

Haiti

A. Definitions and sources of data

Foreign direct investment (FDI) data are collected by the Bank of Haiti. The Investment Guide, prepared by the Executive Secretariat of the Manufacturers Association of Haiti, states that the Haitian Government is committed to a free-market system. Therefore, all persons and corporations involved in business in Haiti are guaranteed with the following rights and privileges:

- Free disposal of their properties;
- Freedom to hire and fire in accordance with the provisions of the Labor Code;
- Freedom to engage in commercial and industrial activities within the limitations of the Constitution and the Commercial Regulations Code;
- Protection of trademarks, patents, labels, and all other forms of intellectual property rights; and
- Minimal intervention by the State in the market: government-regulated prices are reduced for five products and services including oil, energy, telecommunications, transportation, and the minimum wage.

The Government of Haiti provides two types of incentives for foreign investment: customs duty incentives and income tax incentives. Customs duty incentives vary according to whether the production of the beneficiary is intended for the domestic market or for export. In addition to custom privileges, eligible firms may benefit from income tax exemption according to a maturity schedule.

Haiti is a member of the Caribbean Community Common Market (CARICOM).

B. Statistics on FDI and the operations of TNCs

Table 1. Summary of FDI

(Millions of dollars)

Variable	Inward	Outward
1. FDI flows, 2000-2003 (annual average)	- 29.6	0.5
2. FDI flows as a percentage of GFCF, 1999-2002 (annual average)	1.4	..
3. FDI stock, 2003	83.6	4.9
4. FDI stock as a percentage of GDP, 2003	2.3	0.1

Sources : Based on tables 3 and 4 and UNCTAD, FDI/TNC database.

Note: Data for 2003 are estimates.

Table 3. FDI flows, by type of investment, 1970-2003

(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Intra-company loans	Total	Equity	Reinvested earnings	Intra-company loans	Total
1970	..	..	..	2.8	..	..	..	..
1971	2.4	1.0	..	3.4	..	..	..	..
1972	2.6	1.4	..	4.1	..	..	..	..
1973	5.5	1.5	..	7.0	..	..	..	..
1974	6.0	1.9	..	7.9	..	..	..	..
1975	2.6	..	..	2.6	..	..	..	..
1976	7.8	..	..	7.8	..	..	..	..
1977	8.0	..	..	8.0	..	..	..	..
1978	10.0	..	..	10.0	..	..	..	..
1979	12.0	..	..	12.0	..	..	..	..
1980	13.0	..	..	13.0	..	..	..	..
1981	8.3	..	..	8.3	..	..	..	..
1982	7.1	..	..	7.1	..	..	..	..
1983	8.4	..	..	8.4	..	..	..	..
1984	4.5	..	..	4.5	..	..	..	..
1985	4.9	..	..	4.9	..	..	..	..
1986	4.8	..	..	4.8	..	..	..	..
1987	4.7	..	..	4.7	..	..	..	..
1988	10.1	..	..	10.1	..	..	..	..
1989	9.4	..	..	9.4	..	..	..	..
1990	..	..	..	8.0	..	..	..	- 8.0
1991	..	..	..	13.6	..	..	..	- 13.6
1992	..	..	..	- 1.8	..	..	..	- 7.2
1993	..	..	..	- 2.2	..	..	..	- 1.0
1994	..	..	..	- 2.8	..	..	..	- 7.3
1995	..	..	..	- 2.2	..	..	..	1.0
1996	4.1	..	..	4.1	..	..	..	1.0
1997	4.0	..	..	4.0	..	..	..	1.0
1998	10.8	..	..	10.8	..	..	..	1.0
1999	..	..	..	30.0	..	..	..	- 1.0
2000	..	..	..	13.3	..	..	..	1.0
2001	..	..	..	4.4	..	..	..	0.3
2002	..	..	..	5.7	..	..	..	0.1
2003	..	..	..	- 141.9	..	..	..	0.5

Sources: UNCTAD, FDI/TNC database. FDI inflows are based on information from the Bank of Haiti for 1991-2003; the International Monetary Fund, *Balance of Payments CD ROM*, January 2004, for 1971-1989 and the World Bank, *World Development Indicators 2003 CD-ROM*, for 1990. FDI outflows are based on information from the Bank of Haiti for 1990-1991 and UNCTAD estimates.

Table 4. FDI stock, by type of investment, 1980-2003

(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Intra-company loans	Total	Equity	Reinvested earnings	Intra-company loans	Total
1980	78.6	..	..	..	..
1981	86.9	..	..	..	..
1982	94.0	..	..	..	..
1983	102.4	..	..	..	..
1984	106.9	..	..	..	..
1985	111.8	..	..	..	..
1986	116.6	..	..	..	..
1987	121.3	..	..	..	..
1988	131.4	..	..	..	..
1989	140.8	..	..	..	..
1990	148.8	..	..	..	..
1991	162.4	..	..	..	..
1992	160.6	..	..	..	..
1993	158.4	..	..	..	..
1994	155.6	..	..	..	..
1995	153.4	..	..	..	1.0
1996	157.5	..	..	..	2.0
1997	161.5	..	..	..	3.0
1998	172.2	..	..	..	4.0
1999	202.2	..	..	..	3.0
2000	215.5	..	..	..	4.0
2001	219.9	..	..	..	4.3
2002	225.6	..	..	..	4.4
2003	83.6	..	..	..	4.9

Sources: UNCTAD, FDI/TNC database.

Notes: Inward stock is an accumulation of inflows since 1970. Outward stock is an accumulation of outflows since 1995.

Table 6. FDI flows in the host economy, by geographical origin, 1990-2002

(Millions of dollars)

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Belgium / Luxembourg	0.2	0.1	- 0.2	-	- 0.1	-	-	-	-	1.1	-	-	-
France	0.2	-	-	-	- 1.1	- 4.6	-	-	-	-	-	-	-
United States	5.0	- 16.0	10.0	3.0	3.0	- 6.0	3.0	10.0	-	20.0	- 25.0	- 11.0	16.0

Source : UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

Table 9. FDI flows abroad, by geographical destination, 1990-2002

(Millions of dollars)

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Belgium / Luxembourg	-	-	0.1	-	-	-	-	-	-	-	-	-	-
France	- 0.2	0.7	-	0.2	-	0.2	- 0.2	-	-	-	-	-	-
United States	-	-	-	- 1.0	-	1.0	1.0	1.0	1.0	- 1.0	-	-	1.0

Source : UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

Table 12. FDI stock in the host economy, by geographical origin, 1990-2002

(Millions of dollars)

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
United States	32.0	18.0	31.0	30.0	18.0	14.0	14.0	24.0	-	70.0	64.0	55.0	31.0

Source : UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

Table 15. FDI stock abroad, by geographical destination, 1990-2002

(Millions of dollars)

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
United States	-	-	-	-	- 1.0	-	1.0	- 1.0	-	- 1.0	- 1.0	- 1.0	-

Source : UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

Table 21. The number of foreign affiliates of home-based TNCs, by geographical location abroad, 1990-2000

Economy	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Denmark	-	-	-	-	-	-	1	-	-	-	-
United States	-	-	2	2	2	2	2	-	-	-	-

Source : UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above.

Tables 28,33,38,43,48,58. Assets, employment, wages and salaries, sales, value added and exports of foreign affiliates of Haitian TNCs in the United States, 1990-2000

(Thousands of employees and millions of dollars)

Table no.	Variable	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
28	Assets	-	-	-	-	-	29.0	31.0	-	-	-	-
33	Employees	-	-	0.2	0.3	0.3	0.3	0.3	-	-	-	-
38	Wages and salaries	-	-	6.0	6.0	7.0	7.0	7.0	-	-	-	-
43	Sales	-	-	-	-	-	55.0	58.0	-	-	-	-
48	Value added	-	-	7.0	10.0	11.0	10.0	11.0	-	-	-	-
58	Exports	-	-	2.0	2.0	-	-	-	-	-	-	-

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

Tables 23,30,35,40,45,50,55. Number, assets, employment, wages and salaries, sales, value added and profits of affiliates of United States TNCs in Haiti, 1990-2000

(Number, thousands of employees and millions of dollars)

Table no.	Variable	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
23	Number	7	7	7	5	4	4	5	5	4	4	4
30	Assets	43.0	47.0	40.0	30.0	37.0	31.0	62.0	70.0	65.0	88.0	-
35	Employees	0.7	0.7	0.7	0.1	0.7	-	0.4	0.4	0.1	0.4	0.5
40	Wages and salaries	3.0	3.0	3.0	2.0	22.0	-	21.0	22.0	2.0	4.0	6.0
45	Sales	114.0	89.0	47.0	32.0	35.0	87.0	147.0	165.0	-	113.0	-
50	Value added	-	-	-	-	25.0	37.0	47.0	49.0	11.0	-	-
55	Profits before taxes	5.0	2.0	1.0	- 1.0	-	6.0	10.0	10.0	-	-	-

Source: UNCTAD, FDI/TNC database.

Notes: Data are based on information reported by the United States. Data for value added and profits refer to majority-owned affiliates only.

Table 88. Largest affiliates of foreign TNCs in the host economy, 2002

(Millions of dollars and number)

Company	Home economy	Industry	Sales	Employees
A. Industrial				
Heritage Galerie (S.A.)	United States	Wood and wood products	..	..
Gaz Industries Associates SA	United States	Chemicals	..	..
B. Tertiary				
Atlantic Tele-Network Inc. Of Haiti	United States	Telecommunications	..	68
Shell Company (W.I.) Ltd	Netherlands	Trade	..	50
Lynx Air International Incorporated	United States	Transport and storage	..	6
Lynx Air International Inc	United States	Other business services	..	4
Club Mediterranee D'haiti SA	France	Hotels	..	..
Kpmg Haiti	United States	Other business services	..	..
Dhl International Haiti SA	United States	Other business services	..	..
Sobe	United States	Other business services	..	..
C. Finance and Insurance			Assets	Employees
..

Sources: *The Banker's Almanac, 2003* (London, Reed Information Services, 2003); *Thomson Analytics* (<http://analytics.thomsonib.com/>); *Who Owns Whom, 2003* (London, Dun and Bradstreet, 2003); and information from ECLAC.

C. Legal framework for FDI

I. National Framework

Constitution of Haiti 1987

II. International framework

Haiti is a party to the following multilateral and regional instruments:

1. Multilateral treaties

Convention on the Settlement of Investment Disputes Between States and Nationals of Other States 1965, signed 30 Jan 1985

Source: <http://www.worldbank.org/icsid/constate/c-states-en.htm>, 24 Feb 2004

Paris Convention for the Protection of Industrial Property 1995

Source: <http://www.wipo.org/treaties/general/parties.html>, 24 Feb 2004

Convention establishing the Multilateral Investment Guarantee Agency (MIGA) of 11 October 1985 signed on 5 June 1991

Source: Depository of the original convention: World Bank; *International Legal Materials*, vol. XXIV (November 1985), p. 1505

Law 170 ratifying Agreement on Trade-Related Aspects of Intellectual Property Rights 1994, (effective 1 January, 1995)

General Agreement on Trade in Services 1994, (effective 1 January, 1995), Fourth Protocol to the General Agreement on Trade in Services 15 February 1997, Fifth Protocol to the General Agreement on Trade in Services 12 December 1997

The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, adopted 16 November 1977

The Caribbean Community and Common Market (CARICOM) established by the Treaty of Chaguaramas in 1973

2. Bilateral treaties

Bilateral investment treaties for the promotion and protection of investments with: Germany 1973, United States 1983, France 1984, United Kingdom 1985, Dominican Republic 1999

Source: UNCTAD database on BITs and DTTs

D. Sources of information

Official

1. Banque de la Republique d'Haiti: <http://www.brh.net/>.

Secondary

1. Borrus, Amy, "Act two in Haiti", *Business Week*, 13 March 1995, p. 35.
2. Canute, James, "Market prospects", *Business Latin America*, 8 July 1996, vol. 31, No. 27, pp. 4-5.
3. DeGeorge, Gail and Amy Borrus, "Hope at last in Haiti", *Business Week*, 3 October 1994, pp. 50-52.
4. Jones, Arthur, "Manufacturing: a new beginning in Haiti", *World Trade*, March 1996, vol. 9, No. 3, pp. 38.
5. Luxner, Larry, "Haiti's apparel sector: poised for a comeback?", *Bobbin*, September 1995, vol. 37, No. 1, p. 16.
6. Martinez, Samuel, "From hidden hand to heavy hand: sugar, the State, and migrant labor in Haiti and the Dominican Republic", *Latin American Research Review*, vol. 34, No. 1, 1999, pp. 57-84.
7. Mobekk, Eirin and Spyros I. Spyrou., "Re-evaluating IMF involvement in low-income countries: the case of Haiti", *International Journal of Social Economics*, vol. 29, No. 7/8, 2002, pp. 527-538.