

PARC INDUSTRIEL
DE LA RÉGION NORD
CARACOL



SONAPI

The Haitian Government and its Partners

**Establishing an Industrial Park
in the Northern Region
To be Operational as of 2012!**

Information pamphlet, August 2011



République d'Haïti



INDUSTRIAL PARK IN THE NORTHERN REGION

Government of Haiti



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The Government of Haiti, the United States Government, and the Inter-American Development Bank signed an agreement to build an industrial park in Haiti's Northern Region with Sae-A Trading Co. Ltd., Korea's leading garment manufacturer, as the anchor tenant. The Government of Haiti has full ownership and oversight of the Park.

Each signatory has committed to establishing the necessary infrastructure for a globally competitive industrial park (solid waste disposal, state of the art waste water treatment facilities, modern industrial buildings, etc.) and the infrastructure necessary to support the integration of the Park into the Northern region and support the sustainable growth and prosperity of surrounding communities. Investments include accessible roads, new port facilities, reliable supply of electricity and the construction of houses.

The North Industrial Park, PIRN (French acronym), owned by "Société Nationale des Parcs Industriels (SONAPI)", is projected to create 20,000 permanent jobs over six years, from Sae-A's investments alone. A total estimated 65,000 jobs could be created in the park with the arrival of other tenants and factory buildings. The North Industrial Park represents one of the economic priorities identified by the Government of Haiti to spur the growth and the equal redistribution of jobs throughout the country.

This project is the result of a diverse range of support including from IDB and The U.S. Government's Congress passing the Haiti Economic Lift Program (HELP) Act in May 2010, which became a critical catalyst by significantly increasing U.S. trade preferences for Haitian apparel, in turn made Haiti more attractive to large-scale manufacturing operations like Sae-A.



**Park operation
and
manufacturing
activity is
projected to
begin in the first
quarter of 2012.**

Each party's commitment :

- **The Government of Haiti** will, as owners of the Park, put in place the necessary infrastructure, and ensure that the park is managed by a professional company, recruited by a competitive bid. The management of the power plant shall also be given to a private company by competitive bid. The contract for design and building of the park shall also be granted by competitive procedures, and provide support and oversight, including ensuring all new construction adheres to earthquake and hurricane-resistant standards.
- **The United States Government** will provide more than \$124 million in grant funding for the Park's and nearby community's power generation, building up to 5,000 houses in the area, and the modernization of port infrastructure. These investments will benefit not only the Park, but the surrounding communities and businesses.
- **The Inter-American Development Bank** will invest at least \$100 million in grant funding for the development of the park itself and for the construction of the necessary infrastructure inside the park and the access roads.
- **SAE-A** will commit at least \$78 million for facility development, machinery and equipment. It will occupy 50 hectares and employ 20,000 Haitian workers in compliance with International Labor Organization standards.



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About the Industrial Park of the Northern Region :

- The building of the Park and houses have the possibility to generate about 2,800 jobs over the coming years. The local community has already been employed in the construction of fencing and makes up the majority of the park's security team.
- The Park will create 20,000 full-time Haitian jobs in the first phase with Sae-A's investment alone, making Sae-A the largest private employer and private foreign investor in Haiti. In addition to Sae-A, other tenants are expected in the first phase, creating more jobs.
- The Park's anchor tenant is estimated to generate over \$500 million in wages and benefits over the next ten years, with each worker earning 3 times Haiti's current GDP per capita (per capita GDP is approximately \$640).
- It is estimated that Park operations will generate the creation of one job outside the park for each full time employee inside the Park.
- Once the Park becomes fully operational with the addition of more factories, it will have the capacity to have 65,000 permanent full-time employees.
- The Park will increase the number of formal registered private sector jobs in Haiti by an estimated 20%.
- The Park will have in place Haiti's first textile mill with knitting & dyeing, which will add value to each garment made in Haiti.
- The Park will increase the tax base through the development of more employment and increased trade.


Investment in the Park will also:

- Include up to 5,000 new homes in local housing developments in nearby communities.
- Result in a modern port for the Northern region and a rehabilitated road network which will benefit the Park as well as other industries such as tourism, construction and agriculture.
- Provide electricity beyond the Park's grounds in surrounding areas that currently lack access to an electric grid and do not currently have reliable electricity.
- Stimulate growth in microenterprises, smallholder farming, food vending or financial services.
- Showcase to the world that Haiti is open for business and able to compete effectively in the global marketplace, without compromising on labor and environmental standards.



Background on the garment industry in Haiti:

- Twenty years ago, Haiti's apparel industry employed as many as 100,000 people and was a reliable supplier of assembled goods to the U.S. market. Today, the industry employs approximately 29,000 workers.
- The value of Haitian apparel exports to the United States (\$512 million) was approximately 10 percent of Haiti's GDP in 2009, constituting approximately 90 percent of the country's exports.
- With the passage of the HELP Act by the U.S. Congress, firms in the apparel industry have expressed interest in expanding sourcing in Haiti to benefit from improved duty-free access to the U.S. market.
- Garment manufacturers operating in Haiti have added over 4,000 jobs to the industry since the January 12 earthquake. Jobs losses after the disaster have been recovered and the industry now employs more people than before the earthquake. The largest companies have outlined aggressive investment plans to expand further to benefit from enhanced trade preferences.



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Progress of the North Park to date

The GOH has signed a binding tenancy agreement with the anchor tenant Sae-A. Sae-A has identified and begun training for 20 Haitian professionals from the North to serve in management positions in the park. Six new tenants have also expressed interest to create more than 15,000 additional jobs and these negotiations are underway. Land surveys and engineering studies are well-advanced and construction contracts for the Park and power plant are expected to be awarded in August after an open, competitive international bidding process.

Frequent meetings have been held with the local communities in the North, providing opportunity to share their thoughts and give feedback on the project. The Mayor's office in the town of Caracol has been inaugurated after a complete renovation, providing a meeting space for the community to discuss the North Park and other matters affecting the region. The GOH has launched a communication campaign with radio spots, billboards and information kiosks to ensure everyone is informed about the benefits of the Park and the progress of the project.

The Government of Haiti is and will continue to take all the necessary measures to reduce the environmental and social impacts, develop an awareness program with the communities in the immediate area and will put in place an comprehensive communication strategy for the project.

The Government of Haiti is actively soliciting new clients for the Park, not only in the textile sector but also in different sectors such as furniture and electronics.

About SAE-A

- SAE-A is a fabric and garment manufacturer with factories all over the world, especially in North America, Latin America, Vietnam and Indonesia.
- SAE-A has agreed to invest 78 million dollars in equipment and facilities in Haiti and in the Industrial Park of Caracol, thus becoming the biggest employer of Haiti's private sector.
- SAE-A proposed a business plan which aims for the creation of more than 20,000 jobs. The vertical integration will allow it to produce more added value (knitting, dyeing, cutting, sewing and printing).





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Industrial Development Jobs Creation Decentralization

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