

Free Zones in Haiti and Industrial Parcs

The state of Business in the Haiti Free
Zone Sector



Objective

To give a broad overview of the Free zone sector in Haiti.

Haiti

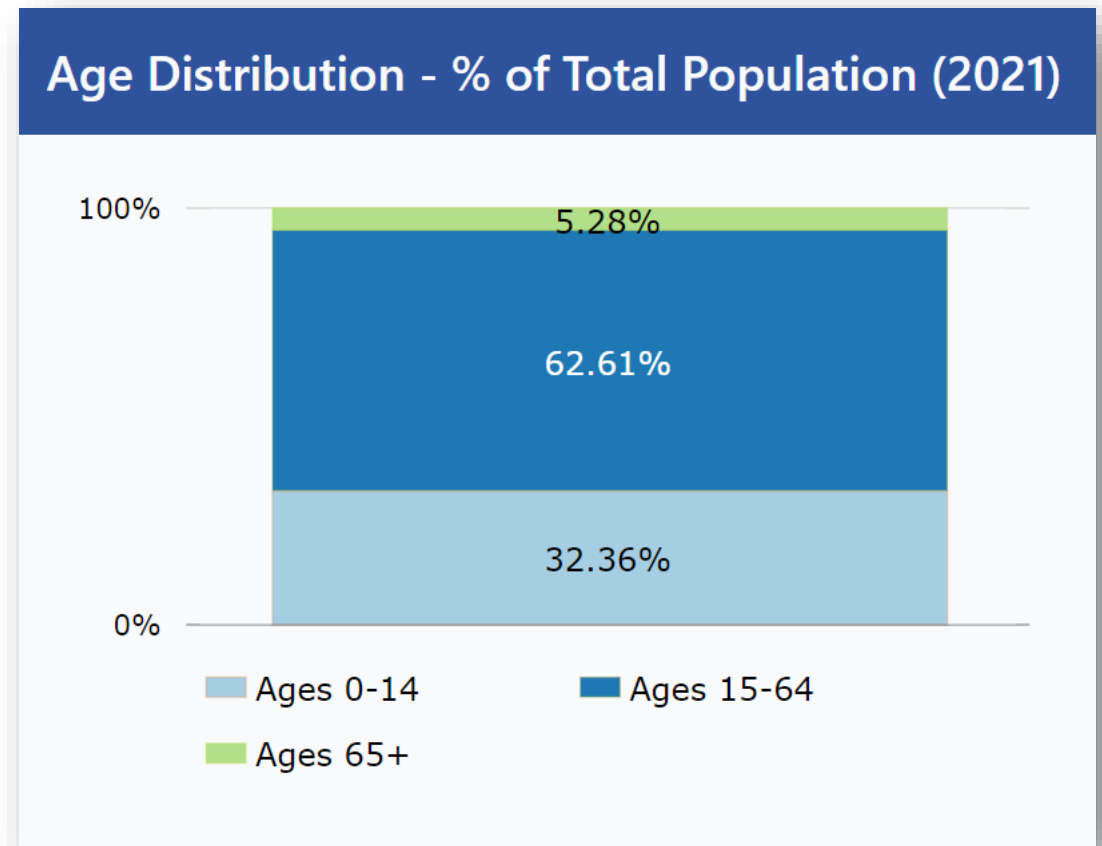
Geography

Haiti is an island state in the Greater Antilles of the Caribbean. The eastern part of the main island belongs to the Dominican Republic. The land has a total area of 27,750 km² (10,714 mi²) and a total coastline of 1,771 km (1,100.4 mi). This land area is approximately 110% of the area of Maryland. Haiti is thus the 25th biggest country in the Americas and in terms of area ranked 148th worldwide. More than half of all residents (58%) live within cities.



Haiti

People	
Population	11,447,569 (2021)
Population Growth Rate	1.237 annual % (2021)
Age Dependency Ratio	58.348 % of working-age population (2021)
Urban Population	57.964 % of total (2021)





History of Free Zones in Haiti

The Free zone law which was created in 2002 is part of Haiti's investment code it was regularized in 2012 with an application decree . An Inter Ministerial Direction called the (CNZF) was formed specifically for free zones with it's secretariat. This Direction is the integral part of the Ministry of commerce.

Free Zones in Haiti

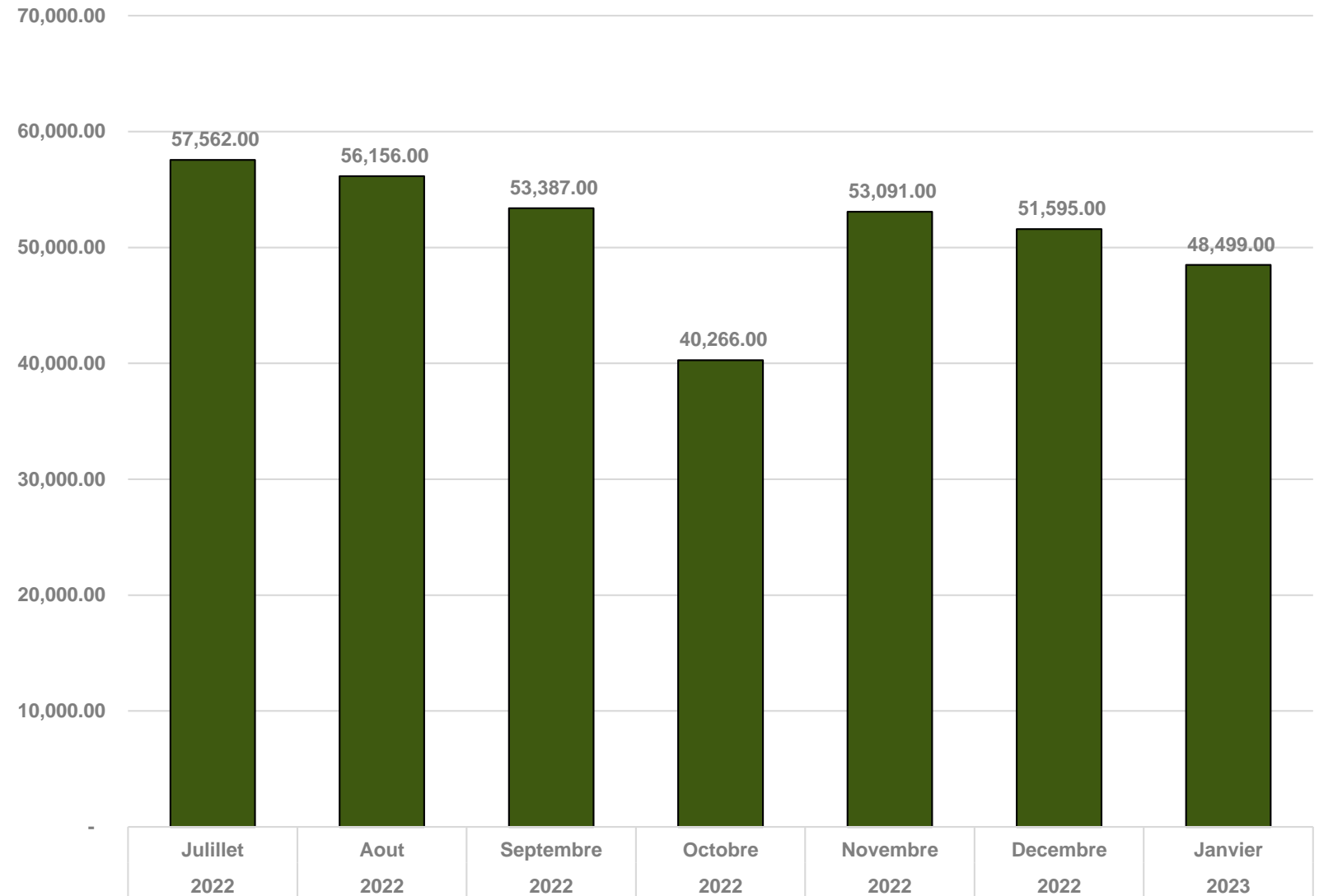
Law defines free trade zones as geographical areas to which a special regime on customs duties and customs controls, taxation, immigration, capital investment, and foreign trade applies, where domestic and foreign investors can provide services, import, store, produce, export and re-export goods. Free trade zones may be private or joint ventures involving state or private investors.

The National Council on Free Zones (NCFZ), is responsible for:

- Receiving applications for the approval as a free zone
- Approving applications for admission to the free zone regime and the relevant changes
- Ensuring that the projects approved are carried out in accordance with the terms
- Authorizing the operation of free zones
- Defining and regulation of free zones
- Approving and monitoring procedures and operation in free zones.

Textile Employment numbers

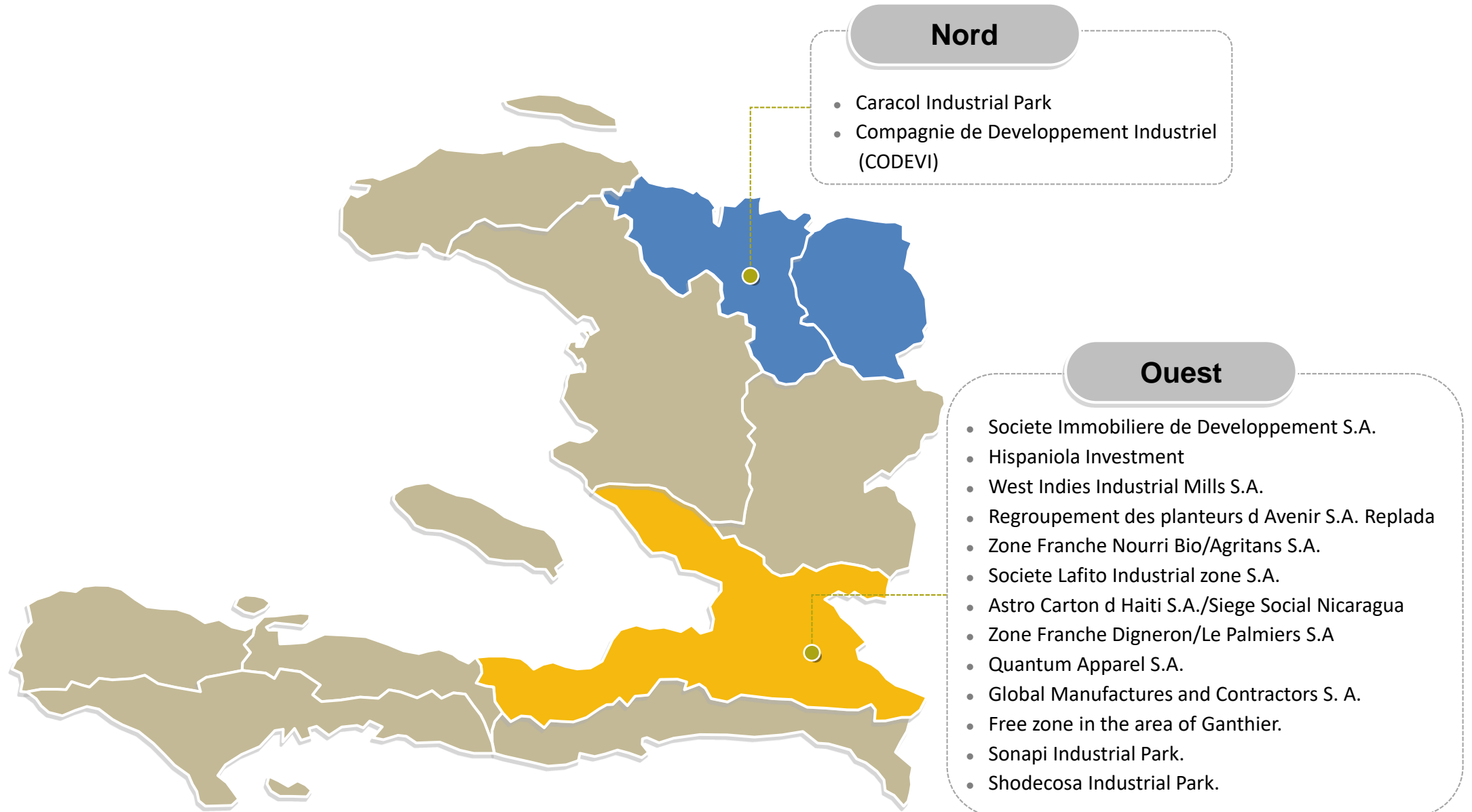
Emplois Du Secteur Textile



- These numbers correspond to the number of Employees up until the month of January 2023.

- Temporary data.

Free Zone and Industrial Park Locations



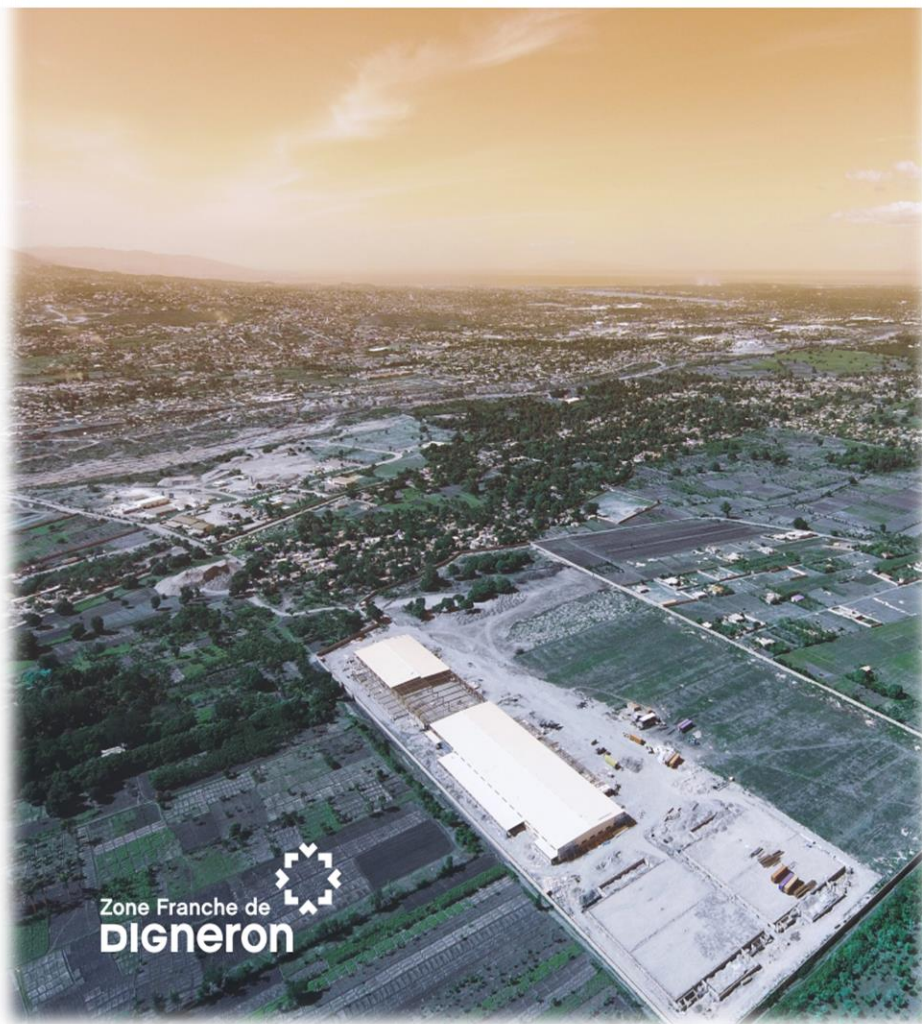
Free Trade Legislation

Parallel to the Free zone law which is a part of the investment code of 2002 in Haiti lobby for the Hope law started and the first Hope law was passed in 2006 mainly for Textile sector first Hope law the sector started going up to 9000 jobs then second Hope passed in 2008.

- Help law in 2010.
- Hope/Help renewal in 2015.
- In 2020 / 60000 jobs in Textile sector.

Digneron Free zones

► Digneron Free Zone ◀



Zone Franche de
Digneron

A Platform for Industrial Competitiveness

- Incentives**
 - No corporate income tax
 - No dividend withholding tax
 - 100% foreign ownership
 - 100% repatriation of profits and dividends
 - No customs duty applicable within the Free Zone
 - Duty-free access to the US market under HOPE/HELP legislation for apparel products
- Benefits**
 - Easy access to vast, easily trained and productive labor pool
 - Low-Cost manufacturing environment
 - Fast-track cargo clearance procedures
 - Greater ease of doing business
 - Long term competitiveness
 - Ability to focus on your core business.

Facility	Area (SQ FT)
Training Facility	97330
Freezone Administration	116800
Customs	58240
Water Treatment	58240
Power Plant	104180
Waste Water Treatment	58240
Golf Practice	116500
Other Building	58240
Other Building	58240
Other Building	97330

TRAINING FACILITY FREEZONE ADMINISTRATION CUSTOMS WATER TREATMENT

POWER PLANT WASTE WATER TREATMENT GOLF PRACTICE

Digneron Free zones (Infrastructure)



The United States is one of Haiti's top trading partners. In 2021, the United States imported \$1.10 billion in goods from Haiti, an increase of 33.7 percent from \$827 million in 2020. Of the 2021 total imports from Haiti, the United States imported \$994 million in apparel from the Haitian garment sector through the Haitian Hemispheric Opportunity through Partnership Encouragement and Haiti Economic Lift Program (HOPE/HELP) Acts and Caribbean Basin Trade Partnership Act (CBTPA) legislation, constituting more than 91 percent of total exports to the United States. Haiti's garment sector remains of interest to large-scale manufacturing operations. Beyond the apparel assembly sector, the shipping and telecommunications sectors attract a significant number of foreign investors.



Trading Partners

Knit T-shirts

Knit Sweaters

41.2%

19.6%

Knit Women's Suits

7.44%

Non-Knit Men's Suits

4.8%

Non-Knit Men's Shirts

2.17%

Non-Knit Active Wear

1.66%

Non-Knit Women's Suits

1.24%

Bedspreads

1.19%

Knit Men's Suits

0.86%

Knit Men's Undergarments

0.79%

Non-Knit...

0.32%

Other Knit...

0.3%

Knit Men's Shirts

0.84%

Knit Women's Undergarments

0.61%

Knit...

Light...

Knitted Hats

0.54%

Essential Oils

3.04%

Scented Mixtures

0.92%

Industrial Fatty Acids, Oils and...

0.62%

Live Fish

4.23%

Scrap Iron

0.71%

Scrap Copper

0.49%

Cocoa Beans

0.68%

Hard...

0.32%

Scrap...

0.22%

Tropical Fruits

0.91%

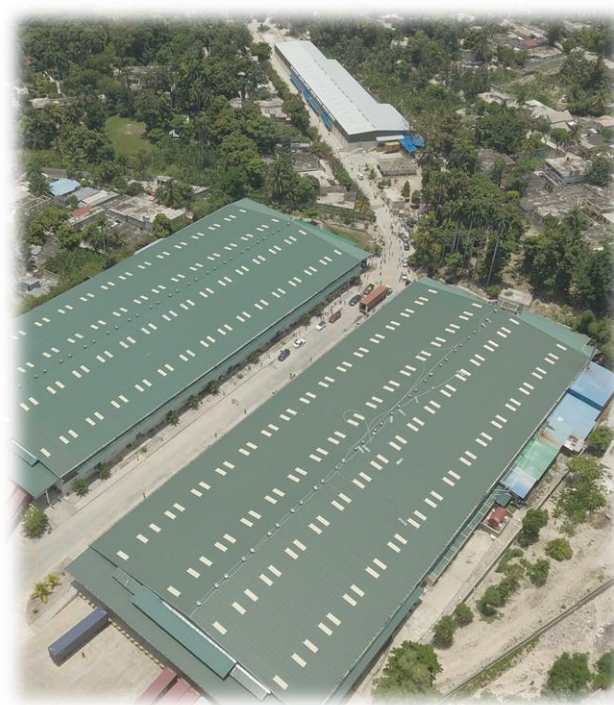
Plastic...

0.17%

Knitted Hats

0.54%

Les Palmiers Free zone



Port Lafito



Sonapi Industrial Parc

- We also have a main public Industrial park in Port au Prince which houses several Textile factories .
- Industrial zones permit the manufacturing of Industrial products, factories, warehouses and other uses that are important to that area s economy.
- The PIM which is the Sonapi Industrial Park is located about 4km from the Port of Port au Prince and at less than one kilometer from in Haiti Internation airport in Port au Prince. It is situated on 66 acres of land and is entirely fenced in.
- The operational plants in this parc creates about 12000 jobs and makes articles which vary between Tshirts, sportswear, leisure wear. It contains 55 operational buildings including a Administrative building and an Executive cafeteria. Security is assured 24 hours a day by about 100 security guard hired by the Sonapi parc.
- Several sectors represented within this park. Clothing, wigs, electric cables, paint, brewerie and restauration.
- Customs office on site .
- Banks , Health services through Ofatma (Government Institution which provides health care), Ona (Public Institution for retirement funds) a mini hotel.
- Phone services and the sale of propane gas.



Sonapi Industrial Parc



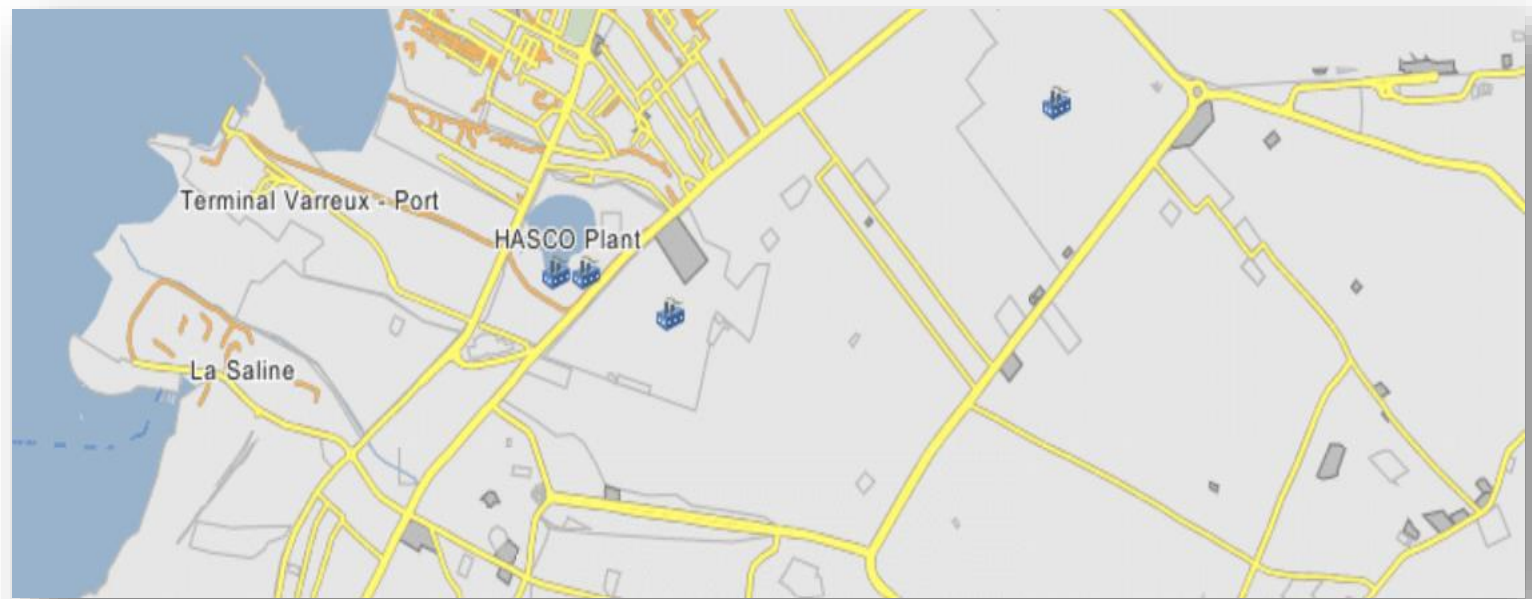


Sonapi Industrial Parc



Shodecosa Industrial Parc

- 2 million square feet facility
- Short distance from Airport and Seaport



Shodecosa Industrial Parc

École Élie Dubois

Shodecosa Industrial Park

Almacenes de Ofatma

The North (Caracol Industrial Parc)

- ❖ 250 acres of completely fenced
- ❖ Works started in November 2011
- ❖ Operational since March 2012
- ❖ 14 Industrial buildings from 5000 m2 to 11800 m2
- ❖ 4 Housing quarters for the personnel and the Direction of Foreign Employees.
- ❖ 3 International Enterprises operational (2023)
- ❖ 1 National Enterprise Sisalco which shares its space with a paint company which is non operational
- ❖ Sectors represented are clothing, perfume and products with sisal base
- ❖ 12000 employees 2022
- ❖ From the services available at the Caracol park
- ❖ Transport a float of 122 buses which transport employees on a daily basis
- ❖ 6 transport companies of which 4 are used for S&H Global the other 2 for the company Everest and Mas Akansyel
- ❖ Water production plant 2400 m3 per day
- ❖ Water treatment facility

➤ Other services banks, Health services from public Institution Ofatma , Infirmerie . For the village of Caracol primary and secondary school.

Caracol Industrial Parc



2

MAS Akansyel
M-Everest Garment
factory unit 3

S&H GLOBAL S.A

H Hôpital OFATMA
du Parc Caracol

3 Caracol power plant

Caracol power
treatment plant
4 STEP

1 unit


- Mas Akansyèl
- Bureau de l'Unité Technique d'Exécution/MEF
- Centrale thermique
- STEP

Caracol Industrial Parc



codevi

compagnie développement industriel

Empresa de:  GRUPO M



Marzo 2023

Challenges

In 2022, Haiti continued to experience an economic downturn, with annual inflation of 26.7 percent and volatility in the country's currency, the Haitian gourde (HTG), with 11.1 percent depreciation in 2021 against the dollar, a contrast with a superficial appreciation of nearly 28 percent during calendar year 2021. Following recurring periods of road blockages due to protests in 2021 and the ongoing growth of gang activities, businesses in Haiti also continue to face challenges in 2022 due to energy supply issues, political instability and persistent gang violence that interrupt some commercial activity.

- Business climate
- Legislation
- Energy challenges/fuel supply

Perspectives

Reinforcing
security for the
North of Haiti/
North Corridor

Restauring
security in Haiti
s capital of
Port au Prince

More
competitive
motivated
Legislation/
Increase of
Incentives

Charter city
concept