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TRADE AND INVESTMENT DEVELOPMENT PROJECT

Final Report

Haiti - Dominican Republic Identification of Trade Complementarities

PREPARED FOR
Presidential Commission on
Economic Modernization and Growth

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I. Introduction

The present "Haiti-Dominican Republic Trade Complementarities Identification Study" was undertaken as part of USAID's participation in the Emergency Economic Recovery Program for Haiti, as part of a mutually-agreed agenda established by USAID/Haiti and the LAC Bureau for the utilization of the regional Trade and Investment Development Project's (TIDP) resources to assist in the reactivation of the Haitian economy.

This study has four main objectives[1]:

- to identify the principal areas of potential commercial complementarity between Haiti and the Dominican Republic.
- to canvass public and private sector views in both countries regarding the potential benefits of exploiting trade opportunities based on identified complementarities, and the major obstacles they see to increasing cooperation between the two countries in pursuing these opportunities, including an assessment of the degree of interest in this matter by leaders of key public and private sector institutions.
- to identify key policy, legal and regulatory constraints to the commercial exploitation of identified trade complementarities.
- to develop recommendations for USAID, host government and local private sector groups to begin working towards the realization of potential benefits of developing trade complementarity.

The questions of how best to reduce policy, legal and regulatory constraints, as well as the desirability and feasibility of Haiti's entering into new or existing bilateral or multilateral trade agreements were specifically excluded from the scope of the Trade Complementarities Identification Study, as these questions were to be taken up by a separate study being prepared by the TIDP.

This study was prepared by two economists mobilized for the purpose by the TIDP, Phillip W. Rourk and Siegfried Marks. Between September 6 and September 22, 1995, this team spent six days in Haiti, five days in the Dominican Republic, and one day in Miami conducting interviews with Haitian, Dominican and American business representatives and government officials knowledgeable on the subject of bilateral trade and investment potential. A summary of the team's preliminary findings and conclusions was left with USAID/Haiti on September 22.

Chapter II below contains an identification of principal areas of potential commercial complementarity between the two countries, including an analysis of the basis for complementarity and a discussion of public and private sector views regarding the potential benefits and major obstacles involved. Chapter III identifies principal constraints to expanding Haitian/Dominican business cooperation, including a brief discussion of the impact of existing trade regulations and their administration on the development of bilateral commerce. Chapter IV concludes with a series of recommendations for initiatives that can be supported by USAID/Haiti and USAID/Dominican Republic to facilitate the more rapid and secure development of

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[1] See the scope-of-work for TIDP Technical Service Order #030, reproduced in Appendix 1.

complementary trade opportunities.

II. Principal Areas of Potential Commercial Complementarity

As summarized in Table 1 below, the sectors reviewed for purposes of the Trade Complementarities Identification Study include Tourism, Assembly Manufacturing, Agriculture & Fisheries, Power & Irrigation Infrastructure, Transportation, Telecommunications, Commerce, Construction, Mining and Finance. A brief discussion of development potential identified for each sector is presented below.

Tourism

Haitian tourism, small to begin with, was badly hurt by deteriorating security conditions in the late 1980s and early 1990s, and particularly during the U.S. trade embargo imposed between 1992-94. A modest flow of individuals from Europe and the U.S., a Club Med operation at Labadie Beach, day-visits from several cruise ship companies, and some Dominican tourism had supported the development and operation of an industry consisting of 2-300 hotel rooms and a handful of travel agencies and tour operators during the 1970s and 1980s. These operations all but ceased during the trade embargo, and are at present struggling to come back to life on a much reduced scale. Needless to say, little investment in infrastructure to support additional tourism has been made in Haiti during the last 5 years.

There undoubtedly exists a significant potential to develop international tourism in Haiti, based on a number of factors: attractive beaches; an exotic and unique culture, including a well-established artistic tradition, fine and unusual handicrafts, good cooking, and a generally friendly populace: historical attractions including major ruins and towns preserving some flavor of their colonial past.

The climate of uncertainty that continues to prevail is a major impediment to the commitment of investment resources needed to build internationally competitive resort destinations in Haiti, though this may be possible in the future. Neither Haitian, nor Dominican nor other international resort developers are likely to seriously consider major investments in resort hotels and supporting infrastructure until stability has been restored and it is evident that such stability can be self-sustaining into the future. For this reason, it is unlikely that the tourism sector can grow quickly in Haiti in the near term, despite its evident long-term potential.

The Dominican Republic, by contrast, has developed a large and very successful resort tourism industry during the last 25 years. Tens of thousands of international standard hotel rooms are available in Santo Domingo and major beach resorts at La Romana, Punta Cana and Puerto Plata.

A large proportion of Dominican tourism consists of middle-class Europeans looking for sun and sand at a moderate price, compared to other Caribbean resort destinations. Many of these are repeat visitors to the DR, and many come for extended stays of 1-2 weeks. As a result, Dominican resort and tour operators have felt the need to develop a range of excursions for these repeat/extended stay visitors, who are looking for some exposure to the local environment and a little diversity to complement the basic beach experience. One and two day trips to agricultural areas in the interior of the Dominican Republic are reportedly becoming quite popular, and Dominican tourism specialists believe that a significant amount of activity can be developed based on such short excursions from the Dominican beach resorts to specific Haitian attractions, such as Port-au-Prince to the South, and Cap Haitien and the Citadelle along the North Coast. Gradual development based on excursions from the Dominican Republic has the

Table 1. Primary Sectors Offering Joint Development Potential

SECTOR	SUBSECTOR	BASIS FOR COMPLEMENTARITY	LIMITING FACTORS
TOURISM	Resort	Existence of large Dominican industry, management & marketing capability; attractive, undeveloped Haitian natural & cultural resources	Negative Haitian image; security & health concerns; lack of hotel capacity & transport infrastructure to support large-scale resort tourism; lack of financing & reluctance of investors to assume risks; poor tourist services include. airports & border; visa requirement & nuisance charges; lack of adequate promotion & marketing
	Excursion	idem	lack of small-scale, low-cost hotels; lack of adequate promotion & marketing
	Ecotourism	idem	idem
	Cultural	idem	idem
	Dominican	Proximity; Dominican middle class purchasing power	residual animosities & prejudices; "unfriendly" immigration and border procedures; poor transportation
ASSEMBLY	Apparel	better, cheaper transport to DR; lower cost labor in Haiti; somewhat complementary labor force skills mix; likely devt. of textile production in DR; risk mitigation	lack of information on costs, conditions, ways of doing business; lack of security in moving goods across border; tariff treatment & country of origin issues; unpredictable behavior by Dominican and Haitian customs officials; poor roads
	Electronics	idem, plus greater Haitian experience w. electronics	idem
	Sporting goods	idem	idem
	Medical equip.	idem, plus > Haiti experience	idem
	Jewelry	idem	idem
AGRICULTURE & FISHERIES	Shrimp & lobster	existence of formal & informal trade; existence of large "export" market to Dominican resorts, in addition to U.S. & European markets; economies in infrastructure devt. to support deep-sea fishing fleets & packing operations; collaboration to improve resource mgmt.	lack of information; lacking infrastructure; poorly organized fishing & export industries; wasteful fishing/packing technologies; corrupt practices at borders; overall investment constraints
	Shrimp farming	suitable lands and sources of larva in Haiti; existence of Dominican resorts; resource management	idem
	Bananas	possible expanded European quota through Lome; transportation & marketing economies; risk mitigation; available specialty niches	lack of bilateral cooperation between governments; overall investment constraints; poor irrigation infrastructure in Haiti; rural security issues
	Tubers & Other	opportunities for joint ventures & exports to D.R.; economies in transportation; risk mitigation	idem

INFRASTRUCTURE	Power, incl. hydropower	sizable economies of scale: complementary needs for power & irrigation water	lack of govt. support on either side; need to negotiate power/water sharing & water management regimes: overall investment constraints
	Irrigation	idem	idem
TRANSPORT SERVICES	Trucking	existence of developed trucking companies in DR; need for services in Haiti: complements joint development/utilization of transport infrastructure	lack of supporting regulatory environment: harassment at Dominican customs; need for more open competition between companies from both countries
	Sea	savings & development opportunities available to both countries from joint utilization of available port, cargo handling & storage facilities	difficulties in overland transportation (poor roads & trucking service) and in movement of goods across borders impede more efficient usage; Dominican ports levy arbitrarily high 10% transshipment fee, plus charges
	Air	savings & development opportunities available from joint utilization of airport facilities for tourism and perishable cargo	difficulties in overland transportation (poor roads & passenger service) and in movement of people across borders impede more efficient usage
TELECOM	Voice/Data	linkage to high-quality Dominican communications system & planned fiber optic cable network would provide greatly improved long-distance service at relatively low cost	lack of such linkage; unclear communications policies in Haiti: overall investment constraints
	Data Entry/ Telemarketing	high quality long-distance service would make possible development of remote French language data entry & telemarketing services	idem
IMPORT/EXPORT TRADING	LPG	reportedly, D.R. has large excess capacity at U.S.$40 million LPG terminal at Puerto Viejo, in Azua, less than 130 kms. from Port-au-Prince. Benefits may be available to both parties from joint importation & distribution	information needs verification: possible need to invest in additional tanker trucks: conciliation of governmental energy security policies/ petroleum company objectives
	Agricultural Inputs & Products	small farmers in both countries lack ability to deal successfully in international markets & could benefit from services of packer/shipper marketers serving export markets & Dominican tourist market	inconsistent external tariff & internal pricing policies: restrictions on movement of agricultural products
	Handicrafts	small artisans similarly lack the ability to export directly & lack access to demand side of the market; export traders can generate orders, consolidate shipments & effect transactions in tourist & export markets	restrictive trade policies & practices, especially on Dominican side

CONSTRUCTION	Roads & Infrastructure	Dominican contractors produce prefabricated structural members, have extensive equipment stocks & are highly experienced. Haitian contractors can recruit & manage lower-cost Haitian laborers, making joint ventures potentially highly cost competitive	lack of communication & confidence between prospective joint venture partners; GOH procurement practices may also be discriminatory, especially for smaller (< U.S.$1 million) contracts
MINING	Gold/silver	reportedly, gold & silver deposits exist on both sides of the border in vicinity of Neyta in Restauracion Province, D.R. Initial exploration done by La Rosario Dominicana & Falconbridge Mining	requires further investigation, but certainly include overall investment constraints for Haitian development
	Marble	Dominican companies effectively marketing marble & dimension stone in U.S. & Europe. Joint marketing & development of Haitian resources may be cost effective	idem
FINANCE	Housing finance, small-scale enterprise finance, insurance	D.R. has relatively well-developed savings & loan, insurance companies; also, highly successful small-enterprise lenders such as ADEMI are available to provide technology/organization in Haiti	idem

advantage of requiring much less in the way of investment in hotels and infrastructure in Haiti, and thus may be a more realistic way of approaching the development of tourism there.

The development of excursion tourism from the DR into Haiti will require some attention to be paid to simple amenities and procedures, however, such as, for example: facilitating the movement of private and commercial vehicles across the border; eliminating visa requirements for Europeans entering Haiti from the Dominican Republic; reducing the cost of tourist cards and other nuisance charges levied at the border on both sides, etc.

Loosening up immigration and customs requirements and procedures at the border, though not without complications of its own, would also facilitate the reestablishment of Dominican tourism to Haiti. Dominicans would probably spend less per capita than Americans or Europeans, but would on the other hand be less demanding with regard to the quality of amenities and infrastructure, and would likely be attracted in significant numbers for shopping, handicrafts and a simple change of environment.

Much has been said about the possibilities of organizing joint promotional efforts between the Dominican Republic and Haiti, which would presumably make more effective use of advertising and other promotional expenses internationally. The idea would be to share in the promotional expenses to bring international tourists to the island, and then share in the servicing of those tourists once they arrived.

On the surface, this seems a plausible idea, and it may in fact be something that can be seriously considered in the future. For now, however, influential Dominican resort operators strongly oppose the notion, based on their unwillingness to have their own marketing success too closely tied to the vagaries of Haitian politics or to easily influenced and volatile international perceptions regarding security in Haiti. Until Haiti can present a more positive and stable image on its own, it is unlikely that Dominicans will be willing to work with Haitians towards developing and marketing a common or shared image.

Assembly Manufacturing

During the 1970s and early 1980s, Haiti developed an export assembly industry which came to employ about 80,000 people, far outstripping Dominican achievements at the time. As in other sectors, assembly was disastrously affected by political violence and the trade embargo of the early 1990s. Over a year after the restoration of the democratically-elected Aristide government in Haiti, employment in the assembly manufacturing industries had scarcely reached 20,000 people, even by the most optimistic estimates.

The following factors are elements in determining the possibility of joint development of assembly manufacturing between Haiti and the Dominican Republic:

- relative labor costs, an area in which Haiti enjoys a substantial advantage even after factoring in productivity differences
- quality and cost of overseas transportation services, favoring the Dominican Republic at this time
- labor force skills mix, favoring Haiti for some industries, the DR for others
- security, communications, quality of life, etc., favoring the Dominican Republic

The principal factors that can prevent or retard joint development are:

- transportation costs in moving raw materials and goods between Haiti and the DR
- trade policies and their administration by the two governments

On balance, it appears that, with some action by both governments to remove impediments chiefly arising from the administration of trade policies and regulations, considerable scope exists to develop complementary approaches to assembly manufacturing on the island.

The quality, supply and relative wages of Haitian assembly workers are important inducement to international assembly contractors to establish or reestablish operations there. However, security, communications, international shipping costs and quality-of-life considerations would keep many international assemblers away from Haiti, unless some of these disadvantages could be mitigated by sharing production between the two sides of the island, as is beginning to happen autonomously in some cases.

One braziers manufacturer interviewed offers some interesting insights into the considerations that go into such an arrangement. This company assembles cloth that is woven and imported from South Asia. Shipping schedules and costs make it more convenient and cheaper to bring cloth into Santo Domingo than into Port-au-Prince. Lower international shipping and port costs, plus lower labor costs, make it possible for cut pieces to be trucked to Port-au-Prince and assembled there more cheaply than assembling in the DR. Thus, this company splits its assembly operations between the two sides of the island, spreading risks while getting some of the advantages of lower Haitian labor costs. Finished goods are shipped directly from Haiti to the U.S. market, usually by air.

The superior communications and amenities supporting a management group enable this company to profitably operate an integrated program from their Dominican base, despite the problems and risks that continue to characterize Haitian operations. Dividing assembly in this manner makes much more sense to company management than splitting production between the DR and say, Honduras, primarily for ease of administrative control and logistical reasons. This company is considering a major investment in a textile weaving plant, which it would not do in Haiti at this time. However such a plant located in the DR could provide cloth and cut pieces for assembly on both sides of the island, providing important benefits to both economies.

In short, joint operations offer international assemblers the opportunity of employing skilled and relatively inexpensive Haitian workers, without having to risk everything on the outcome of the Haitian democratization process. By subcontracting Haitian assemblers, international assembly manufacturers risk at most the value of their inventories in Haiti, which can be carefully managed given the relative ease of trucking cut pieces to Haiti from stores held in the DR. The advantages of joint implementation of an assembly program illustrated by this garment manufacturer would be equally applicable to companies working in electrical and electronic assembly, as well as in other areas where Haiti traditionally excelled, such as sporting goods, medical equipment and jewelry.

Agriculture and Fisheries

A study prepared by the American Society of Agricultural Consultants (ASAC) in 1988 identified attractive agribusiness investment opportunities in Haiti in the following areas: winter vegetables for export to the U.S.; tropical fruit (mango) processing; feed milling for meat production; peanut production; integrated fish farming; and, marine shrimp farming. With greater security and stability, and improved communications and transportation infrastructure, no doubt many of these projects remain viable today. Given the similarity of climactic and other growing conditions, it is also likely that projects in these areas could also be successfully developed in the Dominican Republic, and some such could perhaps be developed jointly by Haitian/Dominican consortia. Except in a couple of cases however, it is not clear that joint developments would benefit from any particular complementarity that would give them an advantage over independent efforts.

Important exceptions appear to exist in three areas:

- banana production along the northern coast of Haiti near the Dominican border, for export to the European Community, in joint venture with Dominican producers to take advantage of production technology and transportation infrastructure that are already present in the DR; as discussed further in Chapter IV below, a unique opportunity may exist for Haiti and the Dominican Republic to secure an enlarged banana export quota to the EC, based on their recent admission under the Lomé Convention and the inability of other Caribbean producers to fill their existing banana export quotas.

- poultry and hog production based on feed imported and milled in the Dominican Republic. Continental Grain and others have recently made large investments in grain storage silos near the Dominican port of Haina, which allow shipment of grain to the DR in very large vessels at greatly reduced shipping cost. These cost reductions make it possible for Haitian poultry and hog feeders to import grain and milled-feeds more cheaply through the DR than by direct importation. Thus a new industry can be developed in Haiti based on Dominican export of complementary storage, milling and transportation services.

- shrimp and lobster fishing and shrimp mariculture production for export to the Dominican Republic, in particular to the DR's international tourist resorts. Haiti can both increase the size of its catch, and add significant value to its present catch of shrimp and lobster, by facilitating relatively minor investments in outboard motors, ice plants and refrigerated storage facilities for use by its artesanal coastal fishermen. Haiti already exports shrimp and lobster (and conch, on a small scale, primarily to the U.S.), while the DR has become a net importer due to its inability to satisfy the demands of its tourists. A small amount of shrimp and lobster are also being exported to the DR, but mostly as contraband, and with unnecessarily high losses due to spoilage. Knowledgeable informants indicate that Haiti's offshore catch can be increased several fold with only minor investments such as indicated above. Further increases can be obtained at greater investment cost by establishing a fleet of larger shrimping vessels able to fish in deep water offshore, and/or by establishment of shrimp farms at Grande Saline or other locations that are known to have good growing conditions. The existence of a ready made market in the Dominican resorts makes such investments potentially ideal candidates for Haitian/Dominican joint ventures.

Infrastructure Development

Haiti and the Dominican Republic are both seriously deficient in the availability and quality of electricity. Joint development of one or more of several sites with hydroelectric potential on the Artibonite and Masacre rivers, or joint development of a large-scale coal- or orimulsion-fired thermal plant, for example, would allow both countries to benefit from important economies of scale. Hydroelectric development can in some cases also serve to regulate water flows for irrigation, which would have particular benefits in Haiti.

Road and port expansion and development can also be undertaken with a view to providing service to users on both sides of the border. For example, it is clear that road development along the northern coast of the island should close links between Puerto Plata-La Isabela-Luperón-Monte Cristi-Dajabón-Fort Liberté-Cap Haitien to form a single, integrated tourist circuit. Certain shippers (as in the case of grain described above) from both countries may benefit from concentrating their cargoes at one or another of the country's ports, leading to specialization in services offered and greater economies for users.

Admittedly, joint development of large, expensive infrastructure projects poses special demands on the political maturity of the cooperating-country governments. Many political and security issues are involved in such joint developments, that compound the usual difficulty of funding such large-scale projects. Both countries are, in addition, still grappling with the issue of private sector participation in large-scale infrastructure development, and neither as yet has developed a clear policy or legislative framework to permit private development. For all of these reasons, it would be unrealistic to expect that large-scale infrastructure projects can be prepared for joint development in the very near future. However, the benefits to both countries from doing so in the medium-term are potentially very large, and setting the stage for successful joint developments should be established as a top priority by both governments.

Transport Services

An important priority to support increased bilateral trade and joint ventures based on such trade is to improve the quality of overland transportation services between the two countries. Partly, this is a matter of infrastructure, as mentioned above. Partly, it is a matter of government policies and their implementation, as in the development of more fluid and less costly border crossing procedures. Also, it is a matter of governance to insure that the common good prevails over particular interests that may oppose attempts to liberalize access to markets. For example, in the short-run, liberalizing rules to allow Dominican truckers to more freely compete in Haiti could adversely affect Haitian truckers. As long as the Dominican Republic grants reciprocal access to them, however, such imbalances should be short-lived, and all efforts should be made to ensure that the best service possible is established as soon as possible, to the benefit of producers and consumers on both sides of the border.

Telecommunications

The Dominican Republic has communications infrastructure and services vastly superior to those in Haiti. The Dominican head start is apparent both in domestic service, and especially in international service where good linkage to global networks that are themselves undergoing phenomenal growth and modernization around the world is especially important. CODETEL, the largest Dominican telephone company, is currently working on a project to interconnect with San Juan, Puerto Rico by submarine fiber optic cable, which will vastly enlarge international telecommunications capacity.

Connecting Haiti to such international networks through the DR would not only remove a major constraint to the more rapid development of export industries in Haiti, but would also permit Haiti to participate in new communications-based industries – such as data entry and telemarketing services – where Haiti's French language capabilities might represent a particular asset.

Other areas for potential colaboration between Haiti and the Dominican Republic in the communications industry could include telecommunications equipment repair service, for example. CODETEL does repair of testing equipment for GTE worldwide, and some of this and similar work could potentially be subcontracted to Haiti.

Import-Export Trading

Clearly, from a marketing and sourcing point of view, for many products it makes *a priori* sense to treat the island of Hispaniola as a single market. This is true equally for imports to the island as it is for potential exports.

Among potential exports, products where the marketing function is especially critical would include specialty agricultural products (e.g., high-grade coffee, fresh fruits and vegetables) where production tends to be in the hands of small, poorly capitalized and relatively unsophisticated individual farmers and cooperatives, and in handicrafts. The latter would include the wide range of handicrafts for which Haiti is justly renowned, as well as some unique Dominican products like costume jewelry. The tourism sector, concentrated on the Dominican side for the moment, is an "export market" that can and should be dealt with in an integrated manner, as can shipments off the island to the U.S. and Europe in particular.

Other opportunities for benefitting from a joint marketing approach arise occasionally in relation to economies-of-scale in shipping and storage. The case of grain importation and distribution has already been mentioned. Similar opportunities undoubtedly exist for other bulk commodities (chemicals, building materials, etc.).

Another interesting example that can be cited is that of LPG storage and distribution. The Dominican government built a large LPG storage facility at Puerto Viejo, in Azua, whose capacity far exceeds Dominican requirements. The facility was built with a view to importing LPG in large volume from Venezuela or Mexico, and to re-export in small volumes to the nearby Caribbean island markets. In principle, transport cost savings inbound would permit competitive sales to the Dominican and Haitian domestic markets as well, but the project depends on volume being developed for re-export elsewhere in the Caribbean. The Dominican government is apparently interested in selling this facility, perhaps to an international petroleum company acting in joint venture with its Haitian and Dominican distributors.

Construction

Assuming that the reconstruction of Haitian infrastructure begins in earnest during the next couple of years, significant opportunities will be provided for Dominican and Haitian contractors. Dominican contractors are highly experienced in many kinds of specialized construction industries – such as in the manufacture and use of prefabricated structural elements for bridges and piers – and they also have extensive stocks of heavy construction equipment on the island. Joint ventures with Haitian contractors, who can recruit and manage lower-cost Haitian laborers, could be highly cost competitive against other international contracting companies. Such alliances would clearly make good economic sense, but would require that reciprocity issues be addressed, in which, potentially, provisions would also need to be made to facilitate subcontracting of Haitian contractors and laborers for projects in the Dominican Republic. The movement of workers across the border is a sensitive issue that will require time to resolve, however.

Mining

A wide range of mineral resources are reported to exist in areas along the Haitian-Dominican border. These include gold, silver, copper, lead, and zinc in areas (Grand Bois, Morne Bossa) currently being explored by Canadian KWG Resources, Inc., for example, and in other areas such as Neyta in Restauración Province, DR, that have been initially explored by La Rosario and Falconbridge. Deposits of marble and other building stone are found in areas along and either side of the border, apparently all part of the common geology of the Cordillera Central range, that cuts the island roughly east to west.

Ore crushing and processing installations are expensive, and should be installed in relation to geology, as opposed to national boundaries. To the extent that deposits do occur in contiguous areas on both sides of the border, joint exploitation would clearly be the most rational way to proceed, with the potential to bring about significant economies in capital investment, and to provide employment to mine-workers of both nationalities.

Finance

As a hugely more-developed economy, the Dominican Republic has a well-developed and well-articulated financial sector. Life and casualty insurance companies in the DR dwarf their Haitian counterparts, and some niches, such as housing finance, are well-developed on the Dominican side, while practically non-existent in Haiti. The Dominican Republic has well-established, efficient financial entities, such as ADEMI, that are specialized in micro-enterprise finance, whereas activity in this segment of the market is relatively less well-developed in Haiti. Clearly, Dominican financial institutions at both ends of the size spectrum have specialized knowledge and technology – as well as capital resources – that are badly needed in Haiti. Joint ventures between Haitian and Dominican institutions can be an effective manner of transferring Dominican know-how and providing improved financial services in Haiti in a relatively short period of time. Physical proximity and familiarity with local conditions are factors that would make it easier for Dominican institutions to become involved effectively in Haiti, than it would be for outside companies with similar technological and financial resources.

III. CONSTRAINTS TO HAITI-DR BUSINESS COOPERATION

Business Environment

No long term U.S./U.N Commitment

Fear has been expressed by Haitian and Dominican businessmen that the pull-out of the 7,000 UN troops and police from Haiti in February 1996 will be followed by a return of political violence and turmoil. The presence of the troops, including 2,400 American soldiers, is seen as a stabilizing force that helps strengthen democracy. The pull-out coincides with the start of a new government in Haiti after December 1995 presidential elections. Potential investors want to wait to see what happens after the troop pull-out and what the policies will be of the next government in Haiti.

Potential investors in both countries do not see a long-term firm commitment on the part of the U.S. to assist in the economic and political development of Haiti. This, too, is seen as a factor jeopardizing prospects for future stability and progress in Haiti. Some Haitian businessmen operating abroad expressed the opinion that, since the U.S. government decided to overthrow the existing elite and power structure in Haiti, it should now assume the lead responsibility and long-term commitment of helping Haiti to create a new stable power structure and assisting the economy's recovery from the devastating U.S. embargo. These investors do not wish to return to Haiti until they clearly perceive such a long-term commitment from the U.S.

Concerns over violence, insecurity, and crime, including widespread theft, remain a serious problem for potential investors in diverse economic activities, such as large scale farming, jewelry assembly for export, and tourist development. Investors do not express confidence in the newly organized 5,000-man Haitian police force being able to cope with the problems of insecurity.

Weak Institutions and Policy Uncertainties

The weakness of governmental and political institutions and regulatory bodies, and the common lack of enforcement of compliance with laws are frequently cited as factors inhibiting confidence to invest, and for Haitian as well as foreign investors to return. Furthermore, the prevailing political and government policy uncertainties and slow progress with economic reforms, including privatization, do not generate confidence to invest at this time. Investors claim that the Aristide government has not announced a clear commitment to a private sector economy and free market economic policies.

Lack of Dialogue between Public and Private Sector

The attitudes of the Haitian government toward the private sector are not yet perceived as sufficiently friendly and reliable to inspire confidence in private local and foreign companies to invest in Haiti. Although some private businessmen were brought into its Presidential Commission, the government has so far ignored most of the local private sector, according to some informed sources.

There is a lack of dialogue between the public sector and most of the private sector organizations. For example, there are complaints that the government has not bothered to consult with the Haitian Chamber of Commerce and other private sector associations before announcing and adopting important policy and regulatory changes that vitally affect the private sector.

Inadequate Efforts to Improve Image of Haiti

There is no promotion campaign abroad organized by the Haitian government designed to improve the widespread negative image about business conditions and opportunities in Haiti. The lack of adequate efforts to improve Haiti's image as an attractive place to invest in labor intensive activities, in assembly operations, in the textile industry or in agriculture for export perpetuates negative views about Haiti among potential investors in the U.S. and in the Dominican Republic.

Negative Attitudes between Haiti and the DR

Negative attitudes are common among local businessmen in one country against those in the other country. For example, Haitians complain that Dominican businessmen are only interested in exporting, but not in investing in Haiti. The Dominicans are considered to be only interested in exploiting the current weak position and open market of Haiti, but not in seeking to form partnerships for investment with Haitian firms. Haitians also complain that the Dominican market remains essentially closed to them by high tariffs and non-tariff trade barriers. Haitian businessmen also complained about personal harassment at border crossings by Dominican military or border guards.

Dominican businessmen in turn view Haitians as difficult to do business with. They claim that Haitian businessmen jealously guard and are unwilling to share commercial information about their own market. Dominicans also claim that Haitians are not serious at this time about investing in their own country, much less about forming joint ventures with Dominicans for investment in Haiti. When Dominicans came to discuss concrete projects for joint trade cooperation, the Haitians expressed bitterness about alleged human rights violations against Haitians in the DR.

Some politicians in the DR are accused of promoting negative attitudes toward Haiti for internal political reasons. The fear of a massive inflow of illegal immigrants from Haiti, moreover, could provoke a political backlash in the DR that could obstruct closer bilateral economic cooperation.

Constraints to Bilateral Trade and Investment

Legal and Regulatory Constraints

The private sector in both Haiti and the DR complains of too many regulatory and bureaucratic impediments to trade and investment in both countries. For example, 13 steps are required for importing to Haiti and 36 documents to be able to export from the DR While import tariffs have been lowered from a maximum 57% to 15% in Haiti, various fees, taxes, and surcharges, and very high port charges, raise the cost of importing. Exports from the DR to Haiti require a series of authorizations from the Dominican military, CEDOPEX, the Central Bank, and Customs, as well as detailed inspections at the loading trucks and again at the border by Customs, the military, and CEDOFEX. These cumbersome, costly procedures effectively discourage legal trade between the two countries. The step-by-step procedures required are explained elsewhere in this report.

In Haiti both the regulatory framework as well as the institutions administering it are weak, partly because there has not yet been time since the departure of the military dictatorship for the government and parliament to deal with and solve these complex issues.

Concern has been voiced by potential investors that legal protection of property rights has not yet been clearly defined and strengthened in Haiti, as will be required in order to generate confidence among foreign investors.

Border-Crossing Problems

Harassment by Customs in the DR is frequently mentioned as an export risk for Haiti. Administrative delays, loss of property, or failure to issue the required permits and various other problems effectively handicap and discourage exports and transshipments from Haiti. Transshipment of Haitian goods through DR ports are further discouraged by lack of security and in-transit losses on both sides of the border and a 10% tax charged in DR ports.

Corrupt practices and vague, flexible rulings are often applied at Customs in both countries.

Unequal Trade Opportunities

Opening the border to free bilateral trade at this time would benefit the DR more than Haiti. Until there are new investments, Haiti has not much to sell to the DR. Haiti's near term export prospects are severely limited by its current low productive capacity.

A free trade agreement between Haiti and the DR could bring substantial benefits to both countries only in the medium and long run. It would require the DR to substantially reduce its high levels of protection, while Haiti commits to a stand-still clause committing it to not raising trade barriers against the DR in the future.

High Protection in the DR

High import protection in the DR as well as outright import prohibitions and other non-tariff trade barriers, particularly against many basic agricultural products, encourage smuggling rather than legal trade expansion. Some Dominican businessmen justify protection against Haitian imports on the grounds that Haiti's currently low tariffs encourage imports from third countries which are then transshipped and smuggled into the DR.

A very large and growing trade deficit in the DR, which exceeds the total value of exports, does not bode well for future trade liberalization there, unless strong pressures are applied by international lending institutions.

Other Bilateral Issues

Some interest has been expressed in a plan for a free trade zone that spans across both sides of the border. Other informed sources, however, are skeptical that such a scheme would prove successful. Foreign investors would feel exposed to potential investment risks in two, rather than one country. Also, infrastructure investment costs in an area somewhat removed from easy access to ports and population centers, would be higher in the border zone, at a time of stringent constraints on financing.

Taking advantage of GSP (Generalized Special Preferences) for cooperative trade and investment ventures in both countries is viewed as less promising than benefits offered under CBI, because GSP benefits are country specific, while CBI benefits are product specific, allowing value-added to be combined from more than one country to calculate eligibility of preferences.

Obstacles to Haitian Trade Expansion

Aside from mango exports and free zone assembly operations, Haiti has very little production and few other near term export prospects, unless sizable investments and financing are applied to develop new production capacity. The local and foreign private sector is not willing to assume the perceived high investment risks without external guarantees. Thus, Haiti has little production and few products available at this time for potential joint export programs with the DR.

Very high fees and port charges in Haiti (except for exports from assembly operations) raise the costs and act as disincentives to export development.

Organized marketing and trade fairs for the handicraft industries are not frequently available in Haiti to generate interest by potential foreign buyers or to expand exports to the DR for its tourist trade.

A "ventanilla unica" or one-stop shop in not available that would eliminate excessive red tape and facilitate and speed up authorizations and document processing for trade between Haiti and the DR.

Potential Haitian exporters do not have easy access on affordable terms to foreign trade data banks and other commercial information about foreign markets and importers abroad essential for identifying and realizing new export opportunities.

The expected phase-out of the multifiber agreement will give a greater competitive edge to Mexican and Asian suppliers in the U.S. market, and will discourage further development of the garment industry both in Haiti and the DR, as well as any opportunities for joint trade collaboration.

Lack of parity with NAFTA similarly gives a strong competitive advantage to Mexico in attracting investments and expanding exports to the U.S.

The minimum value-added rules under CBI are not considered sufficient to stimulate assembly and free zone operations to Haiti. Further relaxation of CBI rules, at least temporarily, by some special preferences confined to Haiti, are needed. For different reasons, special treatment for Haiti could be defended similarly to that of Israel obtaining a free trade agreement with the U.S.

Obstacles to Investment in Haiti

The lack of foreign bank credit for private investments on international terms, accepting local assets as collateral, is one of the greatest obstacles for U.S., Dominican, and Haitian investors with potential interest in investing or trading in Haiti. Investors are not willing to assume high risks in Haiti with their own equity capital nor do they want to put up collateral in the U.S. or elsewhere abroad to obtain credits for operations in Haiti.

The lack of an external guaranty system prevents these foreign and local investors from obtaining external financing on international terms. Guarantees and protection against perceived high risks is needed before companies will consider exposing equity capital in Haiti.

Potential Dominican investors also consider the lack of external financing on acceptable terms a serious handicap for considering investments in the tourist industry of Haiti.

Local banking regulations in the DR restrict its banks' ability to extend credit to the local private sector, especially for tourism and industrial park development.

International trading companies, such as in Brazil, have not been created in Haiti that could organize efficient, low-cost collection and marketing of agricultural products from small producers, and establish international quality standards for export.

Deforestation in Haiti has caused serious soil erosion and disappearance of top soil. Large-scale, costly investments in irrigation facilities are required before substantial development of new crop production and exports can take place.

Delays to privatize the state-owned telephone company or to authorize new investments by a foreign telephone company prevent improvement of deteriorated telephone services in Haiti, which hampers efficient business transactions.

Tourism Development

There is insufficient hotel capacity for more tourism in Haiti at this time, but the potential for developing an important tourist industry exists both in the North as well as in the South of the country.

Currently, the level of insecurity, lack of comfort, political and financial uncertainties in Haiti are impediments to investments in tourism development.

Facilities and infrastructure in Haiti are currently inadequate to enable Haiti to rapidly develop 1-2 day excursions to northern Haiti for tourists visiting the DR. Lack of guarantees to lower the risks of financing delay tourism development along the beaches of southern Haiti. International financial institutions are generally reluctant to finance tourism development.

Political and policy uncertainties in Haiti contribute to the perceived high risks for the Dominican private sector in tourism to consider any joint tourist promotion campaigns abroad.

The Problems of Infrastructure

The poor and deteriorated infrastructure in Haiti acts as an important disincentive to invest in Haiti at this time. Public and private investments have been inadequate for improving and expanding the infrastructure of Haiti. Telephones out of order, recurring electricity shortages, and deteriorated road systems increase the costs of doing business, offset the benefits of low cost labor, and discourage foreign investment.

Recurring electric power shortages in both countries raise operating and investment costs for private firms forced to purchase and maintain their own generators powered by expensive diesel.

The potential for expanding hydro-electric capacity in Haiti appears to be limited and so are prospects for a binational hydro-electric project, at least until a new energy law is passed in the DR that contains a clear commitment on the part of the government to encourage private investments to end electricity shortages there.

Transportation costs by air or sea from the DR are expensive, and limit the competitiveness of some potential exports. Lack of products to export from Haiti tends to raise transport costs between the DR and Haiti, because container trucks often have to return empty from Haiti.

Trade Regulations

Tariffs and Other Trade Restrictions

1. Haiti

In February 1995, Haiti reduced all import tariffs to a range of 0% to 15% ad valorem calculated on C.I.F. value. The reductions implemented were as follows:

Old Rate	New Rate
0 - 10%	0%
15 - 20	5
25 - 30	10
35 - 50	15

In addition to tariffs, Haiti also applies import quotas and prior import licensing on selected agricultural products. Prior import licensing is employed to ensure that overall annual quota limits are not exceeded for beans, corn, millet, flour, rice, pork parts, and some poultry.

Benefits from the reduction of the tariff schedule for importers and consumers have apparently been offset by the imposition or increase of other taxes and fees applied to imports. Various taxes and fees are at times added to tariffs, in arbitrary ways not transparent for the importer or shipper. For example, blank spaces on import documents used in calculating the cost of import tariffs due are filled in with the cost of various additional fees and taxes, sometimes significantly raising the total cost of importing.

2. DR

In August 1993, the DR simplified its tariff system and lowered the highest tariff rates by establishing seven tariff rates: 3%, 5%, 10%, 15%, 25%, 30%, and 35% calculated on the C.I.F. value of imports. Previously, duties were assessed on the f.o.b. value. All imports are now valued in local currency at the official exchange rate, while previously preferential exchange rates were applied to calculate the value of many imports. The net effects of these changes are less arbitrariness and greater transparency in the tariff administration, as well as closer alignment with tariff systems prevailing internationally.

In addition to tariffs, the DR prohibits the importation of certain agricultural products, and applies prior import licensing to other products in order to protect domestic producers.

Cross Border Red Tape

1. Haiti

Customs are being administered at only two border crossings, some ports and airports. Compliance with Customs laws and regulations is spotty and smuggling is commonly practiced. Processing procedures at Customs at the two border crossings with the DR are often arbitrary, cumbersome, unpredictable, and not related to compliance with existing laws and regulations. At times, Customs officials collect bribes rather than Customs duties, at times both. Every box and every container is usually opened and inspected, instead of conducting random spot checks in order to speed the process and reduce long delays for trucks crossing the border. Lack of security at ports, at the border, and in transit invite theft.

Haiti requires a permit for imports from the DR. This permit is sent to Haiti's Societé Generale de Surveillance. An inspector of the Societé is present in the Dominican Republic, together with Dominican Customs inspectors, where the merchandise is loaded for export to Haiti to make sure that the merchandise loaded corresponds to the detail described in the Haitian import permit.

2. DR

Very cumbersome and often arbitrary procedures are applied not only to imports from but also to exports to Haiti.

An application for a permit to cross the border with merchandise has to be made to the Dominican military, specifying the license plate, the make and color of the vehicle to be used. The permit becomes invalid and border crossing is refused if for some reason a different vehicle to transport the goods has to be used. Once the permit is authorized, it is sent to the Chief of the Estado Mayor del Ejercito, who informs the central border command in Barahona of the authorization. He in turn informs the military border guard where the vehicle is to cross the border. In this cumbersome process, the permit can easily be misplaced or lost somewhere in the chain of communication, while the shipper or importer often has no advance notice that permission to cross the border will not be granted when the vehicle arrives at the border.

The Dominican exporter also needs to obtain an export license from CEDOPEX, which contains all the detailed information that is also needed in the various other required documents of exportation. A permit is also needed from the Central Bank, which controls the repatriation of foreign exchange earnings by exporters.

Two Customs inspectors and an official from CEDOPEX have to be present and witness the loading of the merchandise for export on the trucks. This inspection results in a loading document with nine copies listing the specifications of each product to be shipped, and payment of a fee of 225 pesos to CEDOPEX. The exporter has to arrange the appointments of the three loading inspectors. If they do not arrive at the agreed date and time, the shipment is delayed.

It takes at least seven work days to obtain all of these permits and documents. A Customs inspector then has to accompany the vehicle to the border crossing at a cost of 600 pesos to the exporter. At the border, a copy of these various permits has to be found or presented and the contents of the forms verified and then a request for authorization to cross the border has to be submitted. At this point, the shipper is usually asked to make a payment to cover "unofficial expenses" (gastos no oficiales). Finally, the transport company is also required to submit a detailed bill of lading to Customs at both sides of the border.

It is obvious that these cumbersome administrative procedures cause frequent delays or outright prevention of border crossings and thus discourage legal trade, but encourage smuggling between the two countries.

IV. Recommendations for Haiti/Dominican Republic Complementary Trade Cooperation

The development of complementary trade between the neighboring countries of Haiti and the Dominican Republic will require in many cases new investments in Haiti. Successfully mobilizing such investments will be the key to realizing the benefits of complementary trade on the island of Hispaniola. By the same token, constraints and impediments for private investment – which tend to be similar whether the investors are Haitian, Dominican, American or other – are a major obstacle currently to the development of complementary trade opportunities. In addition to mobilizing public funding for critically important infrastructure investments, turning Haiti into an attractive site for international private investment will require sustained efforts from the Government of Haiti and the international donor community.

Major Recommendations

1.Devise, Structure and Publicize a Program, Arrangement or Mechanism Whereby the U.S. Government and the United Nations Commit Themselves to Continue Supporting and Encouraging the Development and Strengthening of Stable, Democratic Institutions in Haiti over the Medium Term.

The current perception that the U.S./U.N. are "pulling out" in February 1996, when it can be anticipated that Haitian institutions will still be in an early developmental stage and relatively weak, fills many businessmen in Haiti, the Dominican Republic and the U.S. with foreboding. Haiti is far from having established a stable, positive investment climate. Perceived political and policy uncertainties make it difficult for businessmen – Haitian, Dominican, or other – to seriously consider even the minimal investments needed to begin reactivating established production sectors. In view of the perceived near-term political uncertainties, these businessmen are even much less inclined to consider the larger investments needed to develop new ventures in non-traditional sectors.

The continued presence of U.N. personnel and advisors for a more extended term – or some mechanism that demonstrates the same degree of international commitment to helping Haiti successfully achieve its transition to democracy and stability – could assuage fears that the this commitment is weak and unable to prevent a deterioration of political and security conditions over the next few years.

Investments by the Haitian, U.S. and Dominican private sector will occur only if the business climate outlook is perceived to be positive. A critical element in this perception is the continued UN/US commitment of sufficient support to ensure the continued development and strengthening of stable democratic institutions.

2.Establish a Guaranty Mechanism Providing Private Lenders and Investors with a Way to Mitigate Specific Political and Governmental Performance Risks.

Many potential U.S., Haitian and Dominican investors are very reluctant to invest in Haiti in view of the perceived current political uncertainties and the unclear direction of future government policies. Foreign banks consider the risks too high to make loans to private local or foreign investors on international commercial terms, based on local collateral. The political climate is viewed as being too unstable, government policies as too unpredictable, and institutional capabilities too weak to provide investors or banks with a reasonable degree of assurance that commitments will be honored. Unfortunately, the continuation of such perceptions which prevents investments contributes to the further deterioration of economic conditions and the continuation of political and government policy uncertainties and institutional weakness. Measures should be adopted that would break this negative cycle.

Guaranty mechanisms could be sat up that would insure private investors and lenders against risks in Haiti related to political and government policy uncertainties in order to reduce the overall business risks to levels comparable to those in other countries of the Americas and thus persuade investors and foreign lenders to return to Haiti. Models include the World Bank, IDB, and OPIC Loan Guaranty programs, as well as AID's guaranty programs, such as those used by the Office of Housing and Urban Development and by the PRE Investment Fund. Reportedly, the Agency's guaranty authority has recently been extended to other sectors of activity, and made more flexible.

Under such arrangements, debt service to private lenders/investors is partly guaranteed by an international agency to insure against certain specified events. The international guarantor would require a counter-guaranty from the host government. Risks typically covered would include damage to facilities or interruption of vital services (transport, energy, communications) as a result of civil unrest, or the failure of the host government to meet contractual commitments: e.g. to make timely payments for goods or services received; to make foreign exchange available according to agreed terms; to complete collateral infrastructure facilities on time and as required; to provide inputs on terms agreed to beforehand; etc. Alternatively, the guaranty program may guarantee against all of these types of risks, but only cover a portion of debt service obligations, such as the longer part of maturities.

Coverage under the guaranty facility should be sufficiently broad or flexible to accommodate requirements of various different types of investors and lenders from all economic sectors; be able to select among competing project proposals and reject those that do not meet established standards; protect the guarantors from abuses and moral hazard; but respond quickly and effectively to the insurance needs of small as well as large projects. Guaranties should be limited to equity investments and loans made on standard international commercial terms.

3.Solicit Temporary Preferential Access for Haiti to the U.S. Market

GSP, CBI and possible NAFTA-parity, which are intended to benefit virtually all Caribbean nations, are inadequate to offset other business constraints in Haiti to attract investors in the near term to revive Haitian production, exports, income and employment. At least on a temporary basis, a strong case can be made for giving Haiti special trade preferences to assist the recovery of the poorest nation in the Western Hemisphere out of strong humanitarian concerns as well as U.S. political and security interests in Haitian stability and democracy.

Special temporary preferences might include granting immediate NAFTA-parity for all products shipped by Haiti to NAFTA countries in advance of provisions granting such parity to the CBI countries generally, or lowering minimum domestic value-added requirements under CBI for Haiti while expanding its duty-free U.S. import quotas. Restrictions on USAID involvement and support for export marketing and promotional efforts should also be lifted in the special case of Haiti.

Any and all such special preferences accorded to Haiti will increase the attractiveness of Haiti as an investment site, and will strengthen the Haitian bargaining position vis a vis prospective joint venture partners from the Dominican Republic and other countries.

4.Support Reestablishment of Professional Export Marketing, Investment Development and International Public Relations Service to be Operated by the Private Sector

The urgency of regenerating employment, incomes, fiscal revenues and foreign exchange earnings for Haiti is too great to be left to market forces alone. Haiti must take the initiative to actively publicize the measures that are being implemented to restore security and develop its business potential. Haiti can only benefit from actively and professionally marketing and promoting abroad the opportunities it offers for trade and investment. International competition for export markets and investment is intense.

An agency patterned after successful export and investment promotion organizations that have operated in Haiti in the past and that are operating in Central America and in the Caribbean (PROMINEX, CINDE, FIDE, etc.) should be established. Such an agency should be managed by the private sector, however, and should entail a commitment from the private sector to contribute to the financial support of its operation. The agency could also perform trading and brokerage functions, both to generate revenues and to maintain focus and motivate efficiency in its operations. One area of activity for this institution could be the management of the Haitian part of collaborative Haitian-Dominican promotional efforts, as described below.

5.Support Sustained Collaboration between the Haitian and Dominican Private Sectors

Realization of potential complementary trade and investment opportunities between Haiti and the Dominican Republic will require a sustained, continuous effort by the interested parties in both countries. Commercial information and data banks need to be established on trade leads and investment opportunities, contacts, regulations, etc. in both countries, and initiatives created by the private sectors of both nations to collaborate in developing and promoting policies and strategies for bringing about economic reforms through interactions with their governments. Follow-up on initiatives suggested by either side needs to be conducted.

A more economical and effective alternative to the creation of a new institution to carry out these specialized functions might be the creation of a bilateral task force or working group, composed of representatives named by the leading private sector organizations of both countries. In the Dominican Republic, the Consejo Nacional de Hombres de Empresa (CNHE), the American Chamber of Commerce (AMCHAM) and the Camara de Comercio de Santo Domingo (CCSD) would appear to be the appropriate institutions to participate, and the leadership of both CNHE and AMCHAM has already expressed its interest in participating in such a venture. In Haiti, the Chambre de Commerce et d'Industrie d'Haiti (CCIH) and the Haitian-American Chamber of Commerce (HAMCHAM) would appear to be appropriate participants, though the participation of other organizations may also be desirable.

The proposed bilateral working group named by the above organizations would ideally consist of four to six representatives from each country, selected from sectors offering the best opportunities for business collaboration. The bilateral working group would need two or three professional staff people in each country, who would carry out the day-to-day work of compiling information, providing communication services between the groups of both countries and helping prepare private sector position on common policy issues in both countries. The staff would be housed in space to be provided by the participating private sector institutions.

A modest operating budget to provide for staffing and support the operations of the bilateral working group could be provided by the AID missions to both countries, or solicited from another donor source. A total commitment of $400-600 thousand annually for two to three years would probably be sufficient to support the proposed bilateral undertaking.

6.Encourage all Measures, Including Pressures, for the Elimination of Corrupt Practices in Government; Propose Terminating Military Involvement in Customs Operations at both, Sides of the Haitian/Dominican Border; and Support Reforms of the Customs Administrations

Corrupt practices severely undermine efforts at promoting greater collaboration between Haiti and the DR to develop legal bilateral trade between the two countries. International donor organizations should apply pressures on both governments to take more effective action to fight corrupt practices at Customs, to discourage smuggling and theft of goods in transit, and remove the military from involvement in document processing at the border.

A long-term program should be started in both countries to reform and to professionalize the Customs administration. An inefficient Customs operation can raise costs for exporters and importers, discourage legal foreign trade, and cause sizable revenue losses for the government. Reforms should aim to make Customs procedures more efficient and to reduce red tape, corruption, and evasion of tariff and tax payments. The following are some of the reforms that could be considered in both countries:

a) The profession of Customs officials should be upgraded to a civil service career program with promotions to the highest level based on merit alone. Political appointments at Customs should be phased out.

b) Frequent rotations of all Customs officials to different location could be introduced in order to reduce loyalty relationships from developing between Customs officials and regular imports.

c) Compensation scales and possibly a bonus system could be designed to provide incentives for reducing corrupt practices and discouragement of smuggling.

d) An ongoing technical training program should be developed to upgrade the technical capacity of Customs officials.

e) An effective system of fines and dismissals for corrupt practices should be implemented.

f) The budget for Customs should be increased to improve facilities and installations and to purchase adequate supplies and more modern equipment.

g) The experience of Customs administrations in other countries should be studied in developing specific reform programs.

7.Improve Dialogue Between the Haitian Private Sector and the Haitian Government

Some Haitian private sector organizations complain that they are not being consulted on major government policy issues and reforms that will vitally affect the local private sector and where success of these policies will depend on the private sector. Some private sector groups have not taken the initiative to voice their position on national issues and to invite government representatives to dialogue with a wider range of representatives from the private sector. Ways need to be found to encourage more direct communication with the government and for the government to seek consultation with private sector organizations on proposed economic measures and regulatory reforms.

It appears that economic and commercial issues are not always high on the Government's agenda, despite their obvious importance. Evidence is the inconsistency with which external tariff reform has been implemented (new or increases of fees and charges accompanying a general lowering of ad valorem duties), and failure to improve facilities and speed up procedures at the international airport to encourage tourism.

The government needs to seek dialogue and consultation with the private sector also on issues directly impinging on the development of complementary trade opportunities with the

Dominican Republic, because the private sector will have to generate the benefits from increased bilateral trade. USAID and other donors could demonstrate support for greater communication and interchange of views on policy issues between the government and the private sector by encouraging seminars and conferences, studies, publications, etc. on economic issues of prime interest both to the private and the public sector.

8.Sustain Efforts to Improve the Policy and Regulatory Framework Supporting Trade and Investment in Haiti, Including the Professionalization of Its Administration

Dominican and U.S. investors and traders voiced considerable concern about the lack of a reliable policy and regulatory framework and institutions that would generate confidence in the stability of trade and investment rules. There is more confidence that the basic regulatory environment will remain favorable for the private sector after the election in the Dominican Republic than in Haiti. This is one factor why investors, even Haitian, still prefer to invest and to expand in the Dominican Republic rather than in Haiti.

Confidence by the private foreign and local sector can be restored by reforms and stability of the policy and regulatory framework supporting trade and investment and by establishing and maintaining professional, rather than political, administrations of Customs, ports, and other public services.

9.Support Efforts to Negotiate a Bilateral Trade Agreement with the Dominican Republic to Accelerate Development in Areas of Complementarity

Development of bilateral and complementary trade between the two countries on the island should not wait for a Bilateral Trade Agreement. While an overall agreement is being promoted and then negotiated, specific issues (pertaining to visa requirements for tourists, or the movement of semi-finished goods between export processing zones in both countries, for example) can be solved by separate legal or regulatory action.

Over time, however, it will be beneficial to both countries to harmonize their external trade policies by removing all restrictions and obstacles to bilateral trade, by setting up a common external tariff under a Customs union, and eliminating incentives for smuggling. International development agencies should be interested in and prepared to support efforts by both countries to develop a coherent bilateral trading framework.

10.Establish a "Ventanilla Unica" or One-Stop Center for Exporters and Another for Investors in Each Country

Following the examples of Guatemala and other Central American countries, the Dominican Republic and Haiti should consider establishing a separate One-Stop Center for all exporters and for investors, and perhaps even for importers. These efforts should be directed at reducing, simplifying, standardizing, streamlining, and, to the extent feasible, computerizing all documentation required of exporters, importers, and investors and to speed up, facilitate, clearly define, make more transparent, more stable, and automatic all Customs procedures and foreign investment applications. A One-Stop Center for each of the three functions would facilitate and encourage trade and investment between the two countries and reduce corruption and smuggling.

For each of the three areas, all documentation and procedures should be centralized to the extent possible in one office. All forms and applications should be tested as to their essentialness for the exporting or importing process and investment approval in order to eliminate all unnecessary red tape. When Guatemala started its "Ventanilla Unica" for exporters, the average time required to obtain an export permit was reduced from about 20 days to little more than two hours.

A One-Stop Shop for importers would be more difficult to create because of the much more complex and greater number, variety, and dispersion of imports and associated control entities. Import procedures, however, could also be consolidated and red tape greatly reduced. A One-Stop Shop for importers could be created at each Customs location with paperwork consolidated in one central location as much as possible.

A One-Stop Shop for foreign investors would combine in one place all documentation procedures required for approval of foreign investments. It would be set up to greatly facilitate, simplify, reduce, and speed up the documentation process for approving foreign investments.

11. Organize Substantial Soft-Loan Commitments for Haiti to Finance Critical Infrastructure Investments

A well-managed investment and private loan guarantee program could go a long way towards encouraging private financing of investments in Haiti and also Haitian-Dominican joint ventures, including certain types of infrastructure investments in power generation, electricity distribution, transportation facilities and telecommunications. Other critically important infrastructure, such as roads and street paving, water and sewage, irrigation and drainage, and high-voltage transmission, for example, will almost certainly require public sector development with foreign loans on concessionary terms from international financial institutions.

So long as "good" projects in these areas exist, and so long as the government and construction sectors have adequate capacity to implement them efficiently, money should not be the limiting factor. "Good" projects are viable projects that will create new economic activity and generate the revenue necessary for loan servicing, assuming soft loan terms are available for Haiti. Assistance should be provided to the government in identifying and preparing investment project proposals in these areas and a review of the adequacy of existing allocations of financial resources on concessionary terms for Haiti should be undertaken.

12. Assist Haiti and the Dominican Republic to Maximize Benefits Available to Them Through Provisions of the Lomé Convention

As Dominicans are well aware, they owe their membership in the Lomé Convention to their geographical connection to Haiti. As members, Haiti and the Dominican Republic are eligible for grant funding of several hundred million ECU's during the next five years through their participation in both national and regional programs. Both countries also enjoy non-reciprocal export preferences in the European Community. Thus, the Dominican Republic has already been assigned a 55 thousand metric ton annual banana export quota to the EC, out of a global quota of 857 thousand MT for traditional African, Caribbean & Pacific banana exporters, plus 90 thousand MT for new "non-traditional" exporters.

Haiti does not produce significant amounts of bananas, and does not have any EC banana quota at this time. However, well-informed Dominicans believe that production in the Dominican region of Monte Cristi on the north coast of the island could well be extended across the border into Haiti, and that a large quota for Haitian exports could be negotiated if the two countries were to collaborate in this effort. "Traditional" Caribbean banana exporters have fallen short of filling their allocated EC quota by about 80 thousand MT annually. They are unlikely to significantly expand production due to both soil and cost limitations, thus presenting an opportunity for quota reallocation in favor of Hispaniola.

Haitian-Dominican joint ventures are likely to be viewed favorably by the European

Commission, according to Dominican private sector sources, for a variety of reasons: 1)a predisposition to assist Haiti at this time; 2)the consistency of such joint developments with the European integrationist vision; and, 3)the convergence of French and Spanish political interests within the EC regarding the island of Hispaniola.

It is recognized that Haiti may at this time have some leverage within the European Community, which could compensate for weaknesses in other areas when negotiating terms of any joint venture agreement involving Lomé and the EC with its Dominican neighbor. Important opportunities exist for securing favorable financing for large-scale, shared infrastructure development (e.g. hydropower and irrigation development on the Artibonite River; export processing zones along the border; shared transportation infrastructure such as petroleum product terminals & storage, etc.).

Even greater opportunities exist over the long-run for developing export markets for a wide range of products and services, including agricultural, agroindustrial, maritime, tourism, manufacturing, mining and others. All export and investment promotion and joint venture development efforts conducted under the programs recommended in items 4. and 5. above should aim to take advantage of Lomé benefits, as well as regenerating and expanding exports to the U.S., and developing bilateral trade opportunities to their full potential.

Appendix 1: Scope-of-Work

NATHAN ASSOCIATES INC.

TIDP PROJECT
Technical Service Order #030

HAITI: Trade Complementarities Identification

A. BACKGROUND

As part of USAID's participation in the Emergency Economic Recovery Program for Haiti. USAID/Haiti and the LAC Bureau have established an agenda for the utilization of TIDP Project resources to support efforts to assist in the reactivation of the Haitian economy. An important element in this agenda is a study focused on the complementarities that may exist between specific sectors of the Haitian and Dominican economies, which may provide the basis for strengthening existing industries or service sectors, or developing new enterprises and thus providing benefits to both countries. Since Haiti and the Dominican Republic share the island of Hispaniola, effective measures contributing to accessing the combined market and resource base should contribute to economic efficiency and consumer welfare and support more rapid economic growth in both economies.

This study is directed at the issue of trade complementarity from a practical economic, physical and commercial viewpoint. Policy, legal and regulatory issues which appear to impede realization of trade complementarity will be identified, but the question of how best to reduce such constraints as well as the desirability and feasibility of Haiti's entering into new or existing bilateral or multilateral trade agreements will be the subject of a separate study, authorized by another technical service order.

The trade complementarities study has four main objectives:

- to identify the principal areas of potential commercial complementarity between Haiti and the Dominican Republic.
- to canvass public and private sector views in both countries regarding the potential benefits of exploiting trade opportunities based on identified complementarities, and the major obstacles they see to increasing cooperation between the two countries in pursuing these opportunities, including an assessment of the degree of interest in this matter by leaders of key public and private sector institutions.
- to identify key policy, legal and regulatory constraints to the commercial exploitation of identified trade complementarities.
- to develop recommendations for USAID, host government and local private sector groups to begin working towards the realization of potential benefits of developing trade complementarity.

This TSO proposes to contract the services of well qualified economic and trade specialists to carry out the study.

B. TECHNICAL SERVICE ORDER

1.0 TIDP NUMBER: TSO #030 TITLE: HAITI: TRADE COMPLEMENTARITIES IDENTIFICATION.

2.0 PLACE OF PERFORMANCE: Washington, D.C., Port-au-Prince, Haiti and Santo Domingo, Dominican Republic.

3.0 SCOPE OF PERFORMANCE:

3.1 Purpose: The purpose of this Technical Service Order is to provide USAID/Haiti with information, analysis and guidance for possible future activities to support Haiti and the Dominican Republic in cooperating to develop their bilateral trade, and in taking advantage of opportunities to expand existing industries or service sectors, or to develop new industries or service businesses, based on exploiting complementarities in their economic and commercial systems.

3.2 Tasks: The specific tasks under this TSO will include:

3.2.1 Compilation of background statistical and commercial information in Washington, D.C., and development of a work plan and detailed list of interviews and data items to be collected during field visits in Haiti and the Dominican Republic.

3.2.2 Visits to Haiti and the Dominican Republic.

1) In Haiti consultations will be with USAID/Haiti staff with respect to program development options and parameters and to review the plan of work and expected deliverables. Interviews with selected government and business leaders will be undertaken and such pertinent quantitative and commercial information as available will be collected.

2) In the Dominican Republic, USAID/Dominican Republic staff will be apprised of the context of the study. Interviews with selected government and business leaders will be undertaken and such pertinent quantitative and commercial information as available will be collected.

3.2.3 The preparation of a report for USAID/Haiti describing:

- the current state of bilateral trade between Haiti and the Dominican Republic, including key elements of the existing bilateral trade regime (tariff and nontariff barriers, customs administration/enforcement, commercial services, infrastructure and transportation).
- the identification of principal sectors, including selected services, commodities, and industries, in which complementarities exist and which offer significant potential to generate economic benefits to both countries.
- assessing the receptiveness of key private and public sector groups in both countries to efforts to enhance cooperation between them, institute policy reforms and undertake

other measures contributing to the development of complementary commercial opportunities.

- the identification of business concerns for policy, legal and regulatory impediments to enhanced bilateral cooperation together with an assessment of the degree to which specific impediments constrain prospective cross border commerce in goods and services.

- recommendations for actions to be taken by host government agencies, private sector groups and USAID to begin developing the opportunities identified.

4.0 LEVEL OF EFFORT & PERSONNEL REQUIREMENTS

The tasks outlined above will require the services of two senior consultants with substantial experience in economic analysis and trade development. The individuals selected fully meet this requirement.

Senior Economist/Trade Specialist - Mr. Phillip W. Rourk

Phillip Rourk is President of AG International Consulting Corporation. He holds an M.A. in Economics from the University of Maryland. In nearly nineteen years as a professional consulting economist, he has directed numerous projects for USAID, the Asian Development Bank, the InterAmerican Development Bank, the World Bank and the International Finance Corporation in more than 20 countries around the world. For example, in 1986 his analyses of the Honduran economy led to the passage of an Export and Investment Development Law and the implementation of policy reforms and promotional programs which contributed significantly to the growth of nontraditional exports. Also, while formerly serving as Vice President in the International Division of Nathan Associates, he directly supervised and participated heavily in Nathan's technical assistance program for PROMINEX, the Haitian export and investment promotion agency, during the period between 1987 and 1989. Mr. Rourk has participated in previous technical service orders under the auspices of the TIDP Project, including as Senior Economist for the evaluation of USAID/Honduras' Export Development Project and as Team/Leader/Senior Economist for the evaluation of USAID/Costa Rica's Financial Services Project. Under his personal direction, AG International prepared project appraisals that led to IFC financing of a small scale hydroelectric plant in Guatemala and a private container port in Panama. He also directs two small commercial companies involved in exporting from Central America, one focused on fresh herbs and specialty vegetables and the other on the marketing of specialty coffees.

Senior Economist/Trade Specialist - Mr. Siegfried Marks

Mr. Marks holds an MA in Economics and Latin American studies from Vanderbilt University where he also undertook additional graduate studies in economics. He is a senior economist with more than thirty years' experience, mostly in Latin America. From 1969 - 1986 he was the Chief Economist for Latin America for the Exxon Corporation, responsible for all economic and energy policy analysis and forecasts for the region. Consultancies include an evaluation of the Export Fund of Costa Rica, a study for USAID/Honduras of the likely effects on the economy of privatization of state-owned-enterprises, a study for Dade County on the projected impact of NAFTA on South Florida's economy and, for the UNDP, an operational analysis and program recommendations to assist small and medium companies in Chile to export. Mr. Marks has also carried out studies related to improving foreign trade and investment for USAID/ROCAP, USAID/Guatemala, the Association of Marketing Executives in Uruguay and for the North-South Center of the University of Miami with respect to Brazil.

The tasks listed in Section 3 are expected to require eight person weeks of effort.

5.0 PERIOD OF PERFORMANCE, DELIVERABLES & DELIVERY SCHEDULE

Performance of the work is expected to begin on or about August 29, and to be completed on or about September 29, 1995. The level of work is projected at a total of 47 person days. Two person days will be required for Washington, D.C. - based information collection. An initial visit to Haiti will be utilized for further research, initial interviews with USAID and appropriate Haitian entities and development of a work plan. One week's field work in the Dominican Republic and a second week in Haiti are contemplated. A draft report and debriefing for USAID/Haiti will be held on or about September 15. With receipt of comments from the Mission and its Haitian counterparts, the final report will be prepared in Washington, D.C. and submitted on or about September 29. The tasks to be performed are listed in Section 3.0.

6.0 OTHER TSO CONDITIONS AND REQUIREMENTS

6.1 Deliverable:

A draft report containing the elements set forth in Section 3.2.3, above, will be submitted to USAID/Haiti at the conclusion of the field research. Assuming receipt of the Mission's comments within five business days, the consultant will make such modification to the draft as appropriate, and submit the final report to USAID/Haiti no later than September 29, 1995.

6.2 Other Conditions:

- Six day work weeks are authorized for work performed outside the United States.

- The contractor's activities will be supervised generally by the Project Director. Project staff are responsible for maintaining close liaison with respect to this TSO with USAID/Haiti's designated Project Officer.

- Logistical support is the responsibility of the contractor. No waivers of procurement source or origin are envisaged nor will contractor be furnished any U.S. Government property.

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APPENDIX 2:

SUMMARY OF CONSTRAINTS TO HAITI-DR BUSINESS COOPERATION

I. BUSINESS ENVIRONMENT

1. Fear of near-term UN pull-out of Haiti will result in return of political violence and turmoil.
2. No long-term commitment by U.S. to assist the economic and political development of Haiti is perceived by local and foreign companies to jeopardize prospects for future stability and progress in Haiti.
3. Concerns over violence, crimes, and insecurity remain a problem for potential investors in such diverse activities as large scale farming, jewelry manufactures, and tourist development.
4. Political and government policy uncertainties and slow progress with economic reforms, including privatization, do not generate confidence to invest.
5. Lack of dialogue between the private and public sector and failure by the government to consult with the Haitian Chamber of Commerce and other private sector groups on proposed policy and regulatory changes affecting the private sector is seen as a negative by potential investors.
6. The attitudes of the Haitian government toward the private sector are not yet perceived as sufficiently friendly and reliable to inspire confidence to invest and for Haitian and foreign investments to return.
7. The weakness of political institutions, government regulatory bodies, and enforcement of compliance with laws are factors inhibiting confidence to invest.
8. The lack of a promotion campaign designed to improve the image of Haiti does not help attract investment to Haiti.
9. Negative attitudes of local businessmen in one country exist against those in the other country. For example, Dominican businessmen accuse Haitians of jealously guarding and not willing to share commercial information, while Haitians complain that Dominicans are only interested in exporting, but not investing in Haiti.
10. Fear of massive illegal immigration from Haiti could produce a political backlash in the Dominican Republic against closer bilateral economic cooperation. Some politicians in the DR are accused of promoting negative attitudes toward Haiti for internal political reasons.

II. LEGAL AND REGULATORY FRAMEWORK

1. The private sector in Haiti and the DR complains of too many regulatory and bureaucratic impediments for trade and investment. For example, 13 steps are needed for importing to Haiti and 36 steps to export from the DR In the case of imports to Haiti, various fees, taxes, and surcharges are often arbitrarily added to the cost of importing. Exports from the DR to Haiti require a series of authorizations from the DR military, CEDOPEX, the Central Bank, and Customs as well as detailed inspections at the border by Customs, the military, and CEDOPEX employees.
2. Legal protection of private property rights seems to be weak and needs to be clarified and strengthened in Haiti as part of efforts to generate confidence to invest.

III. BILATERAL TRADE DEVELOPMENT

1. Dominican businessmen would like to export more to Haiti, but risks for investments are perceived as being too high.
2. Until there are new investments, Haiti has not much to sell to the DR Prospects for

export expansion are limited by low productive capacity in Haiti.

3. Low import duties in Haiti act as incentive to smuggle imported products to the DR, which generates private sector support there for protection against imports.

4. Harrassment by Customs in the DR are an added export risk for shipments from Haiti. Administrative delays and other restrictions at Customs in the DR act as obstacles for more exports and transhipments from Haiti.

5. Transshipment of Haitian goods through DR ports is handicapped by in-transit losses, lack of security, and a 10% tax in DR ports.

6. Corruption and vague, flexible rulings are applied at Customs in both countries.

7. High import protection in the DR as well as outright import prohibitions and other non-tariff trade barriers, particularly against many basic agricultural products, encourage smuggling rather than legal trade expansion.

8. A very large and growing trade deficit in the DR does not bode well for future trade liberalization there, unless strong pressures are applied by international lending institutions.

9. A free trade agreement between Haiti and the DR is not considered to yield substantial benefits for either country in the near term. It would require the DR to reduce its high levels of protection, while Haiti commits to a stand-still clause of not raising trade barriers against the DR in the future. The near term problem remains, however, that Haiti has little to sell to the DR

10. A plan for a cross-border free trade zone is considered unlikely to prove successful, because foreign investors would feel exposed to potential investment risk in two, rather than in one country. Also, infrastructure investments would be higher in a border zone, at a time of stringent constraints on financing.

11. The GSP is viewed as less promising than CBI for cooperative trade ventures by both countries, because GSP is country specific, while CBI is product specific.

IV. EXPORT DEVELOPMENT

1. Very little production and few products available in Haiti for joint export programs with the DR in the near term.

2. Aside from mangoes and assembly operations, very few other attractive export prospects exist in Haiti in the near term without sizable investments and financing, which the private sector would be willing to assume only with adequate external guarantees to offset perceived high risks.

3. Parity with NAFTA is needed to offset competitive advantages enjoyed by Mexico to attract investments and exports to the U.S.

4. A "ventanilla unica" for exporters is needed to overcome red tape and to facilitate and speed up authorizations and document processing for export in Haiti and in the DR

5. Potential Haitian exporters do not have easy access on affordable terms to foreign data banks and other commercial information about foreign markets and importers abroad essential for identifying and realizing new export opportunities.

6. Very high fees and port charges in Haiti (except for assembly operations) act as disincentives to export development.

7. Organized marketing and trade fairs for the handicraft industries are not available in Haiti.

8. The expected phase-out of the multifiber agreement will give a greater competitive edge to Mexican and Asian suppliers in the U.S. market and discourage further development of the garment export industry in Haiti and the DR

9. The minimum value added rules under CBI may not prove sufficient to stimulate assembly and free trade zone operations and Haiti may require further relaxation of CBI rules, at least temporarily.

V. IMPROVED CONDITIONS FOR INVESTMENT

1. Lack of financing for private investments on international terms with local assets as

collateral is a serious obstacle for U.S., Dominican, and Haitian investors.

2. Lack of external guarantees prevents potential foreign and local investors from obtaining external financing on U.S. terms. Guarantees and protection against perceived very high risks is needed before companies will consider investing in Haiti at this time.

3. Lack of external financing on acceptable terms is viewed as a handicap by potential Dominican investors to consider investments in the tourist industry of Haiti.

4. Local banking regulations in the DR limit the banks' capacity of extending credit to the private sector, especially for tourism and industrial park development.

5. Delays to privatize the state-owned telephone company or to authorize new investments by a foreign telephone company prevent improvement of telecommunication services in Haiti.

6. Deforestation in Haiti caused serious soil erosion and disappearance of top soil, requiring large-scale, costly investments in irrigation facilities before substantial development of new crop production and exports can take place.

7. There are no international trading companies in Haiti that could organize efficient, low-cost collection and marketing of agricultural products from small producers and establish international quality standards for export.

VI. TOURISM DEVELOPMENT

1. There is insufficient hotel capacity for more tourism in Haiti.

2. The level of security, comfort, political and financial stability in Haiti is not favorable for tourism development in the near term.

3. The international financial institutions have generally been reluctant to finance tourism development.

4. Political and policy uncertainties in Haiti contribute to perceived high risks for the Dominican private sector to consider any joint tourism promotion.

5. Facilities and infrastructure in Haiti are currently inadequate for adding 1-2 day excursions to Haiti for tourists visiting the DR

VII. INFRASTRUCTURE IMPROVEMENT

1. The poor and deteriorated infrastructure in Haiti acts as an important disincentive to invest in Haiti.

2. Public and private investments are inadequate for expanding and improving infrastructure in Haiti.

3. The potential for expanding hydro-electric capacity in Haiti appears to be limited and so are prospects for a binational hydro-electric project, at least until a new energy law is passed in the DR that contains a clear commitment on the part of the government to encourage private investments to end electricity shortages there.

4. Recurring electric power shortages in both countries raise fixed operating costs for private firms forced to invest in and to maintain their own generators powered by expensive diesel.

5. Transportation costs by air or sea from the DR are expensive and limit the competitiveness of some potential exports.

6. Lack of products to export from Haiti tends to raise transport costs between the DR and Haiti, because container trucks often return empty from Haiti.

Appendix 3: List of Persons Interviewed

Haiti

Belinda Bernard	USAID
Raymond Lafontant	Commission Presidentielle
Phillippe Dewez	IDB
Katherine Brucker	U.S. Embassy
Marc Justin Anglade & staff	Dir. Gen., Ministere du Commerce et de l'Industrie
Ralph Lebrun	International Garment Inc.
Alex Turnier	Caribbean Contractors S.A.
Fritz Kenol	Pres., Chambre de Commerce et d'Industrie d'Haiti (CCIH)
Michaele Berrouet Fignole	Exec. Dir., CCIH
Frantz Lelio-Joseph	Dir., CCIH
Jean-Robert Wawa	" "
Richard Sassine	" "
Anthony Simon	Simon & Co.
Michel Simon	" "
Roger Dunwell	Villa Creole

Dominican Republic

Brian Rudert	USAID
Douglas Ball	" "
Francisco Amezquita	CEDOPEX
Robert Bucalo	U.S. Embassy
Andres Dauhajre	Fundacion Economia y Desarrollo
Julio Llibre	Grupo BHD
Hugo Ramirez	DOMINEX
Jose Ceron	ADOZONA
Susan Schayes	U.S. Embassy, Agric. Attache
Bernardo Vega	Promociones Industriales
Arturo Martinez Moya	ex. Min. of Commerce
Arturo Valdez	Exec. Dir., American Chamber of Commerce
Horacio Alvarez	Asoc. Dom. de Exportadores
Carlos Despradel	Orientacion Economica
Samuel Conde	construction, prefabricator
Antonio Hurtado Heim	Sociedad Industrial Dominicana
Mauricio Jimenez	Gen. Mgr., Esso
Frank Rainieri	Pres., Grupo Punta Cana
Miguel Heredia Bonetti	CEDEMPRESA
Rafael Canto Blanco	Proinversion
Frank Castillo	Consejo Nac. de Hombres de Empresa
Vilma Arbaje	Camara de Comercio de Sto. Domingo
Andre Apaid	Alpha Industries
Alan Ramirez Risk	Ofic. del Ordenador Nac. de la Convencion de Lomé IV
Ernesto A. Burri	Pres., CODETEL
Narciso Almoonte	Pres., AQUAMARINA, S.A.
Charles Flambert	ex-Haitian Min. of Agriculture

Miami

Leonard Rosenberg	Sandler, Travis & Rosenberg
Avad Cabrera	SAG Intl. (agricultural products importer)
James St. George	" "
Mano Howard	Pres., Bend'n Stretch Inc. (5,000 D.R. workers)
Orosman Rodriguez	VP, Sewn Products Intl. (7,000 D.R. workers)

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