

Services snapshot

Haiti



KEY SERVICES DATA¹, 2013

Services² share of industry value added: **71 %**
 Trade in services³ contribution to GDP: **16 %**
 Services share of total exports: **39 %**
 Services export composition: **travel (95%), other commercial services (5%)**
 Services import composition: **transportation (77%), travel (8%), other commercial services (15%)**
 Services exports: **US\$ 595 million**
 Services imports: **US\$ 792 million**
 Services trade deficit: **US\$ 196 million**

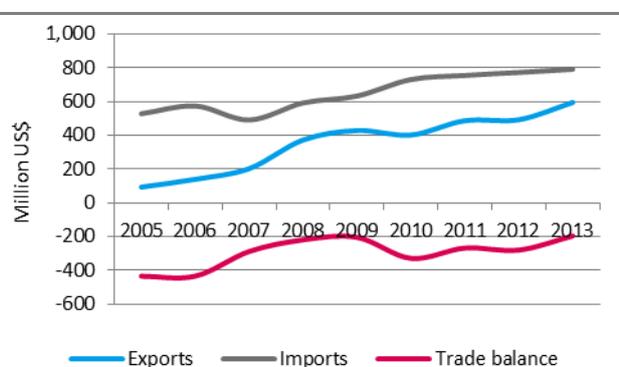
SERVICES AT A GLANCE

GDP growth was 4.3% per annum in 2013, up from 2.9% in 2012 and still recovering from the 2010 earthquake which caused GDP to contract by 5.5% that year.⁴ In value added terms, services contributed 71% of GDP in 2013, nearly 4 times as much as agriculture.

In 2013, total exports from Haiti increased by 16%, with growth contributed equally by both goods and services exports. Haiti's share in total world imports is twice as much as its share in total world exports;⁵ the largest overall export market is the United States.⁶

Services made up 39% of Haiti's total exports in 2013, double the figure in 2006. Growth in services exports at 21% greatly surpassed growth in imports at 2% in 2013. While the services trade account is in overall deficit, it narrowed in 2013 largely due to increased net surpluses in travel and communication services (see figure 1). The services trade contribution to GDP increased from 12% in 2007 to 16% in 2013.

Figure 1. Trends in services trade



The Government's "Strategic Plan for the Development of Haiti: An emerging Country in 2030" introduced in 2012 targets the services sector as a specific priority. Many services activities remain largely informal. Priorities include the retail sector; improvement of sanitation, development of formal commercial streets and shopping centres, support for relocation and reorganization of on-street services providers, construction or rehabilitation of public markets and construction of convention and exhibition centres.

SERVICES SUBSECTORS

Travel services

Travel accounts for the vast bulk of services exports at 95%, highlighting the importance of in-bound tourism. Travel services imports remained steady while exports surged by 27% in 2013 (figure 2), narrowing the services trade deficit significantly.

Tourism is the key services export development priority. The total contribution of tourism to GDP is roughly 4% in 2013 and has been forecast to rise in 2014.⁷

Tourism experienced a sharp drop after the earthquake, with international tourist arrivals plunging by 34% in 2010. A strong bounce-back took place with a 37% increase in tourism receipts in 2011.

Haiti has the potential of other beach destinations in the Caribbean with the added value of its own distinctive character. In 2013, The Government signed an agreement with Transat, the largest tour operator in Canada, to revive Haiti tourism sector through the creation tourism packages.⁸ In 2015, new packages were introduced to meet growing demand and scheduled flights to Haiti were commercialized, reflecting the successful collaboration. The Government also launched a large-scale tourism project in Île-à-Vache island in 2013, aiming to build 1,500 hotels and bungalows, an international airport and a golf course.⁹ The project has seen good

Figure 2. Travel services trade

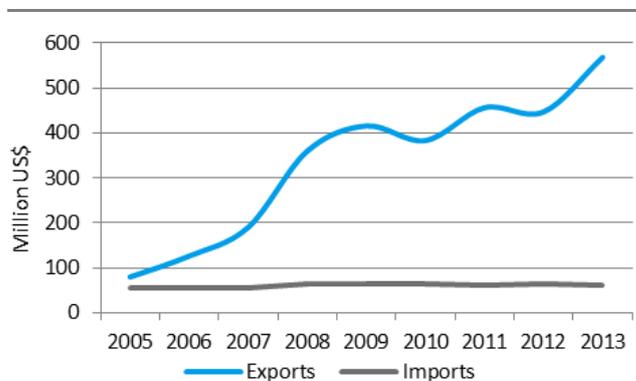
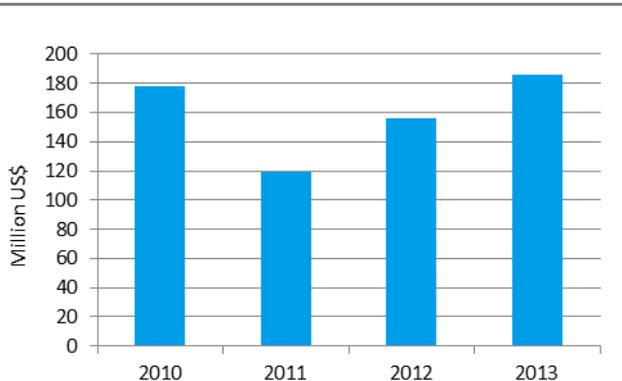


Figure 3. Telecommunication services trade



Figure 4. FDI net inflows



progress with 45 infrastructure projects being implemented and nearing completion. The travel sector comprises 14 tour operators promoting Haiti as a flourishing tourism destination in their packages.¹⁰ The number of hotel rooms currently at 9280 is expected to surpass the 10,000 threshold by 2016. With the adoption of the amending budget (2014-2015), 14 new tourism projects are expected to be launched. Haiti has been actively participating in various tourism international fairs, a total of 4 so far.¹⁰

Communication services

Haiti has been a net exporter of communication services since 2010. The share of communication services in services exports in 2013 is 4%, double its share in 2009. Exports grew by 57% over the period 2010-2013.

The number of secure internet servers increased from 10 in 2010 to 18 in 2013. Around 69% of the population held a mobile cellular subscription and roughly 11% were internet users in 2013.⁴ Communication services expanded rapidly partly due to the introduction of 3G services and low-cost GSM phones in 2010.¹¹ The number of fixed telephone subscriptions stood at 50,000 from 2010 to 2012 and fell to 41,000 in 2013.⁴ Natcom holds a monopoly over landline services.¹²

Other services

A variety of other commercial services, accounting for 5% of services exports, have also been growing strongly. Detailed data is not available to pin point specific growth activities with precision, though Royalties and License Fees are a strong part of the story.

FOREIGN DIRECT INVESTMENT (FDI)

Haiti registered an all-time high of US\$ 186 million FDI net inflows in 2013, a 20% increase from the previous year. The investments were made mostly in tourism infrastructure, such as hotels. The increased FDI

suggests that the government's efforts to improve the ease of doing business might have yielded results. In efforts to reduce red tape, Haiti's investment facilitation centre (CFI) simplified entry procedures from 12 to 5 steps¹³ and established a modern "Single Window Electronic" registration system.¹⁴ It takes on average 97 days to start a business in 2015, down from 134 days in 2011 and 224 days in 2009.¹⁵ Nevertheless, this number remains high compared with an average of 30 for Latin America and the Caribbean and 9 for OECD countries; Haiti remains at the bottom rank on the World Bank's ease of doing business index in the Caribbean region.¹⁶

The 2010 earthquake attracted worldwide attention oriented towards rebuilding Haiti's infrastructure. Reconstruction efforts were aimed at creating more resilient infrastructure and international assistance was provided not only for immediate relief but also for long-term development. This increased international foreign investors' interest as did the government's pro-business agenda¹³ calling for Haiti to open up for business. In 2011, the Presidential Advisory Council on Economic Growth and Investment (PACEGI) was launched to advise the President in developing strategies to help usher in new private investments.¹³ In 2013, a law on the electronic signature was proposed and submitted to the Parliament with the purpose of facilitating online transactions and business deals.¹⁷

FOOTNOTES / SOURCES

1. Key data derived from: United Nations Statistics Division – National Accounts Official Country Data, WTO Trade Profile, ITC Trade Map.
2. The services percentage of industry value added includes construction and utilities.
3. All trade data is for commercial services. Data for all figures derived from Trade Map (ITC, UNCTAD, WTO joint database).
4. World Bank – World Development Indicators.
5. “Haiti.” WTO Trade Profile (2013).
6. “Haiti.” The World Factbook. Central Intelligence Agency (2013).
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