

INSIDER VIEW

Republic of Haiti

TUESDAY, DECEMBER 11, 2001

Investment puts Haiti in the picture

HAITI NEEDS TO OVERCOME THE POLITICAL AND ECONOMIC INSTABILITY OF RECENT YEARS IF IT IS TO FULFILL ITS POTENTIAL AS A BUSINESS AND TOURISM HOT SPOT. THE TRUE ENGINE OF

THIS RECOVERY, ACCORDING TO THE COUNTRY'S PRIME MOVERS, WILL BE THE PRIVATE SECTOR, WITH THE CRUCIAL ASSISTANCE OF OVERSEAS LOANS AND INVESTMENT

HAITI has experienced a variety of political and economic difficulties ever since obtaining independence in 1804. The current leader Jean-Bertrand Aristide first became president in 1991 but was then almost instantly removed by a military coup. The subsequent brief dictatorship caused economic stagnation until 1994 when a democracy was installed with U.S. help. But in November 2000, allegations of rigged voting during Mr. Aristide's re-election resulted in a total split with the opposition party, and all foreign aid was cancelled. The current internal and external stalemate is crippling the country's economy at a time when international aid is most desperately required.

While acknowledging the urgent need for overseas loans and investment, Prime Minister Jean Marie Chérestal feels Haiti

itself needs to "come together" to solve its problems. "Our division can only lead this country to destruction," he says, referring to the extreme gap between rich and poor as well as the lack of collaboration between the country's political parties. Attitudes need changing, too. "We have to work hard at home to become effective on the international scene," he observes.

Mr. Chérestal feels Haiti is misunderstood by the U.S. and the world and would like to improve his country's image, and see it become more involved at the negotiation table. Internally he envisages a more democratic policy. "We can't find a long lasting solution while ignoring the majority," he maintains. "We certainly need to have a stable social and political environment that will favor investment." Illiteracy, homelessness and unemployment are among the wider issues needing urgent attention. Agriculture, tourism and education lead the sectors that require investment. Environmentally-conscious tourism focusing on unspoiled northern Haiti aims to be the most profitable sector in the next 20 years.

The Minister for Planning and External Cooperation, Marc L. Bazin, agrees that there are many misconceptions about Haiti and much negative reporting. He finds that some foreign states are more open-minded and tolerant in their



THE BALANCE OF TRADE Haiti is hoping to bring its international isolation to an end.

view of his country than others. However, he also admits that poverty has divided Haiti and that the country is disadvantaged in comparison with the neighboring Dominican Republic, which has nickel, gold and petroleum resources as well as a thriving tourist industry. He feels that a more responsible attitude is needed on all

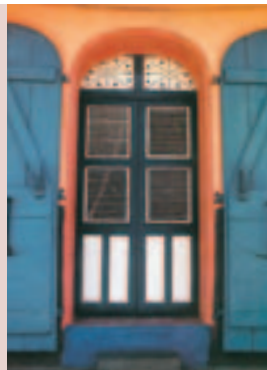
levels to really get things moving, and sees the country's much vaunted independence as "a means to an end and not the end itself."

Stanley Theard, Minister of Trade and Industry, sees the primary objective as creating more jobs. "The private sector will have to be the motor of the economy," he observes. A focus on devel-

oping micro-economic activities is required to cover basic needs such as clothing, schooling and homes. "We have started helping people to come together in small business associations," he notes.

Though he feels Haiti has a lot to offer in the way of arts, crafts,

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SECRETARIE D'ETAT AU TOURISME

FACTS & FIGURES

POPULATION
6,964,549
(July 2001 est.)

AREA
10,640 square miles.
Slightly smaller than Maryland

CURRENCY
gourde (HTG)

EXCHANGE
1 US\$ = 25.25 HTG

CAPITAL
Port-au-Prince

GDP
\$12.7 billion (2000 est.)
purchasing power parity

RESOURCES
Natural resources include: bauxite, copper, calcium carbonate, gold, marble, and hydropower

INDUSTRIES
The country's industries include: sugar refining, flour milling, textiles, cement, tourism, light assembly industries based on imported parts



JEAN-BERTRAND ARISTIDE
President of the Republic of Haiti

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JEAN MARIE CHÉRESTAL
Prime Minister of Haiti

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beaches and sun, he feels self-criticism and re-appraisal are needed. He has presented an investment code to the senate, and plans to create a Free Economic Zone Code aimed at making life easier for foreign investors who "create the jobs and pump up the economy."

Also key in this respect is the two million-strong Haitian diaspora, represented by Minister for Haitians Living Abroad, Leslie Voltaire. His "star program" is an online one-stop shop where, he says, "you can find all the information you need, fill in all the relevant forms online, and send them directly to the Ministry of Trade. So when you come to Haiti, you only have to sign the contract or visit the site."

International aid remains crucial

BY STABILIZING THE GOURDE AND DECREASING BOTH INFLATION AND INTEREST RATES, HAITI IS AIMING TO PLAY A LEADING ROLE IN THE FUTURE CARIBBEAN COMMUNITY, CARICOM

HAITIAN officials recognize that their country is one of the poorest in the world, with an average per capita income of \$330. Its economic situation has worsened since the freezing of international aid after the controversial 2000 elections and urgent steps are needed to improve the situation.

Governor Vénéel Joseph of the Banque de la République d'Haiti (BRH) is working on a "straightening plan" in conjunction with the Minister of Economy and Finance. Mr. Joseph aims to maintain and improve on his predecessor's policies, which include streamlining the internal payments system, stabilizing the gourd and decreasing inflation and interest rates. The bank is viewed as a crucial player in drawing investors and its recent adhesion to the Caribbean Financial Task Force (GAFIC in its French acronym), an organization which aims to prevent money laun-

dering in the region, can only improve Haiti's status in the financial community. What's more, by becoming a member of Caricom, Haiti is also joining the process to create a financial and economic single market in the region.

In order to raise the financial blockade, the bank has circulated BRH and BC bonds and aims to follow up with treasury bonds. "This is to make the monetary purchase large enough to extend some activities to other economic agents throughout the treasury, so we can offer them financial purchase," explains Mr. Joseph. His bank regards the current balance of trade as unacceptable and admits it may worsen due to the lack of investment. Problems are both internal and external. He sees Haitians as individually stoic but uncompromising, and thinks the U.S., their main potential partner, ought to be more fair and comprehensive.

By joining GAFIC, Haiti has shown it is committed to fight against money laundering



COUNTING THE GOURDES
Investment, customs and financial laws are being reformed.

The Minister of Economy and Finance, Faubert Gustave, believes international sanctions are a result of the political situation. Formerly the financial controller of a private company, he regards his background as proof that the government wants a partnership between the public and private sectors. "But," he stresses, "without the help of the international community the private sector and government will not be able to reach their goal of improving the living conditions of the majority of Haitians."

He sees his current job as "day-to-day-crisis management". The national budget is inadequate, overseas investment is urgently needed, imports greatly exceed

exports and foreign exchange reserves are shrinking rapidly. Mr. Gustave regards the current freezing of loans as almost "conspiratorially" unjust and thinks the U.S. should revise its view of Haiti. "Is it fair to tie international aid to the resolution of a crisis?" he asks. "If you invest in the financial and also human development of a country, the rest will fall into place."



VÉNEL JOSEPH
Governor of the Banque de la République d'Haiti (BRH)



FAUBERT GUSTAVE
Minister of Economy and Finance

The rebirth of Haitian transport

ONCE BACK ON THE INTERNATIONAL STAGE, HAITI INTENDS TO INTRODUCE PUBLIC-PRIVATE PARTNERSHIPS TO TURN AROUND THE POOR CONDITION OF THE COUNTRY'S TRANSPORT INFRASTRUCTURE

TRANSPORT infrastructure in Haiti is desperately in need of improvement. Replacing the established state monopolies by more dynamic private companies could be one answer to the problem, but the main focus of President Aristide's original program is a partnership of the two.

"The idea is new and carries a lot of prospects," says Minister of Works, Transportation and Communications, Ernst Laraque. There are problems, however, as both sectors distrust each other. "The private sector has been perceived as a monolith without a social conscience, while the public sector is presented as wasteful and full of mismanagement," he points out. "We have to make sure that our privatization program does not send too many

people on to the streets," he adds. "As long as we are not clear on where our partners in the international community stand, we have to advance slowly."

Ernst Laraque blames the holding back of international funds as one of the main reasons for delay. "Our image abroad has always been nega-

tive," he says, although he thinks this is not the case once people have actually visited Haiti. "When people come here, they see poverty but they see positive aspects too." With regard to the current freezing of American aid, he thinks the U.S. is motivated by self-interest and needs a more realistic and understanding approach. "We have always fraternized with them, plus we have a large community of brothers and sisters living in the

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ERNST LARAQUE
Minister of Works, Transportation and Communications



FRITZ ARISTYL
Managing Director of the National Ports Authority (APN)

A Perfect Take-Off

Haiti's airports are a cut above.
A marked increase in tourism earnings and foreign investment has paved the way for improved infrastructure and new installations such as revamped arrival and departure terminals and new VIP lounges. The Autorité Aéroportuaire Nationale (AAN) stands behind these positive changes, which are indicative of a solid commitment to development.

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ensuring monetary stability

At the Banque de la République d'Haïti (BRH), the chief priority is clear: to ensure financial stability in order to bring about social and economic development.

Located at the heart of the Caribbean and at the crossroads of the Americas, Haïti is well known for the dexterity of its workforce, its historical and natural attractions and its unique blend of cultures. The country is working hard to build major infrastructure and develop an adequate institutional environment aimed at attracting investment in manufacturing, tourism, exports and in particular, financial services.

In its role as Central Bank, the supervisory body that oversees all national banking institutions, the BRH has done much to encourage foreign investment, helping to bring international know-how and technology to Haïtian shores. BRH's effort to achieve lasting monetary stability has been instrumental in pursuing this aim.

Thanks to investment in education and technology, Haïti's banking system possesses the IT expertise necessary to ensure that investments in technology grow.

Committed to the goal of national development, the Banque de la République d'Haïti is certain that savvy investors will prosper in one of the region's most dynamic and promising banking industries.



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APN, the National Port Authority, is responsible for managing all Haitian ports.

Continued from page 2

U.S. All we are asking for is fair treatment," he says.

In view of the current crisis situation, the original five-year financial plan needs revising, but the goal remains the same. What is important is that Haiti has chosen democracy. "Nothing can change this," says Mr. Laraque. Democracy needs compromise, which is not a Haitian forte, but he believes that inter-party differences can be resolved.

The National Port Authority (APN) is responsible for managing all Haitian ports and plays a major role in both national and international traffic. "Over 90% of our commercial transactions are made by sea," says Managing Director Fritz Aristyl. Imports have always been more important than exports and the gap has been widened by the fall in agricultural products.

The two most important ports, Cap Haitien and Port-au-Prince, both need modernizing

and re-equipping. Buoys need replacing to indicate access channels, and investment in dredging equipment is required to deepen the ports for larger vessels. Mr. Aristyl hopes funds will be forthcoming once embargoes are lifted and he welcomes foreign investment. He does not think privatization is the only progressive step and, like Mr. Laraque, prefers "a shared public-private sector alliance." Though private entry may aid efficiency and profitability and achieve higher tariffs, he fears it may also increase unemployment.

"My management is based on three essential elements," says Mr. Aristyl, who prides himself on his human approach. "Dialogue, understanding and compromise." Helped by various specialized commissions, he believes frank and open discussions have helped the company move forward since he

took over. Training is a priority and part of the team is usually participating on courses abroad. Branching out, he would like to establish contacts "with the American Maritime Industry, particularly in the southern states."

Haiti's airports are controlled by the National Airport Authority (AAN) and the two largest, Port-au-Prince and Cap Haitien, need renovating [see box below]. A \$3 million project is being funded by Texaco, which possesses the airport fuel concessions: a good example of a private-public sector operation that works.

Despite lacking its own oil and other industries, Haiti is ready to "take off" soon, in AAN Managing Director Adler Edma's opinion. Tourism has a definite future once financial aid materializes. "If St. Lucia can attract two million tourists, there is no reason why we cannot aim as high," he states.

Funds are needed to deepen Haiti's ports and allow the access of larger vessels

Private-public projects take flight

HAITI'S two main airports are Port-au-Prince, which has four flights daily with American Airlines to New York and Miami, and Cap Haitien in the north, which operates four daily flights with Air France to Miami and on to Martinique/Guadeloupe. Cap Haitien is also used by three local companies dealing with regular traffic: Tropical Airways, Caribbean Inter and Air d'Haiti, which use airplanes with 17 to 29 seats and offer more than 10 flights a day.

Run by the National Airport Authority (AAN) under Managing Director Adler Edma, both major airports are in need of modernization and renovation. The petroleum giant Texaco is helping fund a \$3 million project for Port-au-Prince airport. The project includes runway expansion, as well as extra building areas, such as a VIP room and an air



ADLER EDMA
Managing Director of the
National Airport Authority

conditioned immigration office. This venture is an encouraging breakthrough in a country where joint private-public projects are a rare occurrence. A projected Hilton-run hotel, planned for completion by 2004, should further enhance the airport's facilities.

The provincial areas of Haiti also have access to air travel. "Another less important but in-

teresting airport is Port-de-Paix," says Mr. Edma. Though smaller, the Port-de-Paix airport provides an internal link with the island's two main airports. There are also regular improved flights from Jérémie, the tiny capital of the north coast's beautiful Grand Anse department.

Mr. Edma stresses the need for investment and further collaboration with foreign companies to help the economy get on its feet again and resents the traditional tendency of the international press to "exaggerate" Haiti's deficiencies. "The government and public sector are all working to change the image of the country," he says. "We have been participating as technicians in various planning meetings and sessions—especially those held on air traffic, navigation and airport structures."

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Modernization of free zones to lure foreign companies

TWO companies currently own industrial estates in Haiti. One is private and the other, SONAPI (Société Nationale des Parcs Industriels), is state-owned. The latter has 30,000 square feet of land and 50 industrial facilities built to house the 54 local and international construction or assembly companies operating in Haiti. The development is located right next to Port-au-Prince airport and is available to any company that wants to invest in the country.

In the 1980s, the estate was full and employed over 60,000 people in companies that exported garments, electronic equipment and even baseballs to the U.S. market. Nearly all of this was lost after the embargo and now SONAPI is trying hard to re-establish Haiti as an assembly location. "We want to improve the capacity of the industrial park and have its structures and facilities repaired and renewed," says Managing Director Rose Yva Samedy. "We intend to reinforce its security, build up

to 20 new buildings and provide it with a central electricity system that will not be by blackouts." A 'one stop shop' system is also scheduled for launching soon: the buildings are ready, relevant studies have been conducted and field work will start up in a few months' time.

Ms. Samedy feels there should be cooperation between the privately run competitor, Shodecosa Industrial Park, and themselves, as well as with prospective developers of other industrial estates planned for Cap-Haitien and Jacmel. When the political climate changes and sufficient funds are received, she hopes this type of industry will mushroom. There are ambitious plans to create a number of free zones all over the country, and the advantages for foreign investors are clear. Labor is undeniably cheap at \$2 per hour and the Haitians are not only hard working but also job motivated. An advertising campaign is currently underway to attract international companies.



SONAPI, Société Nationale des Parcs Industriels, runs 50 industrial facilities with 30,000 square feet of space.

Generating investor interest

FOREIGN INVESTMENT IS VITAL IF THE STATE ELECTRICITY COMPANY, EDH, IS TO SATISFY THE 24-HOUR-A-DAY ENERGY DEMANDS OF HAITI'S 133 DISTRICTS

HAITI has a serious lack of generating capacity which has resulted in frequent blackouts and a total of four hours of power a day in most of the country. The government's priority is to remedy this situation as soon as possible, and parliament has proposed three options regarding the modernization of state companies: a management contract, concession and capitalization.

Pierre François Sildor, who has worked at the state-run electricity company EDH (Électricité d'Haiti) for 17 years and was made Managing Director two years ago, believes that capitalization is the best option and that the solution is to cooperate with the domestic and foreign private sectors. The first steps have already been taken. "An eight month contract has been signed with Miami-based Energy International and Haytian Tractor," he says, "and a second nine year contract has also been signed with a private engineering firm based in the Dominican Republic." These two contracts will produce a total of 70 megawatts to overcome electricity rationing in Port-au-Prince and make this service available to investors.

The government also intends to modernize the energy sector through further private-public partnerships all over the country. A presidential plan called "Invertir en l'Humain" (Invest in the Human) aims at producing 300 to 400 more megawatts over a five-year period. "The goal is to set up electricity throughout all of Haiti's 133 districts," explains Mr. Sildor. The question is which power source to invest in. As there are no charcoal-gas resources and the country's hydroelectric potential is weak, the initial plan is to set up diesel stations to produce the necessary



POWERING THE LAND The government is exploring the possibility of using alternative energy sources such as water.

power, but other sources, such as water and solar power, also need exploring.

The current lack of electricity is a result of the socio-political setbacks and administrative inefficiency that have beset the country since 1986. "In 1991, when Mr. Aristide got his first mandate, we started a plan to solve the problem," says Mr. Sildor. The military dictatorship disrupted this

and, three years later, when Mr. Aristide returned, EDH invested in the installation of an average of 41 megawatts. This amount was already inadequate however, as the original plan to increase production up to 7 megawatts a year had been weakened by the zero activity between 1986 and 1994. By as late as 1999, the Lavalas government had only installed 41 megawatts.

"The deficit still exists and the demand is rising daily," says Mr. Sildor. Accordingly, EDH has difficulty meeting the government's target of 24 hours of electricity a day. "We can only try to satisfy the demand for commercial and industrial sectors during the daytime, and for residential quarters at night," he points out. A further drawback is collection, with problems commonly arising in marginal suburbs ('bidonvilles', in French). He is now working on building an electricity co-operative system which may offer service opportunities at a lower price. He is aware that the current rationing situation presents little incentive to pay bills, but hopes the planned improvements will change this.

Mr. Sildor feels the international view of Haiti is slowly improving and changing, but has reservations about the local private sector since it tends to look for quick profits rather than long-term investments. He would like to see it collaborate with both the local public sector and international private sector with a view to participating in EDH's modernization plans.

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Private construction company calls for international cooperation

SOGED (Société Générale de Distribution S.A.) is a private company involved in construction work and the distribution of a variety of items, from generators to Nokia phones. Formed in 1982 and forced ten years later by the international embargo to close down, it re-opened in 1995 and has been working hard ever since to increase business.



JEAN MARIE VORBE
Managing Director
of SOGED

Managing Director Jean Marie Vorbe is a typical example of a dynamic private sector entrepreneur who views the current financial situation as the main drawback to progress. He feels the construction business has suffered particularly because of the current international sanctions and the withholding of foreign aid. "The major bottom line is economics," he states, and would like to see "overseas countries and the U.S. in

particular providing financial help as soon as possible."

He also believes that politics are inseparable from economics and that "it is essential for local businesses and the international world at large, including the U.S., World Bank and IBC, to open up, collaborate and engage in constructive dialogue with the current democratically-elected government."

Rather than change business, companies should concentrate on training courses to improve staff efficiency, in Mr. Vorbe's opinion. They will then be better prepared when the expected recovery takes place. He admits that, once trained, many people leave the country to earn more money elsewhere. "All Caribbean people are boat people," he observes, referring to their need to move to earn a living. He also stresses that Haitians cherish their independence as much as anyone else. "We do not like to be told what to do. We like to negotiate our own issues. And whatever happens, Haitians still keep their sense of humor." He also mentions that his countrymen's remarkable instinct for survival further reinforces his belief that things will eventually change for the better in Haiti.



SOGED (Société Générale de Distribution) technician dispatching a generator.

Streamlined telecoms sector goes mobile

INCREASED AVAILABILITY OF CELLPHONES, ALONG WITH FOREIGN BACKING, HAVE LED TO AN EXPLOSION IN THE NUMBER OF MOBILE SUBSCRIBERS AS HAITIAN TELECOMS OPERATORS ADAPT TO MODERNIZATION

THE TELECOMMUNICATIONS sector was a stagnating state monopoly until privatization became a government priority. Minister of Public Works, Transport and Communication, Ernst Laraque, had it at the top of his portfolio, but was wary of privatizing and totally rejecting the "old for the new." He favored a more pragmatic blend of public and private control, allowing new private communications companies like Haitel to appear, while the original state organization Teleco continued operating on the condition that it improved its services in order to compete.

The state regulatory agency for this new liberalized telecoms sector is Conatel (Conseil National des Télécommunications). Jean Arry Ceant, fresh from several years in the U.S., was appointed Managing Director in 1995. "At that time, there was no internet operation, no cellular operation, no modern beeper operation," he says. "We were so far behind."

Mr. Ceant's chief concern as Conatel MD was the telephone operation. He understood the need to diversify the market, and awarded a license to the Comcel private phone company. Then he advised the government to involve the state-owned phone company Teleco in the cellphone market. They now have 70,000 subscribers. "The business is flying," says Mr. Ceant. "When we started, a cellphone cost \$600. Now it is \$120. Tomorrow it will be free. You will only have to pay

for services once there is competition." In the last five years, phone penetration has risen from 0.7% to about 3% and Mr. Ceant hopes to see this reach 20% over the next five years.

He regrets, however, that some countries are still wary of investing in Haiti for reasons such as bureaucratic delays, structural problems, outdated laws. "If things were simplified, we could achieve a lot," he says.

Haiti's first privately-run telecommunications company, Haitel, has already achieved a lot. Run by Franck N. Ciné, a Haitian who lived in the U.S. for 20 years



JEAN ARRY CEANT
Managing Director of Conatel

and became a vice president of U.S. operator MCI, Haitel is one of the country's largest foreign projects. With the backing of Nortel, Mr. Ciné financed a \$100 million investment to form the country's first cellular phone

company. It now has over 50,000 subscribers, covers most of Haiti and has made a profit in its first year. "This is a company that started making a profit from the word go," he says. "Every single penny is re-invested in the project."

Mr. Ciné's achievement counters Haiti's negative reputation. "Our major goal was to improve the image of the country and we have done that," he maintains. "We have a product that is for everybody and a company managed by Haitians which is successful." He's proud of the fact that



CONNECTING HAITI TO THE WORLD The recently liberalized Haitian telecommunications sector is to be regulated by Conatel.

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Republic of Haiti

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a once luxury item like a cell-phone is now available to all levels of society.

He thinks international attitudes are discriminatory and false when they cite Haiti's inability to adapt to modernization. "Haitians can go anywhere and be successful," he observes from personal experience. "In New York, Haitians are the best doctors and its community is considered the most adaptable and successful. In Canada we have a large num-



FRANCK N. CINÉ
President of Haitel

ber of teachers in the education system." He welcomes the fact that Haitel is a Haitian/U.S. company but would like the U.S. to be more supportive and give longer term help to improve life in his country.

Haiti now needs peace to create progress. It also needs structural adjustment after decades of inefficiency and mismanagement. Mr. Ciné had to overcome many difficulties when setting up Haitel. "We did it with strong support from Nortel," he says. He would like to see other current projects, especially those concerning tourism infrastructure, fare equally well.



SECRETARIE D'ETAT AU TOURISME

CRYSTAL-CLEAR VISION The Ministry of Tourism has the task of attracting visitors to such spectacular sites as the ruins of Sans Souci Palace (above).



Haiti builds on tourism potential

INCREASING THE NUMBER OF HOTEL BEDS THROUGH A MASSIVE INJECTION OF PUBLIC AND PRIVATE FUNDS IS THE PRIORITY IF HAITI IS TO MATCH THE TOURISM SUCCESS OF NEIGHBORING CARIBBEAN COUNTRIES

FROM the 1950s to the 1970s Haiti was known as the "Pearl of the Caribbean" and its fine beaches, sunny climate and lush landscape attracted a flourishing tourist trade. Subsequent

political crises, international embargoes and a negative image abroad have all helped to slow down the industry to a virtual standstill. There are limited hotel beds available, and some long-

standing operators, like Club Med, have chosen to leave.

"My main challenge is to be able to show the world the hidden and unknown parts of Haiti," says Tourism Minister Martine Deverson, who has been given the task of rebuilding and revitalizing the industry. Cruises still stop off in Haiti, but Ms. Deverson would like to attract visitors interested in culture, eco-tourism and activity holidays as well as the ever-popular sun and sea break.

At present, about 80% of the 150,000 annual visitors to the country are Haitians living abroad, who return to see families and enjoy their traditional roots and attractions like the voodoo tradition, local food and carnivals. Foreigners can in turn enjoy all these experiences together with the scenery and beaches at a series of beauty spots, such as Labadie, Jacmel and the Tortue Islands.

However, substantial funds are needed to boost the industry. Various projects are being considered as well as a new investment code drawn up to cover arts and crafts and agricultural presentations. "There



MARTINE DEVERSON
Minister of Tourism

are openings for investors in lodging projects, cruise tourism and tourist developments all over Haiti," says Ms. Deverson. Already in the pipeline, at a projected cost of \$45-50 million, is

an airport hotel with 265 rooms of which 160 are scheduled to be available no later than January 2004. Managed by Hilton International, the hotel would promote airport development and increase flight operations at Port-au-Prince.

Cruise tourism is also aimed to increase to 10,000 tourists for a week, and Ms. Deverson is eager to establish tourist connections with Haiti's successful neighbor, the Dominican Republic, which boasts 60,000 hotel beds compared with Haiti's 8,000. She also aims to have talks with Club Med

regarding the possible reinstating of their 400 bed beach-side development.

To promote tourism, the government has set up a five point program which covers investment, partnership requirements, evaluation of Haiti's national heritage and community training. There are projects for six transit areas and a plan to attract children and teenagers who are regarded as the tourism market's future.

If anything epitomizes the warmth and come-what-may optimism of Haiti, not to mention its former days of touristic glory, it is the country's number one original product, rum. The family-owned Rhum Barbancourt company has been producing the potent golden beverage since 1862 and claims it is "the best rum in the world." Due to its price, it is more popular abroad and something of a connoisseur's delight, but visitors can enjoy sampling it in an exotic cocktail like Planter's Punch to really get the spirit of Haiti.

State telecoms operator, Teleco, reaches out to the provinces

TELECO is Haiti's state run telecommunications operator and the largest company in the country. Although it has been operating since 1986, well before the first Aristide government and subsequent military dictatorship, until recently it had still only managed to provide 60,000 lines for a total population of 8 million people: one of the lowest penetrations in the world.

"Teleco was alone in the market and when you are a monopoly you don't force yourself. But now the competition is there, you need to work hard," explains its Managing Director Patrick André Joseph who is involved with a government company for the first time and can appraise the whole set up with an outsider's eye. "I come from the private sector. I have my own companies," he points out. "To me, production is everything. I don't want to come and sit here doing nothing. That is why we

have been able to launch many new projects—not just here, but in the provinces."

The main objective is to get all systems and services fully up to date and Teleco is striving hard for that. The company is also committed to increasing capacity and has just signed a \$52 million deal with an American company to provide an extra 100,000 wireless lines in Port-au-Prince. Smaller numbers of lines are also being provided in the outlying provincial townships of



PATRICK ANDRÉ JOSEPH
Managing Director of Teleco

Gonaives, Port-de-Paix and Cap Haitien.

As part of its attempts to mobilize and modernize itself, Teleco has recently installed Teleconet, a nationwide internet service. Teleco is looking for additional companies to invest in Haiti and expand the telecommunications network wider. A future project involves setting up installations in more remote corners of the country, such as Gonaives and Port-de-Paix. Mr. Joseph's aim is for people to be able to use a phone wherever they are in Haiti.

In the future, Mr. Joseph would like to see an industry completely based on telecommunications and he has contacted various companies regarding possible projects. He is optimistic about Haiti. "Our problems are not as complex as people think," he claims, and hopes eventually to see his country's negative image abroad replaced by a more open-minded one.

A \$50 million airport hotel with 265 rooms is already in the pipeline

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In the Mood for **Haiti**

Haiti, the Caribbean's best-kept secret, has something for your every mood.

A morning stroll along a white sand beach, guided by the gentle sound of the waves washing up against the shore. A fascinating tour of Cap-Haitien and its nearby historic Citadelle, declared World Heritage Site by Unesco and known as the "Eighth Wonder of the World", or a walk around the site of Columbus' 1492 landing.

Or perhaps a boat excursion to Tortuga Island, former haven of the legendary buccaneers.

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