EU statement at the Trade Policy Review of Haiti, 02/12/15

Statement by EU Deputy Ambassador Detlev Brauns

I would like to welcome the Delegation of Haiti, led by H.E. Mr Jude Hervey Day, Minister of Commerce and Industry. I would also like to thank the WTO Secretariat for their report and the Discussant, H.E. Mr. H.E. Dr. François Xavier Ngarambe (Rwanda), for introducing us to the discussions.

Twelve years passed since the last Trade Policy Review of Haiti in 2003. This is quite a long period of time, however, all of us have still in mind the earthquake of January 2010. The massive destructions exacerbated dramatically a situation of structural poverty, fragility and political instability. It led to the most important recession of the country since the beginning of this century and wiped out the efforts carried out in terms of macro-economic management that started to bear fruit in terms of growth.

Haiti has now overcome the most urgent humanitarian and reconstruction needs thanks to international aid. The EU remains a committed partner to Haiti and has significantly contributed to the international aid efforts after the earthquake. In 2010, the EU and its Member States made a joint pledge of EUR 1.235 billion. The EU has allocated 420 million EUR under the 11th European Development Fund (EDF) for the period 2014-2020. Four priority sectors have been identified such as state building and modernisation of the public administration, education, urban development and infrastructure, and food and nutritional security. Resilience is a cross-cutting priority for the 11th EDF programmes. The EU is committed to link relief, rehabilitation and development. Worth noting an important project of more than 110 million EUR for the support and reform of the public administration.

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As noted by the Government and by the Secretariat of the WTO, Haiti has started to recover with a growth forecast of 2.7% for the fiscal year 2013-2014 and between 3 and 3.5% for 2015-2016 according to the IMF. However, Haiti remains the poorest country in the Latin America/Caribbean region with 55% of the population living below the extreme poverty level.

Many structural obstacles remain which prevent a more dynamic growth: unemployment is still at an unbearable level of 60%, electricity supply is scarce on most of the territory except Port Au Prince and Haiti depends on food imports as it produces only 48% of its needs. Furthermore, the country depends on international aid for its public expenditure with aid representing 13.7% of the gross national income.

Among the issues that the EU has raised in its advanced questions is the fact that many legislations or international agreements have yet to be implemented. Their status is that they have been signed or prepared (in case of national draft laws) but have not yet been adopted or entered into force. One of the most striking example is the law which should implement the Custom Valuation Agreement. It dates back to 2008 and has not yet been adopted. The EU encourages the Government to stabilise the institutional framework to allow for a number of legislations and ratifications of important international agreements, such as the Trade Facilitation Agreement, to take place as soon as possible in 2016.

The EU has put several questions to the authorities regarding its regional and international trade relations and commitments. The EU is of the view that trade can be an important factor for Haiti's prosperity and stability.
Investment and foreign direct investment in particular will be key to help the country to remedy insufficient infrastructure. In that regard, the EU is interested to know what steps the authorities may take to improve the investment and business climate.

Mr Chairman, the EU hopes that this TPR will be an opportunity for Haiti to put its trade relations and policies into perspective and get useful feedback from the Members. The EU wishes Haiti all the success in this exercise.