sector

The markets in these sectors or sub sectors have been growing since 2006, up 25% in annual upturn for some (Table 7, Annex 6). So these are opportunities to seize, with resolute choice of coherent public policy and the establishment of an appropriate strategy.

Market trend and Index:

Sector Industries	Market turnover in 2006 (in thousand)	World Market Growth rate 2005-2006	Domestic Market Turnover	Domestic Market Growth Rate 2005-006	Regional Market	Regional Market Growth Rate	Construction Index	Construction Index Growth Rate

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	\$US)							
Textile	1,550.000	5%			150,000	6%		
Gold		15%						
Copper		8%						
Craft	75,000	10%	10,000	7%				
Agri-business	189,000	9%	5.000	4%	20,000	8%		
Construction							120	10%
Biofuel	189,0000	20%	25,000	25%				
Cultural Production			15,000	7%				

6.3 THE TERTIARY SECTOR

The Tertiary sector is not a competitive sector despite its growing contribution in the GDP in recent years. The services in general have not been spared by the decline of the Haitian economy. Electricity, land transport, air transport, the telephone network are not competitive because of inappropriate pricing policy and the poor quality of the service.

§ The sectors and sub-sectors identified as having growth potentials:

Tourism, Services and Energy

Tourism : During the last twenty years this sector has known a very significant decline of its activities. At the moment, the activity is practically non-existent!

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However, tourism has enormous untapped opportunities in Haiti. This is one of the main industries that the country could launch in the very short term, if the political stability is maintained, the insecurity reduced, the international 'image campaign' launched, and tourist accommodation capacity increased. In terms of tourism, the country has three major resources: i) magnificent landscapes, an attractive and authentic natural beauty (climate, beaches, flora, fauna, caves...); ii) the remains of a glorious and prestigious past (monuments and historic sites etc.) and iii) a culture strongly affirmed, lively and creative.

It is a market of over 25 billion U.S. dollars for the Caribbean, with an annual growth rate of 10% over the past five years, of which Haiti is not taking a share any more.

Services: Outsourcing, IT, banking services and energy conceal

significant growth potential. But these industries are totally under-exploited in Haiti.

The economist Mats Lundahl, considers that micro-finance is a growth sector for the Haitian economy mostly because of the lack of credit from the traditional commercial banks intended to finance the activities of the enterprises of private sector. In 2006 a total of 70 million U.S. dollars in credit has been injected into the economy in the form of micro credits. This instrument enables particularly the informal sector enterprises to access to loans, which are usually not granted to them by commercial banks. The micro-finance sector is a market of over 90 million U.S. dollars with an annual growth rate of 10%

Energy : production and distribution holds some exciting opportunities for companies wishing to invest in this sector. The supply on the Haitian market is totally inadequate and is available only to a very small percentage of the population. Moreover, the power cuts, too frequent and prolonged, limited access to the service even for customers who are connected to the network.

§ The constraints related to the development of the tertiary sector

Tourism: violence, political instability, very negative image of the country outside, poor infrastructure and hotel capacity. Haiti is the only country in the Caribbean that cannot take advantage of its enormous tourist potential.

With regard to outsourcing, some banks are just beginning to use the services of foreign brokerage firms to manage their portfolios. NTIC are slightly penetrating the Haitian market, but this is an area where everything needs to be done.

Concerning the banking services, Haitian banks grant a small volume of credit to the businesses. There is therefore a niche to be taken by banks which would decide to apply a less restrictive credit policy.

The micro-finance is primarily aimed at micro-enterprises, mostly those of the informal sector, which face many difficulties, among other issues: property rights, legal recognition, low production capacity and poor mastery of the technology. In addition, the cost of credit granted by private operators or foundations remains very high. Institutions such as Microcredit, Unibank, Sogesol, Fonkozé etc. engaged in usurious interest rates reaching 40% a year! So this is a sector that can receive other operators to play competition and bring down the cost.

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§ Validation of sectors or sub sectors of the Tertiary sector

Whether in the Caribbean for tourism or in the local market for services, such as: outsourcing, banking, energy, IT and micro-finance, markets related to these sectors are growing and are the current sources of untapped or under-exploited opportunities. (See Appendix 6 Table 8 on market developments in the tertiary sector)

Market Trend :

Sector/Sub Sector	Carrubeab Market Turnover 2006 In Million \$US	Market Growth Rate 2004-2006	Domestic Market Turnover 2006 En Millions \$US	Market Growth Rate 2004-2006
Tourism	25.000	12%		
Telecommunication/ Outsourcing			500	15%
Banking Services			150	8%
Micro-finance			190	10%

6.4 GROWTH SECTORS, GROWTH INDUSTRIES AND POTENTIALITIES

Annex # 14 highlights both the growth sectors, the growth industries within these growth sectors and the respective potentialities of these industries.

- An industry is said to have strong potentials, if for the past two years its market growth rate is greater than 10%;
- An industry has an average growth potential if for the last two years its growth rate is between 5 and 10%
- The potential is said to be if its market growth rate is less market to 5% for two consecutive years.

6.5 GENERAL OBSERVATIONS

Some opportunities exist in several industries of the primary, secondary and tertiary sector.

In the agricultural sector, the following industries hold growth potential: Essential Oils, fruit Arboriculture, truck farming, Organic products in general.

For livestock, production of broiler chickens and eggs together represent a market of over 150 000 000 \$ U.S. dollars per year.

The conclusions and recommendations of the international consultant's report Mr. Higginson are clear on fresh produce and horticulture export opportunities particularly to the UK.

In the industrial sector, the textile industry in relation to free zones, mines and quarries are growth industries.

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At the tertiary sector, the tourism sub-sector is the most promising of the Haitian economy, but it remains to solve the problems of insecurity, political instability, failure of infrastructure in general and hotel infrastructure in particular .

Services such outsourcing, banking, hold growth potentials given the untapped potentialities of these markets.

CHAPTER 7

CREATION AND MANAGEMENT OF EXPORT CONSORTIUM

7.1 DESIGN OF A METHOD OF PROMOTION AND MANAGEMENT OF EXPORT CONSORTIA

§ Definition

An **export consortium** is a **voluntary alliance** among companies of the same sector with the aim of promoting their activities and **to facilitate the access of their products and services to the foreign markets**. The companies which join the consortium define its operating mode, its organization as well as the methods of financing. A consortium can function at a regional, departmental, or national level. This part of the mission presents the various practical and methodological aspects to take into account for the creation, promotion and management of an export consortium.

§ Objective

A consortium of export is a **'Service provider'** in charge of the promotion of the member companies' products. The range of services provided can vary according to the needs and wishes of the members. It can consist of simple services of secretariat, market research, production of information and business development monitoring. It can also cover the development of the strategy of the consortium until their products delivery to the target markets. Lastly, it can be materialized through legal assistance or the creation of common platforms to purchase raw materials.

§ Which companies join an export Consortium?

The consortium is a promotion tool used mainly by the small and medium-sized businesses and industries – SMBs/SMEs. Because of their limited resources, small structures often face great difficulties when they want to export their products. They still do not have access to the capital market or the banking services for example. Their knowledge of the new markets often is very limited. Moreover, because of their small size and their low outputs, they are incapable to produce in sufficient quantity and quality to be competitive. Lastly, they still have not managed to satisfy international standards of access to new markets. The consortium is a device which can make it possible to solve these difficulties and to facilitate the penetration of new markets.

The member companies of the export Consortium keep their financial, legal independence and their autonomy of management. It is the same for the marketing of their products outside the consortium network, on the domestic markets for example, like any other initiative and activity aiming at reinforcing their technological, economic and commercial competitiveness

§ Advantages

Thanks to the pooling of their resources and the mutualization of their expertise, the consortium makes it possible to considerably increase the export potentials of its member companies. By carrying out joint operations, this common operation platform allows to limit risks and at the same time benefit from the existing synergies among the various companies which join it. The consortium of export is an important tool of cost reduction for its members, that it is through the negotiation of more advantageous conditions for them, and through access facilitation to new services, like the financial services for example.

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On the technical level, the consortium makes it possible to more easily attain the quality standards required by the target countries; standards which most often function like technical barriers at the entry of these new markets. Finally, in addition to the objective of penetration of new markets, certain consortia develop other transverse activities like training courses, seminars on quality improvement techniques or on new products and service development. The export consortium is a powerful lever of development of SME towards export markets.

§ Risks/Challenges

- The consortium does not produce immediate benefit: the return on investment (ROI) is made rather in the medium term
- It should be made sure that the members who join the consortium share the same objectives and are ready to collaborate actively - to invest themselves in time and financing - to succeed
- While waiting to start to export and to generate receipts, it is necessary to have a reserved capital or to plan a financing mechanisms during the first years of creation of the consortium.
- A bad management can generate net losses for the consortium and thus compromises the future of the association.

§ Typology of export Consortia

There exists **two (2) great types** of export consortium. The promotion consortium and the sale consortium.

§ Consortium of Promotion

The consortium of promotion is an entity created to explore the export markets in target countries by sharing the costs of promotion, material and logistics. It is limited to the promotion of the products and services of its members by helping them to enter the foreign markets. Through market research or business monitoring, it brings “ decision-making aid information” to the whole participating companies. Then, each individual business personally manages to sell its products.

§ Sale Consortium

The sale consortium carries out the whole promotion and sale activities of its members’ products. It carries out the activities of promotion (representation, advertising), but also ensures the sale and delivery of the products of the associated companies to their customers.

As a rule, there is no production quota fixed to the member companies. As mentioned before, in addition to the questions of means and resources, the small companies often have a low output. They do not produce sufficiently in quantity to saturate, separately, a market and thus obstruct the other participating companies. Therefore, it is not necessary to limit the members’ output. Quite to the contrary, what a consortium should do is to allow companies, even those with a small production to find outlet for their products.

7.2 BENCHMARKING OF THE BEST PRACTICES AS REGARD THE CREATION AND MANAGEMENT OF CONSORTIA

The industrialized as well as developing countries are implementing promotion policies to support their exports, in particular through the creation of export consortium. Several criteria are decisive to make the creation of a consortium a success. This heading is a study of the best practices as far as the creation and management of consortia are concerned.

In this Benchmarking study we chose a sample of countries among the so-called emerging economies. We also took into account certain countries which had, until recently, an economy very dependent on the exterior, like the North african countries. In addition, in the spirit of a regional dynamics, we also analyzed the case of certain Latin American countries. finally, as for Italy which is also considered in this study, the justification holds to the fact that, according to several concordant sources, is the most developed model when it comes to export.

§ Brazil

In Brazil, the government finances the promotion of the activities of the export consortia through the creation of an independent agency, **Apex-Brazil** (www.apexbrasil.com.br), attached to the Ministry of Development, Industry and Trade. Apex-Brazil provides a **financial and technical support to export promotion through the projects** that the consortia carry out. To obtain the assistance of the agency, the consortium must at least have six members. The provided services are: participation in international events, search for new markets and preparation of advertising material

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Other important structures that support the activities of SME and export promotion exist in Brazil, such as :

- **Foreign Trade Center Study** (Fundação Centro de Estudos do Comércio Exterior) which makes studies on the export consortia and the foreign trade
- **Brazilian Service Support to the Small Businesses – SEBRAE**, which offers mainly services of capacity reinforcement through consultation work and service.
- **Permanent forum of SME** which supports both contractors and public institutions in the development of the more appropriate legal framework to the export consortia operation.
- **The Agency of Research and Projects Financing - FINEP**, which stimulates the technological innovation projects of export consortia by giving a financial contribution to the realization of these projects.

§ Argentina

Argentina has a policy of support to the development of consortium through the government agency of export promotion export, **Expor.Ar foundation** (www.exportar.org.ar). It offers to new groups of exporters and the consortia the following services:

- **Sectional Promotional plans** : agricultural machinery, leather working, foodstuffs and organic food,...
- Organization of seminars on the export consortia advantages.
- Financial assistance to participate in promotion events (forums, international fairs, commercial missions).
- Market research.

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There is an important **public/private partnership** between the Export.Ar Foundation and the Bank of Boston Foundation. In 2002, an important institution of the Argentinian private sector **ConExport Argentina** (www.conexportargentina.ar) was created. It is made up of the Argentinean association of export group directors and the export consortia. Among their chief objectives appear: **I)** the promotion of cooperation between firms and the culture of export; **II)** the contribution to the improvement of the performances of the export consortia; and **III)** the parliamentary lobbying to promote a legislative framework which will facilitate the consortia. The services offered to the export consortia are:

- Identification of new markets or new partners on the markets where the companies already are developing their activities.
- Sales departments like commercial representation at the national level and in the countries of Mercosur
- Information on the Argentinean commercial environment
- Sales promotion through the organization of various events

§ Chile

The government Agency of SME promotion - SERCOTEC, supports the export initiatives through an entity, **PROFO** (Proyectos de Fomento), conceived in the early nineties. It is a **support tool to exportation development projects**. SERCOTEC grants funds to groups of SME which wish to export to:

- develop leveling strategies on quality standards as well as for obtaining the ISO 9000 certification
- carry out strategic analyses
- take part in fairs

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- provide logistic assistance for the regrouping of their goods.

SERCOTEC also financed the payment of the services of consultant charged to carry out studies, diagnoses or to accompany the implementation of improvement at export program.

The PROFO, very active in the Nineties, is now replaced by a program managed by the **national Agency for exportation development, CORFO** (www.corfo.cl). This program continues to support projects aiming at reinforcing the penetration rate of Chilean SME on the external markets. **Consortia** financed by the CORFO must have at least 5 companies. The assistance amount reaches a maximum and covers a percentage of the cost of the project. The provided assistance covers three (3) stages:

- preparatory stage: identification of future commercial activities, development of the consortium business plan, feasibility study (maximum 1 year)
- implementation stage: implementation of the plans worked out during the preparatory stage (maximum 2 years)
- Prospective stage: development and deployment of a growth strategy aiming at the financial autonomy of the consortium (maximum 3 years).

§ Peru

The most important organizations which have public assistance programs for the export consortia are: **PRODUCE** (www.produce.gob.pe), managed by the Ministry for of Production; and the **Center for the Promotion of the Small and Micro Enterprises–PROMPYME** (www.prompyme.gob.pe), an agency which depends on The Labor Social advancement Ministry. The Competitive Office of PRODUCE is responsible for

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the competitiveness program of the Ministry which aims at stimulating partnerships between firms. The Following services are offered to the consortia:

- partnership programs: added value chains, relations development with suppliers, co-operation between firms, **special economic zones**⁷, ...
- productivity culture promotion
- innovation incentives
- standardization aid

The customs payments which promote export are also applicable to the consortia. **under agreement of joint venture'** for the consortia and other agreements of joint venture dedicated to export.

PROMPYNE supports the creation of partnerships and the development of SME with the **financial support of the Inter-American Development Bank (IDB) which placed funds of U\$ 1,600,000.00 at the disposal of the project “Development of Corporate networks in the Districts of Gamarra and Cusco”**.

§ Tunisia

In Tunisia, two principal agencies support the creation and operation of export consortia:

1. **Exports Promotion Center - CEPEX** (www.cepex.nat.tn) provides its support through information services and training. It provides financial assistance and helps the companies to take part in promotion events like international fairs.

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2. Bureau de Mise à niveau (**The Leveling office**) - **BMN** (www.bmn.net.tn) of the Industry, Energy and SME industry provides a **technical support** through the evaluation of the businesses plan presented by the industrial companies.

Consortia can have access to several financial assistances. Two principal financial instruments of governmental assistance are at their disposal:

- I. Promotion Exports Fund - FOPRODEX; and
- II. Competitiveness Development funds .

The Tunisian consortia profit from a financial tool of the World Bank which is the access Funds to the external markets - AFEXM.

In general, to obtain the assistance, the groupings must be legally established, present a marketing plan and a business plan. There also exists special funds in Tunisia, the FOPROHOC devoted to the promotion of the conditioned olive oil.

In term of **support to the private sector at export**, the employers' organization **UTICA** (Tunisian Union of Industry, Trade and Craft industry) is one of the principal promoters of the consortia. The UTICA does especially a capacity reinforcement work and takes an active part in the training of business executive and consortia managers.

Among the other support structures of Tunisian exports promotion, we can quote:

- **Centre Technique Sectoriel (Sectional Technical centers) - CTS**. The offer proposed by the CTS has a strong technical orientation. They provide their support to the businesses through services of technical aid to productivity, technical information and training. They also provide a technical support for the

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- development of business plan, product standardization, certification as well as laboratory services.
- **Industrial Modernization Program - SME** which supports the productivity development of the private business, the reinforcement of the institutional capacities and the assistance to carry out economic and technological surveys.

L'Agence de Promotion des Investissements Etrangers – FIPA.

- **Industrial Modernization Program - SME** which supports the productivity development of the private business, the reinforcement of the institutional capacities and the assistance to carry out economic and technological surveys

The Industrial Modernization Program is financed by the European Union.

§ Morocco

In 2006, the Foreign Trade Ministry of Morocco - MCE, set up support funds dedicated to the export consortia. These funds are intended to finance the launching, the promotion activities and the communication tools, for a (3)three-year period . The management of the funds was entrusted to the Moroccan Exporters Association (ASMEX). The two parts signed a convention on the management of the support mechanism. The amount of the financing is paid at the beginning of each year on decision of the MCE, taking into consideration activity carried out the previous year as well as the bank of projects presented for the next year. Among the responsibilities of the ASMEX appear:

- to provide all the necessary assistance in terms of information.
- project presentation to the board of management.
- to carry out the funds releasing allotted to the projects.

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The consortium being given the aids commits to provide a file to the ASMEX in which are consigned the reports of the activities carried out, results obtained, as well as the copies of the documents in proof of expenditure.

UNID

The export consortia promotion program of (United Nations for Industrial Development) financed the Moroccan support program for export. The approach is that of a **private public partnership (PPP)** where the main actors engage clearly in export consortia promotion. The innovation of this tool comes from the fact that it is a private organization, the ASMEX, which manages the public funds intended for the export promotion. The advantage of these kinds of arrangement maybe also the possibility to benefit from the expertise, the reactivity ability of the private organizations in the their project management. Less bureaucratic, they have a culture of results. They aim in priority the project feasibility and manage them according to criteria of effectiveness.

- In addition to the MCE-ASMEX mechanism, the Moroccan export consortia profit from a preferential treatment within the framework of the financial assistance for the exporting companies:
- The consortia are eligible to the products of the **Société Marocaine d'Assurance à l'Exportation – SMAEX (Moroccan Society of Insurance at Export)** (www.smaex.com), like : exporters insurance transactions, facilitation financing access of the assured companies
- **Center of Exports Promotion of the Foreign Trade Ministry - CMPE** (www.cmpe.org.ma).

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- Access to the programs of technical aid managed by l'Association Nationale pour la Promotion de la Petite et Moyenne Entreprise – National association for the Promotion of Small and Medium-sized company – ANPME (www.anpme.ma), through the assumption of responsibility for the consultancy fees, the realization of targeted consultantion and the arrangement of the technical dossiers.

§ India

India has two financial tools of support to exports controlled by the Ministry for Industry and the Trade:

- **Market Access Initiative - MAI** which uses a focused approach “ **a country-product** ”, by developing specific strategies for the markets and specific products.
- **Assistance to market Development - MDA** which supports the foreign production activities.

§ Italy

The main Italian support organization for exports is Federexport. According to informed and professional observers' of the trade promotion export, the Italian model is the most advanced. Several countries, like Argentina for example, signed agreements with Federexport for the accompaniment of their program implementation. Federexport offers, among others, the following services.

- Tax and legal consultation
- Markets analysis

- Organization of commercial delegations, conferences, seminars.

Federexport negotiated with all the Italian main banks credit limits for the financing and sale of goods and services of its members in Central Europe, Mediterranean countries and Latin America. **The confederation of the Craft industry and SME - CNA** (www.cna.it) a service of internationalization which accompanies the consortia willing to penetrate new markets.

Furthermore, a legal tool was created to frame the support offered to the consortia. Law 83/89 managed by the Ministry for International Trade plans government aid for the export consortia of eight (8) members or more; 5 members or more for the craft consortia businesses. To be granted the financial assistance plan in the law, the consortia must have for **exclusive social object the export of goods and services of their members and/or the promotional activity necessary to achieve this goal**. According to provisions of the law, the consortia can also plan the importation of raw materials and semi-finished products necessary for their production.

7.2 DEVELOPMENT OF THE CONSORTIA FACILITATION GUIDE.

§ Methodology of Public Promotion Creation and Management of Consortia

Increasing the export volume of the national companies has direct effects on the national economy of a country. It contributes to the consolidation of the economic fabric through the increase in national production, new employment creation and helped in the trade balance thanks to the contribution of foreign currencies. The export consortium of export which succeeds in its mission of making it possible for companies to reach new markets is a producer of economic growth. Taking into account the benefit and positive

repercussions of the consortia activities on the national economy, the Government has much to gain to accompany its companies in their initiatives of conquest of new markets through the export of their products.

As illustrated in the Benchmarking study, several countries have specific program of support for the development of their exports. In a total logic of economic revival, it would be beneficial for Haiti to also develop an export policy, in particular by accompanying the companies which wish to gather within export consortia.

In the countries where there are export support program, the experiment shows that the assistance granted by the Government constituted for the companies a source of additional motivation to regroup and join a consortium. This guide presents the principal axes of orientation of a Haitian support policy for the creation and development of export consortia. It recommends an inciting policy, framed, based on three (3) major pillars:

- I. Financial support**
- II. Capacity reinforcement**
- III. Technical support.**

The methods of application of these three axes are subsequently detailed.

Financial support

The consortia can profit from the financial support of the authorities either through transfers of resources, or through tax pressure reduction at export. According to the countries and aims in view, the tax assistances can take several forms. Among the most current forms of granting fiscal aid to business , we have:

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- Reduction/tax exemption for the consortium (Italy)
- Suppression/refund of customs duties on imported and exported products (India)
- Tax assistance for export (Uruguay)
- Refunding of the VAT (Turkey)
- Reduction of customs duties on raw material importation, and on the export of the finished products (Peru).

The financial assistance granted to the export consortia can be intended for exploring activities, promotion and marketing of the supply through:

- participation in international fairs
- stands in professional exhibition rooms and drilled general public
- Large audience advertising campaign, TV and newspapers.

ICAPACITY REINFORCEMENT

The capacity reinforcement can be materialized through consultation services in term of new penetration markets of the targeted export market. Denmark has particularly built its support offer to the export consortia on this pillar. The bouquet of services contains among others :

- Training “of network agent” of export promotion or assist embryonic business groups to set up viable projects
- contribute to the carrying out of feasibility studies
- contribute to the development of business plan, activity plan
- help to negotiate and conclude partnership agreement
- set up a network and facilitate the sharing of experience among similar foreign organizations

TECHNICAL SUPPORT

This help can be provided by the specialized services of the State through accompanying measures and by putting at their disposal the information consortia of the central State: country economic situation, economic analysis, statistics, data base. It can also be considered in the form of consultant recruitment to make studies and to control the implementation and follow-up projects of the consortia activities.

A conjunction of the two methods is possible; and, in practice, it is this twinning which is generally used.

In addition to a strategic accompanying measure, the technical support also comprises very specialized fields. For example, certain countries help their consortia to attain quality standards, like the medical and plant health standards required by the target countries to reach their markets. Technical groups can be also made up to help obtain quality control marks like the ISO 9000 certification.

Risks and means of risk minimization

It is highly advised that the financial assistances, when they are granted, are always done within the framework of a “ **co-financing** ». The consortium brings a percentage of the amount necessary to the realization of its activities and the authorities supplement the envelope. This practice makes it possible to measure the consortium's interest for the projects subjected to the authorities. Then it urges the consortium to make successful the projects in which it invested its own funds.

Regarding the possibilities of fraud, there are precautions to take to reduce them, in particular:

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- grant assistance which are related to the realization of a specific project and not to cover operating expenses for example
- grant the assistance to the independent structure created and not to an isolated the businesses
- lay out control mechanisms like checking/certification of the consortium's account by an approved external accountant
- limit the assistance in time, with a gradual calendar of withdrawal. This measure is an incentive to autonomy and guarantees the very viability of the consortium project
- leave the co-financing possibility open in case of new projects. This takes part, among others, to the dynamism of the structure, and aims at stimulating creativity and innovation.

7.4 **HANDBOOK OF EXPORT CONSORTIUM OPERATIONS**

To create a consortium, it is necessary to define its objective, its branches of industry and the type of services which it intends to offer. Its nature also should be defined - sale or promotion - its members, its methods of financing and contributions to the member companies. Lastly, it is necessary to define its organization and its legal form. This heading specifies the key steps to the creation of a consortium.

§ **Members of the Consortium**

All the companies which decide to join the consortium constitute the consortium members. The failure or the success depends on the motivation and investments of the consortium members. The members must always keep in mind that they constitute a group, and because of this the cooperation of all is essential to reach the laid down objectives. Business executives who know and trust each other regroup are those who are

encouraged to in a consortium. **Confidence between the members is one of the key factors to the success of the consortium.**

It is desirable that there is not too many standard deviation' between the members. This, voluntary, regrouping must be done preferably with companies of about similar size. However, it can be beneficial for a consortium to count some bigger size companies among its members, having already acquired preliminary experiences on export markets. This can allow the others to profit from their experience and the network of the leader companies. In all the cases, to avoid any imbalance in the operation of the consortium, even if it is joined by members having more important financial capacities, the financial contribution of each member to the capital of the consortium must be equal. **No situation of subordination or domination can, nor must exist within the consortium.** All the members have the same voice and the same legal weight. Enjoy the same prerogatives and have the same rights are another necessary conditions to the correct operation of a consortium.

Still with regard to the members, some considerations about the products and services are also necessary. The products offered by the consortium are key success factors. The member companies can offer the same products or complementary products (economy of scale and vertical integration). The complementary offers have the advantage of allowing the consortium to have a more important choice range to propose to the customers. However, the goods and services provided by the consortium must be adapted to the needs of their target markets.

The members investment – both in terms of financial resources and time spent to the service of the grouping - is very important for the success of the consortium. Experience shows that there are always a Notwithstanding, all the members must invest themselves so that the consortium become a success.

§ Organization of a Consortium

The organizational structure of the consortium defines the base of its operation. It indicates and specifies the roles and attributions of each member. The organizational structure can comprise several bodies, according to the desired complexity and the aims in view. This part describes the principal constitutive bodies of a consortium.

1. **Board of directors** manages the consortium, they are designated at the ordinary sessions of the general. They are generally elected for a two-year period, but can be reelected. The Council can then appoint among its members a President who will become the President of the consortium. The Council is convened on decision of the President or the majority of his members.
2. The **President** of the consortium belongs to one of the member companies. He especially has a role of representation and makes sure of the conformity of the operations for the interests of the group. It convenes and chairs the Board of directors and the General assembly. In general He occupies his function for a three- year period and can be re-elected.
3. **The manager** of the consortium is **the key person of the structure**. The success of the consortium depends on his competences .

His permanent task is to impartially promote and defend the interest of the consortium . In this sense it is better that the Manager does not belong to any member companies, that he is directly recruited outside. His recruitment must be done in a collegial way and the consensus of the member companies, as a private individual on this choice, is essential.

One generally distinguishes two types of managers. i) “ **administrative manager** ” who only applies the decisions taken by its Board of directors; and II) “ **manager leader** ” who takes part in the development of the strategies and their implementation. He is a force of proposals and takes part in the search of innovative solutions to secure a better return on investment and develop the consortium.

4. **The General meeting** consists of all the active members, up to date in their financial obligations towards the consortium. The meeting is convened by the President or the Board of directors. It names the Council, approves the accounts and decides certain general directives. It is convened in ordinary session for the activities mentioned above, and in extraordinary session to deliberate on significant subjects such: statutes modification, a member’s exclusion or the anticipated dissolution of the consortium. In theory, each member has voting rights.

Beyond the official organ which hold the right of convocation, a dynamic structure is above all thanks to the interactions which exist between its members.

Informal meetings

Informal meetings among members to discuss and to make proposals on the operation of the consortium are to be encouraged and the structure can gain much there.

The size of the consortium depends partly on the objectives and partly on the branch of industry. There are no fixed rules as for the number of companies necessary to create a consortium. If the number is too limited, that can reduce the required economies of scale while a too high number can complicate the

management of the unit and make more difficult the processes of decision-making. However, when they are companies of very small size, a more significant number of members is required to have a critical mass.

The experiment of country like Tunisia and India shows that eight to twelve companies are a reasonable number to create a consortium. Then, nothing prevents nevertheless other companies to join the consortium at a more advanced stage of consolidation and “successes stories”.

§ **Legal form**

The choice of the legal form depends on the objective and the characteristics of the legal system of the country of establishment. Perhaps the legal form can leave a great flexibility of operation in certain cases, whereas it can be very constraining in other cases. It is up to the members to decide. However, whatever legal form chosen, the following aspects must be addressed:

The payments amount in capital, the type of financing, the type of financial control and countable follow-up, the decision-making mechanism as well as the responsibility for the member companies. The legal form also specifies if the consortium is profit-making or non-profit making.

In certain cases the members decide to create a company, in others they choose the creation of Economic Interest Groupings - GIE^[7] or with the establishment of a simple

private contract among the members. In this last case, the mechanisms of resolution of conflicts are absent or are limited. Moreover, generally, this form closes the door for public aid.

The legal form to adopt must reflect the preliminary discussions among members. It is in addition highly recommended to take advice from business law professionals. As for all the decisions of the consortium, the consensus is important to choose the legal form which will govern the operations and the operation of the consortium.

§ Documents constitutive of the Consortium

The documents necessary to the establishment of a consortium depends on the selected legal form and the practices of the country in question. However, among the most frequent documents appear: The statute, the pact of shareholders and rules of procedure.

a) The Statute

The Statute of the consortium contains all the legal aspects and rules of operation of the consortium. It must specify:

- the name, localization, the mandate and the goal of the consortium
- Activities or the nature of the services: consortium of sale or promotion
- organ of the consortium and methods of election of the leaders (Board of directors, President...)
- duties and responsibilities for the members
- the composition of the capital and mode of financing envisaged
- conditions of entry and exit as well as the conditions and mechanisms of exclusion.

Lastly, the statutes must also specify the procedures applicable to the new issues of capital for example. It is advised not to have too detailed, and thus too rigid statutes. A

statute must leave the possibility to a consortium of promotion of evolving to a consortium of sale per example, without that not requiring necessarily the total recasting of the statutes.

b) The Pact of Shareholders

The Pact of shareholders often accompanies the statutes. This document specifies the aspects which are not detailed in the Statutes. In general, it clarifies certain questions tackled in the Statutes and specifies the relations between the members. For example, certain pacts of shareholders envisage one minimal period of adhesion to prevent that capital is not withdrawn before a return on guaranteed investment. The Pact of shareholders does not contain in itself legal provisions, and as such, does not require official statutes of complex amendment procedures.

Such an agreement is thus more flexible, more adaptable to the changes and more favorable to evolutions.

c) Rules of procedure

The rules of procedure are a document which sometimes comes to supplement the two first. It is often useful in the event of dissensions and defines the applicable procedures if problems emerge. It can for example detail the distribution of the costs between the

members, if different activities or operations are carried out. In fact the rules of procedure also specify if a member who leaves the consortium has the right to continue to use the label or the distribution networks developed by the consortium.

§ Financing of the Consortium

Two main sources of financing bring cash and support the operations of the consortium: contribution of the members and institutional contribution.

- I. **contributions of the members** can take several forms: subscription to capital, membership fee, and specific services fee. The amount of the contributions to the capital depends on the adopted legal form and is often intended for the operations, i.e. to activities giving access to foreign markets. The membership fees often come to cover administrative expenditure. As for the contributions for the specific services, they are applicable in the case where the consortium offers paying services, like training for example. This with the double objectives of drawing the attention of the members to the cost of the provided services and to require at the same time that these services be of quality. In the case of the sale consortia, another line of financing can correspond to the payment of a commission on the sales carried out by the consortium. This commission can be established on the basis of percentage on volumes of sale. Generally, the sale consortia require more important contributions to the new members compared to those which were at the creation.

- II. **Government agencies and certain international institutions** sometimes have funds to support the creation of export consortium. Most of the time, the institutional assistances are available to them when they first start, then they tend to disappear gradually. The idea is that the consortia are able to exist in an autonomous way. Where the importance for the members to make sure of the viability of the consortium from the beginning.

Financing is vital to the correct operation of the consortium and to attain the objectives. If the plan of financing is not thoroughly established and carried out,

the consortium can incur losses. This plan must envisage alternate mechanism to cover possible losses. To avoid conflicts, the sources of financing and the exact contributions of each member must be discussed thoroughly at the creation phase, and specified in the statutes.

The financial discipline is fundamental. It is important to have an accountant who controls the expenditure carried out, but also who makes sure of the proper allowance of resources. It must make sure that expenditure not envisaged does not come to absorb the cash in hand and **transparency are two golden rules to be respected in a consortium**

7.5 PROFILE OF THE MANAGER : TERMS OF REFERENCE

The Manager of the consortium is responsible for the daily operation of the entity. He implements the strategic orientations laid down by the Board of directors, animates his teams and pilot the entire realization of the programmed activities. The heading that follows specifies the roles and responsibilities of the manager, the necessary competences and qualifications to exert the position.

§ Necessary qualifications: Education & Experience

The Manager of the export consortium must hold a diploma in international trade, business management and administration or finances & marketing. A MBA would be

definitively an asset. The manager must have experience as regards to business development and export, preferably on the target markets. Lastly, he must have a good knowledge of the branch of industry, products and services of the member companies as well as a successful experience in organization and management.

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A good knowledge of the languages is essential to fulfill his mission. In addition to Creole and French, the manager must have a good knowledge, spoken and written, of at least two foreign languages: English and Spanish. The knowledge of a third foreign language would be definitively an asset.

The principal responsibilities of the Manager are:

- To develop and maintain good relations with the public and private organizations that support the consortia.
- To take part in the search of financing through the identification and canvassing of international organizations having support Funds for SME in emerging countries (UNDP, European Union, The World Bank, ONUDI...)
- To index and canvass private economic organizations (Foundations, Philanthropists,...) who support the actions of developing countries.
- To identify companies which can potentially become members of the consortium?
- To organize information campaigns on the advantages of the export consortia.
- To contribute to the training of the members of the consortium.
- To carry out an active trade monitoring development, a legal and statutory monitoring development on the advantages given since the enforcement of the new measures and the ratification of the commercial agreement.
- To write periodic notes on the current events relating to the business climate in the target countries
- To make Benchmarking studies on the operating modes of others consortia, to index the “best practices” and try to implement the successful ones and in the short-term
- To list and submit periodically to the Board the sales promotions events
- Organized by other Consortia. According to the interest of these events, the board decides of the participation of the manager, alone or accompanied by a delegation.

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This list is indicative and the responsibilities of the manager can evolve to include other activities.

§ Code of Professional ethics :

The manager is employed by the consortium and represents the entire interests of the group. He should not be the member of any consortium at the time of his designation. No individual company can pay wages or a profit-sharing to him. Any productivity bonus, any profit-sharing and incentives must be paid by the budget of the consortium, according to conditions and procedures defined beforehand by all members.

The manager does not have the right to support any company at the expense of another. He represents and defends the interests of all companies that form the consortium. Information which he might have in term of opportunities for the sector should be put at the disposal of the common structure. Impartiality is one of the criteria

and one of the main qualities which the manager must possess. The consortium is a mutualistic structure and its success also depends on the respect of the code of professional ethics adopted by its members.

General conclusion

This consultation had two objectives: to set up a virtual network of promotion of the foreign investments and to define a strategy to stimulate the foreign investments.

During this work, the two consultants defined the mission and the objectives of the network, its organizational structure and its operating mode. In addition, they carried out the identification of the participating companies and worked out an action plan for the operation of the network as well as a system of follow-up, management and information distribution.

With regard to the strategy, the consultants carried out a strategic analysis of the forces and weaknesses, assets and threats of the country with respect to the FDI. Then, in the light of the results, they worked out a strategy including 8 axes of intervention, 5 in the short run and 3 in the medium term. In addition, they made a thorough study of the exportable supply and identified the growth sector of the Haitian economy. Then, they developed a method of creation of consortium of exports and conceived a methodology of management and promotion of the consortia. Finally they made a Benchmarking study on the best practices on exports consortium and worked out a guide of facilitation and operations for the public civil servants and consortia managers.

Despite unquestionable assets and a real and progressive improvement of the comprehensive framework of investments in Haiti, a certain number of economic and structural constraints continue to weigh on the short and medium term on profitability of the foreign investments; thus affecting the index of attractiveness of the country.

The increasingly significant volume of foreign assistance, with a contribution of more than 47 billion gourde to the national budget during 2007-2008, that is to say a participation of 66%, cannot ensure the lasting economic development of the country. It is besides by no means the vocation of the public aid to development (PAD). The injection of private capital in particular through foreign direct investments (FDI) is consequently essential to remove Haiti from economic stagnation and to put the country on the rails of lasting development. The FDI constitute one of the important tracks of revival of the Haitian economy and must be treated like as a top priority. In addition to the contribution of “ **flow of productive capital** ”, they allow to stimulate the national economy through the **creation of basins of employment, increase production and the exportable supply** as a whole.

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Despite an image, very often negative, conveyed outside and a generalized perception by the “ **citizen-customer** ” of the inefficiency of the administration, there exists in Haiti a viable base on which the country can rebuild its image and start again its economy. Haiti offers opportunities and has assets to attract foreign investors. The facts prove it. For many years, several foreign companies and even multinationals settled and are developing their activities in Haiti. In addition, significant foreign direct investments were made recently in the country.

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APPENDIX

Appendix 1 :

List of the members of the network

NOM	ADRESSE	TELEPHONE/FAX	SITES ET EMAIL
Ministries, Autonomous Organisms and Local Authorities			
Ministère du Commerce et de l'Industrie	8, rue Légitime Champ de Mars	223-8402 222-0878	mci_haiti@yahoo.fr
Centre de Facilitation des Investissements (CFI)	8, rue Légitime Champ de Mars	224-8990 224-8972	www.cfihaiti.org cfihaiti@gmail.com
Ministère des affaires étrangères	1, Boulevard Harry Truman, Cité de l'Exposition, Bicentenaire	223-1646 298-4365 298-3780 Fax : 298-3781	
Ministère des Haïtiens vivants à l'Etranger	Avenue Jean Paul II, Turgeau #87	244-5424 245-1116 Fax : 245-3500	
Ministère du Tourisme	8, rue Légitime Champ de Mars	223-8190 223-5631 Fax : 221-3613	mtourismehaiti@yahoo.com

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Ministère de la Planification et de la Coopération Externe	Rue Mgr Guilloux, Palais des Ministères	223-2693 221-0652	
Ministère de l'Agriculture	Route nationale No 1, Damien	298-3015 298-3111 250-8753 250-0561/3457 250-0867/3571 Fax : 298-3111	odvapia@yahoo.fr
Ministère de l'Environnement	181, haut Turgeau, Ave Jean Paul II	245-7572 245-7585 Fax : 245-7360	
Ministère de l'Economie et des Finances	Palais des ministères, rue Mgr Guilloux	299-1721/1744/1757 299-1700 à 1705	mefdee@yahoo.fr
Ministère des Travaux Publics Transports et Communications	Palais des ministères, rue Mgr Guilloux #204	228-2528/2249212/22177 75 222-0701 222-0702 222-3240/7009	mtpchaiti@yahoo.com
Collectivités territoriales des 10 départements du pays, Ministère de l'Intérieur	Palais des Ministère, Champ de Mars	223-3692 223-5435 223-4491 228-2534 245-2539 222-3347	
Haitian Embassies and Consulates Abroad (Haitian Diplomat in Missions Abroad)			
Diplomatic mission	Address	Telephone	Sites et Email

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<p>Ambassade d'Haïti en Allemagne (l'Ambassadeur d'Haïti en Allemagne est aussi accrédité au Danemark) Haitian Embassy in Germany ; the Ambassador is also accredited in Denmark)</p>	<p>5 Meinekestrasse, 1074 Berlin, République Fédérale d'Allemagne</p>	<p>49-22-885-6829 Fax : 49-22-885-7700</p>	<p>haitibot@aol.com</p>
<p>Ambassade d'Haïti en Argentine (Haitian Embassy in Argentina)</p>	<p>Av. Figueroa Alcorta, 3297-1425 Buenos Aires, Argentina</p>	<p>541-807-0211 Fax : 541-802-3984</p>	<p>embahaiti@interar.com.ar</p>
<p>Ambassade d'Haïti aux Bahamas (l'Ambassadeur est aussi accrédité aux Iles Turques) (Haitian Embassy in the Bahamas ; the ambassador is also accredited in the Turks Islands)</p>	<p>P.O. Box 666, Sears Building, East Shirley Street Nassau, The Bahamas</p>	<p>242-326-0325 Fax : 242-323-3822</p>	<p>haitianembassy@baTelnet.bs</p>
<p>Haitian Embssador in the Kingdom of Belgium(the</p>	<p>139, Chaussée de Charleroi Bruxelles 1060,</p>	<p>32-2-649-7381 32-2-649-6247 Fax : 32-2-640-</p>	<p>amb.haiti.bel@skynet.be</p>

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Embassador is also accredited in the Netherlands and the European Communities)	Belgique 160A, Avenue Louise Bruxelles 1050 Belgique	6080	
Ambassade d'Haïti au Brésil (Haitian Embassy in Brazil)	Shis-Sul QU 17, Conj.04, Casa 19 Caixa Postal 86 18-71600, 70465 Brasilia, DF Brazil	55-61-248-6860 Fax : 55-61-248-7472	embhaiti@202.com.br embhaiti@zaz.com.br
Ambassade d'Haïti au Canada (Haitian Embassy in Canada)	130, rue Albert, Suite 1409 Ottawa, Ontario K1P 5G2	(613)238-1628 Fax : 3(613)238-2986/2896	bohio@sympatico.ca bohio@bellnett.ca
Ambassade d'Haïti au Chili (Haitian Embassy in Chili)	Zurich 255, Dep. 21, Las Condes Casilla 4086 Santiago, Chile	562-650-8180 Fax : 562-231-0967	embhai@terra.cl
Ambassade d'Haïti à Cuba (Haitian Embassy in Cuba)	77, s y 4, No. 4609 Miramar, Havana, Cuba	(537)204-5421 (537)204-5323	embhaiti@enet.cl
Ambassade d'Haïti en Espagne (Haitian Embassy in Spain)	Marques Del Quero 3-1, IZQDA 28001 Madrid, Espagne	34-1-575-2624 Fax : 34-1-431-4600	embhaiti@futurnet.es

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Ambassade d'Haïti aux Etats Unis d'Amérique (Haitian Embassy in the USA)	2311 Massachusetts Ave.N.W. Washington, D.C, 20008, U.S.A.	202-332-4090 Fax : 202-745-7215	embassy@haiti.org
Ambassade d'Haïti en France (Haitian Embassy in France) - Service Consulaire - Consular Service	Rue Théodule Ribot 10, B.P.275, Cédex 28, 75017Paris, France - 35, Avenue de Villieres 75017 Paris, France	33-47-63-47.78/ Fax : 33-14-227-0205 33-1-42-12.70.50	France01@francophonie.org
Ambassade d'Haïti en Italie (Haitian Embassy in Italy)	Via Di Villa Patrizi 7 et 7A 00161 Roma, Italie	39-06 44 25 4106 Fax : 39-06 44 25 4208	Amb-haiti@tiscali.it
Haitian Ambassador in Jamaica(The Ambassador is also accredited in Trinidad & Tobago, St Lucia, and Guyana) Ambassade d'Haïti à la Jamaïque (Ambassadeur aussi accrédité à Trinidad & Tobago, Sainte Lucie	2 Monroe RD, Kingston 6, Jamaica	809-927-7595/ Fax ; 809-978-7638	Haitian.embassyjam@jamweb.net

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et Guyana)			
Ambassade d'Haïti en Guadeloupe (Haitian Embassy in Guadeloupe)	78, Rue Vatable 97110-Pointe à Pitre	(590) 893-580 Fax (590) 893-555	
Ambassade d'Haïti en Guyanne (Haitian Embassy in Guiana)	12, Avenue Léopold Herbert/973000-Cayenne	(594) 311 858 Fax L.594) 312 065	
Ambassade d'Haïti au Japon (Haitian Embassy in Japon)	34 Kowa, Bldg, No 906 4-12-24 Nishi Azabu Minati Ku, Tokyo 106, Japon	81-33-486-7096/ Fax81-33-486-7070	ambhaiti@fa2.so-net.ne.jp
Ambassade d'Haïti aux Etats-Unis du Mexique (Haitian Embassy in the United Stated of Mexico)	Cordoba 23 ^a , Colonia Roma C.P06700, Mexique D.F.	524-511-4390 Fax: 525-533-3896	
Ambassade d'Haïti au Panama (Haitian Embassy in Panama)	Calle I, El Cangrejo, Edificio Doral Luz, 2 Piso, Panama City, Panama	507-269-3443 Fax: 507-223-1767	ambhaiti@panama.c.com.net
Ambassade d'Haïti en République Dominicaine(Haitian Embassy in the	33 Av. Juan Sanchez Ramirez Santo Domingo, D.R.	809-221-8710 Fax:809-221-8711	Amb.haiti@codetel.net.do

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Dominican Republic)			
Ambassade d'Haïti en République de Chine (Haitian embassy in the Republic of China)(Taiwan)	8 Floor, No. 9-1, Lane 62 Tien Mu West Rd., Taipei Taiwan. R.O.C	88 62 2876 6718 Fax : 88 62 2876 6719	haiti@ms26.hinet.net
Ambassade d'Haïti auprès du Saint Siège (Haitian Ambassador in the Vatican)	Via Di Villa Patrizi 7 et 7A 00161 Roma	06-44-24-27-46/ 06-44-23-66-37	Amb-haiti@tiscali.it
Ambassade d'Haïti au Venezuela (Haitian Ambassador in Venezuela)	Quinta Flor, 59 Av. Las Rosas, San Rafael de la Florida, Caracas Venezuela	(58412) 730-7220 Fax : (58412) 730-4605	ambhaitivenezuela@yahoo.com
Bureau Commercial d'Haïti à Pékin (Haitian Trade Mission in Beijing)	3-1-72 Ta Yuan Diplomatic Compound 100600 Pékin, R.P., China	86-10-6532-4043 Fax : 86-10-6532-3062	budecohc@public.bta.net.cn bureaucommercial@hotmail.com
Consulat d'Haïti à Barahona, République Dominicaine (Haitian consulate in Barahona, Dominca Republic)	Calle Tony Mota Ricart # 16 P.O.BOX 132 Barahona, D.R.	809-579-8287 Fax: 809-579-7172	
Consulat Général d'Haïti à Boston (545 Boylston St. Suite 201	617-266-3660 Fax : 617-266-	conbos@msn.com

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Haitian general Consulate in Boston)	Boston, MA 02116 U.S.A	4060	
Consulat Général d'Haïti à Chicago (Haitian general consulate in Chicago)	202 S.Sate.St, Suite 302 Chicago IL 60604 U.S.A	312-922-4004 Fax : 312-922- 7122	conhaitichi@aol.com
Consulat Général d'Haïti à Curaçao (Haitian General consulate in Curaçao)	Grrebbeliniweg No 18 Willemstad, Curaçao. N.A	59 99 461 3434/ Fax :59 99 465 8180	kayiti@cura.net
Consulat d'Haïti à Guadeloupe (Haitian Consulate in Guadeloupe)	Résidence Vitaline Bois- neuf-Boulevard Hanna No 6, 3 ^e étage 97110 Pointe à Pitre, Guadeloupe, W.I	590-893-580 Fax : 590-893-55	
Consulat Général d'Haïti en Guyane Française (Haitian General Consulate in Guiana)	12 Avenue Léopold Helder 97300 Cayenne, Guyana	594-311-858 Fax : 594-312- 065	
Consulat Général d'Haïti à Miami (Haitian General consulate in Miami)	259 S.W. 13th St., Miami FL 33131 U.S.A	305-859-2003 Fax : 305-854- 7441	

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Consulat Général d'Haïti à Montréal (Haitian General Consulate in Montreal)	1801 Ave, Mc Gill College, Suite 1305 , Montreal QC, Canada H3A 2N4	514-499-1919 Fax:514-499-1818	consten@haiti-montreal.org
Consulat Général d'Haïti à New-York(Haitina General Consulate in New-York)	271 Madison Ave., 17 th FL New-York, NY 10016 U.S.A	212-697-9767 Fax: 212-681-6991	haiti@dti.net
Mission d'Haïti auprès de l'Organisation des Etats Américains(Haitian at the Organization of the American States (OEA)	2311 Massachusetts Ave. N.W. Washington, D.C 20008 U.S.A	202-332-4090 Fax : 202-745-7215	haiti@oas.org
Mission d'Haïti auprès du Bureau des Nations Unies à Genève(Haitian Mission at the United Nations office in Geneva)	64, Rue de Monthoux 1201 Genève, Suisse	41-22-732-7628 Fax :41-22-732-5536	Mission.haiti@ties.itu.int
Mission d'Haïti auprès des l'Organisation des Nations Unies pour l'Education, la Science et la Culture (35 Avenue de Villiers 75017 Paris, France	33 1 42 12 70 54 Fax : 33 1 42 12 82 38	

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Haitian Mission at the UNESCO)			
Mission Permanente d'Haïti près l'Organisation Mondiale du Commerce (Haitian Permanent Mission at the World Trade Organization)	9, Rue de Berne, 1201, Genève, Suisse	022-715-4999 Fax : 022-715-4998	haitiomc@bluewin.ch
Other Public Administrations of Haiti			
Institution	Adresse	Téléphone/ Fax	Courriel
Institut Haïtien de Statistique et d'Informatique (Haitian Institute of Statistics and Data Processing)	Rue Joseph Janvier et Harry Truman	222-2669/2215812/2215801/2231011/223-8465/5501/5330/5760	ihsi@ihsi-ht.org
Douane de PAP, Service des Exportations (Harbor Authority of PAP, Exportation department)	Rues du Quai et des Fronts Forts	222-1222/0821/250-4611/4502/4711/1371/4603298-4107/299-1771	
Société Générale de Surveillance (SGS)	113 Rue Pavée, P-AU-P	224-4539/4540/4552/4554/513-0757/0758	sgshaiti@sgs.com
Direction Générale des	Angle Rues Mgr	222-	

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Impôts(Internal Revenue Service) (DGI)	Guilloux et des Casernes	8093/8110/0238/0 217 Fax : 222-4553	
Autorité Portuaire Nationale (National Harbor Authority) (APN)	Boulevard la Saline	223-2440/4074 Fax : 221-3479	apnpap@apn.gouv.ht apncap@apn.gouv.ht
Autorité Aéroportuaire Nationale (AAN)	Aéroport International de P-AU-P	250- 1159/58664105/4 107/1124/1125/11 29/4105/4106/064 2 Fax : 223-9229	dg.aan@haitelonline.com
Conseil de Modernisation des Entreprises Publiques	Primature	249- 7923/2568281	
Commissions Nationale des Marchés Publics	Rue Pacot#51	510-4780	
Police Nationale d'Haïti (PNH)	Rue Oscar, Pacot	244-7431/250- 222/2447/6002/86 04 558-8901/418- 445 Fax : 245- 7374/2560554	by@comp.net
Unité de Contrôle et de Renseignement financier (Unit of	Rue du Magasin de l'Etat #4	299-1330à 1334	fdenizard@hotmail.com

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Control and Financial Investigation) (UCREF)			
Chamber of Commerce and Industries/Association of Producers/Exporters in Haïti			
La Chambre de Commerce et d'Industrie d'Haïti (Haitian Chamber of Commerce and Industry)(CCIH)	Cité de l'Exposition Blvd Truman	223-0786/2075 511-5821 Fax : 223-8131	
Haitian American Chamber of Commerce (AMCHAM)	7 Rue Moïse #18, Pétion Ville	511-3024	rmthear@hamcha.org
Chambre Franco-Haïtienne de Commerce (Franco-Haitian Chamber of Commerce)	Hôtel le Plaza, Champs de Mars Rue Capois #0	223-8424/511-3036/260-4560/401-7501 Fax : 223-8846/2238131	cfhci@yahoo.fr
Chambre Canado-Haïtienne de Commerce (Canado-Haitian Chamber of Commerce)	RHT Building Route de l'Aéroport	250-1848	hacachamber@yahoo.com
Chambre de Commerce et des Associations du Sud – Est (Chamber of		288-3131/542-1010	

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Commerce and the Associations of the South East (CCADSE)			
Chambre de Commerce, d'Industrie et des Professions du Sud (Chamber of Commerce and profession of the South) (CCIPS)	55, Rue Duvuvier Hall Cayes	286-0598	
Chambre de Commerce, d'Industrie et des Professions du Nord (Chamber of Commerce and Profession of the North)(CCIPN)	43, Rue 17 A-B Cap-Haïtien	262-2360 Fax : 262-2895	
Association des Exportateurs de Café (Association of Coffee Exporters)	4, Rue Jean Gilles	250-1453 à 1455 Fax : 250-1461	
Association des Exportateurs de Mangue (Association of Mango exporters)(ANEM)	5 Santo 20 Route Nationale #3 Croix des Bouquets	510-2696/250-5995/5985 511-0737	
Associations des Paysans de Value (Association of the	Petit Goave, km 56 Route nationale#2	2492302	apvalue@gmail.com

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Peasants of the region of Value)			
Association des Exportateurs d'Huiles Essentielles et de Vétiver (Association of Essential Oils and vetiver exporter)			
Association Touristique d'Haïti (Haiti Tourist Association)	Rue Moïse # 18 Pétion Ville		ath@haitionline.com
Associations des Industries d'Haïti (Association of the Haitian Industries)(ADIH)	Delmas 31 et 33 Rue Lamarre #17 P.V Galerie Marassa	246-4509/246-4510 Fax : 246-2211	
Association des Producteurs Nationaux (Association of the National Producer)s (APRONA) et Fondation Nouvelle Haïti(new Haiti Foundation)	Rue Panaméricaine, Pétion Ville 14 Rue Borno Pétion-Ville	250-1501 à 22 250-1866 260-4461 et 260-4462	gazindassa@gazindassa.com fmadsen@branahaiti.com
Centre pour la Libre Entreprise et la Démocratie(Center for enterprise and	9, 2 ^{ème} Avenue du Travail, Bois Verna	244-0901/0902/245-4388/510-4603	

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democracy) (CLED)			
Jeune Chambre Economique d'Haïti (The Young Economic Chamber of Haiti) (JCEH)	30, Rue Vilate, Pétion-Ville	257-5248/256-6833/222-2981/404-3352	jcehaiti@yahoo.com
Association Hôtelière et Touristique d'Haïti (Tourist and Hotel Associations of Haiti)	Hotel Valla Créole P.V	257-1570/1571	
Consultation Firms et Consultants			
Capital Consult S.A	Rue Chériez-Canapé Vert	245-3199/245-4609/245-5007 Fax : 245-2844	
Groupe Croissance	Rue Grégoire # 45 Pétion-Ville	256-5088/5089 515-6770	
ECOSOF	1 ^{ière} Impasse Laveau , P-AUP	245-9664/3717/32622 Fax : 246-5553	ecosofsa@yahoo.fr
IDEO	Avenue John Brown # 153 Lalue	245-6974/6658/3932	ideohaiti@yahoo.com
The Civil Society Organizations			
Fédération Protestante du Pasteur Edouard Paultre (The protestant federation of Pastor Edouard Paultre)	Rue Fernand # 7, Pont Morin	245-5735	
Initiative de la Société			

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Civile de M Rony Desroches			
Conférence Episcopale d'Haïti (Episcopal Conference of Haiti)			
Conseil Haitien des acteurs non Etatiques(CONANE)			
Parks			
Société Nationale des Parcs Industriels (Nation Association of Industrial Parks) (SONAPI)	Route de l'Aéroport, P-AU-P	250-1008/1009/0179/2715	parcindustriel@yahoo.com
SHODECOSA	Route Nationale #1 P-AU-P	223-8697/8063 223-8362 223-8091 Fax : 222-4145	shodecosa@yahoo.com
Insurance Companies			
Les Assurances Leger S.A. (ALSA)	40, Rue Lamarre	222-3029/3451/0916/223-3137 Fax :223-8634	alsa@alsagroup.com
INASSA	25, Rue Fernand, Canapé Vert	245-9703/9800/2	nassa@nassagroup.com inassa@nassagroup.com

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		44- 3177/1382	
Groupement Français d'Assurances	Angle Route Delmas & Delmas 56	246- 3374/76/249 -0432	adufort@acn2.net
Insurance Brokers of the Americas SA (IBAsa)	37, Rue Bois Patate	244- 2121/22/23/ 244-7710/11 Fax:244- 7712	ibasa@delespinasse.com
Alternative Insurance Company	4, Rue Jean Gilles Route Aéroport	250-1458à 60/260-4495 à 99/510- 825	info@aicinurancgroup.com www.aicinurancgroup.com
Development Banks			
Fonds de Développement Industriel (FDI)	Angle Rue Lamarre et Avenue John Brown, P-AU-P	222- 6724/222- 7197-222- 7852 Fax :250- 1436	
Société de Financement du Secteur Privé, SOFIHDES, S.A	Route de l'Aéroport, Parc Industriel	250-1427 à 32 Fax : 250- 1436	info@sofihdes.com www.sofihdes.com
Commercial Banks			
Citibank	242 Route de Delmas	299-3200	
Unibank	157 Rue Faubert	299-2057 à	

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	Pétion-ville	2066	
Sogebank	Auto route de Delmas et Delmas 30	229-5220 à 5224/229-5004/5000 Fax : 229-5228	www.sogebank.com
Banque Nationale de Crédit (BNC)	103, angle Rues des Miracles et du Quai	299-4001/4010/4093	www.nbc-ht.com
Scotiabank	Angle Rues Louverture et Geffrard, Pétion-Ville	299-3075 à 3079 Fax : 299-3024	bns Haiti@scotiabank.com www.scotiabank.com
Capital Bank			
Banque Populaire Haïtienne			
Socio-professionne Associations			
Association Haïtienne des Economistes (Association of the Haitian Ecomists) (AHE)	5, 2 ^{ième} Rue Rivière	245-0244	Haiti_economistes@yahoo.fr
Ordre des Comptables Professionnels d'Haïti (Association of the Public Certified Accountants of Haiti) (OCPAH)	17, Rue Baussan	245-9089/5571014 Fax : 245-2085	
Association	133 Rue Faubert	299-	apbhaiti@hotmail.com

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Professionnelle des Banques (Bank Associations) (APB)	P.V	3298/3299 Fax : 257- 2374	
Mails, express parcel, Property Transfer			
Haïti Terminal	Boulevard la Saline	298- 4180/4181/4 182	
Châtelain Cargo Service	42 Route de l'Aéroport, P- AU-P	250- 1650/1652/1 655 Fax : 250- 1398	PVC@chatelaincargo.com
Emballage Adventiste	63 Diquini	234- 1232/9712/5 13-7202	Emballage@hainet.net
DHL International Haïti, S.A	164, Route de l'Aéroport	250-9400 à 250-9409 Fax : 250- 9410	www.dhl.com
Certified Public Account Firms			
Mérové Pierre	7, Rue Lechaud, Bourdon	260-2845	
CEGEC	2, Imp Gireau, Route de Bourdon(cercle bellevue)	245- 6808/213- 7294	Segec_haiti@yahoo.fr
Gardère &Noailles	Rue S Varreux	250- 8060/61/62	
Agro-industrial or food-processing industries			

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Shaisa-Ste Haïtienne Agro-Industrielle	22 Santo	238-8822à Fax : 223- 4694/246593 2	jmourra@hotmail.com
Cstpa	Mirebalais	276-1156	lestiverne@aol.com
Veterimed de M Michel Chancy	18, Ruelle Alerte P-AU-P	701-9360	
Association nationale des Transformateurs de Fruits	32, Babiole	244-0686	
Agri- Suppy	172 Rue du centre P-AU-P	223- 9530/9680 511-6050	
Jardian hydroponique d'Haïti	Fermathe 43	255- 9086/255- 9970	
Laitmart	Hinche	558- 1049/410- 9534	Franzmews@hotmail.com
Mines and quarries			
Société Minière Ste – Geneviève, Haïti, S.A.	1, Bourdon, Impasse P.Weiner(en face PNUD)	510- 7141/244- 8720/556- 1331/701- 1331 Fax : 244- 8721	sg_haiti@yahoo.fr www.sghaiti.com
Consortium de Marbre	Gonaives		
Les Universities and Faculty			

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INAGHEI	47, Avenue Christophe, P- AU-P	222- 0594/2620/5 404	
UNIQ	Angles Rues Charéron et Truman	221- 4516/4330/6 139/6618/22 2-9902/9103	recteur@uniq.edu
UNDH	6, Rue Sapotille		
Université d'État d'Haïti			
Associations of the Diaspora			
Société Immobilière, d'Agriculture, de Commerce et de Tourisme S.A (SIMACT) Mr Kernisan Leslie	247-2 Post Avenue, Westbury, N.Y 11590	(516)-319- 4651/826- 1487/459- 2816	Spinard311@yahoo.fr Jwolf5604@aol.com
International Institutions			
Inte-American Development Bank (IDB)	389, Avenue John Brown, Bourdon	245- 8139/7747/5 711 /5633/5622 Fax:245- 0373	
World Bank	Rue Franck Cardozo # 10	256-0844 256-4260	mgbetibouo@worldbank.org

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		Fax;256-0848	
International Monetary Fund (IMF)		299-1023/1026/1028	marched@imf.org
United States Agency for International Development (USAID)	Cité de l'Exposition	222-5500/223-9603/223-1087/6566	
Canadian Agency for International development (CAID)	Route de Delmas, Delmas 73-75	249-9000	
Internal Trade Center (CCI)/CNUCED/WTO	Palais des Nations, 1211 Genève 10, Suisse	(41-22) 7334439	itereg@incen.org www.intracen.org
Ambassies and consulate accredited in Haïti			
Consulats of the United States of America	104, Rue Oswald Durand, P-AU-P	222-0951/6440/6443/6421/6426/6407 7008/222-0200	
French Embassy	51, Rue Capois, Champs de Mars	222-0951/9052/0953/223-1310 Fax :222-5226/223-9858	ambafrance@hainet.net www.ambafrance.ht.org

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Consulate of the Dominican Republic	85, Rue Rigaud, Pétion Ville	257- 1968/1208	
Regional Organizations			
CARICOM			
CARIFORUM			

a- List of the companies that filled the questionnaire :

Entreprise	adresse	Gérant Responsable
Multi Wear S.A	Sonapi # 24/46/47	Serge Coles
Global Manufacturing S.A	Aéroport	Gerald Apaid
Island Apparel S.A	Shodecosa #14/16	Anssali Andrew
The Willbes Haitian S.A	Sonapi	Hui Chol Yang
Palm Apparel S.A	Carrefour Thor 65	Allain Villard
Kenskoff Manufacturing	Aéroport	Fachad Khozouee
Boulos MFG.CO S.A	Carrefour Feuille	Raphael Boulos
Assembly Center ot Haïti	Rte Delmas	Joseph Nozime
Ace Iron Craft	Rte Nle#1 Cazeau	Victor Boulos
Genesis S.A	Aéroport	Bernard Roche
Agri- Supply	Sud	Pierre Léger
Association des exportateurs de mangues	Croix des Bouquets	
Association Nationale des transformateurs de fruits	Babirole 32	
CSTPA	Mirebalais	
Lait mart	Hinche	Frantz Mews

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List of the companies by branch that renewed the contract of eligibility for 2007

Textile Sector			
Company	Address	Manager	Jobs
Caribbean Apparel MFG S.A	Sonapi	Frisnel Oxine	528
Modas Glorias Apparel S.A	Sonapi #11	Kwangsuck SUH	123
Lucotex MfG	En FACE Delmas 10	Dieunor Luccin	54
Multi Wear S.A	Sonapi #45/46/47	Serge Coles	1050
Premium Apparel S.A	Aéroport	Goderfroy Robert	800
Gildan Active Wear	Clercine 16	Louis Henry Robert	977
Société Haïtienne de couture S.A	Sonapi #43	Jn Paul Fobert	750
Paxar Haïti S.A	Aéroport	Maldine Sylvestre	50
Haitian International MFG S.A	Delmas 29	Albert Handal	300
Johan Compagny	Rte de Delmas	Johny Handal	110
Global Manufacturing S.A	Aéroport	Gerald Apaid	1450
Island Apparel S.A	Shodecosa #14-16	Anssali Andrew	1117
Magic Sewing MFG S.A	Aéroport	Felix Abraam	151
One World Apparel S.A	Aéroport	Baker N.F Apaid	250
The Willbes Haitian S.A	Sonapi	Hui Choi Yang	1100
Palm Apparel S.A	Carrefour Thor 65	Allain Villard	1050
Electronic Sector			
Medelec Industrie S.A	Aéroport	Toussaint Patrick	160
Kenscoff Manufacturing	Aéroport	Fachad Khozouée	270
Bekma Electronics S.A	Delmas 33	Belroosi Goodarz	36
Leathercraft			
Cuir Hawtan S.A	Mariani Rue Gaston	Cadet Myrtha	95
Leather Craff S.A	Aéroport	Emelie Lanticro	132
North Safety	Aéroport	Duchatelier Harry	33

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Products			
Fox River Caribe, INC	Aéroport Jn Gilles	Joele Lalane	42
Fishing Sector			
Boulos MFG.CO S.A (BOMACO)	Carrefour Feuille	Raphael Boulos	30
Caribbean American MFG S.A	Aéroport	Lionel Laguerre	92
Others			
Golden Orchide	Laboule 12	Tony Assali	18
Celex	Aéroport Frères	Celcis Georges	16
Assembly Center of Haiti	Rte de Delmas	Joseph Nozime	89
Haitian Novelties S.A	Delmas 33 #20	Gisele Riboule	82
Agro-Industrial			
Antillean Canning S.A (Ancasa)	Croix des Bouquets	Raph Perry	200
Craft Sector			
Ace Iron Craft	Rte Nle #1 Cazeau	Boulos Vitcor	800
Metalart S.A	Aéroport	Wooley Harry	102
Caribbean Craft	Shodecosa #15	Magalie Dresse	390
List of the new companies			
Pacific Sports Haiti S.A	Sonapi #8	Bong Yea Lee	400
Quick Response MFG	Sonapi #22	Robledo	180
Genesis S.A	Aéroport	Bernard Roche	800

ANNEXE 6 :

Charts

- Chart 1 :

Part des valeurs ajoutées sectorielles dans la PIB										
(en %)										
Branches	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03*	2003-04*	2004-05**	2005-06***
Primary Sector	29.6	28.9	27.4	26.2	26.7	25.8	25.7	25.4	25.6	25.4
Secondary Sector	14.7	15	15	15.3	15.3	15.6	15.7	15.9	16	15.9
Tertiary Sector	49.4	49.9	50	50.8	50.9	51.6	51.5	51.4	51.1	51.3
Imposition et taxes at import	6.3	6.2	7.6	7.8	7.1	7.1	7.1	7.4	7.3	7.3

Source: Institut Haïtien de Statistique et d'Informatique (National Accounts Service)

*semi-définitive
 **temporary
 ***estimate

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- Chart 2 :

Gross Domestic Product by Sector										
(In Million Gorde 1986-1987)										
Branches	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02*	2002-03**	200304***	2004-05***	2005-06***
Agri., Sylvic., Elèv., and Fishing Industries	3 665	3 657	3 553	3 424	3455	3 326	3 334	3 174	3 256	3 311
Mining	12	13	14	14	14	14	14	13	14	15
Manufacturing Industries	1 015	1 018	987	982	983	999	1 003	978	994	1 017
Electricity and water	96	94	90	82	60	61	63	70	75	58
Construction and Public works	708	788	870	942	948	957	975	949	977	1 005
Com., Restaurants and Hotels	3 029	3 125	3 251	3 398	3 410	3 509	3 530	3 305	3 350	3 451
Transports and Communications	531	569	665	748	765	763	775	781	806	842
Other market services	1 373	1 454	1 501	1 566	1 556	1 532	1 535	1 522	1 542	1 573
Non market services	1 428	1 446	1 444	1 422	1 385	1 400	1 380	1 336	1 358	1 379
Fictive Branch 1	(228)	(268)	(343)	(459)	(494)	(513)	(516)	(495)	(523)	(533)
Total Gross added value	11 630	11 896	12 033	12 119	12 082	12 048	12 093	11 633	11 849	12 118
Tax minus subv. On products	781	787	992	1 020	920	920	922	924	934	961
Gross Domestic Product	12 410	12 683	13 025	13 139	13 002	12 968	13 015	12 557	12 783	13 079
Growth rate (in%)	2.7	2.2	2.7	0.9	-1	-0.3	0.4	-3.5	1.8	2.3

Source: Institut Haïtien de Statistique de d'informatique (HISI)

Notes: *Semi-definitive **temporary***Estimate

1: It is by convention a special unit that takes the use into account made by the other branches of banking services production (SCN 93)

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- Chart 3 :

General Index of the Industrial Production

(Base 100 in 1986-87)

From the trimester 1999-00 to the second trimester 2006-2007

year	1st Trim.	2st Trim.	3rd Trim.	4th Trim.	Annual
1999-00	101.2	104.5	105.4	97.2	101.7
2000-01	103.2	105.3	106.1	103.5	104.5
2001-02	103.6	107.5	109.6	104.2	106.2
2002-03	106.7	110.5	112.4	113.3	110.7
2003-04	115.3	101.6	116.2	116.4	112.4
2004-05	119.2	114.5	121.1	121	118.9
2005-06	131.4	126.1	123.6	126.6	126.9
2006-07	131	128.8			

Source : IHSI

- Table 4 :

Construction activity index

Base 100 in 1986-87

From the first semester 1999-00 the last semester 2006-07

year	1st Trim.	2nd Trim.	3rd Trim.	4th Trim.	Annual
1999-00	155.1	150	154.9	160.9	154.9
2000-01	153.1	155.1	163.1	156.4	156.9
2001-02	154.5	156.2	154.8	174.8	160.1
2002-03	164.4	161.3	154.7	168.4	162.2
2003-04	156.7	144.3	176.3	153.5	157.7
2004-05	169.3	154.4	160.8	162.7	161.8
2005-06	168.3	182	169.3	163.8	170.9
2006-07	174.3	182.7			

Source IHSI

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- Chart 5 :

Compararison of custom tariffs at import in Haïti et CARICOM EN %, 1998

Products	Haïti	CARICOM (Common external tariffs)
Rice	3	40
Flour	0	5
Sugar	3	25
Corn	15	40
Plantain	0	30
Sorgho	0	40
Bean	5	30-35
Pork	5	5
Chicken	5	40
Milk	0	30-35
Eggs	0	40

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APPENDIX 7 :

List of executives of the public administration and the civil society interviewed

- 1- Mr. Jean Robert SEVERE, of the Trade and Industry Ministry
- 2- Mr. X CLERMONT, of the Trade and Industry Ministry
- 3- Mr. Yves DECIME, of the Trade and Industry Ministry
- 4- Mr. Daniel ALTINE, In charge of the vocational training project of IDB, former senior executive of the Trade and Industry Ministry, expert on exportable supply and growth sector.
- 5- Mr. Edouard CLEMENT university professor and researcher on international trade and exportable supply.
- 6- Senator Ricard PIERRE, chairman of the Finance commission in the Senate of the Republic of Haiti and representative of the South-east
- 7- Senator Maxime ROUMER representative of the Grand Anse
- 8- Senator Cher enfant representative of the South department
- 9- Mayor of Mirebalais

Itinerary and visit schedule : France – USA – Canada – France

(from October 30th to November 2007)

Appointments	INSTITUTIONS / COMPANIES	INTERLOCUTORS	FUNCTION / POSITION
Tuesday 30/10/07	<u>Outward trip Paris – New York</u>		
Wednesday 31/10/07	Consulate Generak of Haïti in New York USA	Mr. Félix AUGUSTIN	Consul General

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	Millenium Group Millenium Capital Ressources LLC New York, USA	Mr. Michael FROMER	Director Gener
Thursday 01/11/07	Fonkoze USA – BID New York, USA	Mrs. Katleen FELIX	Consultant for th
	Consulate General d’Haïti à New York	Mr. Félix AUGUSTIN	Consul Genera
Thursday 01/11/07	Millenium Group Millenium Capital Ressources LLC New York, USA	Mr. Michael FROMER	General Directo
	UMCOR – United Methodist Committee on Relief New York, USA	Mr. Marc S. MAXI	Executive Direc
Thursday 01/11/07	<u>Outward trip New York – Boston</u>		
Friday 02/11/07	Groupe EDEM Boston, USA	Mr. Jean Patrick Lucien	Executive Direc
	University of Massachusetts Boston USA	Mr. Alix CANTAVE	Associated Dire
	University of Massachusetts Boston USA	Mr. Marc PROU	Professor/Assoc
	University of California Boston, USA	Mrs. Claudine MICHEL	Professor-resear Directrice de Re
Friday 02/11/07	<u>Reurn triip Boston – New York</u>		
Sunday 03/11/07	Optimum Realty Groupe SIMACT, INC. Miami, USA	Fritz Clairvil	Director Genera
Sunday 04/11/07	<u>Outward trip New York – Miami</u>		
Monday 05/11/07	La Gonâve Development Center - GDC Global Real-Pro Investors Group, Inc. South Florida Real Estate Developer Miami, Florida	Mr. Georges T. DANIEL	President
Monday 05/11/07	Tasseur S.A. Miami, Florida	Mr. Roney TASSY	President
	Société Haïtienne des Energies Renouvelables (Haitian society of Renewable energy) – SHARE S.A. Miami, Florida	Mr. Georges VALME	President
Tuesdat 06/11/07	Consulat Général d’Haïti Miami (Consulate Geneal of Haiti) – Florida USA	Mr. Ralph LATORTUE	Consul General

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	Consulat Général d'Haïti (Consulate General of Haiti) Miami Florida - USA	Mr. Alex JOSPITRE	Consul
	Choice One Telecom PLANET Radio & WSRF Radio	M. Jean A. CHERUBIN	President
Wednesday 07/11/07	Radio MEGA	Mr. Alex Saint-Surin	Director General
Thursday 07/11/07	<u>Return trip Miami – New York</u>		
Thursday 08/11/07	Telephone Calls Visits Schedule plan Montreal and Ottawa Appointment Arrangements		
Monday 09/11/07	<u>Outward trip New York - Montréal</u>		
Monday 12/11/07	<u>Montreal - Ottawa</u>		
Monday 12/11/07	Fondation Canadienne pour les Amériques (Canadian Foundation for the americas) (FOCAL)	Carlo DADE	Director General
Tuesday 13/11/07	Ambassade d'Haïti à Ottawa Canada (Haitian embassy in Ottawa)	Mrs. Nathalie GISSEL-MENOS	Chargé d'Affaires
	Ambassade d'Haïti à Ottawa Canada (Haitian Embassy in Ottawa)	Mrs. Claude AMBROISE	Cultural affairs
Tuesday 13/11/07	Agence Canadienne de Coopération Internationale (Canadian Agency for International Cooperation)– ACIDI Ottawa, Canada	Mr. Luc FRECHETTE	Director General For the Haiti and Republic depart.
	Agence Canadienne de Coopération Internationale(Canadian Agency for International Cooperation) – ACIDI Ottawa, Canada	Mr. Louis VERRET	Program Director
Wednesday 14/11/07	Agence Canadienne de Coopération Internationale(Canadian Agency for International Cooperation) – ACIDI Ottawa, Canada	Mrs. Dominique HETU	Haïti Communication
Wednesday 14/11/07	<u>Return trip Ottawa - Montreal</u>		

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Wednesday 14/11/07	Association des Ingénieurs et Scientifiques haïtiano-canadiens (Association of Haitian-Canadian Engineers and Scientist) (AIHC). Montreal, Canada	Professor Samuel PIERRE	President
	Association des Ingénieurs et Scientifiques haïtiano-canadiens (Association of Haitian-Canadian Engineers and Scientist) (AIHC). Montreal, Canada	Ing. Max MAURICE	Board Member
	Association des Ingénieurs et Scientifiques haïtiano-canadiens (Association of Haitian-Canadian Engineers and Scientist) (AIHC). Montreal, Canada	Ing. Yves MARTHONNE	Board Member
Thursday 15/11/07	Consulate General of Haïti of Montreal Canada	Mr. Pierre-Richard CASIMIR	Consul General
	Consulat Général d'Haïti à Montréal Canada (Consulate General of Haiti in Montreal)	Mrs. Junia BARREAU	Vice-Consul In charge of E Trade Matters
	Assemblée Nationale du Québec Montréal, Canada (Quebec National Assembly, Montreal)	Mr. Ronald BOISROND	Political Attach Emmanuel DU Haitian origin)
Thursday 15/11/07	CPAM Radio Union Montreal, Canada	Mr. Jean ERNEST PIERRE	CEO CPAM Ra
	<u>Participation en direct à une émission de radio sur la mission IDE</u> CPAM Radio Union Montréal. Titled and broadcast : : « Billet de Retour » - “Ret 16 :00 – 18 :00h. : Presenters Mrs Asma HEURTELOU and Mr. Arol PIND		
Friday 16/11/07	Jeune Chambre de Commerce Haïtienne du Québec (Young Haitian Chamber of Commerce of Quebec) (JCCH) Montreal - Canada	Mrs. Stéphanie RAYMOND-BOUGIE	President
Friday 16/11/07	Return trip Montreal – New York		
Sunday 18/11/07	<u>Return trip New York – Paris</u>		

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Monday 19/11/07	<u>Arrival in Paris</u>
------------------------	--------------------------------

Altogether I visited three (3) American states, two Canadian provinces and interviewed thirty (30) People

APPENDIX 8: VISIT REPORT IN DIASPORA

The United States, France, Canada, French West Indies

MAIN TRENDS THAT EMERGE FROM THE INTERVIEWS

I) In connection with the Diplomatic Representations: Embassies and Consulates

As a whole, all the visited diplomatic stations have a commercial and tourist section. It is often the same person who is in charge of both. The appreciations on the operation and the effectiveness of these services are mitigated. In certain cases, the chief of the diplomatic mission - the Consul General or the Ambassador - is satisfied with the operation of this service. In others it is not really the case, generally for lack of competence of the incumbents or lack of vision on the responsibilities related to the position.

These personnel belong to the diplomatic station. It is, for the moment, neither the employees of the Ministry of Trade or the CFI, nor the employees of the Ministry of Tourism. This seems to constitute no particular problem, neither in term of operation, nor in term of organization. Quite to the contrary, it seems that this operating mode is well accommodated.

Having personnel of the other Ministries come to the diplomatic stations could be regarded as imposing 'foreign people' to the remainder of the team. In this regard, some incumbent of the commercial and economic Sections clearly reject this option.

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“... That will be “embellishing” without being necessarily more effective. What counts is the dynamism and competence of the person in place”.

Nevertheless, there is a strong request for planning and coordination with the Ministries. They claim a closer and stronger collaboration with their alter ego, persons in charge of the tourist and trade promotion, as well as the CFI.

“We need closer cooperation with the CFI. We need to have written documentation at the disposal of any investor, whatever the field. Manufacturer, tourism,...”

The expressed will is that there is a service within the concerned Ministries which conceive the “strategy of sectional promotion”, preferably by implying, upstream, the commercial sections of the embassies and Consulates. The persons in charge of the consular Sections will bring information as inputs; as well as, their view on the host countries; this will permit to have differentiated strategies, targeted by country.

Then, with full knowledge of the fact, the persons in charge for the consular Sections will deal with the implementation aspect of the worked out strategies, with their own teams; thanks to the financial contribution of the concerned Ministries.

GENERAL OBSERVATIONS

Although all the diplomatic stations visited have a commercial section, “ **there does not exist an operational, systematic work of trade promotion** ». I did not have information on the schedule activities, the periodic events or on “major events in terms of promotion” which punctuate the year. As a whole, the report is as follows:

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- No network organization of our Embassies and Consulates
- No synergies between the consular services of the same country, neither between two or several countries
- Absence of communication, at least formal, on trade promotion and investments; thus we do not make the most of the “best practices”
- Absence of follow-up and data bases on the wishes expressed to invest in Haiti. For example, absence of:
 - o list of investors
 - o history of the meetings
 - o nature of the projects
 - o estimated amount of the investments
 - o progress report of the files
 - o nature of the formulated requests: information research, make contacts, search for partners...
 - o possible continuation: travel or not to Haiti; if yes accompanied by who, to meet who?
 - o who processes and follows the file, if need be, in Haiti.... ?

With regard to the remark “of systematic absence of work of trade promotion ”, notable exception however is the case of the Consulate General of Haiti in Montreal. A clear vision of the function and the responsibilities seem to take shape. In addition to the initiatives at the level of the province, institutional twinning, socio-professional inter-chambers exchanges, periodic activities are organized, in the host country or in Haiti, with the participation, and implication of actors of the two countries. Among the principal events, it is necessary to mention, in partnership with the Haitian Chamber of Commerce and Industry of Canada (CCIHC) the annual organization of a forum on the promotion of Haiti. The most took recent place in October 2007 under the theme “Haiti in Rebuilding. Several current Haitian Ministers took part or intervened during this forum.

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Lastly, in the consular networks, **mission turns especially around the import/export trade promotion of Haitian products, on a small scale.** The incumbents of the commercial sections summarize their main activities as follow:

- Promotion of the agricultural produce
- Promotion of the local products, in particular the craft industry
- Promotion of Haiti in general and the image of Haiti (mentioned by the Consulate of Montreal)

Strategy of east Quebec to work mainly on the “country image”. We work mostly on “perception and image” more than opportunities because people know that opportunities exist.

The Diaspora belongs to our priority target. : The first criticisms come from the Diaspora. When we succeed to make them change speech it has more impact...

With regard to the agricultural produce, for the moment they penetrate in small quantities (no figures, nor estimate). It is the case for example of a Canadian company “Pepper Brooks” which imports the Haitian “Piment Bouc”, the pepper of Lascahobas. The incumbents try to heighten public awareness in Haiti and to find outlets as well as partners who will be able to allow the marketing of larger quantities.

The targets of these products are the Diaspora and other ethnic communities.

With regard to the investments themselves, it is more the SMEs/SMIs that come to the consulates, in search of information. When they are big investments, with big stakes, the investors will not see the Consulates. They privilege direct and personal contacts with the Haitian authorities. They in addition use directly their Embassies in Haiti; and in the case of Canada, the Ministry for International Trade (Ottawa). It was the case for example of

Gildan (textile/ Sonapi), SNC Lavalin or the Sainte Genevière Company (North-eastern mining: copper, gold prospecting).

“They come to see us for small operations, for amount going up to 300.000, 00 dollars approximately. Beyond, they privilege other channels”.

II) About the Diaspora

Typology of the potential investors of the Diaspora met

Generally, the investors of the Diaspora are people who were born and schooled in Haiti. They are qualified people, with diplomas of higher studies acquired in Haiti. Sometimes some even made the choice of working in Haiti at first. They left the country to make other studies afterwards, or following political turbulences. Then, they decided to settle in the host country.

Among the standard profiles, there are lawyers, jurist, business schools graduates and journalists.

In addition, in the majority of the case, they are people who already have a business activity in the host country. In Haiti they seek where to extend their activities or diversify. The other is composed of professionals who have a remunerated occupation and who seek investment opportunities in Haiti.

However, I specify that this typology concerns the potential investors. Otherwise, the major part of the immigrant population (except the students which are not considered here) are workers and factory workers. They are neither contractors, nor potential investors. However, certain interviewees say that, in a form which remains to be considered, these people can put joint resources and take part in investments.

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“The public here is very special. Many people come from the provinces and do not know the machinery ... They are people kneaded by hard work. They do not have time to think of another thing and of difficult... they want simple things”

“... Often, they do not have large economies. But they have on average 10 - 15 thousand dollars and wish to make things in Haiti. If one is able to put them together and create small consortia, pool their funds, amounts that allow investment could be reached. That can make small companies of jam, fishing (boat, cold room) and create job”

Lastly, according to certain interviewees, there is a category of people who have an average potential for investment.

They have between 25 thousand - 150 thousand dollars, want to invest but do not know in what. These people need to be advised and accompanied.

Nature of the Investments

A) In the host country

The Haitians of the Diaspora who invest in the host country make it mainly in the following sectors:

- Real estate (purchase, sale, lease and mortgage)
- Communication (radio, TV)
- Import-export (it is not strictly speaking FDI)
- legal and Para-legal services, (civil law, document regularization, payment tax obligations, migration...)
- Money Transfer.

In Canada, it is diversified with the “activities of engineering service” as shown in the example of the recent creation of Geninov by members of the Association des Ingénieurs et Scientifiques Haitiens du Québec (Association of the Haitian Engineers and Scientist of Quebec (AIH)).

B) In the country of origin

The major part of the Haitians of the Diaspora who intend to invest in Haiti generally turn towards the following sectors:

- Tourism (hotel business, catering)
- Real estate: construction of residential complexes and condominiums
- Transport especially air and, to a lesser extent, maritime
- Communication (radio) and telecommunication (mobile telephony)
- Import-export (not strictly speaking FDI)
- agricultural production mainly “organic” intended for export
- Renewable energy (plant-based Bio-fuel...)

The projects are not necessarily on a very large scale. In addition, certain people intend to invest for their own personal needs. For example now, the company interested to produce bio-fuel plans to do so, at least in a first phase, for its own use, to supply its generators and to make function its cold room to preserve its fruit and vegetables intended for export.

The major part of the investments of the Diaspora are projects of about 50 thousand to 500 thousand dollars. There are very few projects which imply big investments, about several Million dollars. For these projects, it is especially necessary to turn to foreign investors or partnerships Diaspora - foreigners.

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Nature & Range of the Large Projects Identified

If the major part of the investments of the Diaspora are projects with small/average scale, I however indexed a certain number of projects which involve significant investment, about 50 Million dollars or more:

- 1) **Group SIMACT: BELLIVE Project** in Jacmel. Residential complex and hotel for an estimated U\$60 Million.

It is quite an elaborate project with a very good dossier, technical and financial feasibility studies as well as market research. There are funds and partners available. They also claim to already have a site in the south of Jacmel, even if they continue to look for location. There is an Internet site on the project.

High points / Progress report:

Investors of Group SIMACT, led by the Director General Mr. Fritz Clairvil, met at the end of October 2007 in Haiti with Members of the Government and representatives of the private sector - banking sector included - to present their projects. Not less than 5 Ministers attended their presentation.

- 2) **Co-operation for the Development of Gonâve - CDG Development:** Complex project of socio-economic, industrial, territorial, tourist and commercial development (roads, ports, airports, industries of subcontracting and packaging, maritime transport and air). They are defined as “promoters of the development of the island of Gonâve”.

This project envisages the construction of a large port in Gonâve which would come in support of the subcontracting industries and packaging which they intend to install on the

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island, for then redirecting the products towards the United States and the countries of the CARICOM. It is a complex project which would include manufacturing companies, and harbor, airport and communication infrastructure (optical fiber of Miami in the island of Gonâve), regional planning, real estate and tourist investments.

It also envisages the opening of a University which would be an extension of the University Toussaint Louverture of Boca Raton (West Palm Beach). For the moment, no figure could be obtained.

Gonâve Development Corporation has a legal existence in the United States. It was founded only to manage and launch business in Haiti. The company would be in the course of registration in Haiti. A law firm is in charge of the file.

Expectations :

They ask for the creation of a “special economic zone” – SEZ on the island of Gonâve; which is different from a “free zone”.

High Point / Progress report

- A bill would have been brought in to the House of deputies around August in this purpose. I could not obtain a copy of the bill.
- A pilot scheme would have been subjected to the Haitian Government, while waiting for the necessary legal modifications .A presentation of the project was made at the IDB in Washington
- The project would have had the approval of the current Haitian Prime Minister who even plans to insert it in his program of government. There would be somebody in Primature in charge of the dossier. They would in addition have a letter of approval of the PM to continue to advance with the file.

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-A meeting would be programmed during December with other major actors of the Haitian private sector, in particular the project “Grand Sud” (Great South) to make proposals to the Government on the transformation of the legal framework.

The approach privileged within the framework of this project is the Public/Private partnership (PPP). It is a project with a 10 year Master Plan whose investments could rise to several hundreds Million dollars. I use the conditional because I had access to no element of the file. They should forward them to me by email.

3) **Broadcasting Alliance:** Air transport project ensuring the Miami - Cap-Haitian connection. According to the owner of the group, there is currently the Lynx company which connects Fort-Lauderdale – Cap Haitian with 19-passenger aircrafts. His project considers aircrafts having a 27- passenger capacity. He plans to start with 1 daily flight.

High points / Progress report:

I did not have access to the details of the file. But according to the Director General of the company, a firm was created and recorded in Haiti. A group of lawyers are in charge of the continuation of the file for the administrative and legal ends.

The next phase deal with the choice of acquisition of the planes: purchase or lease. The operations should start in the first quarter of 2008.

-The same investor shows interest to build a modern cargo liner terminal in Port-au-Prince within the framework of the current project of enlarging Toussaint Louverture airport. He met with the Director General of the Airport and, at his request, submitted a “ letter of intent” to him approximately 6 months ago (April 2007). Since then, the investor told me that he had no answer.

-Lastly, this same investor wishes to invest in the airport of Cap-Haitian. He said to be able to make a modern airport there. He says that he will proceed with the

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feasibility studies and hopes to be able to make the presentations to the Haitian Authorities once the studies are finished.

-In the immediate future he intends to make investments in the tourist sector, in the construction of Resort and Vacation villages. He continues to explore the areas and should go to Port-de-Paix between November and December 2007 to advance on the file.

There are three other large projects of investment among the nationals of the Diaspora. I could not meet with those who have these projects. However, these dossiers deserve to be analyzed to see their feasibility. They are:

- 4) The project of creation of a development pole of the Grand Sud” (Great South).
Person in charge Pierre Leger in Miami (Relative, but homonymous of Pierre Leger of Cayes)
- 5) Dr. Confident with the support of Saudi groups: Tourist project in Petit-Goâve close to Kokoyé beach.
- 6) Tourist project in the island of the Tortoise. A former Canadian Consul in Haiti is the instigator. He would already have studies made on the beaches of the area and knows the region well. He and those who work with him are very motivated. The Consulate General of Haiti in Miami should soon provide more information on the identity of the person in charge and the project as a whole.

III) As regards the foreign Investor

As announced before, the foreign investors do not rush to the Consulates to announce their investment projects. These investors privilege other “country penetration

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channels”, in particular their networks - banking, industrial, institutional - and their partners. Often, they team up with investors in the recipient country with which they form partnerships. However, I met an American investor of a high-profile group who is interested, according to his words, to make a multi-billion dollars investment in Haiti

7) **The Millenium Group** : Construction project of an oil refinery in the North-East, close to Fort-Liberté.

It is an integrated project which would envisage the construction of all the facilities necessary to the establishment of this mega-project: roads, airports, ports, residences, centers of vocational and technical training, hospitals, etc... The estimated amount of the investments over several years would be approximately 4 - 5 billion dollars.

Expectatons:

- They expect the Haitian Government to provide law-and-order and facilitation in terms of tax imposition. They ask for the “creation of a free Zone” or least to profit from the statute of free zone.
- They expect legal guarantees in particular on the question of the “rights of ownership”. Then, they want to consider the method of land acquisition necessary to their installation: transfer, purchase or lease.

High points/Progress report

a mission had visited Haiti in September, with the Consul General of Haiti in New York, Mr. Felix Augustin. Another visit is programmed to meet the Haitian authorities before

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the end of 2007. All the feasibility studies, notably the financial ones have already been carried out.

Besides this project, two other “intention of projects” were reported by the Consulate General of Haiti in Miami.

- 8) One **Brazilian industrialist** visited the consulate recently, expressing his interest to invest in Haiti in the **textile sectors and shoes**. Not more information on the file.
- 9) A **business lawyer**, who represents industrialists and investors who already have business in the Caribbean, also visited the Consulate to consider possibilities of making investments in Haiti. His clients, he says, see the Caribbean region as saturated, in particular in the tourism industry, and regard Haiti as a country that is full of opportunity. The Consul General wishes to organize meetings in Miami, with them and members of the government visiting Florida

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APPENDIX 2: Questionnaire with two sections on the FDI

With (Exporting Companies)

- 1- Name of the company
- 2- For how many years does the company exist?.....
- 3- Name of the manager.....
- 4- Title.....
- 5- Address.....
- 6- Telephone.....
- 7- Email /Web site.....
- 8- Sector: Primary sector Secondary Tertiary sector
- 9- Name of the products.....
- 10- Raw materials used.....
- 11- Do you find the raw materials in quantity and quality desired?
.....
- 12- What are the problems of infrastructure encountered?
- 13- Is it a new product or traditional ?
- 14- Can you inform on the potential with export of your products? Give information on
the segment (s) of the targeted external market (s)
- 15- Sub-sector or Industry.....
- 16- What is the annual sales turnover in gourde or US dollar?
- 17- What is the sales turnover by country?
- 18- What is the installed output?
- 19- What is the output used?
- 20- Do you work? : A figure two digits three digits

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- 21- How much can you increase your capacity: 10% between 10% and 20% more than 20%
- 22- If 10% in how long: 3 months 6 months' 12 month more than 12 months
- 23- If between 10% and 20% in how long: 3 months 6 months 12 months more than 12 months
- 24- If more than 20% in how long: 3 months 6 months 12 months more than 12 months
- 25- To increase your capacity do you resort to: overtime
to a second team a third team work to additional investments .
- 26- What is the tariff Heading of your exported products?
- 27- Do you often face non tariff barriers?
- 28- What is or are the country/Countries of destination of your products?
- 29- Do you have problems with the marketing of your product?
- 30- What type of technology do you use? Describe the production process in your company.
- 31- Can you describe the logistics at export?
- 32- Can you describe in detail the structure of the capital of the company?
- 33- Are you ready to make the dilution of your financial standing or to open the shareholding? Yes no
- 34- What are your sources of finance? : Own capital stock bank loan FDI flow aid of the State

B

- 35- What is the volume of exports in gourde or dollar by products and sector?
- 36- What are the countries of the destinations?
- 37- What is the share of exports by country of destination?
- 38- What is the volume of imports in gourde or dollar by products and sector?
- 39- What are the countries of origin of the imports?

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- 40- What is the share of each country in the imports?
- 41- What is the Flow of FDI towards Haiti?
- 42- What is the volume in dollar by company?
- 43- What is the volume of FDI per economic sector?
- 44- What is the number of subsidiary company of foreign company in Haiti?
- 45- Do you use the harmonized system (HS) with eight digits or ten digits?
- 46- What is the tariff heading for the exported products?
- 47- What are the rate of inflation, the rate of exchange, the rate of unemployment?
- 48 - What are the growth sectors or the growth industries?

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APPENDIX 3: Questionnaire to assess the level of satisfaction of the users

First name.....

Address and telephones.....

Email.....

- 1- What is the name of the institution that you represent within the network?
- 2- How long has your institution been a member of the network?
- 3- Do you regularly take part in the meetings?
- 4- How many meetings couldn't you assist during the last 12 months?
- 5- Are you a member of one the committees set up by the network?
- 6- Do you take part in the training seminars organized by the network?
- 7- What do you think of the general operation of the network?
- 8- Do you easily manage to make exchanges of information with the members of the network?
- 9- Does it exist communication problems within the network ?
- 10- What do you think of the volume of work the network imposes on you?
- 11- What do you think of the current orientation of the network?
- 12- Do you think that certain changes are necessary?

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APPENDIX 4

b- Survey questionnaire with the exporting companies:

- 1- Name of the manager.....
- 2- For how many years does the company exist?.....
- 3- Name of the manager.....
- 4- Title.....
- 5- Address.....
- 6- Telephone.....
- 7- Email /site Web.....
- 8- Sector: Primary sector Secondary sector Tertiary sector
- 9- Name of the products.....
- 10- Raw materials used.....
- 11- Do you find the raw materials in quantity and quality desired?
.....
- 12- What are the problems of infrastructure encountered?
- 13- It is a new product or traditional
- 14- Can you inform on the potential at export of your products? Give information on the segment (s) of the targeted external market (s)
- 15- Sub Sector or Industry.....
- 16- What is the annual sales turnover in gourds or US dollar?
- 17- What is the sales turnover by country?
- 18- What is the installed installed output?
- 19- What is the used output?
- 20- Do you work? : A figure two digits three digits
- 21- How much can you increase your capacity: 10% between 10% and 20% more than 20%
- 22- If more 10% in how long: 3 months 6 months 12 month higher than 12 months
- 23- If between 10% and 20% in how long: 3 months 6 months 12 months more than 12 months

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- 24- If more than 20% in how long: 3 months 6 months 12 months more than 12 months
- 25- To increase your capacity do you resort to: overtime
a second team a third team additional investments .
- 26- What is the tariff Heading of your exported products?
- 27- Do you often face non tariff barriers?
- 28- What is/are the country/countries of destination of your products?
- 29- Do you have problems in the marketing of your product?
.....
- 30- What type of technology do you use? Describe the production process in your company.
- 31- Can you describe the logistics at export?
- 32- Can you describe in detail the structure of the capital of the company?
- 33- Are you ready to make the dilution of your financial standing or to open the shareholding? Yes no
- 34- What are your sources of finance? : Own capital stock bank loan FDI flow Aid of the State

APPENDIX 8: A. Global business environment in Haiti

- 1) Economic, political and social stability;
- 2) Laws concerning the entry and the operations (including laws on property, control on foreign currencies flows.);
- 3) Standards of treatment of the foreign subsidiary companies;
- 4) Policies relating to the operation and the structure of the markets;
- 5) Policy of privatization;
- 6) Tariff policy;
- 7) Tax policy;
- 8) Legal system in general (including the execution of court orders and arbitrations).

Economic determinants

Presence on the domestic market of the host country:

- 1) Market size and per capita income;
- 2) Growth of the market;
- 3) Access to the necessary inputs (quantity/quality);
- 4) Consumer's choices specific to each country;
- 5) Structure of the markets and barriers at the entry of the markets (including protection with the importation)

Search for resources available locally in the host countries:

- 2) Raw materials
- 3) Labor cost
- 4) Technological goods, innovations and other creations (e.g. marks)
- 5) Physical infrastructures (ports, roads, energy, telecommunications).

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Export directed markets or search for effectiveness (what does that mean ?)

- 1) Costs of the resources, adjusted to the labor productivity and including the skilled labor/technical/administrative
- 2) Relative costs of other intermediate consumptions
- 3) Adhesion to a regional agreement supporting the establishment of privileged trade
- 4) Infrastructure and incentive at export

Business facilitation

- 1) Promotion of the investments (including the services facilitating the investments such as the single counter procedure)
- 2) Incentives to the investments
- 3) Industrial or regional cluster effect, and past experiences of the foreign investors
- 4) Litigation Costs (dependent on corruption, administrative effectiveness, etc)
- 5) Elements related to the presence of expatriates (including visas, schools, quality of life, etc)
- 6) Services after investment
- 7) Availability of financing.

B.

- 1 Identification of the growth sectors for the entering investments
- 2 Analyze sources of investment in the growth sectors
- 3 Analyze competitor countries for the entering investments in the sectors.

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APPENDIX 9: Trips to the Diaspora - the United States & Canada

(From October 30 to November 19, 2007)

Interview Guide - I

(Members of the diplomatic Representations)

- 1) Short Presentation of yourself: Since when are you with the Consulate? What is your previous assignment?
- 2) Organization of the Consulate, personnel, Sections?
- 3) Do you have a commercial, tourist and economic affairs section?
 - A. mission?
 - B. operating mode?
- 4) Presence and community organization on the spot?
- 5) What is the estimated number of the Haitian Diaspora here?
- 6) How they perceived overall?
- 7) What types of relation do you maintain with this Diaspora? (Push - Pull: they come to see you or you go towards them through projects, initiatives?)
- 8) What types of service do you provide them?
- 9) Are you often approached on the FDI?
 - a. By who (foreigners, Diaspora)?
 - B. For what types of investment?
- 10) Do you have a data base of the potential, foreign investors and Diaspora)?
- 11) What the main obstacles to investments according to you?
- 12) What are our assets?
- 13) What are the main threats?
- 14) What are the opportunities?
- 15) Do you have expectations compared to this project?
- 16) Do you have opinions or advice within the framework of this project (actions to be undertaken within the framework of a strategy development)?
- 17) Are you aware of the existence of CFI? What do you think about it?
- 18) Are there other people that you advise me to meet within the framework of this mission?

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APPENDIX 10: Trip in the Haitian Diaspora - the United States & Canada (From October 30 to November 19, 2007)

Interview Guide - II

Potential investors (Haitian - Foreigners)

- 19) Short Presentation: since when are you abroad, origin in Haiti (question to the Diaspora)?
- 20) Short presentation: since when are you interested to invest in Haiti (questions to foreigners)?
- 21) What do you know about the country and why the choice of Haiti in the region (question to foreigners)?
 - 22) What are your principal activities?
 - 23) In which sector (s) you want to invest in Haiti?
 - a. What technologies?
 - B. What outlets?
 - 24) What phase of the project are you in?
 - a. Feasibility study
 - B. Market research
 - C. Legal constitution
 - D. Availability of Funds
 - E. Search for partnerships...
- 25) What the estimated total of the investments?
- 26) Do you control the industrial cycle?
- 27) What is the nature of the entity you want to create in Haiti (private law, non-profit, associations, consortium)
 - a. what types of investment?
 - B. what modes of financing?
- 28) What is your model of governance?
- 29) Have you already made investments in Haiti?
- 30) Are you or do you plan to associate with Haitians/foreigners?

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- a. Do you plan to create a consortium?
- 31) When do you plan to start operations?
- 32) Did you meet obstacles or do you expect obstacles?
 - a. of what types?
 - B. How do you plan to circumvent them?
- 33) What are the main weaknesses of the country to attract investors?
- 34) What are the principal threats to investment in Haiti according to you?
- 35) What are our main assets according to you?
- 36) According to you, what opportunities Haiti offers?
- 37) What do you expect from the Haitian Authorities?
- 38) Do you know the CFI?
 - a. If so, what do you know about it?
 - B. what is your perception of the CFI?
- 39) Would you like to belong to the virtual network of promotion of the investments?