

Haiti: Selected Issues

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HAITI

Selected Issues

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Approved by Western Hemisphere Department

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Haiti: Basic Data

I. Social and Demographic Indicators 1/

Area (sq. km)	27,800	Nutrition (1997)	
		Calorie intake (daily per capita)	1,869
Population (2000)			
Total (million)	8.0		
Annual rate of growth (percent)	2.0	Access to safe water (1993)	46
Density (per sq. km.)	289	Percent of dwellings	
		Urban	49
GDP per capita, (FY 2000/01, US\$)	461	Rural	45
Population characteristics (1999)		Education	
Life expectancy at birth (years)	53	Illiteracy males (2000, in percent)	49
Crude birth rate (per thousand)	31	Illiteracy females (2000, in percent)	53
Crude death rate (per thousand)	13	Net enrollment rates, in percent	
Infant mortality (per thousand live births)	69	Primary education (1997/98)	22
Under 5 mortality rate (per thousand)	118	Secondary education (1997/98)	19
		Tertiary education (1996)	1.3
Health		GDP (FY 2000/01)	G89,048 million
Physicians (1995, per thousand)	0.2		US\$3,687 million
Hospital beds (1996, per thousand)	0.7		

II. Economic Indicators, 1996–2001

	Fiscal Year Ending September 30					
	1996	1997	1998	1999	2000	2001
	(In percent)					
Origin of GDP (at market prices)						
Agriculture and mining	30.9	29.6	28.9	27.4	26.2	25.9
Manufacturing and construction	14.5	14.7	15.0	15.0	15.3	15.5
Services	48.6	49.4	49.9	50.0	50.8	51.5
Indirect and import taxes	6.0	6.3	6.2	7.6	7.8	7.1
	(Annual percentage changes, unless otherwise indicated)					
National accounts and prices						
Real GDP	2.8	1.4	3.1	2.2	1.2	-1.7
Real GDP (per capita)	0.5	-0.8	1.0	0.1	-1.0	-3.9
GDP deflator	21.2	16.3	13.1	7.6	11.2	16.8
Consumer prices (annual average)	21.9	16.2	12.7	8.1	11.5	16.8
Consumer prices (end-of-period)	20.1	17.0	8.3	9.9	15.3	12.3
	(Ratios to GDP)					
Gross domestic investment	28.1	24.5	26.0	27.7	27.3	22.8
<i>Of which</i> : public investment	5.4	5.9	5.2	5.5	5.5	2.7
Gross national savings	22.1	18.8	20.5	22.7	20.9	18.0
External savings	6.0	5.7	5.5	5.0	6.4	4.8
Public finances						
Central government						
Total revenue	7.2	8.9	8.5	9.1	8.1	7.3
Total expenditure	9.7	9.4	9.3	9.9	10.1	9.8
<i>Of which</i> : interest	...	0.7	0.7	0.8	0.9	0.9
Savings	...	0.8	0.9	1.1	0.6	-0.7
Primary balance	...	0.2	-0.1	0.0	-1.1	-1.6
Overall balance	-2.5	-0.6	-1.1	-1.4	-2.5	-2.7
Consolidated public sector						
Overall balance	-7.6	-3.0	-3.2	-3.8	-5.2	-3.6

II. Economic Indicators, 1996–2001

	Fiscal Year Ending September 30					
	1996	1997	1998	1999	2000	2001
(12-month percentage changes, unless otherwise indicated)						
Money and credit						
Broad Money	10.2	15.4	14.7	17.7	36.2	5.3
<i>Of which</i>						
Currency	20.8	4.4	4.8	13.5	32.4	7.0
Deposits	2.9	24.3	17.2	18.7	37.1	4.9
Net domestic assets of the banking system 3/	13.7	10.6	11.4	15.1	18.1	9.2
<i>Of which</i>						
Credit to nonfinancial public sector (net) 3/	9.5	-4.9	3.0	7.3	7.9	8.3
Credit to the private sector 3/	8.3	17.5	7.6	4.4	16.9	-3.1
(In millions of U.S. dollars, unless otherwise indicated)						
Balance of payments						
Current account (including grants)	-38.5	-9.7	17.6	51.5	-31.0	-16.3
Merchandise trade balance						
Exports	169.9	205.5	299.4	348.7	327.1	317.4
Imports	-639.8	-703.3	-822.2	-940.0	-1,014.4	-981.6
Services and transfers (net)	430.9	488.1	540.4	642.9	656.2	647.9
<i>Of which: interest</i>	-9.4	-14.0	-12.9	-20.2	-13.8	-15.9
Capital and financial account	-12.8	36.8	14.6	-28.1	-20.8	12.5
Public sector (net)	107.2	93.9	72.2	57.9	44.3	1.6
Banks (net)	-28.4	15.9	-1.7	-3.9	-55.1	16.0
Foreign direct investment	4.1	4.0	10.8	30.0	8.0	2.0
Other (including errors and omissions)	-95.7	-77.0	-66.6	-112.1	-17.9	-7.1
Change in net international reserves	-51.3	27.2	32.2	23.5	-45.8	8.0
Exports (in percent of GDP)	11.1	11.4	12.9	13.0	12.6	12.6
Imports (in percent of GDP)	-28.0	-26.3	-27.5	-28.3	-32.2	-33.4
Current account (in percent of GDP)	-11.2	-6.9	-5.5	-5.0	-6.4	-4.8
Merchandise exports (in US\$, annual % change)	7.6	20.9	45.7	16.5	-6.2	-3.0
Merchandise imports (in US\$, annual % change)	-0.9	9.9	16.9	14.3	7.9	-3.2
Terms of trade (annual percentage change)	-0.5	-0.3	1.1	0.2	0.0	2.0
Real effective exchange rate (12-month % change)	15.3	11.4	8.2	8.9	-6.1	6.3
International reserve position and external debt (as of end-September)						
Gross official reserves	215.6	263.7	292.7	329.2	281.5	289.5
(in months of imports of goods and services)	3.4	3.8	3.4	3.4	2.6	2.8
Net official reserves	135.0	162.5	194.7	218.1	172.3	180.4
Net reserves of the banking system	258.0	269.6	303.6	330.9	340.1	332.0
Outstanding external debt, in percent of GDP						
Public (excl. IMF)	29.5	28.8	28.2	26.4	27.9	30.2
Private	...	...	...	...	...	...
Total debt service ratio (in % of exports of gds. & serv)	7.2	8.5	8.0	8.3	7.9	9.4
<i>Of which</i>						
Interest	3.8	-3.7	-2.7	-3.8	-2.8	-3.4
Short-term debt/Gross reserves (in percent) 4/	0.0	0.0	0.0	0.0	0.0	0.0
IMF data (as of September 30, 2001)						
Article VIII status						
Exchange rate 5/						U.S. dollar at G 25
Quota						SDR 60.7 million
Fund holdings of gourdes						SDR 75.8 million
As percent of quota						124.9 percent
Outstanding purchases and loans						SDR 30.4 million
ESAF arrangements						SDR 15.2 million
First credit tranche						SDR 15.2 million
Special Drawing Rights Department						
Net cumulative SDR allocation						SDR 13.7 million
Holdings of SDRs (as percent of allocation)						0.7

Sources: Haitian authorities; World Bank; and Fund staff estimates and projections.

1/ Social indicators of development, the World Bank.

3/ In relation to broad money at the beginning of the period.

4/ Haiti has no short-term debt.

5/ Average reference exchange rate of the central bank for August 2001.

I. OVERVIEW

1. This report presents a set of chapters that examine various topics of current interest in Haiti. Chapter 1 focuses on the observed reduction in outstanding real bank credit to the private sector and analyzes its possible causes. In examining the issue of whether the observed reduction was driven by supply or demand factors or a combination of them, the chapter examines the evolution of credit and real GDP growth and uses demand and supply indicators to characterize the reduction in credit allocation to the private sector.

2. Chapter 2 provides an overview of the taxation system for the major petroleum products under the present fixed pricing policy and an hypothetical implementation of the 1995 law, introducing a flexible pricing mechanism. This chapter analyzes the implication for tax revenues and prices under the two scenarios. Would the authorities apply the law during FY 2001/02, they would collect tax revenue close to those under the present policy, owing to the downward trend in international oil prices, with marginal impact on prices, while eliminating the uncertainties coming from changes in international oil prices and the exchange rate.

3. Chapter 3 analyzes the sustainability of Haiti's current account, assessing whether the continuation of the current policies and trends are sustainable in the medium term. Following an analysis of the behavior of the exchange rate, the main factors of vulnerability affecting the current account are identified, and a sensitivity analysis of the current account to petroleum prices, grants, and remittances is carried out.

II. THE RECENT EVOLUTION OF CREDIT TO THE PRIVATE SECTOR IN HAITI ¹

Abstract

The broad similarity in the recent evolution of real GDP growth and of the growth of bank credit to the private sector since 1998 raises the issue of whether the reduction in bank credit to the private sector was driven by supply or demand or a combination of both. This chapter establishes that the increased issuance of bonds by the central bank at attractive interest rates, the increase in required reserves ratios on both gourde and dollar liabilities, coupled with rising nonperforming loans, are the supply factors that appear to have contributed to the crowding out of private sector credit. Exogenous factors, including a prolonged political impasse, a massive reduction in foreign aid and a slowing down of exports, combined with a reduction in imports and declining private investment, are the demand factors that may have contributed to the observed decline in credit to the private sector. Overall, the supply factors appear to have dominated the demand factors. This would explain the observed negative association between the real growth of credit to the private sector and the increase in the real interest rate in the last two years.

A. Introduction

1. Over the last four years, Haiti's economic growth has gradually weakened, as the real GDP growth rate fell from about 3 percent during FY 1997/98 to an estimated negative 2 percent during FY 2000/01. During the same period, real bank credit growth to the private sector fell from about 7 percent to around negative 11 percent. The broadly similar evolution of real GDP growth and real private sector bank credit growth raises the issue of whether the reduction in bank credit to the private sector resulted from a decline in the supply of credit, from a weaker demand for bank credit, or from both lower supply and demand.

2. The supply of bank credit to the private sector may have been negatively affected by tight monetary conditions, as the central bank gradually tightened monetary policy in FY 1999/2000 and FY 2000/01. Supply may also have been lowered by a perceived increase in lending risk and a cautious bank lending behavior, emanating from an increase in nonperforming loans.

3. The observed decline in real bank credit growth by itself does not constitute evidence of a reduction in credit supply, as it may reflect lower demand for bank credit by the

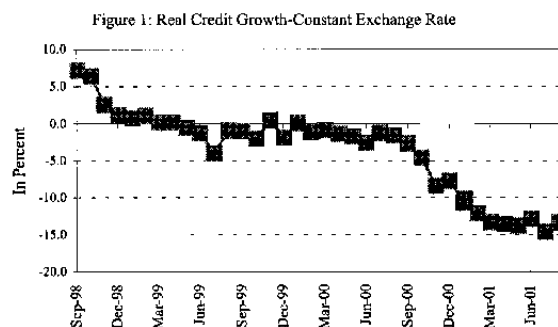
¹ Prepared by Olumuyiwa Adedeji.

private sector, in the context of the weakening of economic activity. As will be explained in this chapter, there is evidence that in the context of Haiti's economy, both supply and demand factors played a role in the observed decline in real credit to the private sector, in particular in the last two years.

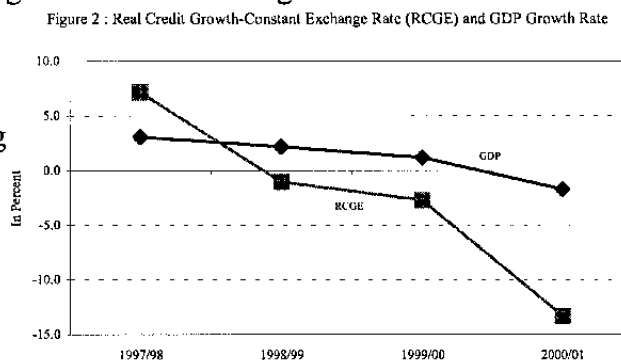
4. The remainder of this chapter is organized as follows. Section B examines the evolution of credit and real GDP growth between FY 1997/98 and FY 2000/01. Section C applies demand and supply indicators to characterize the credit slowdown during that period. Section D presents some conclusions.

B. The Evolution of Credit

5. The estimated real growth rate of credit² to the private sector (12-month percentage changes) showed a downward trend over the period (Figure 1), declining from about 7 percent in September 1998 to an average of around zero percent during FY 1998/99 and FY 1999/2000, and about negative 11 percent during FY 2000/01.



6. Real bank credit to the private sector declined at a faster pace than the growth rate of the economy (Figure 2), entailing a decline in bank credit to the private sector outstanding relative to GDP. It should be noted that there is no capital market in Haiti; Haitian businesses and individuals have to turn to the banking sector for borrowing. As there is no evidence of an increasing recourse to foreign bank borrowing, the observed reduction in bank credit as a ratio to GDP may be interpreted as an indication that shrinking real credit supply was a causal factor that contributed to the weakening of economic growth. However, caution is required in interpreting the data, as the elasticity of real GDP to real credit may be significantly different from unity, reflecting sectoral differences in the recourse to bank credit. It is therefore necessary to examine a broader set of supply and demand indicators (see section C below).



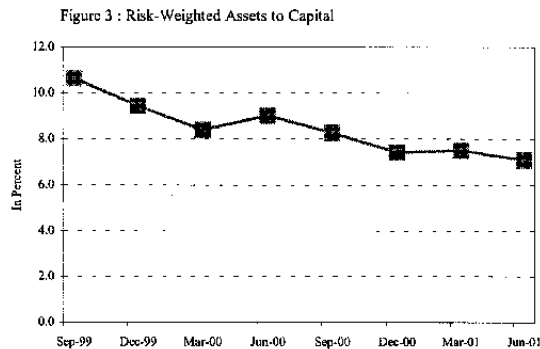
² For any given month, credit in U.S. dollars outstanding is converted into gourdes at the end-of period exchange rate prevailing 12-month ago, thus eliminating the effect of exchange rate changes. The real growth of credit (in gourdes and in dollars) is estimated using the contemporaneous CPI.

C. The Contributions of Supply and Demand Factors

Supply

7. Factors affecting negatively the banks' supply of credit are likely to have played a significant role in the decline of real bank credit to the private sector during the period. These factors included the following elements:

- The central bank issued bonds in increasing amounts and at rising interest rates, to offset the liquidity impact of continuing high budgetary deficits³. This offered banks with an attractive, risk-free alternative to private sector credit. The budget deficit appears to have crowded out private sector credit through the enlarged issuance of central bank bonds.
- In addition, required reserves ratios were raised in several steps between July 1997 and September 2001, on gourdes liabilities from 26 percent to 31 percent, and on dollar liabilities from 12 percent to 21 percent. Other things being equal, these changes reduced the ability of banks to lend and increased their intermediation costs, thus lowering credit supply.
- Coupled with these supply factors, there was an increase in nonperforming loans (from 6.8 percent of total loans in September 2000 to 8.9 percent in June 2001), that induced banks to be cautious and selective in private sector lending, as evidenced by the declining trend of risk-adjusted assets relative to capital. Banks lowered their ratio of risk-weighted assets to capital from about 11 percent in September 1999 to 7 percent in June 2001 (Figure 3), more than required by prudential guidelines.⁴



Demand

8. A number of indicators suggest that credit demand was also a major factor behind sluggish credit growth.

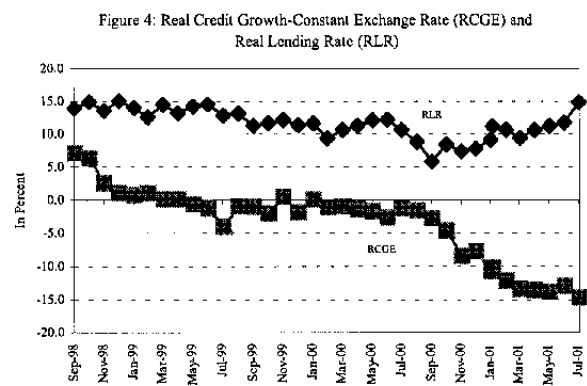
³ The commercial banks gourde lending rate increased from 23 percent in September 1998 to 32 percent by September 2001, while the three-month BRH bonds interest rate rose from 21 to 27 percent during the same period.

⁴ Based on prudential guideline, the minimum risk-weighted asset to capital in Haiti is 8.3 percent.

- Exogenous factors had a strong negative impact on domestic demand and on the private sector's expectations. These factors included a prolonged political impasse, a massive reduction in budgetary aid and a marked slowing down of foreign-funded investment projects. Negative expectations appear to have contributed to a weakening of economic activity, a reduction in imports and declining private sector investment, all of which entailed a fall in the private sector demand for bank credit.
- In addition to weak domestic demand and pessimistic expectations, representatives of the Haitian private sector have cited the exogenous slowing down of exports to the United States as an important factors underlying the sluggish economic activity, and hence the reduced demand for bank credit.

Net effect of supply and demand shifts

- Since early 2000, real interest rates and real private sector credit have tended to move in opposite directions (Figure 4). The negative correlation was particularly strong during FY 2000/01, with sharply rising real lending rates⁵ associated with a marked contraction in real credit. This evolution suggests that Haitian borrowers reduced their demand for credit as real financial costs soared, and that the credit market settled at a new equilibrium reflecting lower supply and demand.



D. Conclusions

9. It appears that over the last four years, and especially during FY 1999/2000 and FY 2000/01, both supply and demand factors have contributed to the shrinking real bank credit to the private sector. While demand for credit seems to have been constrained by pessimistic expectations on the part of borrowers and swelling financial costs as a result of rising real lending rates, credit supply appears to have been negatively affected by increased issuance of central bank bonds, raised required reserves ratios, and higher perceived lending risks by banks. However, the observation that the increase in the real interest rate was associated with a decline in the private sector credit since early 2000, suggests that the supply

⁵ Real interest rates are estimated by adjusting the average of commercial banks' minimum and maximum lending rates for expected inflation. Expected inflation is estimated by observed 12-month ahead inflation

factors were the main driving force behind the reductions in credit to the private sector. The decline in real credit exacerbated the slowdown of the economy underway as a result of the sluggish domestic demand and the exogenous weakening of exports to the United States.

III. PETROLEUM TAXATION AND THE APPLICATION OF THE 1995 LAW⁶

Abstract

Petroleum-based revenue in Haiti is vulnerable to changes in international oil prices and in the exchange rate, as the authorities follow a policy of fixed prices at the pump. However, in 1995, the Haitian authorities promulgated a law introducing a flexible pricing mechanism for petroleum prices, which has never been consistently applied. This chapter analyzes the implications for prices and tax revenue of the continuation of the present policy, and of a hypothetical application of the law during FY2001/02. The flexible pricing mechanism is projected to yield revenues very close to those under the current policy, owing to the present downward trend in international oil prices, with marginal impact on prices. The chapter analyzes the sensitivity of revenue to an increase in international oil prices and to a depreciation in the exchange rate.

A. Introduction

10. **In 1995, the Haitian authorities promulgated a law introducing a flexible pricing mechanism for petroleum products.** The aim of the law was to eliminate uncertainties in petroleum taxation revenue due to changes in international prices and in the exchange rate. The law has never been consistently applied, as prices at the pump have remained fixed during extended periods of time. Most recently, prices at the pump have been kept unchanged during FY 2000/01, following a long-delayed increase in September 2000, by 40 percent on average. Taxes fluctuated widely within the wedge between the variable imports and distribution costs and the fixed price at the pump. As a result, changes in the international price of oil and in the exchange rate of the gourde vis-à-vis the U.S. dollar, led to large fluctuations of petroleum-based government revenue over the last five years.

11. **In this chapter, tax revenue from petroleum products⁷ during FY 20001/02 is studied under two alternative scenarios: the continuation of the present fixed-price policy, or the hypothetical application of the 1995 law in FY 2001/02.** In both scenarios prices and revenues were projected on the basis of the future prices of oil as of end-

⁶ Prepared by Mercedes Vera Martín.

⁷ The paper considers the four major products: Gasoline (regular and premium), gasoil and kerosene. These products represented 80 percent of total petroleum imports in 2000.

November 2001⁸, and assuming a stable exchange rate throughout the year⁹ as well as stable volumes of oil imports, consistent with the projected weak economic activity during FY 2001/02.

12. Revenue projections for FY2001/02 show that both scenarios yield about the same amount of revenue, at almost identical prices at the pump. However, whereas the present policy of fixed prices at the pump introduces uncertainties in petroleum-based revenues, the flexible pricing mechanism provided under the 1995 law would shield budget revenue from fluctuations in the international oil prices and the exchange rate. Moreover, the flexible pricing policy would secure petroleum-based fiscal revenues with almost no change in prices at the pump.

13. The remaining of the chapter is structured as follows. Section B describes the evolution of the petroleum products, focusing on imports, prices and tax revenues. Section C analyzes the sensitivity of tax revenues to changes in the exchange rate and changes in oil international prices. Section D concludes.

B. Petroleum Products—Imports, Prices, and Tax Revenue

14. **Petroleum imports accounted for 16 percent of total imports in FY2000/01, with an estimated CIF cost of US\$115 million (3 percent of GDP). Import volumes for the major products decreased in FY2000/01 except for kerosene (Table 1).** Gasolines and diesel imports dropped significantly, reflecting the weakening in economic activity over the last fiscal year. Kerosene experienced an annual increase of almost 3 percent in volume terms. In gourde terms, imports dropped by 11 percent in FY 2000/01 with respect to 2000, kerosene being the only product for which imports in value terms increased in FY 2000/01 (by 3 percent). Regarding the relative importance of each product in the total value of petroleum products imports, diesel accounts for more than half the imports in 2001 (53 percent of total imports), followed by kerosene (22 percent of major petroleum imports), regular gasoline (20 percent of total major petroleum imports), and premium gasoline for 5 percent of petroleum imports.

⁸ This chapter uses monthly data on future oil prices reported by the Research Department of the IMF, that are close to the quarterly WEO projections. Monthly data better reflects the periodicity of oil shipments in Haiti than quarterly data.

⁹ In the first section, exchange rate is assumed to be constant at G26/US\$ for FY 2002. In the third section, a sensitivity analysis is performed to study the impact of a 15 percent depreciation in the annual average exchange rate.

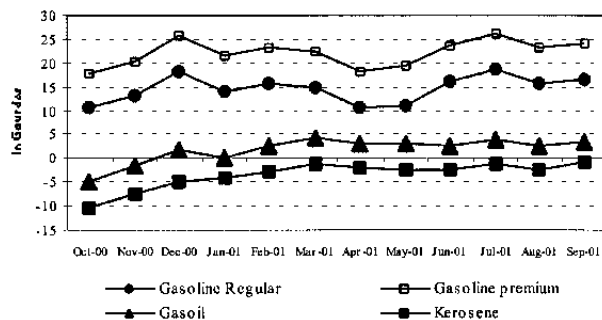
Table 1: Import Volumes by Petroleum Product, 2000–01
(In barrels)

	2000	2001	Variation
Regular gasoline	678,554	601,662	-10 %
Premium gasoline	235,709	140,360	-29%
Diesel	2,085,800	1,740,235	13%
Kerosene	675,900	694,250	3%

15. **The authorities use the actual import cost (inclusive of insurance and freight) as the base for the computation of the domestic prices.** The components of taxation are the following: (i) a fixed excise applied only to gasoline (set at 3.3033 gourdes per gallon); (ii) a variable excise¹⁰ set initially at 6.8 gourdes for gasoline, 4 gourdes for diesel and 0.44 for kerosene in the 1995 law; (iii) a verification fee (4 percent of the landed value¹¹); and (iv) a custom duty (5.78 percent of the landed value).¹² The first two taxes constitute specific rates of duty as they are based on the quantity of the product sold, while the latter two are ad valorem rates based on the CIF value.¹³

16. **In order to keep prices at the pump fixed, the authorities need to adjust taxes per gallon to make up for changes in costs per gallon.** Figure 1 describes the evolution of the tax per gallon charged for each of the petroleum products in FY 2000/01. Gasoline was heavily taxed, and kerosene was subsidized by around 3 gourdes per gallon, with a total cost for the budget of

Figure 1: Tax per gallon, by product



¹⁰ The variable excise is the difference between the price at the pump and the base price (defined as the sum of the CIF price, all other taxes and other charges except for the variable excise). Prices at the pump would remain unchanged if there is a less than 5 percent change in the base price, with the variable excise being adjusted.

¹¹ CIF price for the petroleum product plus financial fees.

¹² Specific rates have some advantages as they are administratively easier to apply and, if the international price of the product is subject to wide variations, the quantity of the product consumed may be more stable than the valued of the petroleum product consumed.

¹³ Gupta and Mahler (1994) describes the CIF cost as the appropriate base for applying ad-valorem petroleum taxes.

G92 million.¹⁴ From a social viewpoint, petroleum taxation and pricing policy has considerable implications for the distribution of income in Haiti. While kerosene is widely used for cooking by the poor segments of the population, premium gasoline is consumed by the better off.

17. Prices would change only marginally under the 1995 law for FY2001/02 (Table 2). Regular and premium gasoline prices would have decreased (by an annual average decrease of 1 percent and of 14 percent respectively in 2002), with prices for kerosene increasing by only 2 percent.

Table 2: Evolution of Domestic Prices, 2001–02
(In million of gourdes)

	2001	Present Policy 2002	1995 law 2002	Variation (to 2001)
Regular gasoline	46.00	46.00	45.56	-1.0%
Premium gasoline	56.00	56.00	48.30	-13.8%
Diesel	30.50	30.50	30.76	0.8%
Kerosene	26.00	26.00	26.54	2.1%

18. Petroleum-based fiscal revenues were estimated at almost G550 million in FY 2000/01¹⁵ (0.6 percent of GDP, and 8.5 percent of total budget revenue). Under the present pricing policy petroleum-based revenues for FY2001/02 are projected to reach around G1.2 billion (1.4 percent of GDP)(Table 3). Would the authorities apply the 1995 Law for FY2001/02, projected revenues (to nearly G1.2 billion) would be almost at the same level as under the current policy. This is mainly due to the downward trend in oil international prices.

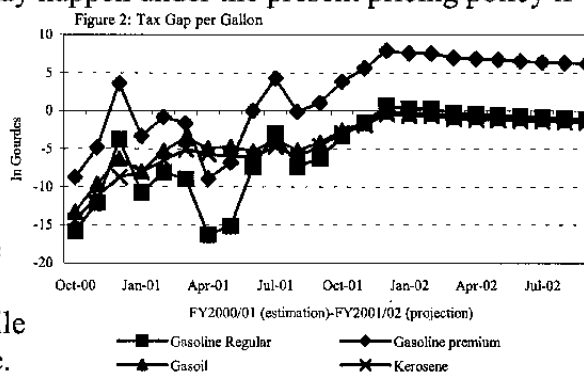
Table 3: Evolution of Tax Revenues, 2001–02
(In million of gourdes)

	2001	Present Policy 2002	Variation (to 2001)	1995 Law 2002	Variation (to 2001)
Regular gasoline	391.9	549.6	40.2%	538.4	37.4%
Premium gasoline	131.3	165.8	26.3%	122.9	-6.4%
Diesel	116.8	428.6	266.9%	442.8	279.0%
Kerosene	-92.7	67.5	172.9%	81.4	187.9%
Total	547.4	1,211.6	121.3%	1,185.5	-2.2%

¹⁴ Social and environmental reasons explain the subsidy of kerosene as it is used by the poorest segment of the population and it is a close substitute of firewood.

¹⁵ Fund staff estimates, October 2001.

19. Notwithstanding total revenue from petroleum taxation estimated at almost G550 million in FY2000/01, there was a revenue loss relative to the taxes that would have been due under the 1995 law. Figure 2 describes the evolution of the tax gap during FY 2000/01 and its projection for FY 2001/02 under the present pricing policy. The tax gap is the difference between the price at the pump that would prevail would all taxes be fully charged as per the 1995 law, and the actual price at the pump. A negative tax gap implies that the authorities are not charging the full amount of taxes, thereby incurring a revenue loss in the form of an opportunity cost. A positive tax gap implies that the authorities are charging more than the legal amount of taxes (which may happen under the present pricing policy if the international price of oil drops below a certain threshold). In FY 2001/02 the loss in revenues was estimated at G844 million (1 percent of GDP). The projected loss in revenues for FY 2001/02 would be reduced to around G70 million, as the treasury would keep under-collecting revenues from the three major products (regular gasoline, diesel and kerosene) for an amount of G112 million, while over-collecting about G40 million on gasoline.



20. Under the future international oil prices as of end-November 2001, the budget would collect taxes during FY 2001/02 on all four products including kerosene, even if the present policy of fixed prices is maintained. Table 4 summarizes the average impact per gallon under two scenarios : under the present policy, or assuming the application of the 1995 law during FY 2001/02. Under the former, taxation would increase on all four products, with the highest rise in taxes on diesel. Under the latter, taxation of premium gasoline would drop by 11 percent, while taxes on the other products would increase substantially, especially for diesel (from almost 2 gourdes to 7 gourdes per gallon) and kerosene. The large increase in the impact per gallon for diesel and kerosene reflects the elimination of the negative tax gaps in FY2001/02.

Table 4: Taxation Impact per Gallon
(In gourdes)

	2001	2002	Variation	2002 (1995 Law)	Variation
Regular gasoline	14.6	19.9	36%	19.6	34%
Premium gasoline	22.2	27.3	23%	19.7	-11%
Diesel	1.8	6.8	280%	7.2	302%
Kerosene	-3.4	2.4	-169%	3.0	189%

C. Sensitivity Analysis

21. **Although the loss in revenues is projected to be low in FY 2001/02 given future international oil prices as of end-November 2001, the fixed price policy introduces serious uncertainties in government revenue collection.** If international oil prices or the

exchange rate go up substantially, the treasury may end up paying importers negative taxes as CIF prices and distribution costs may become higher than the price at the pump (this was the case with respect to kerosene in FY 2001/02). If international oil prices increase to US\$31 per barrel,¹⁶ petroleum-based fiscal revenues would be reduced to zero.

22. **This section assesses the sensitivity of petroleum-based revenue** to (i) a 15 percent depreciation in the annual average exchange rate (to G 28.2 per US dollar from G 24.5, see Figure 3); and (ii) an increase in oil prices by US\$10 per barrel in the second half of FY 2002, under the present pricing policy and the hypothetical application of the law.

23. **In terms of revenues, a 15 percent depreciation in the exchange rate would imply a drop of an estimated 20 percent with respect to revenues projected for FY2001/02 under the present pricing policy and under present trend in international oil prices (to less than G 1 billion).** Would the authorities apply the flexible pricing policy, revenues would increase by 5 percent¹⁷ and prices would increase by an average of 7 percent, as the changes in the exchange rate would be passed through to prices at the pump.

24. **An increase by US\$10 per barrel (50 percent relative to the price as of end-November) to 28 dollars per barrel would reduce petroleum-based revenue by an estimated 44 percent** compared to the level projected for FY 2001/02 under the fixed price policy (to around G700 million). Under the flexible pricing policy, revenue would increase by around 10 percent (to some G 1.3 billion) (1.5 percent of GDP), reflecting higher custom duties and verification fees (that are based on ad valorem rates). Prices per gallon would increase by an average of 18 percent.

D. Conclusions

25. **The present policy of fixed prices at the pump introduces large uncertainties in petroleum-based revenue,** as taxation fluctuates with variations in international oil prices and in the exchange rate. By contrast, the flexible pricing mechanism provided under the 1995 law would shield budget revenue from fluctuations in these two factors. Barring exceptional turbulences on the international oil market, it would also ensure more frequent but smoother adjustments of prices at the pump, in contrast with the infrequent but very large

¹⁶ Considering the average of U.K. Brent, Dubai and West Texas intermediate, which are the basis for the WEO projections on future oil prices.

¹⁷ The increase in revenues is due mainly to more frequent adjustments in the prices.

price changes under the fixed price policy. Given the level of international oil prices prevailing at end-November 2001, introducing the flexible pricing policy at that time would have secured petroleum-based revenue with almost no change in prices at the pump.

26. **From the point of view of income distribution, the 1995 law provides for a progressive taxation of petroleum products**, as gasoline is more heavily taxed than

kerosene. The latter however would no more be subsidized under the full implementation of the law. In view of the importance of kerosene for the poor and of environmental considerations, one may argue that it should remain subsidized.

IV. EXCHANGE RATE AND CURRENT ACCOUNT SUSTAINABILITY IN HAITI¹⁸

Abstract

The export sector in Haiti is weak and current account financing from non-debt-creating flows is small. Against this background, the country has not experienced a currency crisis and the real exchange rate has slowed its appreciating trend in the last two years. However, the lack of improvement in the macroeconomic fundamentals, the low level of net international reserves, and the unsettled political situation, make the country vulnerable to external shocks. The analysis presented in this chapter shows that Haiti's current account deficit appears sustainable; however, the medium-term projections are based on optimistic views regarding economic growth. The results of a sensitivity analysis on petroleum prices, grants and remittances underscore the high vulnerability of Haiti's external sector.

A. Introduction

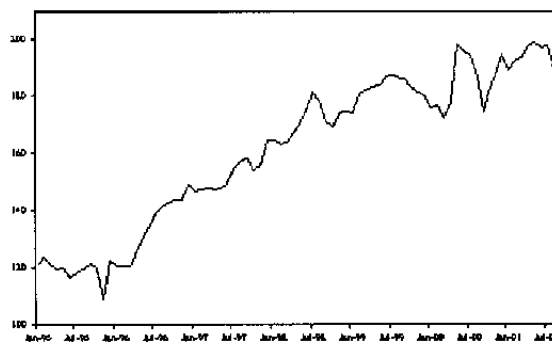
27. The export sector in Haiti is weak and current account financing from nondebt-creating flows is small. Grants and official external financing have become permanent inflows, reflecting the traditional dependence on foreign assistance. Foreign direct investment is almost nonexistent. Remittances rank as the first source of foreign exchange, reflecting the increasing migration of Haitians. Against this background, the country has not experienced a currency crisis and the real exchange rate has slowed its appreciating trend in the last two years. However, the lack of improvement in the macroeconomic fundamentals, the low level of net international reserves, and the unstable political situation, make the country vulnerable to external shocks. This chapter focuses on the sustainability of the current account, analyzing whether the continuation of the current policies and trends are sustainable in the medium term. Following an analysis of the behavior of the exchange rate, the sustainability of the current account is assessed. The assessment is extended to the identification of the main factors of vulnerability affecting the current account and to a sensitivity analysis of some relevant variables such as petroleum prices, grants, and remittances.

¹⁸ Prepared by Oscar Melhado.

B. Current Account and Exchange Rate Issues

28. **Haiti's CPI-based real effective exchange rate (REER) has appreciated since 1995.** During 1995–99, the REER appreciated at an average annual rate of about 11 percent. In the last two years the REER appreciation has slowed, reflecting the more frequent adjustments to the gourde. **Despite the overall appreciating trend, the current account deficit has been narrowing, indicating the growing role of remittances and grants, and the changing structure of exports and imports in Haiti.** In 2001, grants and remittances represented 60 percent of the current account inflows while exports of goods and services accounted for 37 percent. With imports driven in large part by current transfers, **Haiti's current account is not highly responsive to real exchange rate developments.** The analysis of current account sustainability has to consider the issue of lack of effectiveness of real exchange rate policy to adjust the current account.

Figure 1: Real Effective Exchange Rate



29. The CPI-based REER does not take into account unit labor costs. Therefore, it does not capture competitiveness gains from production and wages. This explains the growth of free-trade-zone exports when the CPI-based REER is appreciating. Labor costs have remained low and thus competitive to attract investment to the free-trade zones.

Table 1: Current Account Inflows in Selected Countries in 2000

(In percent of total current account inflows)

	Mexico	Dominican Republic	El Salvador	Colombia	Haiti 1/
Exports of goods	86	50	52	76	25
Services credit	7	28	12	11	11
Income credit	3	2	2	4	2
Current transfers	3	18	32	8	59
	100.0	100.0	100.0	100.0	100.0

1/ Corresponds to FY 2000/01.

30. **The export sector in Haiti is the smallest in the Latin American and Caribbean region**, representing only 8.6 percent of GDP in 2001 compared to an average in Latin America of 18.1 percent and an average of 48.1 percent for the CARICOM countries. Haiti's structure of exports has changed markedly in the past several years from relying mainly in agriculture to exclusively on light manufactures, both of which accounted, respectively, for 9 percent and 83 percent of total exports in 2001. The change of structure that took place in the second half of the 1990s is explained by the emergence of free-trade-exports zones after the lifting of the embargo attracted mainly by low wages and market access granted by United States. The new structure of exports is comprised of a buoyant free-trade-zone exports sector,¹⁹ a weak agricultural, and other exports sector.

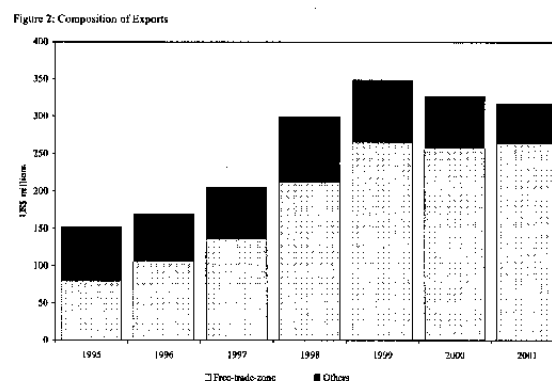


Table 2: Composition of Exports

(In percent of total exports)

	1985	1995	2001
Agricultural products	30	36	9
Light manufactures	58	51	83
Others	11	12	8
Total	100.0	100.0	100.0

31. A key issue is the increasing importance of remittances in the economy and the immediate impact on the welfare of those receiving remittances. A depreciation of the nominal exchange rate increases the income of those receiving remittances.²⁰ Hence, aggregate private consumption goes up and the demand for imports of those receiving remittances remains unchanged.²¹ In addition, nontradable become cheaper in dollar terms.

¹⁹ Though the rate of growth has decelerated in 2000 and 2001,

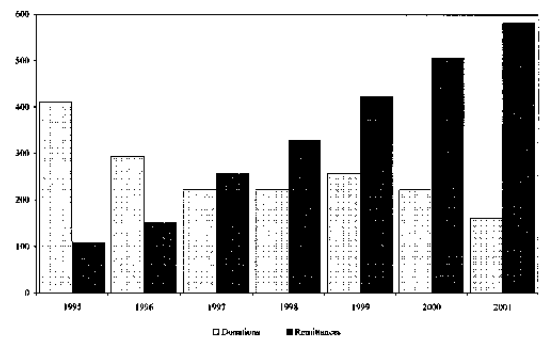
²⁰ Evidence from other countries indicates that remittances are mainly spent on basic consumption goods and nontradable such as education and housing.

²¹ The inflow of remittances represented about 18 percent of private consumption in 2001.

C. Current Account Sustainability

32. **Despite a widening of the trade deficit for the period 1995–2001, the current account is almost covered by current transfers to the government (in the form of grants) and to households (in the form of remittances).** Both grants and remittances have become not only key BOP characteristics, but also permanent inflows to the economy. Remittances have increased from levels lower than US\$100 millions at the beginning of the 1990s to a preliminary estimate

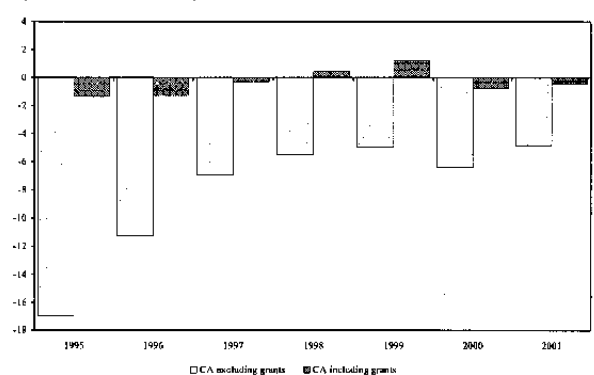
Figure 3: Donations and Remittances in millions of US\$



of US\$582 millions in 2001. As evidence from other countries indicates, due to the increasing migration trends the inflow of remittances is not expected to decelerate in the medium term.²² Grants have been a regular inflow, reaching a peak of US\$410 millions following the lifting of the embargo in 1995 and declining thereafter. According to donors the level of US\$161 millions in 2001 is the minimum amount kept for humanitarian reasons. In the medium term, following the resolution of the political impasse, grants are likely to increase.

33. **The relevant estimation of the current account deficit should include grants.** In the past, the staff's estimation of the current account deficit excluded grants based on the assumption that were transitory inflows. Since grants are a regular and predictable inflow, an appropriate estimation of the current account deficit should include them.²³ **During 1994–2001, the current account including grants has hovered around balance.** This low current account

Figure 4: Current Account Deficit in percent of GDP



deficit indicates moderate stress to net international reserves with the exception of periods of exogenous shocks such as sudden increases in petroleum prices, natural disasters, and banking and private sector outflows motivated by political events.

²² The experience of countries like El Salvador and Ecuador is that increasing migration particularly to the United States yields increasing inflows of remittances.

²³ The fifth edition of the Balance of Payment Manual classifies grants as current transfers in the current account, comprising international cooperation from governments or from international organizations. Grants include cash transfers, gifts of foods or other consumer goods, gifts of certain military equipments, payments by governments or international organizations for salaries of assistance staff and related expenses.

Current account sustainability assessment

34. Using the standard definition of sustainability, the fact that Haiti was in default with its foreign financial obligations in 2001 would define its current account position as unsustainable. However, **the accumulation of arrears reflects a political decision rather than the lack of resources to service the external debt.** Haiti's net international reserves stood at US\$180 million at end-September 2001, while its stock of arrears amounted to US\$17.8 million at end-2001. Haiti decided not to pay some of its financial obligations, responding to the decision of the international financial institutions and the international community to withhold further disbursements until a political solution is achieved and the country builds a macroeconomic track record under an IMF's staff monitored program. The assessment of sustainability has to ignore these circumstances and concentrate on the medium-term external debt dynamics.

35. The criterion used here to define current account sustainability is the constant total-external-debt-to-GDP ratio, by which a current account deficit is defined as sustainable if does not exceed a minimum required to maintain the external-debt-to-GDP ratio constant. The stock of total public external debt is US\$1.2 billion, equivalent to 31.9 percent of GDP in 2001. Table 3 shows the minimum noninterest current account balance for different combinations of real GDP growth and real interest rates on foreign debt. The values are obtained by using the following formula:

$$\text{Current Account/GDP} = (\text{real interest rate} - \text{real GDP growth rate}) * (\text{Total-debt-to-GDP ratio})$$

The current account values to be compared in the table need to consider only the noninterest current account less all the financing through nondebt-creating flows. Since Haiti does not receive substantial amounts of foreign direct investment or equity, and the behavior of bank's net flows is unpredictable, there is no need to adjust the noninterest current account for predictable financing components of the capital and financial account. This is a conservative approach as the current account position would be stronger in the medium term if some nondebt-creating flows, such as foreign direct investment, become active components of the external sector.²⁴

²⁴ On November 28, 2001, the government of Haiti signed a US\$40 million contract with an investors group to build a Hilton-operated hotel by 2004.

Table 3: Minimum Current Account Sustainable Balance
(In percent of GDP)

Growth Rate (percent)	0.0	1.0	2.0	3.0	4.0	5.0
Real Interest on External Debt (percent)						
1.0	0.3	0.0	-0.3	-0.6	-1.0	-1.3
0.5	0.2	-0.2	-0.5	-0.8	-1.1	-1.4
0.0	0.0	-0.3	-0.6	-1.0	-1.3	-1.6
-0.5	-0.2	-0.5	-0.8	-1.1	-1.4	-1.8
-1.0	-0.3	-0.6	-1.0	-1.3	-1.6	-1.9
-1.1	-0.4	-0.7	-1.0	-1.3	-1.6	-1.9

36. **Most of Haiti's external debt is on concessional terms.** In the medium term the average-nominal-interest rate for the external debt is only 1.0 percent and the average-real-interest rate is -1.1 percent (the medium-term international inflation is 2.2 percent). The medium-term projections envisaged in the staff report assume a medium-term real GDP growth rate of 4 percent. From Table 3, **the minimum noninterest current account balance is a deficit of 1.6 percent of GDP, i.e., a higher deficit is deemed unsustainable.** The staff projects a gradual decline of total-external-debt-to-GDP ratio from 31.9 percent in 2001 to 22.9 percent in 2006. The assumptions for the medium-term are presented in Table 4. The projected noninterest current account values over the medium term are less negative than the minimum sustainable value of -1.6 percent. In consequence, in the basis of the medium-term assumptions in the macroeconomic framework, **Haiti's current account deficit would be sustainable.** However, the medium-term projections are based on optimistic views regarding the political scenario, entailing a growth rebound in 2003. Grants are assumed to pick up, as it happened in the mid-1990s after the embargo lifting and remittances will continue growing. The medium-term projections have benefited from the prevailing low oil prices—oil imports represented about 17 percent of the total value of imports in 2001.

Table 4: Medium-Term Projections
(In percent of GDP; unless otherwise indicated)

	2001	2002	2003	2004	2005	2006
Real GDP growth	-1.7	0.0	2.5	5.0	6.0	6.0
Non-interest current account	0.0	-0.1	-0.6	0.1	-0.3	-0.5
Total public external debt	31.9	30.2	28.3	26.1	24.3	22.9
Oil international prices (level)	27.0	19.4	19.5	19.0	19.0	19.0
Remittances growth	14.8	2.8	2.9	4.5	9.3	11.6
Grants growth	-27.4	-0.7	13.5	37.0	2.8	0.8

D. Vulnerabilities Affecting the Current Account Sustainability

37. There are vulnerabilities that could affect the sustainability of the current account. The key identified vulnerabilities include: increases in oil prices, decline in remittances, low foreign aid, and low level of net international reserves.

External shocks

38. The current account in Haiti is extremely vulnerable to external shocks particularly to a surge in petroleum prices, and natural disasters such as hurricanes. Oil price shocks have a direct impact on the balance of payments, and the recent decline in oil prices will represent a gain from a lower oil bill. A surge in petroleum prices will put pressure on the current account due to the somehow inelastic demand of oil, which translates to immediate higher current account deficits.

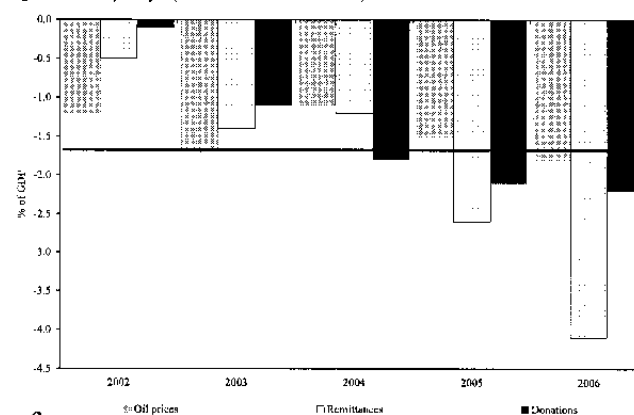
Grants

39. Donors have indicated that the current level of grants at about US\$161 million in FY 2000/01 is at the minimum level, and no further curtailment of grant is envisaged. A pessimistic scenario would entail the minimum level of grants in the medium term, rather than the increase in foreign aid assumed in the staff's projections. Indeed, it can be argued that an important proportion of grants are food aid, imported goods, and technical assistance, hence grants are in a one-to-one relation with imports and service debits. Therefore, any change in grants is offset by a symmetric change in imports or service debits leaving the current account deficit unchanged.

Decline in remittances

40. Remittances is an important variable of vulnerability. In other countries the decline in remittance inflows occurs more than one generation after migration subsides. In Haiti migration continues, suggesting that more remittances are expected in the medium term. The economic slowdown in the U.S. economy has only transitory effects. Remittances are likely to return to the same increasing trend when the U.S. economy recovers. However, the huge negative errors and omissions in the second half of the 1990s,²⁵ raise the possibility of an overestimation of remittances. Lower remittances may translate in higher current account deficits; however, there is not a one-to-one relation since remittances also translate in less imports .

Figure 5: Sensitivity Analysis (noninterest current account deficit)



Low level of net international reserves

41. The low level of net international reserves has been a permanent vulnerability factor faced by Haiti. There is no cushion to face a sudden deterioration of the current account. In September 2001, NIR stood at US\$180 million (less than 2 months of imports of goods and services). The central bank foreign exchange liabilities arise only from obligations to pay public sector debt service. However, other obligations have been paid by drawing down reserves such as the construction on the central bank new building and the issuing of new currency bills. In times of crisis the private sector approaches the central bank to meet its foreign currency needs. Thus, although evidence shows that the economy has weathered shocks such as hurricanes and oil price surges in the past without a foreign exchange crisis, the current low coverage justifies a larger level of reserves.

Sensitivity analysis

42. The extension of the sustainability assessment entails a sensitivity analysis of the vulnerabilities affecting the external sector. The sensitivity of the medium-term current account will be evaluated separately on three key variables: petroleum prices, donation inflows, and remittance inflows. In three different scenarios, petroleum international prices are assumed to remain at the same level of 2001 for the whole medium term, grants are assumed to remain at their minimum level of about US\$160 million, and remittances remain unchanged at the same level of US\$582 millions in 2001. A combination of the scenarios

²⁵ Errors and omissions have been sharply reduced in FY 1999/2000 and FY 2000/01.

would yield a worse current account deficit. Figure 5 presents the medium-term current account deficit under those assumptions.

43. **The results of the sensitivity analysis indicates a vulnerable situation of Haiti's external sector. In the three scenarios the noninterest current account becomes unsustainable.** All deficits below the -1.6 percent value line are unsustainable. While the less likely scenario is a flat behavior of remittances over the medium term, the accuracy in the measuring of remittances is at stake. A more likely scenario is the continuation of grants at its minimum levels, this is the current policy held by donors under the situation of no solution to the political impasse. Haiti is highly sensitive to petroleum prices, the change of the somewhat optimistic scenario of declining petroleum prices will put pressure on the current account. However, the impact of lower donation inflow, or lower remittances inflow needs to be assessed on a net basis net impact. For example, lower donation or lower remittances causes lower imports also, and thus does not have a one-to-one impact on current account or NIR.

E. Conclusions

44. The analysis underscore the weaknesses of Haiti's external sector. There is no substantial effects on exports from the appreciation of the REER since the lifting of the embargo in 1995. The large shift in the composition of exports, away from traditional agricultural products, to light manufacturing in export processing zones is due to cheap labor and market access to the U.S. market. Further competitiveness enhancements require speeding the pace of structural reforms. The correct estimation of the current account deficit should include grants, since they have become a permanent component of the economy. Finally, the sustainability assessment indicates a sustainable situation over the medium term; however, the sensitivity of the external sector to key variables such as petroleum prices, grants, and remittances indicates a lightly vulnerable situation. The current account deficit becomes unsustainable under the sensitivity scenarios assumed. This situation is aggravated by the low level of international reserves and the lack of foreign direct investment.

Table 1. Haiti: National Accounts at Current Prices 1/

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
	(In millions of gourdes)				
Gross domestic expenditure	54841.8	62639.6	73529.7	81339.1	93653.9
Consumption	41,719.5	49,392.7	57,148.1	62,156.9	72,446.2
Central government	3,138.0	4,583.2	4,296.0	4,725.7	5,387.2
Other	38,581.4	44,809.5	52,852.1	57,431.3	67,059.0
Gross domestic investment	13,122.4	13,246.9	16,381.6	19,182.2	21,207.7
Public sector	2,527.3	2,925.9	3,369.9	3,805.5	4,367.9
Private sector	10,595.1	10,321.0	13,011.7	15,376.7	16,839.8
Balance of trade in goods and nonfactor services	-8,195.0	-8,634.1	-10,532.9	-12,085.3	-16,073.8
Exports	5,283.6	5,645.9	6,237.0	8,482.4	9,848.9
Imports	-13,478.7	-14,280.0	-16,769.8	-20,567.7	-25,922.7
Gross domestic product at market prices	46,646.8	54,005.4	62,996.8	69,253.8	77,580.1
	(Annual percentage change)				
Gross domestic expenditure	12.6	14.2	17.4	10.6	15.1
Consumption	9.6	18.4	15.7	8.8	16.6
Central government	14.5	15.8	11.8	15.9	11.6
Other	25.8	-2.6	27.0	17.4	10.3
Gross domestic investment	23.5	0.9	23.7	17.1	10.6
Public sector	14.5	15.8	15.2	12.9	14.8
Private sector	25.8	-2.6	26.1	18.2	9.5
Balance of trade in goods and nonfactor services	2.7	5.4	22.0	14.7	33.0
Exports	42.0	6.9	10.5	36.0	16.1
Imports	15.2	5.9	17.4	22.6	26.0
Gross domestic product at market prices	14.5	15.8	16.6	9.9	12.0
	(In percent of GDP)				
Gross domestic expenditure	117.6	116.0	116.7	117.5	120.7
Consumption	89.4	91.5	90.7	89.8	93.4
Central government	6.7	8.5	6.8	6.8	6.9
Other	82.7	83.0	83.9	82.9	86.4
Gross domestic investment	28.1	24.5	26.0	27.7	27.3
Public sector	5.4	5.4	5.3	5.5	5.6
Private sector	22.7	19.1	20.7	22.2	21.7
Balance of trade in goods and nonfactor services	-17.6	-16.0	-16.7	-17.5	-20.7
Exports	11.3	10.5	9.9	12.2	12.7
Imports	-28.9	-26.4	-26.6	-29.7	-33.4

Sources: Haitian Institute of Statistics; Bank of the Republic of Haiti; and Fund staff estimates.

1/ Based on the new national accounts published by the IHSI in April 2001. The national accounts have been benefited of technical assistance by the STA department.

Table 2. Haiti: National Accounts at Constant Prices 1/

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
	(In millions of 1986/87 gourdes)				
Gross domestic expenditure	18,808	19,499	19,917	22,052	25,442
Consumption	15,970	16,446	16,962	18,389	21,107
Gross domestic investment	2,837	3,054	2,955	3,663	4,335
Balance of trade in goods and nonfactor services	-6,724	-7,089	-7,236	-9,027	-12,304
Exports	1,688	1,929	2,378	2,770	2,945
Imports	-8,412	-9,017	-9,614	-11,797	-15,249
Gross domestic product at market prices	12,083	12,410	12,681	13,025	13,138
	(Annual percentage change)				
Gross domestic expenditure	13.2	3.7	2.1	10.7	15.4
Consumption	13.4	3.0	3.1	8.4	14.8
Gross domestic investment	11.8	7.6	-3.2	24.0	18.3
Exports	27.3	14.2	23.3	16.5	6.3
Imports	32.6	7.2	6.6	22.7	29.3
Gross domestic product at market prices	4.1	2.7	2.2	2.7	0.9

Sources: Haitian Institute of Statistics; Bank of the Republic of Haiti; and Fund staff estimates.

1/ Based on the new national accounts published by the IHSI in April 2001. The national accounts have been benefited of technical assistance by the STA department.

Table 3. Haiti: Origin of Gross Domestic Product 1/

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
	(In millions of gourdes at 1986/87 prices)				
Primary sector	3,732	3,677	3,670	3,567	3,437
Secondary sector	1,753	1,820	1,899	1,947	2005.9
Manufacturing	889	897	903	879	869
Other	773	827	903	978	1,055
Electricity and water	92	96	94	90	82
Construction and public works	649	708	788	870	942
Services sector	5,870	6,133	6,325	6,518	6,675
Utilities, transportation, communications	495	531	569	665	748
Commerce	2,494	2,646	2,736	2,877	3,039
Government	1,411	1,428	1,446	1,444	1,422
Other	1,470	1,528	1,574	1,532	1,466
Gross domestic product at factor prices	11,355	11,630	11,894	12,032	12,118
Indirect and import taxes	728	781	787	992	1,020
Gross domestic product at market prices	12,083	12,410	12,681	13,025	13,138
	(Percentage change over previous year)				
Primary sector	0.9	-1.5	-0.2	-2.8	-3.6
Secondary sector	13.7	3.8	4.4	2.5	3.0
Manufacturing	6.2	0.9	0.7	-2.6	-1.2
Other	25.8	6.9	9.2	8.3	7.9
Electricity and water	0.6	5.2	-2.7	-3.6	-9.2
Construction and public works	-7.9	9.1	11.2	10.4	8.3
Services sector	7.5	4.5	3.1	3.0	2.4
Utilities, transportation, communications	7.2	7.2	7.1	17.0	12.5
Commerce	8.3	6.1	3.4	5.1	5.7
Government	1.8	1.2	1.3	-0.1	-1.6
Other	12.4	4.0	3.0	-2.7	-4.3
GDP at market prices	4.1	2.7	2.2	2.7	0.9
	(Percentage distribution)				
Primary sector	30.9	29.6	28.9	27.4	26.2
Secondary sector	14.5	14.7	15.0	15.0	15.3
Manufacturing	7.4	7.2	7.1	6.8	6.6
Other	6.4	6.7	7.1	7.5	8.0
Electricity and water	0.8	0.8	0.7	0.7	0.6
Construction and public works	5.4	5.7	6.2	6.7	7.2
Services sector	48.6	49.4	49.9	50.0	50.8
Utilities, transportation, communications	4.1	4.3	4.5	5.1	5.7
Commerce	20.6	21.3	21.6	22.1	23.1
Government	11.7	11.5	11.4	11.1	10.8
Other	12.2	12.3	12.4	11.8	11.2
Indirect and import taxes	6.0	6.3	6.2	7.6	7.8
Gross domestic product at market prices	100.0	100.0	100.0	100.0	100.0

Sources: Haitian Institute of Statistics; Bank of the Republic of Haiti; and Fund staff estimates.

1/ There are serious problems with national accounts in Haiti including incomplete coverage, outdated activity surveys, and poor quality of raw data.

Table 4. Haiti: Agricultural Production
(In thousands of metric tons)

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
I. Major Commodities for Domestic Consumption					
Green Corn (maize)	230	...	...	...	...
Millet (sorghum)	195	...	...	...	...
Rice	120	160	101.3	100	130
Beans	49.2	50	35.1	35.5	33.2
Bananas	239.2	250	287.7	290	322.5
II. Exportables					
Coffee	27	27	27	28	30
Sugarcane	1200	1100	1000	1000	800
Cocoa	4	4.2	4.5	4.5	4.5

Source: Food and Agricultural Organization (FAO).

Table 5. Haiti: Savings and Investment 1/

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
	(In millions of gourdes)				
Gross domestic investment	13,122	13,247	16,382	19,182	21,208
Public sector	2,527	2,926	3,370	3,806	4,368
Private sector	10,595	10,321	13,012	15,377	16,840
Gross domestic savings	10,308	10,734	12,914	15,721	16,214
Public sector	922	960	1,260	1,593	621
Private sector	9,386	9,774	11,654	14,128	15,594
Current account 1/	-2,814	-2,513	-3,468	-3,421	-4,963
External savings	2,814	2,513	3,467	3,462	4,993
Official transfers	2,194	1,661	1,666	1,922	1,656
Official capital (net) 2/	802	703	540	433	332
Private capital (net) 3/	31	30	1,502	1,282	2,663
Changes in net foreign assets (increase -)	-213	119	-242	-176	343
	(In percent of GDP, at current market prices)				
Gross domestic investment	28.1	24.5	26.0	27.7	27.3
Public sector	5.4	5.4	5.3	5.5	5.6
Private sector	22.7	19.1	20.7	22.2	21.7
Gross domestic savings	22.1	19.9	20.5	22.7	20.9
Public sector	2.0	1.8	2.0	2.3	0.8
Private sector	20.1	18.1	18.5	20.4	20.1
External savings	6.0	4.7	5.5	5.0	6.4
Public transfers (grants)	4.7	3.1	2.6	2.8	2.1
Official capital (net)	1.7	1.3	0.9	0.6	0.4
Private capital	0.1	0.1	2.4	1.9	3.4
Changes in net foreign assets (increase -)	-0.5	0.2	-0.4	-0.3	0.4
Memorandum item:					
Nominal GDP (in millions of gourdes)	46,647	54,005	62,997	69,254	77,580

Sources: Haitian Institute of Statistics; Bank of the Republic of Haiti; and Fund staff estimates.

1/ Excluding grants.

2/ Includes Trust Fund, publicly guaranteed capital, SDR allocation, and other unrequited earnings.

3/ Includes monetary capital and net errors and omissions.

Table 6. Haiti: Monthly Changes in the Consumer Price Index

	Fiscal Year Ending September 30					
	1996	1997	1998	1999	2000	2001
	(Monthly percentage change)					
Average	1.5	1.3	0.7	0.8	1.2	1.0
October	2.9	1.5	1.3	0.6	0.7	3.1
November	1.9	1.0	0.4	0.9	0.5	1.2
December	1.7	1.8	1.5	0.9	0.9	1.0
January	0.3	0.7	0.9	0.8	1.1	0.8
February	0.8	1.0	0.2	0.7	1.1	0.7
March	1.5	2.4	0.6	0.6	2.0	0.5
April	2.0	1.2	1.2	0.7	1.0	0.9
May	2.0	1.6	0.8	0.9	0.5	1.1
June	1.6	1.4	0.5	1.0	0.7	0.5
July	1.4	1.4	0.3	0.9	1.1	0.4
August	0.8	0.7	0.1	0.7	1.4	0.6
September	1.6	1.0	0.2	0.8	3.3	1.0
	(Cumulative change during the fiscal year)					
October	2.9	1.5	1.3	0.6	0.7	3.1
November	4.8	2.5	1.6	1.4	1.2	4.4
December	6.6	4.3	3.1	2.3	2.1	5.4
January	6.9	5.1	4.0	3.2	3.2	6.2
February	7.8	6.2	4.2	3.9	4.4	6.9
March	9.4	8.7	4.9	4.6	6.5	7.4
April	11.6	10.1	6.1	5.3	7.6	8.4
May	13.9	11.8	7.0	6.3	8.2	9.6
June	15.7	13.4	7.5	7.4	8.9	10.2
July	17.3	15.0	7.9	8.4	10.1	10.7
August	18.2	15.8	8.0	9.1	11.7	11.4
September	20.1	17.0	8.3	9.9	15.3	12.5
	(12-month change)					
October	23.7	15.7	16.7	7.5	10.1	18.0
November	28.1	14.6	15.9	8.0	9.7	19.0
December	25.5	14.6	15.6	7.4	9.7	19.0
January	20.6	15.1	15.7	7.4	10.0	18.6
February	17.5	15.2	14.8	7.9	10.5	18.1
March	20.3	16.9	12.8	7.9	12.0	16.3
April	22.0	16.4	12.8	7.5	12.3	16.2
May	22.5	16.6	11.9	7.6	11.9	16.9
June	22.0	16.9	10.9	8.1	11.5	16.7
July	21.8	17.3	9.7	8.7	11.6	16.0
August	20.4	17.6	9.1	9.3	12.5	15.0
September	20.1	17.0	8.3	9.9	15.3	12.5

Sources: Statistics Department; Bank of the Republic of Haiti; and Fund staff estimates.

Table 7. Haiti: Consumer Price Index
(Percentage change in period averages)

	Fiscal Year Ending September 30					
	1996	1997	1998	1999	2000	2001
Average	91.7	106.6	120.1	129.9	144.8	169.1
October	85.6	99.0	115.5	124.2	136.7	161.4
November	87.3	100.0	115.9	125.2	137.3	163.4
December	88.8	101.8	117.6	126.4	138.6	164.9
January	89.1	102.5	118.6	127.4	140.1	166.2
February	89.9	103.5	118.9	128.3	141.7	167.3
March	90.7	106.0	119.6	129.1	144.6	168.2
April	92.2	107.3	121.1	130.1	146.1	169.7
May	93.5	109.0	122.0	131.3	146.9	171.6
June	94.6	110.6	122.7	132.6	147.9	172.6
July	95.7	112.2	123.1	133.8	149.4	173.3
August	96.0	112.9	123.2	134.7	151.6	174.4
September	97.5	114.1	123.5	135.7	156.5	176.1
Growth rates						
Average	21.9	16.2	12.7	8.1	11.5	16.8
End of period	20.1	17.0	8.3	9.9	15.3	12.5

Sources: Haitian Institute of Statistics; Bank of the Republic of Haiti; and Fund staff estimates.

Table 8. Haiti: Changes in Consumer Prices by Category

(Percentage change in period averages)

	Fiscal Year Ending September 30					Est.
	1996	1997	1998	1999	2000	2001
Total	21.9	16.2	12.72	8.1	11.5	16.8
Food	22.7	18.7	14.5	1.3	6.0	7.8
Clothing	26.2	15.3	11.4	9.5	6.0	31.8
Housing	13.8	20.8	16.8	16.7	15.6	5.3
Furniture and household items	17.1	6.1	8.2	15.2	18.2	6.3
Services	20.8	...	...	...	...
Health	...	10.1	9.2	19.6	14.3	4.80
Education	...	15.2	17.1	12.5	19.6	1.00
Transportation	...	10.3	5.0	5.9	9.2	10.38
Other goods and services	...	11.5	8.3	14.8	12.2	6.67

Sources: Haitian Institute of Statistics; Bank of the Republic of Haiti; and Fund staff estimates.

Table 9. Haiti: Prices of Selected Items

(In gourdes per unit)

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
Rice					
Mme Gougousse (1 pound)	8.4	7.2	6.2	6.7	7.3
Imported (1 pound)	5.4	5.0	5.6	...	...
Corn (1 pound)	3.3	3.4	4.2	4.1	4.8
Sorghum (1 pound)	3.3	3.2	3.7	3.1	...
Beans (1 pound)	7.9	7.4	9.5	9.3	9.6
Chicken (1 pound)	22.7	19.0	20.9	23.1	25.2
Eggs (pack of three)	5.7	5.1	5.2	5.4	6.0
Fish (1 pound)	29.8	20.7	22.0	23.6	28.17
Charcoal (sack of 60 kilograms)	98.6	79.2	110.6	141.7	129.7

Sources: Haitian Institute of Statistics; and Bank of the Republic of Haiti.

Table 10. Haiti: Selected Price Indicators

(Average for year ended September 30; base year, FY 1975/76 = 100)

Fiscal Year	Consumer Price Index 1/	GDP Implicit Deflator	Import Price Index 2/	Export Price Index 2/	Terms of Trade Index 2/	Real Effective Exchange Rate Index 3/
1976	100.0	100.0	100.0	100.0	100.0	...
1977	107.4	110.9	108.3	110.9	102.4	...
1978	104.3	109.3	122.8	126.0	102.6	...
1979	114.4	112.4	161.9	143.7	88.8	...
1980	135.0	134.3	184.0	158.4	86.1	...
1981	146.1	142.4	174.7	148.9	85.3	120.9
1982	158.1	148.0	164.7	144.7	87.9	126.9
1983	171.4	161.2	158.3	140.2	88.6	137.4
1984	185.1	179.1	153.1	136.3	89.1	147.6
1985	200.7	197.1	150.9	136.9	90.7	133.8
1986	217.8	228.5	161.3	164.5	102.0	129.5
1987	206.8	203.4	185.7	183.9	99.1	116.3
1988	212.8	181.1	193.1	196.2	101.6	105.5
1989	236.1	95.1	200.3	193.9	96.8	105.0
1990	284.2	110.8	223.3	211.7	94.8	100.8
1991	338.2	98.6	217.3	210.7	97.0	102.3
1992	410.1	116.6	222.7	216.6	97.3	99.1
1993	487.4	170.1	208.2	205.1	98.5	86.5
1994	669.8	246.2	213.2	216.6	101.6	97.7
1995	872.3	256.6	235.0	238.2	101.4	119.8
1996	1,063.3	285.2	237.3	229.7	96.8	127.0
1997	1,235.6	324.0	219.0	215.4	98.3	149.5
1998	1,392.5	348.5	204.8	211.3	103.2	167.7
1999	1,505.3	380.1	213.6	207.7	97.3	180.8
2000	1,678.4	432.5	...	...	...	...
2001	1,871.1	492.2	...	...	...	...

Sources: Haitian Institute of Statistics; and Fund staff estimates.

1/ Data before 1980 were obtained by splicing the old consumer price index based on 1948. Before 1991 the index covered only the Port-au-Prince area and since 1992 the whole country.

2/ Estimate based on calendar year data from the IMF World Economic Outlook.

3/ IMF Information Notice System data rebased to FY 1980/81 = 100.

Table 11. Haiti: Minimum Wage Rates

Fiscal Year Ending September 30		
	Standard Wage Rate (Gourdes per day)	Real Wage Index 1/
1972	5.0	101.0
1973	5.0	82.5
1974	5.0	71.6
1975	6.1	74.4
1976	6.5	71.7
1977	6.5	67.1
1978	8.0	85.0
1979	8.0	77.6
1980	11.0	90.4
1981	13.2	100.0
1982	13.2	92.4
1983	13.2	85.2
1984	13.2	78.9
1985	15.0	72.8
1986	15.0	67.1
1987	15.0	70.6
1988	15.0	68.7
1989	15.0	61.9
1990	15.0	51.4
1991	15.0	43.2
1992	15.0	35.6
1993	15.0	30.0
1994	15.0	21.8
1995	36.0	16.7
1996	36.0	13.7
1997	36.0	11.8
1998	36.0	10.5
1999	36.0	9.7
2000	36.0	8.7
2001	36.0	7.8

Sources: Ministry of Social Affairs; Haitian Institute of Statistics; and Bank of the Republic of Haiti.

1/ Last quarter of 1971=100. Deflated by consumer price index for Port-au-Prince until 1991. Deflated by an index covering the whole country beginning in 1992.

Table 12. Haiti: Summary Operations of the Nonfinancial Public Sector

	Fiscal Year Ending September 30					Est.
	1996	1997	1998	1999	2000	2001
	(In millions of gourdes)					
Central government current account	-1,281	417	509	783	94	-862
Current revenue	3,178	4,828	5,371	6,292	6,272	6,509
Current expenditure	4,459	4,410	4,862	5,509	6,178	7,371
Public enterprises current account balance 1/	177	871	679	434	100	103
Public sector savings	-1,104	1,288	1,188	1,218	194	-759
Capital expenditure	2,610	2,929	3,271	3,793	4,232	2,350
Overall balance	-3,714	-1,641	-2,083	-2,575	-4,038	-3,109
Financing	3,714	1,641	2,083	2,575	4,038	3,109
External 2/	2,393	1,752	1,635	1,395	2,192	532
Domestic 3/	1,321	-111	448	1,180	1,846	2,577
<i>Of which</i>						
Central bank	1,081	-38	687	1,090	1,951	2,248
	(In percent of GDP)					
Central government current account balance	-2.7	0.8	0.8	1.1	0.1	-1.0
Public enterprises current account balance	0.4	1.6	1.1	0.6	0.1	0.1
Public sector savings	-2.4	2.4	1.9	1.8	0.3	-0.9
Capital expenditure	5.6	5.4	5.2	5.5	5.5	2.6
Overall balance	-8.0	-3.0	-3.3	-3.7	-5.2	-3.5
Financing	8.0	3.0	3.3	3.7	5.2	3.5
External 2/	5.1	3.2	2.6	2.0	2.8	0.6
Domestic 3/	2.8	-0.2	0.7	1.7	2.4	2.9
<i>Of which</i>						
Central bank	2.3	-0.1	1.1	1.6	2.5	2.5
Memorandum item:						
Nominal GDP (millions of gourdes)	46,647	54,005	62,997	69,254	77,580	89,048

Sources: Ministry of Economy and Finance; Bank of the Republic of Haiti; and Fund staff estimates.

1/ Refers to five major enterprises (see Table 15).

2/ Includes budgetary support, project and technical assistance, and support for the clearance of arrears accumulated in FY 1995.

3/ Includes domestic arrears.

Table 13. Haiti: Summary Operations of the Central Government 1/

	Fiscal Year Ending September 30					
	1996	1997	1998	1999	2000	2001
	(In millions of gourdes)					
Total revenue	3,417	4,828	5,371	6292	6,272	6,509
Current revenue	3,178	4,770	5,252	6084	6,256	6,509
Internal	2,678	3,731	4,174	4,779	4,605	4,504
Customs	499	1,039	1,078	1306	1,651	1,772
Transfers from public enterprises	238	57	119	207	16	0
Total expenditure	4,604	5,084	5,888	6,827	7,850	8,728
Current expenditure	4,459	4355	4680	5310	5,795	7,150
Wages and salaries	2,083	2698	2815	2926	3,243	3,387
Operations	895	1473	1434	1735	1,794	2,678
Interest payments	211	374	437	616	628	767
External	143	206	215	339	323	436
Internal	68	168	222	276	305	331
Transfers and subsidies 2/	622	268	243	326	292	369
Other 3/	648	-459	-249	-293	-161	-51
Capital expenditure 4/	145	737	1,219	1,488	2,063	1,578
Net lending	0	-7	-11	30	-9	0
Current account balance	-1,280	416	571	775	461	-641
Overall balance excluding cost of reforms	-1,187	-257	-517	-535	-1,577	-2,219
Cost of structural reforms	0	55	181	435	387	221
Overall balance including cost of reforms	-1,187	-313	-699	-970	-1,964	-2,440
Financing	1,187	313	699	970	1,964	2,440
External	77	294	390	-280	-26	25
Domestic 5/	1,110	18	309	1,249	1,990	2,415
Of which						
Central bank	1,081	-38	687	1,090	1,951	2,248
	(In percent of GDP)					
Total revenue	7.2	8.9	8.5	9.1	8.1	7.3
Current revenue	6.7	8.8	8.3	8.8	8.1	7.3
Transfers from public enterprises	0.5	0.1	0.2	0.3	0.0	0.0
Total expenditure	9.7	9.4	9.3	9.9	10.1	9.8
Current expenditure	9.4	8.1	7.4	7.7	7.5	8.0
Capital expenditure	0.3	1.4	1.9	2.1	2.7	1.8
Current account balance	-2.7	0.8	0.9	1.1	0.6	-0.7
Overall balance excluding cost of reforms	-2.5	-0.5	-0.8	-0.8	-2.0	-2.5
Cost of structural reforms	0.0	0.1	0.3	0.6	0.5	0.2
Overall balance including cost of reforms	-2.5	-0.6	-1.1	-1.4	-2.5	-2.7
Financing (net)	2.5	0.6	1.1	1.4	2.5	2.7
External financing	0.2	0.5	0.6	-0.4	-0.1	0.0
Domestic financing	2.3	0.0	0.5	1.8	2.6	2.7
Of which						
Central bank	2.3	-0.1	1.1	1.6	2.5	2.5
Memorandum item:						
Nominal GDP (millions of gourdes)	47,537	54,005	62,997	69,254	77,580	89,048

Sources: Ministry of Economy and Finance; Bank of the Republic of Haiti; and Fund staff estimates.

1/ Does not include expenditures on projects and technical assistance financed with concessional loans and grants.

2/ Includes transfers to public enterprises.

3/ Comprises spending over discretionary checking accounts, regular float, extraordinary carry-over, and discrepancies.

4/ May include outlays on goods and services and other current expenditures.

5/ Includes domestic arrears.

Table 14. Haiti: Central Government Current Revenue

	Fiscal Year Ending September 30					Prov.
	1996	1997	1998	1999	2000	2001
	(In millions of gourdes)					
Total current revenue	3,178	4,770	5,252	6,084	6,256	6,509
Customs	499	1,039	1,078	1,306	1,651	1,772
Internal	2,678	3,731	4,174	4,778	4,605	4,737
General sales tax	619	1,271	1,420	1,555	1,737	2,040
Internal	214	313	362	425	1,276	531
Customs	405	958	1,058	1,130	461	1,509
Taxes on income and profits	485	688	671	921	1,255	1,231
Corporate	223	378	410	516	540	338
Individual	263	310	261	405	715	893
Taxes on property	...	10	3	0	0	0
Other taxes and fees	...	1,761	2,080	2,302	1,613	1,466
Excise	495	705	855	971	258	275
Petroleum	460	563	459	538	1	84
Cigarette	...	23	21	18	36	21
Other excises	...	119	375	415	221	170
Motor vehicles	...	57	82	103	181	156
Consular services	235	26	5	6	82	59
Other	...	973	1,138	1,222	1,093	976
	(In percent of GDP)					
Total current revenue	6.8	8.8	8.3	8.8	8.1	7.3
Customs	1.1	1.9	1.7	1.9	2.1	2.0
Internal	5.7	6.9	6.6	6.9	5.9	5.3
General sales tax	1.3	2.4	2.3	2.2	2.2	2.3
Internal	0.5	0.6	0.6	0.6	1.6	0.6
Customs	0.9	1.8	1.7	1.6	0.6	1.7
Taxes on income and profits	1.0	1.3	1.1	1.3	1.6	1.4
Corporate	0.5	0.7	0.7	0.7	0.7	0.4
Individual	0.6	0.6	0.4	0.6	0.9	1.0
Taxes on property	...	0.0	0.0	0.0	0.0	0.0
Other taxes and fees	...	3.3	3.3	3.3	2.1	1.6
Memorandum item:						
Nominal GDP (millions of gourdes)	46,647	54,005	62,997	69,254	77,580	89,048

Sources: Ministry of Economy and Finance; and Bank of the Republic of Haiti.

Table 15. Haiti: Consolidated Accounts of the Main Public Enterprises 1/

(In millions of gourdes)

	Fiscal Year Ending September 30					Est.
	1996	1997	1998	1999	2000	2001
Total revenue	1,955.5	2,528.7	2,718.1	2,612.9	2,415.0	2,242.5
Domestic revenue	1,039.6	1,240.2	1,261.9	1,374.0	1,479.2	1,611.8
Teleco international services	506.7	1,236.7	1,330.0	1,181.7	875.9	526.7
Other 2/	409.2	51.8	126.2	57.2	59.9	104.0
Total expenditure	2,266.0	1,993.4	2,344.3	2,646.5	3,031.7	2,417.7
Current	1,540.6	1,601.2	1,920.2	1,971.4	2,298.9	2,139.5
Wages	451.3	503.4	579.8	729.6	831.2	818.3
Interest	115.4	105.0	184.1	120.1	106.8	91.6
Repair and maintenance	136.0	149.4	242.2	187.0	203.5	120.6
Other 3/	837.9	843.3	914.2	934.6	1,157.4	1,108.9
Capital	718.0	383.8	413.2	661.9	717.1	265.0
Transfers (net)	-238.0	-57.0	-119.0	-207.0	-16.0	0.0
Current account balance 4/	176.9	870.5	678.9	434.5	100.1	103.0
Overall balance	-541.1	486.7	265.7	-227.4	-617.0	-162.0
Financing	541.1	-486.7	-265.7	227.4	617.0	162.0
Central bank	110.5	-8.6	75.4	-116.7	147.3	120.0
Other 5/	430.6	-478.1	-341.1	344.1	469.7	42.0

Sources: Public enterprises; Bank of the Republic of Haiti, Ministry of Economy and Finance; and Fund staff estimates.

1/ Cash basis consolidation.

2/ Includes gain or loss from the exchange rate fluctuation.

3/ Does not include depreciation expenditure.

4/ Includes transfers.

5/ Includes external financing.

Table 16. Haiti: Accounts of the Telecommunications Company

(In millions of gourdes)

	Fiscal Year Ending September 30					Prov.
	1996	1997	1998	1999	2000	2001
Balance sheet						
Assets	3,193.4	3,656.1	4,294.8	4,748.1	4,822.5	4,822.5
Cash and receivables	1,289.3	1,672.2	2,090.1	2,124.0	1,968.8	1,968.8
Fixed assets (depreciated)	570.9	627.5	835.3	1,254.7	1,484.3	1,484.3
Lending to public sector	182.7	182.7	182.7	182.7	182.7	182.7
Long-term investments	106.1	129.2	142.2	142.2	142.2	142.2
Other assets	1,044.5	1,044.5	1,044.5	1,044.5	1,044.5	1,044.5
Liabilities	3,193.4	3,656.1	4,294.8	4,748.1	4,822.5	4,822.5
Short-term debt and payables	1,282.7	1,120.8	1,332.5	1,603.7	1,759.0	1,759.0
Long-term debt	124.0	198.8	198.6	164.0	223.5	223.5
Capital and undistributed profits	1,786.7	2,336.6	2,763.8	2,980.5	2,840.0	2,840.0
Profit and loss statement						
Total revenue	1,027.5	1,387.7	1,572.0	1,382.8	1,152.4	1,152.4
National services	115.1	109.4	136.9	152.8	228.0	228.0
International services	506.7	1,236.7	1,330.0	1,181.7	875.9	875.9
Other 1/	405.7	41.6	105.1	48.3	48.5	48.5
Total expenditure	495.0	551.9	930.8	1,135.0	1,005.8	1,005.8
Current	440.3	473.6	846.1	1,032.1	900.7	900.7
Wages	182.6	219.2	263.7	396.2	478.1	478.1
Interest	9.5	7.3	96.8	47.1	39.8	39.8
Repair and maintenance	27.0	34.3	33.8	51.8	64.9	64.9
Other	221.2	212.8	451.8	536.9	317.9	317.9
Depreciation	54.7	78.3	84.7	102.9	105.0	105.0
Earnings before taxes	532.5	835.8	641.2	247.8	146.6	146.6
Taxes and transfers	186.3	284.4	249.7	86.6	53.5	53.5
Earnings after taxes	346.2	551.4	391.5	161.2	93.1	93.1
Cash basis accounts						
Gross capital expenditure	151.4	134.9	292.5	522.3	334.7	334.7
Transfers from government	-114.7	-54.8	-249.7	-14.0	-4.4	-4.4
Current balance	472.5	859.3	476.2	336.8	247.2	247.2
Overall balance cash basis	321.1	724.4	183.8	-185.6	-87.4	-87.4
Financing	-321.1	-724.4	-183.8	185.6	87.4	87.4
Domestic	-299.6	-589.2	-187.5	-39.3	80.1	18.5
BRH	110.7	10.8	71.2	-114.0	150.0	30.0
Commercial banks	8.4	0.0	0.0	0.0	0.0	0.0
Other	-418.7	-600.0	-258.8	74.7	-69.9	-11.5
External	-21.5	-135.2	3.8	224.9	7.3	68.9

Sources: Telephone company; and Haitian authorities.

1/ Includes gains and losses from exchange rate changes.

Table 17. Haiti: Accounts of the Electricity Company
(In millions of gourdes)

	Fiscal Year Ending September 30					Prov.
	1996	1997	1998	1999	2000	2001
Balance sheet						
Assets	1,856.2	1,867.4	2,250.5	2,337.0	2,298.6	2,361.1
Cash and receivables	300.2	269.5	347.5	392.1	417.9	516.0
Fixed assets (depreciated)	1,457.0	1,422.5	1,708.9	1,647.0	1,570.9	1,510.0
Other assets	98.9	175.4	194.1	298.0	309.8	335.1
Liabilities	1,856.2	1,867.4	2,250.5	2,337.0	2,298.6	2,361.1
Short-term debt and payables	1,583.6	1,752.3	1,891.2	1,899.6	2,388.7	2,513.3
Long-term debt	2,618.2	3,049.7	3,352.3	3,536.8	5,741.3	5,807.0
Capital and undistributed profits	-2,345.6	-2,934.6	-2,993.0	-3,099.3	-5,831.4	-5,959.2
Profit and loss statement						
Total revenue	461.0	495.4	553.5	585.0	601.1	680.0
Sales	457.5	485.2	532.4	576.2	589.6	670.7
Private sector	385.5	406.1	441.3	489.6	488.6	517.3
Public sector	72.0	79.1	91.1	86.6	101.1	153.3
Other	3.5	10.2	21.1	8.8	11.4	9.3
Total expenditure	768.3	1,046.9	706.8	560.6	989.7	910.0
Current	694.2	711.6	590.0	453.5	882.7	800.0
Wages	...	...	...	...	...	130.0
Interest	88.9	88.9	78.1	64.7	53.5	70.0
Oil purchases	272.7	321.7	247.1	196.6	420.0	550.0
Repair and maintenance	93.3	87.7	178.8	96.9	98.0	50.0
Other	...	...	...	...	...	0.0
Depreciation and special charges	74.1	335.2	116.8	107.1	107.0	110.0
Earnings before taxes	-307.3	-551.5	-153.3	24.5	-388.6	-230.0
Taxes and transfers	2.5	2.9	3.2	3.2	3.4	3.2
Earnings after taxes	-309.8	-554.3	-156.4	21.2	-392.0	-233.2
Cash basis accounts						
Gross capital expenditure	1.8	22.8	3.4	32.5	25.0	20.0
Transfers from government	...	153.8	0.0	0.0	0.0	250.0
Current balance	...	-62.4	-36.5	131.5	-281.6	130.0
Overall balance cash basis	...	-85.2	-39.9	99.1	-306.6	110.0
Financing	...	85.2	39.9	-99.1	306.6	-110.0
Domestic	...	85.2	39.9	-99.1	306.6	-110.0
BRH	...	...	...	...	...	...
Commercial banks	...	...	...	...	...	...
Other	...	...	...	...	...	...
External	0.0	0.0	0.0	0.0	0.0	0.0

Sources: Electricity company; and Haitian authorities.

Table 18. Haiti: Accounts of the Port Authority

(In millions of gourdes)

	Fiscal Year Ending September 30			
	1995	1996	1997	1998
Balance sheet				
Assets	560.1	608.2	985.3	1,052.0
Cash and receivables	119.3	142.3	506.5	555.1
Fixed assets (depreciated)	312.5	338.5	352.6	360.7
Lending to public sector	-0.4	-0.4	-0.4	-0.4
Other assets	128.7	127.8	126.6	136.6
Liabilities	560.1	608.2	985.3	1,052.0
Short-term debt and payables	192.4	198.6	222.6	242.4
Long-term debt	148.0	174.7	165.3	155.9
Capital and undistributed profits	219.8	234.9	597.4	653.7
Profit and loss statement				
Total revenue	245.7	344.6	419.3	440.9
Total expenditure	199.0	301.5	310.1	345.3
Current	189.0	292.1	299.5	331.8
Wages	...	...	...	...
Repair and maintenance	7.6	9.5	20.3	17.4
Interest	4.5	4.3	4.6	4.3
Other	...	...	...	...
Depreciation	10.0	9.5	10.7	13.5
Earnings before taxes	46.7	43.1	109.2	95.6
Taxes and transfers	38.2	22.0	18.0	18.0
Earnings after taxes	8.6	21.1	91.2	77.6
Cash basis accounts				
Gross capital expenditure	4.3	4.5	7.1	13.5
Transfers from government	-38.2	-22.0	-18.0	-18.0
Current balance	18.6	30.6	101.8	91.1
Overall balance cash basis	14.2	26.0	94.7	77.6
Financing	-14.2	-26.0	-94.7	-77.6
Domestic	...	-52.7	-85.3	-68.2
BRH	...	-5.7	-5.4	11.0
Commercial banks	...	0.0	0.0	0.0
Other	...	-47.0	-79.9	-79.1
External	...	26.7	-9.4	-9.4

Sources: Port Authority; and Haitian authorities.

Table 19. Haiti: Accounts of the Airport Authority

(In millions of gourdes)

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
Balance sheet					
Assets	128.0	162.1	175.4	201.2	226.5
Cash and receivables	67.9	94.8	78.9	97.5	103.1
Fixed assets (depreciated)	60.1	67.3	96.5	103.7	123.4
Liabilities	128.0	162.1	175.4	201.2	226.5
Short-term debt and payables	22.7	42.1	49.6	62.6	33.8
Long-term debt	47.1	47.2	47.2	47.2	45.2
Capital and undistributed profits	58.2	72.9	78.7	91.4	147.5
Profit and loss statement					
Total revenue	74.9	79.1	80.8	90.4	112.6
Total expenditure	71.8	64.4	75.6	80.6	97.9
Current	64.4	56.0	64.7	67.4	82.2
Wages	31.8	31.2	34.2	33.3	41.8
Interest	0.0	0.0	0.0	0.0	0.0
Repair and maintenance	4.9	3.5	3.9	6.1	8.8
Other	27.7	21.3	26.6	28.0	31.6
Depreciation	7.4	8.4	10.9	13.2	15.7
Earnings before taxes	3.1	14.7	5.1	9.7	14.7
Taxes and transfers	0.0	0.0	0.0	0.0	0.0
Earnings after taxes	3.1	14.7	5.1	9.7	14.7
Cash basis accounts					
Gross capital expenditure	18.4	18.9	42.5	30.7	17.9
Transfers from government	0.0	0.0	0.0	0.0	0.0
Current balance	10.5	23.1	16.0	23.2	30.4
Overall balance cash basis	-7.9	4.1	-26.4	...	12.6
Financing	7.9	-4.1	26.4	...	-12.6
Domestic	7.4	6.6	30.5	...	-12.6
BRH	-3.4	5.8	3.6	...	0.0
Commercial banks	0.0	0.0	0.0	...	0.0
Other	10.8	0.8	27.0	...	-12.6
External	0.5	-10.7	-4.1	...	0.0

Sources: Airport Authority; and Haitian authorities.

Table 20. Haiti: Accounts of the Water Supply Company

(In millions of gourdes)

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
Balance sheet					
Assets	331.3	486.1	631.1	681.8	963.8
Cash and receivables	157.8	140.9	139.4	156.2	152.8
Fixed assets (depreciated)	135.2	310.8	432.7	469.4	744.4
Other assets	38.3	34.4	59.0	56.2	66.6
Liabilities	331.3	486.1	631.1	681.8	963.8
Short-term debt and payables	59.8	105.1	102.9	128.5	216.4
Long-term debt	251.6	377.2	576.9	604.1	547.1
Capital and undistributed profits	19.9	3.8	-48.8	-50.8	200.3
Profit and loss statement					
Total revenue	47.6	65.2	71.0	113.7	107.9
Total expenditure	45.3	68.8	103.4	112.8	136.2
Current	42.2	60.5	87.6	86.6	100.8
Wages	24.1	29.0	36.7	45.0	51.1
Interest	1.8	4.2	4.8	4.0	9.2
Repair and maintenance	1.3	3.6	8.3	14.8	14.3
Other	15.0	23.7	37.8	22.8	26.2
Depreciation	3.1	8.3	15.8	26.2	35.4
Earnings before taxes	2.3	-3.6	-32.4	0.9	-28.3
Taxes and transfers	0.0	0.0	0.0	0.0	0.0
Earnings after taxes	2.3	-3.6	-32.4	0.9	-28.3
Cash basis accounts					
Gross capital expenditure	105.5	185.0	61.3	62.9	310.4
Transfers from government	0.0	0.0	0.0	0.0	0.0
Current balance	5.4	4.7	-16.6	27.1	7.1
Overall balance cash basis	-100.1	-180.3	-77.9	-35.8	-303.3
Financing	100.1	180.3	77.9	35.8	303.3
Domestic	-85.2	54.7	-121.8	612.7	303.3
BRH	-9.8	2.6	6.8	2.6	0.0
Commercial banks	0.0	0.0	0.0	0.0	0.0
Other	-75.4	52.1	-128.6	610.1	303.3
External	185.3	125.6	199.7	-576.9	0.0

Sources: Water Supply Company; and Haitian authorities.

Table 21. Haiti: Accounts of the Central Bank of Haiti

(In millions of gourdes, unless otherwise indicated)

	Fiscal Year Ending September 30				
					Prov.
	1997	1998	1999	2000	2001
Net foreign assets 1/	2,754.3	3,281.4	3,695.5	4,881.2	4,593.7
Assets 1/	4,503.6	4,931.3	5,576.9	7,710.9	7,062.5
Liabilities	-1,749.3	-1,649.9	-1,881.4	-2,829.7	-2,468.8
Liabilities to the IMF 2/	-724.9	-636.6	-855.1	-1,116	-893.6
Other	-1,024.4	-1,013.4	-1,026	-1,714	-1,575.3
Net domestic assets	600.4	234.8	294.4	402.5	1,059.8
Net credit to public sector	5,661.4	6,263.5	7,665.4	9,491.9	12,084.3
Central government	6,360.2	6,930.1	7,952.5	9,885.2	12,133.8
Special accounts 3/	-558.3	-521.0	-214.0	-184.5	-19.3
Rest of public sector	-140.5	-145.7	-73.1	-208.8	-30.2
Net claims on commercial banks	-4,187.6	-5,532.3	-7,029.3	-8,465.2	-10,446.7
Cash-in-vault and reserve deposits	-3,105.1	-3,810.6	-3,764.1	-6,899.2	-7,669.7
BRH bonds	-954.0	-1,629.0	-3,105.0	-1,301.0	-2,777.0
Net claims on other financial institutions	13.2	-4.5	-95.1	-59.2	-70.2
SDR allocation	-316.9	-316.4	-322.0	-503.7	-450.1
Capital and surplus	-866.1	-927.4	-973.8	-4,101.3	-3,560.3
Other	140.8	512.5	760.9	3,696.4	2,983.5
Currency in circulation	3,354.7	3,516.2	3,989.9	5,283.7	5,653.5

Sources: Bank of the Republic of Haiti; and Fund staff estimates.

1/ Includes commercial banks' foreign currency deposits.

2/ Includes liabilities to the general resources and ESAF Trust Accounts.

3/ Special accounts of donors.

Table 22. Haiti: Accounts of Commercial Banks 1/

(In millions of gourdes, unless otherwise indicated)

	Fiscal Year Ending September 30				Prel.
	1997	1998	1999	2000	2001
Net foreign assets	1,815	1,834	1,910	4,754	3,863
Assets	2,108	2,047	2,116	5,349	4,374
Liabilities	-292	-214	-206	-595	-511
Claims on the BRH	4,099	5,412	6,873	8,497	10,647
Currency holdings	628	710	735	836	860
Deposits with the BRH (including reserves)	2,517	3,073	3,034	6,360	7,010
BRH bonds	954	1,629	3,105	1,301	2,777
Net domestic assets	8,515	9,738	11,184	14,509	14,430
Net claims on the public sector	-430	-511	-249	-216	-71
Central government	-128	-199	79	29	91
Special accounts 2/	-298	-309	-324	-240	-159
Rest of the public sector	-3	-3	-4	-5	-3
Credit to the private sector	7,724	8,885	9,658	13,342	12,217
In gourdes	6,025	6,215	5,847	7,062	6,995
In U.S. dollars	1,700	2,669	3,811	6,279	5,222
Net claims on other financial institutions	-13	-65	-31	-138	-120
Interbank float	352	389	502	-85	574
Unclassified assets	882	1,040	1,303	1,605	1,830
Liabilities to the BRH	71	39	35	498	32
Liabilities to the private sector	14,358	16,945	19,932	27,262	28,907
Deposits	13,059	15,308	18,168	24,905	26,121
In gourdes	9,514	10,816	12,443	14,084	15,395
In U.S. dollars	3,544	4,492	5,725	10,821	10,725
Demand deposits	3,288	3,833	4,522	5,865	6,322
Saving deposits	6,008	6,472	7,739	9,897	10,035
Time and other deposits	3,763	5,004	5,907	9,144	9,764
Private capital and surplus	1,300	1,637	1,764	2,357	2,787
	(Percentage change from end-period a year earlier)				
Private sector deposits	17.1	17.2	18.7	37.1	4.9
In gourdes	12.0	13.7	15.0	13.2	9.3
In U.S. dollars	33.5	26.7	27.4	89.0	-0.9
Credit to private sector	47.1	15.0	8.7	38.1	-8.4
In gourdes	30.9	3.2	-5.9	20.8	-0.9
In U.S. dollars	161.4	57.1	42.8	64.8	-16.8
Memorandum items:					
Percent in foreign currency					
Bank deposits	27.1	29.3	31.5	43.4	41.1
Credit to the private sector	22.0	30.0	39.5	47.1	42.7
Net foreign assets of commercial banks/ Dollar deposits	51.2	40.8	33.4	43.9	36.0

Sources: Bank of the Republic of Haiti; and Fund staff estimates.

1/ Includes the government-owned banks, BNC and BPH.

2/ Special accounts of donors.

Table 23. Haiti: Consolidated Accounts of the Banking System
(In millions of gourdes, unless otherwise indicated)

	Fiscal Year Ending September 30					Prel.
	1996	1997	1998	1999	2000	2001
Net foreign assets	3,883	4,570	5,115	5,605	9,635	8,457
Assets	5,169	6,611	6,979	7,693	13,060	11,436
Liabilities	-1,287	-2,041	-1,864	-2,087	-3,424	-2,980
Use of Fund credit	-374	-725	-637	-855	-1,116	-894
Other	-913	-1,317	-1,227	-1,232	-2,308	-2,086
Net domestic assets	10,340	11,844	13,709	16,552	20,554	23,318
Net credit to the public sector	5,925	5,232	5,753	7,417	9,276	12,013
Central government	6,278	6,232	6,731	8,032	9,914	12,224
Special accounts 1/	-350	-857	-830	-538	-424	-178
Rest of public sector	-3	-143	-148	-77	-214	-33
Credit to the private sector	5,393	7,880	9,124	9,946	13,685	12,736
Net claims on other financial institutions	-3	0	-70	-126	-197	-190
Capital and surplus	-1,663	-2,166	-2,564	-2,738	-6,458	-6,347
Interbank float	130	192	230	311	-551	742
Net other assets	558	706	1,236	1,742	4,798	4,363
Broad money	14,223	16,413	18,825	22,158	30,189	31,774
Narrow money	6,360	6,643	7,349	8,512	11,148	11,976
Currency in circulation	3,070	3,355	3,516	3,990	5,284	5,654
Demand deposits 2/	3,289	3,288	3,833	4,522	5,865	6,322
Time and savings deposits 2/	7,863	9,771	11,476	13,646	19,041	19,798
	(Percentage change from end-period a year earlier)					
Broad money	10.2	15.4	14.7	17.7	36.2	5.3
Narrow money	20.8	4.4	10.6	15.8	31.0	7.4
Currency in circulation	-1.9	9.3	4.8	13.5	32.4	7.0
Demand deposits 2/	54.2	0.0	16.6	18.0	29.7	7.8
Time and savings deposits 2/	2.9	24.3	17.4	18.9	39.5	4.0
	(Percentage change relative to broad money a year earlier)					
Net foreign assets	-3.5	4.8	3.3	2.6	18.2	-3.9
Net domestic assets	13.7	10.6	11.4	15.1	18.1	9.2
Credit to the nonfinancial public sector	9.5	-4.9	3.2	8.8	8.4	9.1
Credit to the private sector	8.3	17.5	7.6	4.4	16.9	-3.1
Other	-4.0	-2.0	0.6	1.9	-7.2	3.2
Memorandum item:						
Money multiplier 3/	4.6	4.9	5.4	5.6	5.7	5.6

Sources: Bank of the Republic of Haiti; and Fund staff estimates.

1/ Special accounts of donors.

2/ Includes dollar-denominated deposits

3/ Ratio of broad money to currency in circulation.

Table 24. Haiti: Sectoral Distribution of Commercial Bank Credit 1/

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
	(In millions of gourdes)				
Total	4,072.0	5,520.3	7,605.8	8,282.5	11,822.70
Retail and wholesale trade	1,341.2	2,180.0	3,470.5	4,392.2	6,365.6
Loans to individuals	1,023.1	1,483.2	1,804.2	1,605.2	2,252.8
Manufacturing	1,176.7	1,347.8	1,573.5	1,338.5	1,685.9
Electricity, gas, and water	149.8	161.0	156.3	9.8	11.6
Construction	72.3	129.3	204.1	387.7	442.7
Insurance and real estate	73.0	87.8	266.8	313.7	436.4
Transport and communication	54.7	42.4	35.4	160.6	532.0
Agriculture	48.9	30.4	27.9	20.0	1.8
Other services	132.3	58.4	67.1	54.8	93.9
	(In percent of total credit)				
Total	100.0	100.0	100.0	100.0	100.0
Retail and wholesale trade	32.9	39.5	45.6	53.0	53.8
Loans to individuals	25.1	26.9	23.7	19.4	19.1
Manufacturing	28.9	24.4	20.7	16.2	14.3
Electricity, gas, and water	3.7	2.9	2.1	0.1	0.1
Construction	1.8	2.3	2.7	4.7	3.7
Insurance and real estate	1.8	1.6	3.5	3.8	3.7
Transport and communication	1.3	0.8	0.5	1.9	4.5
Agriculture	1.2	0.6	0.4	0.2	0.0
Other services	3.2	1.1	0.9	0.7	0.8

Source: Bank of the Republic of Haiti.

1/ Excludes loans below G 75,000.

Table 25. Haiti: Origin, Destination, and Financing of Bank Credit

(In millions of gourdes)

	Fiscal Year Ending September 30				
	1997	1998	1999	2000	Prcl. 2001
Total Credit	13460.3	15662.7	18638.2	23413.9	26554.4
Origin	13460.3	15662.7	18638.2	23413.9	26554.4
BRH	5104.9	6083.6	7645.7	9,371.40	11,956.64
Central government and special accounts 1/	5801.9	6409.1	7738.5	9,700.77	12,114.52
Rest of public sector 1/	-140.5	-145.7	-73.1	-208.83	-30.22
Private sector	155.6	239.6	288.2	343.54	519.32
Other	-712.0	-419.4	-308.0	-464.09	-646.98
Commercial banks	8163.0	9349.2	10681.6	14,593.30	13,855.68
Central government and special accounts 1/	-426.8	-508.0	-244.8	-210.89	-68.46
Rest of public sector 1/	-3.0	-2.7	-3.8	-5.05	-2.68
Private sector	7724.2	8884.6	9657.9	13,341.72	12,217.00
Other	868.7	975.2	1272.2	1,467.52	1,709.81
Interbank float	192.33	229.84	310.89	-550.75	742.10
Destination	13460.3	15662.7	18638.2	23413.9	26554.4
Public sector	5231.6	5752.8	7416.8	9,276.00	12,013.17
Central government and special accounts 1/	5375.1	5901.2	7493.7	9,489.88	12,046.06
Rest of public sector 1/	-143.5	-148.4	-76.9	-213.88	-32.90
Private sector	7879.7	9124.2	9946.2	13,685.27	12,736.32
Other	156.6	555.8	964.2	1,003.44	1,062.84
Interbank float	192.3	229.8	310.9	-550.75	742.10
Financing	13460.3	15662.7	18638.2	23413.9	26554.4
Liabilities to private sector	17713.1	20461.3	23921.4	32545.5	34561.0
BRH	3354.7	3516.2	3989.9	5283.7	5653.5
Commercial banks	14358.3	16945.1	19931.6	27261.8	28907.5
Net foreign assets	-4569.7	-5115.1	-5605.3	-9635.2	-8456.6
BRH	-2754.3	-3281.4	-3695.5	-4881.2	-4593.7
Commercial banks	-1815.4	-1833.7	-1909.8	-4754.0	-3862.9
SDR allocation	316.9	316.4	322.0	503.7	450.1

Sources: Bank of the Republic of Haiti; and Fund staff estimates.

1/ Credit less deposits.

Table 26. Haiti: Annual Change in Credit Extended by the Banking System

(In millions of gourdes)

	Fiscal Year Ending September 30				
	1997	1998	1999	2000	Prel. 2001
Total credit	1935.0	2202.4	2975.5	4775.8	3140.5
Origin					
BRH	-293.8	978.7	1562.1	1725.7	2585.2
Central government and special accounts 1/	-166.0	607.2	1329.4	1962.3	2413.7
Rest of public sector 1/	-138.1	-5.2	72.6	-135.8	178.6
Private sector	14.7	84.0	48.7	55.3	175.8
Other	-4.4	292.7	111.4	-156.1	-182.9
Commercial banks	2166.9	1186.2	1332.4	3911.7	-737.6
Central government and special accounts 1/	-386.7	-81.1	263.2	33.9	142.4
Rest of public sector 1/	-2.5	0.3	-1.1	-1.2	2.4
Private sector	2472.3	1160.5	773.3	3683.8	-1124.7
Other	83.8	106.5	297.0	195.3	242.3
Interbank float	61.9	37.5	81.1	-861.6	1292.9
Destination					
Public sector	-693.3	521.2	1664.0	1859.2	2737.2
Central government and special accounts 1/	-552.7	526.1	1592.6	1996.1	2556.2
Rest of public sector 1/	-140.6	-4.9	71.5	-137.0	181.0
Private sector	2486.9	1244.5	822.0	3739.1	-948.9
Other	79.4	399.2	408.4	39.2	59.4
Interbank float	61.9	37.5	81.1	-861.6	1292.9
Financing					
Liabilities to private sector	2601.8	2748.3	3460.1	8624.1	2015.5
BRH	284.3	161.5	473.6	1293.8	369.8
Commercial banks	2317.5	2586.7	2986.5	7330.2	1645.7
Net foreign assets	-687.1	-545.4	-490.1	-4030.0	1178.6
BRH	-722.7	-527.1	-414.1	-1185.7	287.5
Commercial banks	35.6	-18.3	-76.1	-2844.2	891.1
SDR allocation	20.3	-0.5	5.6	181.7	-53.6
(Change with respect to total liabilities to the private sector 12 months earlier)					
Total credit	12.8	12.4	14.5	20.0	9.6
Origin					
BRH	-1.9	5.5	7.6	7.2	7.9
Commercial banks	14.3	6.7	6.5	16.4	-2.3
Interbank float	0.4	0.2	0.4	-3.6	4.0
Destination					
Public sector	-4.6	2.9	8.1	7.8	8.4
Central government and special accounts 1/	-3.7	3.0	7.8	8.3	7.9
Rest of public sector 1/	-0.9	0.0	0.3	-0.6	0.6
Private sector	16.5	7.0	4.0	15.6	-2.9
Other	0.5	2.3	2.0	0.2	0.2
Interbank float	0.4	0.2	0.4	-3.6	4.0

Sources: Bank of the Republic of Haiti; and Fund staff estimates.

1/ Credit less deposits.

Table 27. Haiti: Summary Indicators of Commercial Banking Sector

	Fiscal Year Ending September 30				Dec.	Mar.	Jun.
	1997	1998 1/	1999	2000	2000	2001	
Capital							
Capital, reserves, undistributed profits/total assets	5.4	5.7	5.2	5.1	5.7	5.5	5.8
Capital/risk-weighted assets (capital adequacy ratio)	...	...	9.4	12.1	13.5	13.3	14.1
Nonperforming loans							
Nonperforming loans/total loans	4.9	8.6	7.9	6.8	9.1	7.8	8.9
Excluding BNC	3.2	6.7	6.5	5.5	7.5	6.3	7.6
Provisions/nonperforming loans	79.5	56.2	62.3	62.6	56.4	71.0	65.0
Nonperforming loans/capital, reserves, undistributed profits	8.5	30.3	24.7	20.5	29.1	16.1	20.3
Excluding BNC	1.8	27.5	21.3	17.7	25.7	13.4	19.8
Profitability							
Return on assets (in percent)	1.4	0.6	1.0	1.7	0.8	1.9	1.4
Excluding BNC	1.4	1.1	0.9	1.6	0.6	1.4	1.1
Return on equity (in percent)	28.1	10.1	18.5	32.8	14.1	33.3	24.7
Net interest income/gross interest income	59.3	55.8	60.2	60.2	53.4	54.6	55.4
Operating costs/net interest and noninterest income	75.5	78.4	77.2	69.4	76.3	70.3	74.9
Excluding BNC	74.9	75.9	78	70.0	80.1	73.1	79.2
Net income/employee	634.4	594.6	606.5	793.4	830.7	873.5	756.9
Number of branches	68	82	99	115	116	118	121
Number of employees	2,234	2,591	2,659	2,989	2,991	3,179	3,077
Liquidity							
Total loans/total deposits 2/	58.6	57.3	53.8	53.9	52.2	48.2	47.5
Foreign currency loans/foreign currency deposits 3/	48.0	59.4	66.6	58.0	53.1	47.4	48.2
Foreign currency loans/total loans	21.6	29.3	38.3	45.9	38.9	38.1	38.1
Foreign currency deposits/total deposits	27.1	29.3	31.5	43.4	38.9	39.9	39.8
Intermediation							
Private sector bank deposits/broad money	79.6	81.3	82.0	82.5	80.1	82.2	82.5
Private sector credit/GDP	14.6	14.5	14.4	17.6	...	...	...

Sources: Bank of the Republic of Haiti; and Fund staff estimates.

1/ Criteria for loan classifications were tightened in March 1998.

2/ Denominated in gourdes and in foreign exchange.

3/ Foreign exchange operations of the private sector only.

Table 28. Haiti: Interest Rates

(In percent per annum)

	Gourde Denominated				Dollar Denominated			Memo: Annual Inflation 2/
	Deposits 1/		Lending 1/	91-day BRH Bonds	Deposits 1/		Lending 1/	
	Time	Savings			Time	Savings		
1996								
March	11.0	5.5	29.0	...	...	...	...	20.3
June	11.5	5.3	27.8	...	...	...	...	22.0
September	11.3	5.5	27.4	...	...	...	...	20.1
December	10.5	5.5	23.0	19.4	...	...	...	14.6
1997								
March	10.0	5.5	21.0	15.3	...	...	...	16.9
June	10.0	5.5	20.0	18.0	...	...	...	16.9
September	11.3	5.5	21.5	17.7	4.3	2.0	12.5	17.0
December	10.5	5.5	23.5	17.2	4.8	2.8	12.0	15.6
1998								
March	12.5	5.5	22.5	22.5	4.3	2.8	10.8	12.8
June	13.5	5.5	23.5	23.5	4.5	2.8	11.0	10.9
September	14.8	5.5	22.5	21.3	4.8	3.0	12.5	8.3
December	11.0	3.0	23.5	9.2	5.0	2.8	14.0	7.4
1999								
March	7.5	3.0	23.0	10.3	4.4	1.5	12.0	7.9
June	7.0	3.3	24.5	10.3	3.8	1.5	12.5	8.1
September	6.8	3.5	22.5	10.3	4.0	2.3	12.5	9.9
December	9.6	3.5	22.5	21.1	4.8	2.0	13.5	9.7
2000								
March	9.8	3.3	24.3	23.3	3.8	1.8	14.0	12.0
June	10.5	3.3	25.3	23.3	4.8	1.5	14.3	11.5
September	15.0	3.8	25.0	26.7	4.9	1.8	15.5	15.3
December	14.0	3.8	28.0	26.7	5.1	2.0	14.3	19.2
2001								
March	14.0	3.8	28.8	26.7	4.6	2.0	16.3	16.5
June	14.0	3.5	29.0	26.7	4.4	1.5	15.0	17.1
September	13.5	3.5	32	26.7	5.0	1.8	14.0	12.3

Source: Bank of the Republic of Haiti.

1/ Interest rates shown here are a simple average of the lowest and highest end-of-period deposit and lending rates reported by the commercial banks.

2/ Change in consumer prices compared to same period 12 months earlier.

Table 29. Haiti: Reserve Requirements by Category of Deposit and Institution
(In percent)

	Local Currency Deposits				Foreign Currency Deposits
	Demand Deposits	Saving Deposits	Time Deposits		
			Less Than One Year	More Than One Year	
I. Commercial Banks					
March 1, 1993 to May 31, 1995	73 ½	46	20	20	0
June 1, 1995 to August 27, 1995	48	48	48	48	0
August 28, 1995 to September 4, 1995	50	50	50	50	0
September 5, 1995 to October 9, 1995 1/	53 ½	53 ½	53 ½	53 ½	0
October 10, 1995 to May 5, 1996 1/	51 ½	51 ½	51 ½	51 ½	0
May 6, 1996 to July 3, 1996 1/	50	50	50	50	0
July 4, 1996 to November 18, 1996 2/	48	48	48	48	0
November 19, 1996 to November 24, 1996	44	44	44	44	0
November 25, 1996 to December 1, 1996	42	42	42	42	0
December 2, 1996 to December 8, 1996	35	35	35	35	0
December 9, 1996 to February 15, 1997	30	30	30	30	0
February 16, 1997 to March 16, 1997	27	27	27	27	0
March 17, 1997 to May 15, 1997	26	26	26	26	12
May 16, 1997 to July 15, 1997	25	25	25	25	12
July 16, 1997 to November 15, 1997	26	26	26	26	12
November 16, 1997 to November 15, 1999	26 ½	26 ½	26 ½	26 ½	12 ½
November 16, 1999 to April 15, 2000	26 ½	26 ½	26 ½	26 ½	15
April 16, 2000 to August 31, 2000	28	28	28	28	17
September 1, 2000 to September 14, 2000	30	30	30	30	20
September 15, 2000 to June 15, 2001	31	31	31	31	21
June 16, 2001 to present	31	31	31	31	31
II. Mortgage Banks					
March 1, 1993 to May 31, 1995	0	23	10	10	0
June 1, 1995 to August 27, 1995	24	24	24	24	0
August 28, 1995 to September 4, 1995	25	25	25	25	0
September 5, 1995 to October 9, 1995 3/	26 ¾	26 ¾	26 ¾	26 ¾	0
October 10, 1995 to May 5, 1996 3/	25 ¾	26 ¾	26 ¾	26 ¾	0
May 6, 1996 to July 3, 1996 3/	25	25	25	25	0
July 4, 1996 to November 18, 1996 4/	24	24	24	24	0
November 19, 1996 to November 24, 1996	22	22	22	22	0
November 25, 1996 to December 1, 1996	21	21	21	21	0
December 2, 1996 to December 8, 1996	17 ½	17 ½	17 ½	17 ½	0
December 9, 1996 March 16, 1997	15	15	15	15	0
March 17, 1997 to November 15, 1999	15	15	15	15	12
November 16, 1999 to April 15, 2000	15	15	15	15	14 ½
April 16, 2000 to August 31, 2000	16 ½	16 ½	16 ½	16 ½	16
September 1, 2000 to September 14, 2000	18 ½	18 ½	18 ½	18 ½	18
September 15, 2000 to present	19 ½	19 ½	19 ½	19 ½	19
June 16, 2001 to present	31	31	31	31	31

Source: Bank of the Republic of Haiti.

1/ This includes mandatory (remunerated) secondary reserves of 3½ percent.

2/ This includes mandatory (remunerated) secondary reserves of 1½ percent.

3/ This includes mandatory (remunerated) secondary reserves of 1¾ percent.

4/ This includes mandatory (remunerated) secondary reserves of ¾ percent.

Table 30. Haiti: Reserve Position of the Commercial Banks

	Fiscal Year Ending September 30				
	1997	1998	1999	2000	2001
(In millions of gourdes)					
Deposit liabilities	13,059	15,308	18,168	24,905	26,121
Actual reserves	3,105	3,811	3,764	6,899	7,670
Required reserves	2,899	3,428	4,013	6,639	8,097
Excess/deficiency (-)	206	383	-249	261	-428
(In percent of deposit liabilities)					
Actual reserves	23.8	24.9	20.7	27.7	29.4
Required reserves	22.2	22.4	22.1	26.7	31.0
Excess/deficiency (-)	1.6	2.5	-1.4	1.0	-1.6

Sources: Bank of the Republic of Haiti; and Fund staff estimates.

Table 31. Haiti: Summary Balance of Payments
(In millions of U.S. dollars, unless otherwise indicated)

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
Current account, excluding grants	-331.6	-231.6	-205.0	-205.2	-252.3
Trade balance	-469.8	-497.8	-522.8	-591.3	-687.3
Exports, f.o.b.	169.9	205.5	299.4	348.7	327.1
Imports, f.o.b.	-639.8	-703.3	-822.2	-940.0	-1,014.4
Services (net)	-28.2	-2.8	-19.6	-42.4	-86.7
Income (net)	14.4	13.0	10.1	6.6	15.2
<i>Of which</i>					
Interest payments	-9.4	-14.0	-12.9	-20.2	-13.8
Private transfers, net 1/	152.0	256.0	327.3	421.9	506.4
External grants	293.1	221.9	222.6	256.8	221.3
Current account, including grants	-38.5	-9.7	17.6	51.6	-31.0
Capital account	-12.8	36.8	14.6	-28.1	-20.8
Public sector capital flows, net	107.2	93.9	72.2	57.9	44.3
Loan disbursements	121.5	112.3	97.4	82.4	69.9
Amortization	-14.3	-18.3	-25.2	-24.5	-25.7
Banks (net)	-28.4	15.9	-1.7	-3.9	-55.1
Direct investments	4.1	4.0	10.8	30.0	8.0
Other 2/	-95.7	-77.0	-66.6	-112.1	-17.9
Overall balance (deficit -)	-51.3	27.2	32.3	23.5	-51.8
Financing	51.3	-27.2	-32.3	-23.5	51.8
Change in arrears (reduction -)	0.0	0.0	0.0	0.0	6.0
Change in net international reserves (increase -)	51.3	-27.2	-32.2	-23.5	45.8
Debt rescheduling	0.0	0.0	0.0	0.0	0.0
Memorandum items:					
Current account balance, excluding grants (in percent of GDP)	-11.2	-6.9	-5.5	-5.0	-6.4
Gross official reserves (US\$ million, end of period) (In weeks of imports, fob)	215.6	265.7	292.7	329.2	272.5
Exports of goods and services (in percent of GDP)	11.1	11.4	12.9	13.0	12.6
Imports of goods and services (in percent of GDP)	-28.0	-26.3	-27.5	-28.3	-32.2

Sources: Data provided by Bank of the Republic of Haiti; and Fund staff estimates.

1/ Based on private remittances transferred through the authorized "transfer houses" and BRH estimates of such transfers channeled through other means.

2/ Includes errors and omissions.

Table 32. Haiti: Net International Reserves

(In millions of U.S. dollars at end of period)

	September 30				June 30	
	1997	1998	1999	2000	2000	2001
Net foreign assets of the banking system	270	304	331	340	356	349
Official reserves (net) 1/	162	195	218	172	190	188
Assets	266	293	329	273	291	285
Gold	6	6	0	0	0	0
Liquid assets	209	237	280	222	241	236
Other assets	50	50	50	50	49	49
Liabilities	103	98	111	100	100	97
Liabilities to the Fund	43	38	50	44	40	35
Other	60	60	61	56	60	62
Net foreign assets of commercial banks	107	109	113	168	166	159
Assets	124	122	125	189	187	178
Liabilities	17	13	12	21	22	19
Memorandum items:						
Gross official reserves in						
weeks of imports, fob	15	14	14	10	13	14
percent of broad money	27	26	25	26	22	23

Sources: Bank of the Republic of Haiti; and Fund staff estimates.

1/ Bank of the Republic of Haiti.

Table 33. Haiti: Selected Foreign Trade Indices

(FY 1991/92=100)

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
Exports					
Value index, f.o.b.	143.5	173.5	252.8	294.5	276.3
(Annual change in percent)	11.2	20.9	45.7	16.5	-6.2
Price index	108.8	107.9	108.6	109.6	110.3
(Annual change in percent)	-0.1	-0.9	0.7	0.9	0.7
Volume index	131.9	160.9	232.8	268.7	250.4
(Annual change in percent)	11.4	22.0	44.7	15.4	-6.8
Share of traditonal exports	32.5	24.1	16.6	13.6	10.8
Imports					
Value index, f.o.b.	244.3	268.6	314.0	359.0	387.4
(Annual change in percent)	-1.7	9.9	16.9	14.3	7.9
Price index	102.8	102.2	101.8	102.5	103.2
(Annual change in percent)	0.3	-0.6	-0.4	0.7	0.7
Volume index	237.6	262.7	308.4	350.2	375.3
(Annual change in percent)	-2.1	10.6	17.4	13.6	7.2
Terms of trade					
Index	105.8	105.5	106.7	106.9	106.9
(Annual change in percent)	-0.5	-0.3	1.1	0.2	0.0
Memorandum items:					
U.S. consumer price index (period average) 2/	111.9	114.5	116.8	119.1	121.5
Annual change in percent	3.0	2.3	2.0	2.0	2.0

Sources: Bank of the Republic of Haiti (BRH) and Fund staff estimates.

1/ Value and price indices are U.S. dollar based adjusted for imports and exports of the assembly industry.

2/ Index for all urban consumers (CPI-U).

Table 34. Haiti: Composition of Exports, f.o.b.

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
	(In millions of U.S. dollars)				
Total exports, f.o.b.	169.9	205.5	299.4	348.7	327.1
Agricultural exports	41.0	34.1	40.7	37.7	32.4
Coffee	24.6	19.1	21.8	18.0	13.5
Sisal and sisal strings	0.6	0.8	2.0	4.6	2.0
Mango	5.0	7.0	5.8	6.7	8.0
Cocoa	3.8	4.3	7.5	6.0	6.5
Essential oils	7.0	2.9	3.7	2.4	2.5
Light manufactures 1/	126.6	159.7	244.9	295.5	281.3
Domestic inputs	20.1	24.1	33.7	30.4	23.6
Imported inputs	106.5	135.6	211.2	265.1	257.7
Other items	2.4	11.6	13.8	15.5	13.4
	(In percent of total exports)				
Agricultural exports	24.1	16.6	13.6	10.8	9.9
Light manufactures 1/	74.5	77.7	81.8	84.7	86.0
Others	1.4	5.7	4.6	4.4	4.1
	(Annual percentage changes)				
Total exports	11.2	20.9	45.7	16.5	-6.2
Agricultural exports	-17.4	-16.7	19.4	-7.4	-14.0
Light manufactures 1/	30.7	26.1	53.3	20.7	-4.8

Sources: Bank of the Republic of Haiti; and Fund staff estimates.

1/ Includes valuation and classification adjustments made by the Bank of the Republic of Haiti.

Table 35. Haiti: Exports of Light Manufactures to the United States

(In millions of U.S. dollars)

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
Total value exported 1/	117.6	148.0	222.7	281.3	270.3
A. Products from domestic materials 2/	11.1	12.6	18.4	15.3	9.4
Textiles: yarns, fabrics, and manufactures	3.1	5.0	4.0	1.5	1.6
Wood manufactures	0.7	0.6	1.0	0.3	0.2
Leather manufactures	3.7	3.4	3.5	5.0	3.6
Other	3.5	3.6	9.9	8.5	4.0
B. Products from imported materials 3/	106.5	135.4	204.3	266.1	261.0
Textiles, apparel, etc.	99.3	128.5	192.8	262.4	256.1
Wear, apparel, accessories, and articles made from fur	97.3	125.4	189.2	259.2	255.3
Travel goods, handbags, and similar articles	1.9	3.1	2.4	2.8	0.8
Footwear, excluding military and orthopedic	0.0	0.0	1.2	0.4	0.0
Machinery and electronics	3.4	3.6	3.9	2.3	1.4
Miscellaneous manufactures	3.8	3.3	7.6	1.3	3.4
Sporting goods, toys, and other similar products	3.5	3.3	2.1	1.1	2.8
Articles of rubber and plastic	0.2	0.0	1.8	0.2	0.5
Other manufactures	0.2	0.0	3.7	0.0	0.1

Sources: Bank of the Republic of Haiti; U.S. Department of Commerce; and Fund staff estimates.

1/ Exports to the United States represent about 90 percent of Haiti's light manufacturing exports.

2/ Fiscal year figures are estimates based on calendar year data.

3/ For 1993 only, fiscal year figures are estimates based on calendar year data.

Table 36. Haiti: Principal Commodity Exports

(Value in millions of U.S. dollars, volume in thousand tons, and unit value in US\$/kg, unless otherwise specified)

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
Total value 1/	35.9	27.1	34.9	31.0	24.4
Coffee					
Value	24.6	19.1	21.8	18.0	13.5
Volume 2/	252.3	127.0	203.0	217.9	194.9
Unit price 3/	97.4	150.2	107.2	82.8	69.0
Sisal and sisal strings					
Value	0.6	0.8	2.0	4.6	2.0
Volume	1.3	1.9	3.8	8.3	4.1
Unit price	0.5	0.5	0.5	0.5	0.5
Cocoa					
Value	3.8	4.3	7.5	6.0	6.5
Volume	6.5	6.6	11.2	13.2	18.0
Unit price	0.6	0.6	0.7	0.5	0.4
Essential oils					
Value	7.0	2.9	3.7	2.4	2.5
Volume	7.0	2.9	3.7	2.4	2.5
Unit price	0.2	0.1	0.1	0.1	0.1

Sources: Bank of the Republic of Haiti; and Fund staff estimates.

1/ Some value figures may not be equal to the product of volume and unit value because of rounding.

2/ In thousands of 60 kilogram bags.

3/ U.S. dollars per 60 kilogram bag.

Table 37. Haiti: Composition of Imports, c.i.f.

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
	(In millions of U.S. dollars)				
Total	687.91	756.21	883.92	1010.6	1090.7
Food and others 1/	289.2	281.2	307.9	361.6	308.87
<i>Of which</i>					
Food	219.6	209.6	236.5	279.0	247.8
Fuel and lubricants	79.4	74.9	80.8	83.2	186.6
Machines and transport equipment	125.0	126.8	142.1	164.9	171.5
Raw Materials	7.9	20.1	22.5	21.1	19.8
Manufactured goods	130.6	164.6	223.2	257.2	289.11
Other imports	55.7	88.7	107.4	122.7	114.9
	(In percent of total)				
Food and others	42.0	37.2	34.8	35.8	28.3
Fuel and lubricants	11.5	9.9	9.1	8.2	17.1
Machines and transportation	18.2	16.8	16.1	16.3	15.7
Raw materials	1.2	2.7	2.5	2.1	1.8
Manufactured goods	19.0	21.8	25.3	25.4	26.5
Other imports	8.1	11.7	12.2	12.1	10.5
	(Annual percentage change)				
Total	-1.7	9.9	16.9	14.3	7.9
Food and others	6.2	-2.8	9.5	17.4	-14.6
Fuel and lubricants	14.7	1.4	12.0	16.0	4.1
Machines and transportation	14.7	1.4	12.0	16.0	4.1
Raw materials	-56.9	153.3	12.3	-6.5	-6.2
Manufactured goods	0.5	26.0	35.6	15.2	12.4

Sources: Bank of the Republic of Haiti; U.S. Department of Commerce; and Fund staff estimates.

1/ Includes beverage, oils and fats, and pharmaceutical products.

Table 38. Haiti: Official Grants

(In millions of U.S. dollars)

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
Total	293.1	221.9	222.6	256.8	221.3
Bilateral donors	187.3	141.2	143.2	183.1	145.9
Canada	34.3	26.7	24.8	33.2	29.4
France	7.2	21.0	10.0	13.5	9.4
Germany	4.3	3.0	5.0	3.6	3.7
Japan	0.3	7.2	12.7	12.9	12.2
Netherlands	2.9	1.0	2.0	5.5	5.5
Switzerland	5.4	0.4	2.3	2.8	1.4
Taiwan Province of China 2/	...	9.5	17.4	8.9	8.4
United States	112.9	64.8	64.2	102.8	76.0
Other bilateral donors	20.0	7.7	4.7	0.0	0.0
Multilateral donors	105.8	73.9	79.4	70.6	36.6
European Union	61.1	44.5	49.9	32.1	14.6
UNDP	16.7	14.3	12.8	11.8	2.2
WHO-PAHO	2.6	4.5	0.4	0.5	1.8
WFP	3.0	2.9	3.4	1.4	4.8
Other UN organizations	12.1	5.6	11.3	20.4	10.6
Other multilateral donors	10.3	2.1	1.6	4.4	2.6
Nongovernment organizations 3/	0.0	6.8	0.0	3.0	38.7

Sources: U.S. Monitoring Report, World Bank survey on donor financing; and Fund staff estimates.

1/ Includes US\$64 million for grants for clearance of arrears to international financial institutions.

2/ For 1995–96, grants provided by the Taiwan Province of China are included under other bilateral donors.

3/ During 1992–94, most official aid was channeled through nongovernment organizations (NGOs). Beginning in 1995, some grants channeled through NGOs may be included in the figures for grants by bilateral donors, but explicit data on grants by NGOs are not readily available.

Table 39. Haiti: Loan Disbursements

(In millions of U.S. dollars)

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
Total	121.5	131.9	97.4	103.0	69.9
Bilateral	9	11.7	5.7	1.5	16.2
France	9	11.7	5.7	1.5	0
Taiwan	0	0	0	0	15.5
Others	0	0	0	0	0.7
Multilateral	112.5	100.5	91.7	80.9	53.7
EIB	1	3.5	0	0	1.5
IDA/IBRD	66.7	39.9	37.8	14.6	7.9
IDB	44.8	57.1	52.4	64.8	42.7
OPEC/FIDA	0	0	1.5	1.5	1.7
IMF	0	19.7	0	20.6	0
Memorandum item:					
Total, excluding the IMF	121.5	112.2	97.4	82.4	69.9

Sources: Bank of the Republic of Haiti, donors, and Fund staff estimates.

Table 40. Haiti: Stock of External Public Debt 1/

	September 30				
	1996	1997	1998	1999	2000
	(In millions of U.S. dollars)				
Total	897.0	1,007.1	1,085.8	1,146.1	1,161.8
Medium and long-term debt	897.0	1,007.1	1,084.8	1,146.0	1,155.9
Bilateral creditors	141.1	172.7	173.2	155.8	163.0
United States 2/	11.9	11.8	10.8	10.6	10.3
France	43.6	52.4	53.9	48.4	41.5
Others 3/	811.4	898.6	976.3	1,049.2	1,044.7
Multilateral creditors	755.9	834.4	911.6	990.2	992.9
BIRD/IDA	447.1	463.8	502.5	514.7	486.2
FIDA	25.1	22.3	21.4	22.3	22.0
IDB	255.3	298.2	344.9	397.7	420.1
OPEC special fund	3.1	4.1	4.8	4.0	4.2
IMF and IMF trust fund	25.3	46.0	38.0	51.5	60.4
Other debt 4/	0.0	0.0	1.0	0.1	5.9
Short term	0.0	0.0	0.0	0.0	0.0
Arrears	0.0	0.0	1.0	0.1	5.9
	(In percent of GDP)				
Total	30.4	30.1	29.2	27.7	29.5
Medium and long-term debt	30.4	30.1	29.2	27.7	29.3
Bilateral creditors	4.8	5.2	4.7	3.8	4.1
United States 2/	0.4	0.4	0.3	0.3	0.3
France	1.5	1.6	1.4	1.2	1.1
Others 3/	27.5	26.9	26.3	25.3	26.5
Multilateral creditors	25.6	25.0	24.5	23.9	25.2
BIRD/IDA	15.1	13.9	13.5	12.4	12.3
FIDA	0.8	0.7	0.6	0.5	0.6
IDB	8.6	8.9	9.3	9.6	10.7
OPEC Special Fund	0.1	0.1	0.1	0.1	0.1
IMF and IMF trust fund	0.9	1.4	1.0	1.2	1.5
Other debt 4/	0.0	0.0	0.0	0.0	0.1
Short term	0.0	0.0	0.0	0.0	0.0
Arrears	0.0	0.0	0.0	0.0	0.1
Memorandum item:					
Nominal GDP (millions of U.S. dollars)	2,955.1	3,340.9	3,718.8	4,143.5	3,944.1

Sources: Data provided by the Bank of the Republic of Haiti ; and Fund staff estimates.

1/ Includes concessional and commercial public debt, officially guaranteed debt, and central bank liabilities, including use of Fund resources.

2/ Debt cancellation by the United States in 1991 was accounted for only in 1995 after Haiti's return to constitutional rule.

3/ Increase in 1995 reflect recognition of debt in dispute.

4/ Excludes overdue suppliers' credits in dispute ("dette en litige").

Table 41. Haiti: Scheduled External Public Debt Service
(In millions of U.S. dollars)

	Fiscal Year Ending September 30				
	1996	1997	1998	1999	2000
Total scheduled payments	25.0	31.9	43.4	55.9	42.4
Interest	8.1	12.3	12.9	20.2	13.8
Bilateral creditors	0.7	4.0	2.3	8.0	2.9
United States	0.0	0.8	0.7	0.5	0.7
France	0.5	1.7	1.0	2.1	1.5
Others 1/	0.2	1.5	0.6	5.4	0.6
Multilateral creditors	7.4	8.3	8.6	10.0	10.9
IMF	0.0	0.0	2.0	2.2	0.9
IBRD/IDA	3.0	3.0	3.3	3.8	3.8
IDB	4.2	5.0	4.9	5.6	5.9
OPEC Fund/FIDA	0.2	0.3	0.4	0.5	0.3
Amortization payments	16.9	19.6	30.5	35.7	28.6
Bilateral creditors	2.6	4.2	10.1	8.1	8.7
United States	0.0	0.3	0.5	0.3	0.5
France	0.8	1.2	2.0	4.0	3.1
Others 1/	1.8	2.7	7.6	3.8	5.0
Multilateral creditors	14.3	15.4	15.1	16.4	17.0
IMF	2.6	1.3	5.3	11.2	2.9
IBRD/IDA	3.8	4.3	5.1	6.4	6.5
IDB	6.4	8.3	8.2	8.5	8.7
OPEC Fund/FIDA	1.5	1.5	1.8	1.5	1.7

Sources: Data provided by the Bank of the Republic of Haiti; and Fund staff estimates.

1/ The main creditors are Venezuela, Argentina, and Canada.

Table 42. Stock of External Arrears

(In millions of U.S. dollars)

	September 30							
	1994	1995	1996	1997	1998	1999	2000	2001
Total	120.9	0	0	0	0	0	6.0	17.8
Multilateral creditors	79.8	0	0	0	0	0	2.1	11.3
IDB	27.4	0	0	0	0	0	0.2	4.0
World Bank/IDA	15.1	0	0	0	0	0	0.8	6.1
IMF	34.4	0	0	0	0	0	0.2	0.0
Other (OPEC and FIDA)	2.9	0	0	0	0	0	0.9	1.1
Bilateral creditors	41.1	0	0	0	0	0	3.9	6.6
U.S. (AID, EXIMBANK, and DOD)	15.6	0	0	0	0	0	0.1	0.7
Canada (Wheat Board)	5.4	0	0	0	0	0	0.1	0.1
France (Bank de France, CFD, and COFACE)	0	0	0	0	0	0	2.1	3.3
Italy (SACE)	0	0	0	0	0	0	0.6	1.3
Spain (CESCE)	0	0	0	0	0	0	0.6	1.3
Others	20.1	0	0	0	0	0	0	0

Sources: Bank of the Republic of Haiti ; World Bank; and Fund staff estimates.

Summary of the Tax System
(As of September 30, 2001)

Tax	Nature of Tax (Base)	Exemptions and Deductions	Rates												
<p>1. Tax on net income and profits (Amended by decree of September 29, 1988)</p> <p>1.1 Corporate income tax</p>	<p>Tax on net industrial and commercial profits of enterprises (including state enterprises) and companies, including capital gains and after deduction of all legitimate charges; dividends paid to affiliated companies are not taxed.</p>	<p>Enterprises with a turnover not exceeding G 50,000. Agricultural cooperatives, mutual loan associations, and enterprises granted privileges under the Investment Code. Fifty percent of capital gains on developed property and 25 percent on undeveloped property.</p>	<p>Net profits of local companies are subject to the actual profits regime (<i>regime réel</i>).</p> <p>The actual profits regime includes the following schedule of marginal rates:</p> <table border="1" data-bbox="1089 573 1568 751"> <thead> <tr> <th>Profits in gourdes</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>1-20,000</td> <td>10</td> </tr> <tr> <td>20,001-100,000</td> <td>15</td> </tr> <tr> <td>100,001-250,000</td> <td>20</td> </tr> <tr> <td>250,001-750,000</td> <td>30</td> </tr> <tr> <td>Over 750,000</td> <td>35</td> </tr> </tbody> </table> <p>Enterprises are required to make an installment payment equal to 1 percent of the previous year's profits plus 1 percent of the current value of imports. Undistributed profits are taxable at the rate of 15 percent after five years unless reinvested.</p> <p>Foreign companies: In addition to the actual profits regime, a surcharge representing 30 percent of net profits after tax, constituting the final tax on profits to be distributed to foreign shareholders.</p>	Profits in gourdes	Percentage	1-20,000	10	20,001-100,000	15	100,001-250,000	20	250,001-750,000	30	Over 750,000	35
Profits in gourdes	Percentage														
1-20,000	10														
20,001-100,000	15														
100,001-250,000	20														
250,001-750,000	30														
Over 750,000	35														
<p>1.2 Personal income tax</p>	<p>Based on aggregate income, including income from real estate; industrial, commercial, and agricultural profits; investment income; income from literary works and patented inventions; wages and salaries; interest and dividends received; and all types of capital gains.</p>	<p>Exemptions: Foreign diplomatic and consular personnel.</p> <p>Deductions: (1) deficits carried over from previous fiscal years; (2) for a principal residence: 20 percent of the annual rent or the sum of real estate tax and mortgage interest payments; (3) donations to charitable or public-interest institutions, up to 20 percent of income; and (4) 50 percent of capital gains on developed property and 25 percent on undeveloped property.</p>	<p>For income, a progressive general schedule with the following marginal rates:</p> <table border="1" data-bbox="1089 1098 1568 1255"> <thead> <tr> <th>Income in gourdes</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>20,001-100,000</td> <td>10</td> </tr> <tr> <td>100,001-250,000</td> <td>15</td> </tr> <tr> <td>250,001-750,000</td> <td>25</td> </tr> <tr> <td>Over 750,000</td> <td>30</td> </tr> </tbody> </table> <p>with the application of tax credits and source withholding.</p> <p>For profits, applicable rates are as follows:</p> <p>Presumptive regime: G 50,000-250,000 1 percent of turnover 2 percent of the value of imports, c.i.f.</p> <p>(in both cases, constituting payment in full)</p> <p>Actual profits regime: See 1.1 above.</p> <p>Taxpayers whose noncommercial profits are less than G 20,000 are subject to a presumptive tax of 1 percent of their gross income, with a minimum of G 600, deductible from the final tax but not refundable Source withholding on: wages (1½ of the tax paid the previous year), unreported bonuses (10 percent, in full payment), commissions and capital gains on developed land (2½ percent) and undeveloped land (10 percent), and on interest and dividends (15 percent).</p>	Income in gourdes	Percentage	20,001-100,000	10	100,001-250,000	15	250,001-750,000	25	Over 750,000	30		
Income in gourdes	Percentage														
20,001-100,000	10														
100,001-250,000	15														
250,001-750,000	25														
Over 750,000	30														

Summary of the Tax System
(As of September 30, 2001)

Tax	Nature of Tax (Base)	Exemptions and Deductions	Rates																				
<p>2. Social security contributions</p> <p>2.1 ONA (old-age pensions)</p>	<p>A monthly contribution by private sector employers and employees to the pension scheme, based on actual wages, with a daily minimum of G 13.50.</p>		<p>Monthly contribution (Wages in gourdes) (Percentage)</p> <table border="0"> <tr> <td>Less than 201</td> <td>2</td> </tr> <tr> <td>201-500</td> <td>3</td> </tr> <tr> <td>501-1,000</td> <td>4</td> </tr> <tr> <td>Over 1,000</td> <td>6</td> </tr> </table> <p>Payable by employer and employee.</p>	Less than 201	2	201-500	3	501-1,000	4	Over 1,000	6												
Less than 201	2																						
201-500	3																						
501-1,000	4																						
Over 1,000	6																						
<p>2.2 OFATMA (work-related accidents)</p>	<p>Monthly contribution paid by employers to assist employees who are victims of work-related accidents or illnesses, based on actual wages, with a daily minimum of G 8.50.</p>		<p>Paid by the employer:</p> <p>2 percent for commercial enterprises;</p> <p>3 percent for agricultural, industrial, and construction enterprises;</p> <p>6 percent for mining operations.</p>																				
<p>3. Payroll tax (Decree of October 14, 1988)</p>	<p>Paid by employers and based on the total value of the cash and noncash emoluments of public and private sector employees.</p>		<p>2 percent</p>																				
<p>4. Property taxes (Land tax on developed property) (Decree of April 5, 1979, as amended through January 1982).</p>	<p>Based on the net annual rental value of land and buildings erected with nontraditional materials. Diplomatic missions, NGOs, and international organizations.</p>	<p>Full exemption for the buildings of government departments providing nonprofit public services; buildings used for religious activities; and buildings belonging to cultural associations, educational institutions, and diplomatic missions.</p> <p>Reductions:</p> <p>Single-rental apartments (furnished): 30 percent.</p> <p>Multiple-rental apartments: Furnished: 50 percent. Unfurnished: 33 percent</p> <p>All buildings in locations other than Port-au-Prince and Pétionville: reductions of 75 percent (1st year), 50 percent (2nd year), and 25 percent (3rd year).</p> <p>Owner-occupied property with a rental value of less than G 480 in urban areas and G 900 in rural areas is exempt.</p>	<p>Annual Rental Value Rate (In gourdes) (In percent)</p> <table border="0"> <tr> <td>Up to 2,400</td> <td>6</td> </tr> <tr> <td>2,401-3,300</td> <td>7</td> </tr> <tr> <td>3,301-7,200</td> <td>8</td> </tr> <tr> <td>7,201-9,600</td> <td>9</td> </tr> <tr> <td>9,601-12,000</td> <td>10</td> </tr> <tr> <td>12,001-14,400</td> <td>11</td> </tr> <tr> <td>14,401-16,800</td> <td>12</td> </tr> <tr> <td>16,801-19,200</td> <td>13</td> </tr> <tr> <td>19,201-21,600</td> <td>14</td> </tr> <tr> <td>Over 21,600</td> <td>15</td> </tr> </table>	Up to 2,400	6	2,401-3,300	7	3,301-7,200	8	7,201-9,600	9	9,601-12,000	10	12,001-14,400	11	14,401-16,800	12	16,801-19,200	13	19,201-21,600	14	Over 21,600	15
Up to 2,400	6																						
2,401-3,300	7																						
3,301-7,200	8																						
7,201-9,600	9																						
9,601-12,000	10																						
12,001-14,400	11																						
14,401-16,800	12																						
16,801-19,200	13																						
19,201-21,600	14																						
Over 21,600	15																						
<p>4.2 Stamp tax (Decree of September 28, 1977)</p>	<p>Stamp tax on sales of tangible or intangible assets or inheritances.</p>		<p>On the selling price or the value of the assets:</p> <table border="0"> <tr> <td>Sales of tangible assets:</td> <td>2 percent</td> </tr> <tr> <td>Sales of intangible assets:</td> <td>3 percent</td> </tr> </table> <p>Inheritances: 1-8 percent, depending on the type of goods and the degree of relationship between the parties involved.</p>	Sales of tangible assets:	2 percent	Sales of intangible assets:	3 percent																
Sales of tangible assets:	2 percent																						
Sales of intangible assets:	3 percent																						

Summary of the Tax System
(As of September 30, 2001)

Tax	Nature of Tax (Base)	Exemptions and Deductions	Rates																
<p>5. Taxes on goods and services</p> <p>5.1 Value added tax (Decree of September 19, 1982, as amended through June 1996)</p>	<p>General tax on sales of goods (including agro-industrial), on the provision of services (including water, electricity, and local bank premiums and charges), and on imports, calculated at each stage in the production/distribution/import chain, with credit for tax paid on purchases.</p>	<p>Exemptions: (1) business persons with a turnover of less than G 100,000; (2) service providers with a turnover of less than G 100,000; (3) international services (transportation equipment maintenance); (4) interest on bank loans and on banking and insurance operations; (5) wages and education and health care expenses; (6) operations of nonprofit organizations; (7) exports and re-exports; (8) imported petroleum products; (9) equipment and inputs for agriculture, livestock, and fisheries; and (10) supplies for education.</p> <p>Deductions: The tax collected on inputs of a taxable operation is deductible from the tax applicable to that operation.</p>	<p>10 percent of the price of goods and services, including other duties and taxes.</p>																
<p>5.2 Excise duties (Decree of September 3, 1971, as amended in August 1987)</p> <p>5.2.1 Excise duty on tobacco products</p>	<p>Specific regular and supplementary duty on cigarettes.</p>	<p>Tobacco cultivated and dried domestically with no further processing and powdered tobacco are exempt.</p>	<p>Cigarettes (per pack of 20)</p> <p>Regular duty</p> <table data-bbox="1089 1066 1567 1123"> <tr> <td>Domestic production</td> <td>G 1.00</td> </tr> <tr> <td>Imports</td> <td>G 1.25</td> </tr> </table> <p>Supplementary duty (per kg)</p> <table data-bbox="1089 1165 1567 1222"> <tr> <td>Domestic</td> <td>G 7.00</td> </tr> <tr> <td>Imports</td> <td>G 14.50</td> </tr> </table> <p>Cigars</p> <table data-bbox="1089 1264 1567 1320"> <tr> <td>Domestic production</td> <td>G 0.01–0.05</td> </tr> <tr> <td>Imports</td> <td>G 0.05–0.50</td> </tr> </table> <p>Tobacco (per kg)</p> <table data-bbox="1089 1362 1567 1419"> <tr> <td>Local</td> <td>G 0.10–0.50</td> </tr> <tr> <td>Imported</td> <td>G 0.20–2.00</td> </tr> </table>	Domestic production	G 1.00	Imports	G 1.25	Domestic	G 7.00	Imports	G 14.50	Domestic production	G 0.01–0.05	Imports	G 0.05–0.50	Local	G 0.10–0.50	Imported	G 0.20–2.00
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Summary of the Tax System
(As of September 30, 2001)

Tax	Nature of Tax (Base)	Exemptions and Deductions	Rates
<p>5.2.2 Excise duties on alcoholic beverages</p> <p>(Decree of April 1984, as amended in 1988 and 1993)</p>	<p>Specific duties on imported and domestically produced spirits, wines, and malted beer.</p>		<p>(In gourdes per liter)</p> <p>Regular duties:</p> <p>Local</p> <p>Alcohol (>25 percent natural Cartier cane juice) G 100 per month</p> <p>Molasses (<25 percent natural Cartier cane juice) G 150 per month</p> <p>Imported</p> <p>Liqueurs G 2.50</p> <p>Gin, vodka, and cognac G 10.00</p> <p>Whisky G 15.00</p> <p>Stout, malted ale (per 24 bottle case) G 2.00</p> <p>Wine and champagne G 2.00</p> <p>Local and imported</p> <p>Beer (per 24-bottle case) G 1–G 7.35</p> <p>Rum (per liter) G 2.25</p> <p>Supplementary duties on local and imported beer</p> <p>(per 24-bottle case) G 1–G 7.35</p> <p>Beer G 2.25</p> <p>Stout G 2.25</p>
<p>5.2.3 Excise duties on petroleum products</p> <p>(Decree of February 1995, as amended in May 1996)</p>	<p>Specific duties collected by Customs at the time of importation.</p>	<p>Electricité d’Haiti and government bodies; diplomatic missions; and certain NGOs.</p>	<p>Fixed duties (in gourdes per gallon):</p> <p>Gasoline G 3.30</p> <p>Diesel oil G 3.10</p> <p>Kerosene G 2.50</p> <p>Aviation fuel G 0.25</p> <p>Lubricants G 0.15</p> <p>Heating oil G 0.10</p> <p>Variable duties (in gourdes per gallon):</p> <p>Based on original reference levels, as follows:</p> <p>Gasoline G 6.80</p> <p>Diesel G 4.00</p> <p>Kerosene G 0.44</p> <p>The price at the pump is to be adjusted upwards or downwards when the change in the landed cost exceeds 5 percent.</p>
<p>5.2.4 Excise duties on other items and on carbonated beverages</p>	<p>Specific duties on refined sugar, flour, and carbonated beverages manufactured locally.</p>		<p>Sugar G 20.00 per 100-lb bag</p> <p>Flour G 3.75 per 100-lb bag</p> <p>Carbonated beverages 07.20 per 144 bottles</p>
<p>5.2.5 Excise duties on luxury foodstuffs</p>	<p>Levied on a wide range of imported foodstuffs.</p>		<p>5 percent of the value, c.i.f.</p>

Summary of the Tax System
(As of September 30, 2001)

Tax	Nature of Tax (Base)	Exemptions and Deductions	Rates										
<p>5.3 Business fees and licenses</p> <p>5.3.1 Business fees (Decree of September 28, 1987)</p>	<p>Annual presumptive professional fee payable by any individual or legal entity engaged in a professional activity in Haiti, levied by the commune of which the taxpayer is a resident. Communes are classified into three groups, the main one being Port-au-Prince and its suburbs. This fee is either fixed, on the basis of the schedule and depending on the location of the business and the sector of economic activity involved; or variable, based on the difference between the turnover and the wage bill of the business.</p>	<p>Local governments, farmers, stock breeders, fishermen, wage earners, cooperatives, artists, authors, musicians, and singers.</p>	<p>Professional fee (business license):</p> <p>Group I: From G 40 (small retailers) to G 2,000 (mining industries) Average: G 400-1,000 For exempt export industries: G 7,500</p> <p>Groups II and III: ½ and ¼, respectively, of the Group I rate.</p>										
<p>5.3.2 Licenses (Decree of January 13, 1978)</p>	<p>Annual tax on the authorization to engage in certain industrial or commercial activities or certain professions. All foreign and domestic enterprises are subject to this tax, as are manufacturers of products for local consumption, distilleries, breweries, and tobacco factories.</p>		<table border="0"> <tr> <td>Tobacco factories</td> <td>G 2,500</td> </tr> <tr> <td>Breweries</td> <td>G 1,500</td> </tr> <tr> <td>Distilleries</td> <td>G 20 per boiler</td> </tr> <tr> <td>Local factories</td> <td>G 250-1,000</td> </tr> <tr> <td colspan="2">based on turnover</td> </tr> </table>	Tobacco factories	G 2,500	Breweries	G 1,500	Distilleries	G 20 per boiler	Local factories	G 250-1,000	based on turnover	
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<p>5.4 Motor vehicle tax</p> <p>5.4.1 Tax on initial registration (Decree of February 18, 1987)</p>	<p>Based on the value, c.i.f.</p>	<p>25-seat van 2-ton truck</p>	<p>Van (12-24 seats): 5 percent of the value, c.i.f. Truck (<2 tons): 5 percent of the value, c.i.f.</p> <p>Other vehicles</p> <table border="0"> <tr> <td>G 0-35,000</td> <td>5 percent</td> </tr> <tr> <td>G 35,000-55,000</td> <td>10 percent</td> </tr> <tr> <td>G 55,000-75,000</td> <td>15 percent</td> </tr> <tr> <td>Over G 75,000</td> <td>20 percent</td> </tr> </table>	G 0-35,000	5 percent	G 35,000-55,000	10 percent	G 55,000-75,000	15 percent	Over G 75,000	20 percent		
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<p>5.4.2 Annual fee (April 1993, as amended in May 1996) (Registration tags)</p>	<p>Based on the cylinders, weight, and number of wheels of private and public vehicles.</p>		<p>Excise of 10 percent on all vehicles with a capacity of at least 2000 cubic centimeters.</p> <p>Private (gasoline): 4-8 cylinders: G 60-110</p> <p>Public (gasoline): 4-8 cylinder G 60-120</p> <p>Public (diesel): 2-8 cylinders: G 60-100</p> <p>Public (trucks): ½-8 tons, 4-6 wheels: G 80-240</p>										

Summary of the Tax System
(As of September 30, 2001)

Tax	Nature of Tax (Base)	Exemptions and Deductions	Rates																																										
<p>6. Taxes on international trade and transactions</p> <p>(Regime amended in February 1995)</p> <p>6.1 Import duties</p> <p>6.1.1 Customs tariff</p>	<p>A minimum tariff is applied to merchandise originating from countries that have entered into trade agreements with Haiti. A reduced tariff is applied to merchandise originating from WTO member countries. A maximum tariff, generally double the minimum tariff, is applied to merchandise originating from other countries.</p>	<p>Certain industrial machinery, tractors, works of art, plant seeds and bulbs, fertilizers, and a few other chemical products. Educational materials; health products; gasoline; kerosene; all products destined to agriculture; and chemicals.</p>	<p>The tariff currently contains 21 sections with a total of 99 chapters. Except in the case of certain staples and the items mentioned below, the following tariff structure is temporarily applicable</p> <table border="0"> <tr> <td colspan="3">General rate</td> </tr> <tr> <td></td> <td>Previous rate</td> <td>New rate</td> </tr> <tr> <td></td> <td colspan="2">(In percent)</td> </tr> <tr> <td>0-10</td> <td></td> <td>0</td> </tr> <tr> <td>15-20</td> <td></td> <td>5</td> </tr> <tr> <td>25-30</td> <td></td> <td>10</td> </tr> <tr> <td>35-50</td> <td></td> <td>15</td> </tr> <tr> <td colspan="3">Specific rates</td> </tr> <tr> <td>Rice</td> <td>50</td> <td>3</td> </tr> <tr> <td>Grains</td> <td>50</td> <td>0</td> </tr> <tr> <td>Vegetable oils</td> <td>20</td> <td>0</td> </tr> <tr> <td>Sugar</td> <td>20</td> <td>3</td> </tr> <tr> <td>Cement</td> <td>10-33</td> <td>3</td> </tr> <tr> <td>Gasoline</td> <td>57.8</td> <td>57.8</td> </tr> </table>	General rate				Previous rate	New rate		(In percent)		0-10		0	15-20		5	25-30		10	35-50		15	Specific rates			Rice	50	3	Grains	50	0	Vegetable oils	20	0	Sugar	20	3	Cement	10-33	3	Gasoline	57.8	57.8
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<p>6.1.2 Verification fee</p>	<p>Import surtax, now levied at the Haitian port of entry rather than at the foreign port of shipment.</p>	<p>Assembly sector, personal imports; and diplomatic missions.</p>	<p>4 percent of the c.i.f. import value.</p>																																										
<p>7. Other taxes</p> <p>7.1 Identification card tax</p> <p>(Decree of September 28, 1987, as amended through May 1993)</p>	<p>Annual tax for the issuance or validation of the identification card levied on all individuals, legal entities, and sole proprietorships.</p>	<p>Diplomatic and consular services.</p>	<p>Legal entities: G 600 Sole proprietorships: G 50-150</p> <p>Individuals Wage earners (<G 20,000): G 15 Wage earners (G 20,000-100,000): G 150 Vehicle owners: G 150</p> <p>Persons subject to property taxes: G 150 Wage earners (>0 100,000): G 250</p>																																										

Source: Ministry of Economy and Finance