

## **INVESTMENT OPPORTUNITIES - HAITI**

- 1. North Industrial Park, Caracol, Haiti**
- 2. Terminal Gonaives**
- 3. Hotel des Artistes**

# North Industrial Park

## Caracol, Haiti

### Overview

This project is relevant to all kind of manufacturing activities, the sub-contracting sector and especially the garment sector which benefits from preferential agreements. The project includes the construction of a globally competitive industrial park of 250 hectares with solid waste disposal, state of the art waste water treatment facilities and modern industrial buildings in the north shore of the country, at Caracol. Furthermore considerable investments will be made to reinforce the infrastructures of that locality; accessible roads, new port facility, supply of electricity, construction of houses, etc.

This new industrial park is aligned with the decentralization policy necessary for the economic development of this region which is already hosting the CODEVI<sup>1</sup> industrial park. The North Industrial Park represents one of the economic priorities identified by the government of Haiti to spur the growth and the equal redistribution of jobs throughout the country. This project is a partnership between the government of Haiti, the United States Government, the Inter-American Development Bank and the Korean textile companies SAE-A. They have committed around US\$302 million for the implementation of the project.

### Detailed description of the project

The construction of the North Industrial Park is in progress and expected to be operational as of 2012. Indeed, land surveys and engineering studies have been completed and construction contracts for the Park have been granted in August after an open competitive international bidding process. The Government of Haiti is and will continue to take all the necessary measures to reduce the environmental and social impacts, develop an awareness program with the communities in the immediate area and will put in place a comprehensive communication strategy for the project. The inhabitants of the region have been invited to meetings in order to discuss the opportunities due to this new park and also share their feedback and suggestions.

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See brochure about CODEVI at <http://www.aapnetwork.net/aapmembers/Grupo-M-SA/documents/CodeviBrochure2011inside.pdf> For more information visit the website : [www.grupom.com.do](http://www.grupom.com.do) or send an email to [info@grupom.com.do](mailto:info@grupom.com.do)

The initial phase of the project includes 350.000 m2 of covered industrial space, of which 120.000 m2 are available for lease. As of today, SAE-A has signed a binding tenancy agreement and forecasts the creation of 20,000 jobs over the next four years. Six new tenants also expressed their interest to lease industrial space and create more than 15 000 additional jobs.

For more information on this project, please send an email to: [info.caracol@ute.gouv.ht](mailto:info.caracol@ute.gouv.ht) or visit the website [www.ute.gouv.ht/caracol](http://www.ute.gouv.ht/caracol)

### **Competitive advantages.**

1. The Haiti Hemispheric Opportunity through Partnership Encouragement Act, or "HOPE II" and the Haiti Economic Lift Program Act (HELP) passed by the U.S. Congress approved a duty-free trade legislation benefiting the industry until the year 2020. Unique to Haiti, this allows quota-free access to the American market with generous rules of origin.
2. Factory profit margins average about 22 percent, according to Washington-based Nathan Associates Inc.
3. Haiti is the fastest growing garment exporter to the US. Exports increased 16.3% in the period Jan-Sept 2011 compared to the same period in 2010 while China's decreased 3.9%.
4. Haiti has the lowest wage in the Caribbean-labor costs being by far the largest economic component in garment manufacture. Haiti has labor costs that are fully competitive with China, which is the global benchmark.
5. Haiti has low cost and plentiful supply of labor with low levels of personnel absenteeism (2%) and turnover (4% per annum).
6. Haiti ranks 28 worldwide in Doing Business (WBG) in the category Hiring and Firing Workers vs. 26 average OECD rank
7. Haiti has a transport advantage over competing low-wage economies of several thousand miles. It facilitates lower shipping cost and time-to-market. A sin qua non in the fashion-sensitive world

### **Incentives**

- A. Investors who will establish their factory in this new industrial park will benefit from incentives provided in the Haitian investment code regardless if their production is for exports or for the local markets. The code includes incentives such as:**

#### **INVESTMENTS ORIENTED TOWARDS EXPORT AND RE-EXPORT**

"Any enterprise whose services or production is geared towards export or re-exports is entitled to the following tariff and fiscal relief:

- 1.- Exemption from customs duty and from income taxes on the import of equipment goods and materials needed in installation, operations and production of the enterprise;
- 2.- Temporary entry for active development of raw materials and packaging materials;
- 3.- General exemption from bonds or security deposits in the temporary entry of raw materials and packaging materials;
- 4.- Exoneration from payroll taxes and other direct internal taxes; for a period which shall not exceed fifteen (15) years;
- 5.- Exemption from audit charges.”

### **INVESTMENTS IN NATIONAL INDUSTRY**

All investments involving the processing of raw materials of local or foreign origin for the production of goods with an added value of at least 35% and intended for local consumption are considered as preferred investments. Commercial activities are excluded, such as: conditioning and packaging of goods imported in bulk.

- 1.- Customs duty and tax relief on the import of equipment goods and materials needed in the establishment and operations of the enterprise.
- 2.- Exoneration from payroll taxes and other direct internal taxes for a period which shall not exceed fifteen (15) years.
- 3.- Exemption from the security deposit provided for by the Tariff Code for temporary entry I imports.
- 4.- Industrial concerns which export a portion of their production or who sell it to a concern involved in export, are exempt from paying Sales Taxes (TCA) on these sales.

**B. Investors will also benefit from the unique preferential agreement granted to Haiti by the US. The Help Act which expand duty-free access to the US market for additional Haitian textile and apparel exports, and extend existing trade preference programmes for the country through 2020. Among the incentives:**

- Duty-free treatment for additional textile and apparel products that are wholly assembled or knit-to-shape in Haiti regardless of the origin of the inputs.
- Help Act allows tariff preference levels for knit and woven apparel, each set at 200 millions square meter equivalents (SME) per annum.

- Duty-free importation into the United States of one SME of apparel wholly assembled or knit-to-shape in Haiti regardless of the origin of the inputs for every two SMEs of qualifying fabric purchased from the United States.
- Duty-free treatment until December 20, 2015 for apparel wholly assembled or knit-to-shape in Haiti with at least 50 percent value from Haiti, the United States, a U.S. free trade agreement partner or preference program beneficiary, or a combination thereof.
- Duty-free treatment until December 20, 2017 for Haitian apparel with at least 55 percent of value from qualifying countries.
- Duty-free treatment until December 20, 2018 for Haitian apparel with at least 60 percent of value from qualifying countries.
- Duty-free treatment until December 20, 2016 for wire harness automotive components imported from Haiti.
- Direct shipment provision that allows the export of apparel produced in Haiti from the DR to the U.S.
- Some items cut and sewn in Haiti, regardless of fabric origin are duty free in unlimited quantities (e.g. brassieres, some luggage, headgear, and sleepwear types, and U.S. short supply fabrics).

### **Desired Participation**

The Haitian Government is actively encouraging manufacturing companies i.e. garment furniture electronics, etc to establish their factory in the New Industrial Park at Caracol. Once fully operational with the addition of more factories, this industrial park will create 65,000 permanent jobs. The tenants will benefit from a young and highly trainable workforce, a range of generous incentives and the full support of the Haiti government which is now open to business.

# Terminal Gonaives

## Overview

A Bulk Petroleum Storage facility is proposed for development in Gonaives, which is the 4<sup>th</sup> largest city in Haiti. Gonaives is approximately 140 Km North of Port-au-Prince, Haiti. A bulk petroleum storage facility is an industrial facility zoned and planned for the purpose of oil and petrochemicals storage, servicing the heavy industry.

Terminal Gonaives is a strategic industrial port and petroleum tank farm development comprising of an existing 30m pier in need of greater expansion to meet current and long-term logistical and infrastructural demands.

The development of the facility is mentioned in the National Development Plan of Haiti.

Total Investment Required in US\$:10 million

## Detailed Description of Project

The project consists of 26 hectares strategically located near the transportation network of Gonaives, Haiti, comprising of port services and bulk storage designed for various industries, whether in petroleum, warehousing, and logistics amongst others. The project will provide tenants with turnkey services, including storage space, utilities, security, human resources assistance, and administrative services.

Pre-feasibility studies in addition to zoning and government approvals have already been completed. An information memorandum is also available for further review.

## Competitive Advantages

These include:

- Within 140 km from the port Terminal Varreux S.A, another property owned and controlled by the WIN Group. Thus, offers possibility to jointly coordinate services
- No issues with land disputes
- Connected to national roadways and transportation network
- Great sourcing for cheap labor
- Mineral and agricultural exports opportunities
- Capacity of receiving ships carrying oil
- Container yard facility
- Ability of this project to serve and supply the Artibonite – Central Plateau, Northwestern, and Northern Haiti combined.

## Incentives

According to the Investment Code, the incentives will be determined by the Interdepartmental investment Committee. The Code states the following:

“Physical persons or corporate bodies who submit qualifications as well as financial guarantees, may enter into such agreements with the State, according to the law, for the establish in Haiti of business concerns **which are considered to be of particular interest for the collectivity due to their inherent characteristics, to the size of the investment they require, to the high priority attributed to their realization or to the strategic nature of the field of business.** These agreements will specifically define the special status granted to the business concern, the related special benefits, as well as the obligations in exchange due from the beneficiary/beneficiaries.”

#### **Type of Investment Required/Desired Participation**

Equity Investment/Divestment/Sale of Property/Joint venture partner etc

The preferred investment option is equity Investments and or joint-venture partners, however the WIN Group is open to other business structures as agreed upon by interested parties.

#### **Contact Information**

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**Hotel des Artistes, Port-au-Prince, Haiti**

## **Overview**

Hotel des Artistes is a planned high quality 3 stars hotel establishment adjacent to the airport in Port-au-Prince, Haiti, comprising of 250 room of rental space designed for short and long-term accommodations for guests. The planned location of the project is Tabarre - Airport area in Port-au-Prince, Haiti, within 3 miles from state-owned Seaport

The development of a real estate hotel project is mentioned in National Development Plan of Haiti.  
Total Investment Required in US\$

**The estimated investment is: USD\$ 48, 772,125**

## **Detailed Description of Project**

The project consists of 5.2 hectares strategically located near the transportation network of Port-au-Prince comprising of 250 rooms of rental space designed for various guests, though mostly targeted at business visitors, including UN and development agency staff, military staff, the local conference and training business, and also expatriate Haitian visitors amongst others. The project will provide guests with high quality 3 stars service standards with restaurant and conference facilities that are currently not provided in the vicinity and the capital for the most part. The structure will be built to US codes and standards for earthquake and windstorm protection.

Feasibility studies in addition to zoning and government approvals have already been completed. An information memorandum is also available for further review.

## **Competitive Advantages**

These include:

- Located adjacent to the main airport in Port-au-Prince, Haiti
- 3 stars service standards and world class service and amenities to be provided on site
- Located at close proximity from Petion-Ville, the entertainment capital of Haiti
- Connected to national roadways and transportation network
- Great sourcing for cheap labor
- No issues with land disputes
- Within 3 miles from the port Terminal Varreux S.A, another property owned and controlled by the WIN Group. Thus, offers possibility to provide maritime services
- Located within 3 miles from the only integrated economic zone in the metropolitan area of Port-au-Prince

## **Incentives**

The incentives for tourism sector provided by the Investment Code include:



- 1) Customs duty and tax relief on import of equipment, goods and materials needed in prospecting, establishing, furnishing or refurbishing, when this material or this equipment cannot be found locally in the same quantities and according to the same quality and price standards;
- 2) Exemption from the security deposit provided for by the Tariff Code in temporary entry imports;
- 3) Exemption from the Land Tax on Built-Up Properties for the first ten (10) years of restoration of buildings registered as part of the national heritage and open to the public;
- 4) Exemption from individual income taxes for revenue generated by the investment, in accordance with provisions of clauses 26 and 27 of this Code.

### **Type of Investment Required/Desired Participation**

Equity Investment/Divestment/Sale of Property/Joint venture partner etc

The preferred investment option is equity Investments and or joint-venture partners, however the WIN Group is open to other business structures as agreed upon by interested parties.

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