RESTRICTED

Report No. W.H. 45



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



# RECENT ECONOMIC DEVELOPMENTS

# IN HAITI

April 26, 1956

Department of Operations
Western Hemisphere

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## BASIC DATA

| | | |
|---|---|---|
| Area | 10,700 square miles | |
| Population (1950 census) | 3,112,000 | |
| Estimated annual increase | 1.5% | |

| Trade | Fiscal 1954 | Fiscal 1955 |
|---|---|---|
| | (million U.S. dollars) | |
| Exports | $ 56.7 | $ 34.9 |
| Imports (c.i.f) | 47.6 | 39.2 |
| Balance | 9.0 | - 4.3 |

| | | |
|---|---|---|
| Exchange reserves of National Bank (February 29) | $ 12.3 (1955) | $ 13.8 (1956) |

| Principal exports | | |
|---|---|---|
| Coffee | 78% | 66% |
| Sisal | 9% | 15% |
| Cacao | 3% | 3% |
| Sugar | 2% | 3% |

| Budget | | |
|---|---|---|
| Revenues | $ 32.2 | $ 29.5 |
| Expenditures | 35.0 | 34.7 |
| Balance | - 2.8 | - 5.2 |

| External public debt (February 29, 1956) | | |
|---|---|---|
| Total | | $ 41.0 |
| Long-term | | 30.8 |
| Medium-term | | 10.2 |

## INTRODUCTION

1. The purpose of this report is to review and bring up-to-date the Bank's appraisal of Haiti's economic position and prospects, previously set forth in "The Economy of Haiti," W.H. 26 B, August 5, 1954.

2. Haiti, it will be recalled, is a small mountainous tropical country in the Caribbean having the highest density of population in all the American republics. Formerly one of the richest of colonial territories, its standard of living, per capita trade, and proportion of urbanized population are now amoung the lowest in Latin America. More than four-fifths of the people are illiterate. Population has been growing but because of soil erosion and exhaustion, the already relatively scarce land resources have been declining. Agriculture, Haiti's principal economic activity, is carried on principally by small peasant farmers in rather primitive ways. Output per capita has been more or less stationary for many years. The apparent postwar improvement in Haiti's economic position has been due almost entirely to the rise in coffee prices, and not to increasing output.

3. Coffee, which grows more or less wild on the highland slopes with yields per tree lower than in most coffee-growing countries, is the principal export crop, accounting for some three-fourths of total exports. Sisal is the next most important export crop. Despite the predominance of subsistence farming, food has been accounting for almost one-fourth of total imports. Industry is still very limited, consisting mainly of the processing of agricultural products such as sugar cane, sisal, essential oils, cotton seed, and small consumers' industries. But tourism has been growing rapidly. After coffee, it is now Haiti's largest single earner of foreign exchange.

## RECENT DEVELOPMENTS

### Balance of Payments

4. As a result of record exports, a continued expansion of tourism, an unprecedented balance of payments surplus on current account, and near peak exchange reserves, Haiti finished fiscal 1954 /1 in fair strength. At the very beginning of fiscal 1955, however, it was estimated that the new coffee crop then being harvested would be some 15-20% smaller than the previous crop and that this crop would have to be sold at a substantially lower average price than in the previous year. Two weeks after the fiscal year began these gloomy prospects were intensified when the winds, rain and floods of "Hurricane Hazel" damaged crops, farms and public facilities over large areas of the country. Fiscal 1955 was thus a difficult year for Haiti, with exports one-third lower in value than in the preceding year.

5. The resultant strain on Haiti's exchange resources was mitigated in several ways. Imports declined in response to the fall in export incomes, though by a smaller amount; revenues from tourism increased, and Haiti received a substantial amount of U.S. aid. The United States government's grant program, in part for relief and rehabilitation and in part for development projects, amounted to $750,000 for the period July 1954 through June 1955 and to $4 million

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/1 October 1, 1953 - September 30, 1954

for the period July 1955 through June 1956. The Export-Import Bank also loaned an additional $13 million to Haiti for the Artibonite River project. Although all of these U.S. funds have not yet been disbursed, and only part of the disbursements provide foreign exchange by being made for local currency expenditures, this U.S. assistance contributed to Haiti's exchange reserves. Also U.S. technical assistance salaries are currently providing about $1 million annually in free exchange.

6. But all these developments only moderated the strain on the National Bank's reserves. These still declined from a near peak of $12 million at the end of September 1954 to $9.5 million one year later, even with the help of a $2 million short-term advance obtained from the Chase National Bank on September 26 to bolster the reserve position.

7. Since September, however, some considerable improvement appears to have taken place. The February 29, 1956 reserves, at $13.8 million even after deducting that part of the Chase National Bank loan still to be repaid, were $1.5 million higher than they were twelve months before.

Domestic Finance

8. The difficulties of fiscal 1955 were also reflected in the government's budget. Government revenues declined slightly from their 1954 levels, which is not surprising in view of the fact that some two-thirds of the government's revenues are derived from taxes on imports and exports. As there was no significant change in the level of government expenditures, the government's budgetary deficit increased from its 1954 level by almost the same amount as its revenues declined. The deficit for fiscal 1955 was equivalent to $5.2 million, or 18% of the government's cash expenditures for the year. This deficit is substantially greater than the $2.7 - $3.1 million annual deficits recorded during the fiscal years 1952 through 1954. 1/

9. As there is some doubt about Haiti's method of classifying budgetary expenditures, it is difficult to ascribe these deficits specifically to the investment program or to the government's ordinary administrative outlays. Both categories of expenditures appear to have been rising, although the growth in revenues prior to fiscal 1955 was sufficient to cover current expenditures and still leave a small surplus for investment.

10. There is little doubt, however, that these deficits have weakened Haiti's current financial position even though they were used, in part, to

1/ Haiti's true deficits may have been as much as $1 million less than the amounts shown here; it has not been possible, on the basis of available statistics, to identify the amortization component of debt service payments which are reported as government expenditures.

finance development projects which will ultimately raise agricultural output and incomes, exports, and government revenues. The reason is that they have been financed almost entirely by inflationary borrowing from the National Bank. The National Bank's outstanding loans and investments to the government rose by $5.9 million during fiscal 1955; for the fiscal years 1952 through 1955, they rose by $10.6 million. For Haiti, where the local currency circulates interchangeably with United States dollars and is at present freely convertible into dollars,[1/] cumulative credit creation of this kind can be dangerous. It inevitably leads to a loss of reserves and leaves the National Bank exposed to crises of confidence. Furthermore, since the government has now become the principal borrower of the Bank and most of the Bank's loans to the government have been made against long-term bonds rather than in the form of short-term advances, the National Bank has lost much of its freedom to protect its reserves by reducing credit as the need arises.

11. These budgetary deficits, it should be noted, do not include investment expenditures which have been financed through external borrowing. The gap between the government's ordinary revenues and its total expenditures, including those financed from abroad, would be very much greater than the deficits referred to above. This wider gap is not significant in the inflationary sense, for there are offsetting imports; the domestic expenditures that accompanied these externally-financed investment projects have presumably already been reflected in the budget. But it has further weakened Haiti's external financial position and prospects because much of the borrowing was in the form of short-term suppliers' credits due to be repaid in 1956 and 1957. Almost one-half of Haiti's $10.2 million of privately-placed debt outstanding at February 29, 1956 is scheduled to be repaid during the current calendar year, and more than one-half of the remainder is due to be amortized during 1957. Service payments due on this category of debt during Haiti's current financial difficulties will account for the bulk of her total debt service. The burden on the budget, and on the exchange reserves, which these payments represent is correspondingly severe.

## PROSPECTS

12. Though no spectacular changes are in prospect, some development activity is going on. The expansion in tourism has been very rapid, and is stimulating the growth of associated local industries. An American mining corporation is about to begin the production of bauxite on a fairly large scale, and prospecting for copper has recently met with encouraging results. The Artibonite Valley irrigation and flood control project should eventually make possible a substantial increase of agricultural production, though the project has turned out to be far more costly than originally expected and will take many years to exert its full effects. It is also contemplated that the important hydroelectric power potentialities of this project should be developed as soon as market and other conditions permit. Highway construction, which in recent years has been more rapid than ever before, should also help increase agricultural output by reducing transport costs and preventing spoilage, though it should be noted that the benefits to the economy could easily be lost if construction projects continue to be poorly executed, needlessly costly, and poorly maintained.

1/ The gourde has since 1919 been convertible into dollars at the fixed rate of 5 gourdes to 1 dollar.

13. Development activity during the next few years, however, will necessarily be retarded by the difficult financial prospects that Haiti now faces unless the United States aid program should be continued on a quite substantial scale.

Domestic Finance

14. Haiti's public expenditures clearly need to be brought more closely into line with the resources ordinarily available to the government. Adjustments in this direction will undoubtedly pose serious problems for the Haitian government, but the alternatives would be even more serious. Further resort to National Bank credit could give rise to increased imports and precipitate a crisis in Haitian external finances. Excessive resort to external borrowing would not only place a heavy burden on future exchange earnings; it would also add further inflexibilities to the domestic budget and thus only aggravate the government's fiscal difficulties in future years. In calendar 1956, interest and amortization on the known external public debt outstanding at February 29, 1956 will absorb almost 25% of Haiti's probable budget revenues of about $30 million. This proportion will fall to about 17% in 1957, declining more slowly thereafter, but it will still exceed 10% through 1959.

Balance of Payments

15. With no expectations of rapid growth in the volume of Haiti's exports and with somewhat unfavorable price prospects for coffee, the major export, Haiti's external accounts will also have to be balanced during the next few years at lower levels than in the recent past. Apart from the margin provided by Haiti's reserves and by foreign assistance, Haiti's imports will have to be limited to its current earnings from abroad. New private capital inflows will probably be unimportant unless recent mineral exploration proves to be significant.

16. Exports. The 31,800 metric tons of coffee exported during fiscal 1952 and 1954 was generally regarded as unusual. Similar peaks have been registered at various times during the past twenty-five years but, in general, the record appears to reflect year to year fluctuations around a fairly constant level. The average for the postwar decade -- fiscal 1945 through 1954 -- in which both terminal years were peak coffee export years, was 26,700 tons. As coffee is produced in Haiti under fairly primitive conditions by many small producers who also produce other crops, there is little reason to expect that this level will increase dramatically. Assuming that the current efforts to raise coffee production may, during the next few years, raise the average annual volume of coffee exports to 28,000 metric tons, and that the price of Haitian coffee in an uncontrolled free market will decline to approximately $0.90 per kilo ($0.41 per pound) by 1960, Haiti may expect to earn $25 million from coffee exports in 1960, or only slightly more than in 1950.

17. Due to the recent and persistent decline in the price received for sisal, the output of this fiber, which had expanded rapidly after the war until 1950, has been falling. Most of the recent drop in output has reflected the withdrawal of marginal producers, however; unlike coffee, three large producers account for the bulk of sisal production. Unless there is a further sustained fall in price, the present producers are expected to remain active and sisal production should approximate 25,000 tons. At the average current price of $0.17 per kilogram, sisal exports may be expected to produce $4 million annually in the coming years, roughly the same as in fiscal 1953 and 1954.

18. Haiti's other exports, which are rather small individually, have been earning about $8 million annually. They include sugar, cotton, cacao, bananas, essential oils, and handicraft products. Sugar and banana exports have been declining steadily but this decline should be reversed in the face of specific government efforts to this end. Together with the exchange earnings expected from bauxite, the total value of this group of exports should thus still remain at least at $8 million.

19. Accordingly, Haiti may expect total export receipts of about $37 million by 1960. But gross exchange earnings would be larger because of rapidly increasing tourist revenues; these revenues approached $6 million during fiscal 1955 and are expected to continue to increase steadily, to some $10 million by 1960. On this basis, and without allowing for the possibility of continuing grant aid from the U.S., Haiti's gross foreign exchange receipts may in 1960 be expected to approximate $47 million.

20. Imports. This estimated level of external earnings would require a reduction in Haiti's recent level of exchange expenditures unless foreign aid continues to be available on a substantial scale. With proper monetary and fiscal measures Haiti should be able to keep exchange expenditures within the limits set by exchange earnings. Its investment program, however, must be realistic, avoiding undue internal expansion and external commitments. In any case, the position will remain difficult during the next few years, unless further grant aid assistance from the United States alleviates the pressure.

21. Debt. Haiti's external debt has increased substantially during the past two years, from $25 million at the end of 1953 to $41 million at February 29, 1956. Of the $6.6 million of dollar obligations to foreign contractors outstanding on December 31, 1953, $1.9 million had been paid off by September 30, 1954, but new commitments undertaken since then have raised the total again, to $9.8 million. Haiti's obligations to foreign governments, which consist almost entirely of debt to the Export-Import Bank, have increased from $17.9 million to $30.7 million; two new Export-Import Bank commitments totalling $13 million for the Artibonite River project accounted for this entire increase. In connection with the most recent increase of $6 million in the Artibonite loan, 1/ however, the Eximbank moderated the terms of the previous loans in such

1/ This loan is not yet a contractual obligation of the Haitian government, but it has been included here because it has already been authorized by the Export-Import Bank, and is expected to be ratified by the Haitian parliament in the near future.

a way as to avoid adding to Haiti's annual burden of debt service.

22. Haiti also has $11 million of publicly-issued bonds outstanding which are payable either in gourdes or dollars at the option of the holders. These bonds have not been included in Haiti's external debt because almost all of them are held by the National Bank and government agencies and the Haitian government has undertaken to see that they do not find their way onto external markets. They are, however, shown as a contingent liability in the debt tables.

## CONCLUSION

23. In its broad outlines, the previous appraisal of the Haitian economy still remains valid. The Haitian economy has not been growing very rapidly. Because of poorer prospects for coffee prices, Haiti's immediate economic prospects have, in fact, deteriorated since the last economic report was written, even though from all reports Haiti has recovered from the damage inflicted by the hurricane and may accordingly expect her financial difficulties to be less acute than they have been in the immediate past. The probable level of exchange during the next few years is lower than was earlier envisaged, and because of the government's dependence for revenues on import and export taxes, budgetary difficulties will continue to be at least as delicate as indicated in the last report. In the longer time period in which the expansionary elements in Haiti's balance of payments should not be offset by falling export prices, Haiti's economic prospects appear less restricted. But a more precise outline of these prospects must await an appraisal of the ultimate effects on production and incomes of Haiti's recently expanded development efforts.

24. Service on Haiti's existing long-term external debt will require $2.8 million in the peak year 1960. This sum is moderate, amounting to 9% of probable budgetary revenues, and 6% of expected gross exchange receipts. But Haiti also has medium-term debt which, although equal to only 25% of the long-term debt, bulks large in the years just ahead with service payments of $5.5 million in 1956 and $2.7 million in 1957. Total debt service is thus at its peak of $7.1 million this current year, and at its next highest peak of $5.2 million in 1957. This represents a very substantial burden; annual service payments during 1956 and 1957 will absorb some 12% of Haiti's probable gross exchange earnings and some 20% of her probable budgetary revenues. During these two years, Haiti will have to pay as much as is scheduled during the following four years.

25. With very firm financial discipline, and with the exchange and budgetary assistance to be provided by United States aid (including financing of local currency expenditures on existing investment projects) Haiti should be able to meet these obligations. But the margins are narrow, and Haiti may find it necessary to look abroad to the International Monetary Fund or elsewhere for some stand-by assistance. Once over this difficult period, however, greater ease may be expected.

26. The $2.6 million loan now proposed for the highway maintenance project would call for service of $0.2 million in 1959, and $0.4 million thereafter through 1966. This would raise the presently-scheduled debt service in 1960 to $3.4 million or some 7% of Haiti's expected exchange earnings. While this would not be excessive, Haiti must view further external debt obligations with great caution, especially insofar as they mightcall for the initiation of debt service before 1960. Commencing about then, a margin should emerge against which moderately substantial new debts might be incurred, provided that this borrowing takes the form of long-term debt bearing a relatively low annual rate of debt service. Haiti cannot afford to incur large medium-term debts involving heavy service requirements per dollar of invested capital.

TABLE 1

HAITI: SUMMARY OF EXTERNAL PUBLIC DEBT
National and Government Guaranteed Debt

(Amounts in thousands of U.S. dollars)

| Item | Debt outstanding February 29, 1956 |
|---|---|
| TOTAL EXISTING EXTERNAL PUBLIC DEBT (All U.S. dollars) 1/ | 40,975 |
| Disbursed and still outstanding | 34,112 |
| Undisbursed | 6,863 |
| Publicly-issued bonds | 100 |
| Privately-placed debt | 10,216 |
| U.S. Government loans 1/ | 30,659 |
| Disbursed and still outstanding | 23,796 |
| Undisbursed | 6,863 |
| CONTINGENT LIABILITY ARISING FROM EMPRUNT INTERIEUR 2/ | 11,023 |

Source: IBRD - Economic Staff

1/ This amount includes a $6,000,000 addition to the Export-Import Bank's Artibonite Valley loan which, though not yet a contractual obligation of the Haitian government, has already been authorized by the Export-Import Bank and is expected to be ratified by the Haitian parliament within the near future.

2/ Represents the following:

| | |
|---|---|
| $3,000,000 Emprunt Interieur 5%, 1956-1960 | $2,023,000 |
| $10,000,000 Emprunt Interieur 5%, 1954-1964 | 9,000,000 |
| | $11,023,000 |

TABLE 2

HAITI: ESTIMATED CONTRACTUAL SERVICE PAYMENTS ON THE EXTERNAL PUBLIC DEBT /1

National and Government Guaranteed Debt

(In thousands of U.S. dollars)

| Year | Privately-placed debt | | | | Other debt /3 | | | | Total existing debt /3 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Debt outstanding January 1 | Payments during year | | | Debt outstanding January 1 | Payments during year | | | Debt outstanding January 1 | Payments during year | | |
| | | Amortization | Interest | Total | | Amortization | Interest | Total | | Amortization | Interest | Total |
| 1956 | 10,216 /2 | 5,503 | 182 | 5,685 | 30,650 /2 | 538 | 893 | 1,431 | 40,866 /2 | 6,041 | 1,075 | 7,116 |
| 1957 | 5,387 | 2,699 | 108 | 2,807 | 30,162 | 1,302 | 1,024 | 2,344 | 35,549 | 4,019 | 1,132 | 5,151 |
| 1958 | 2,688 | 944 | 42 | 986 | 28,842 | 1,499 | 1,031 | 2,530 | 31,530 | 2,443 | 1,073 | 3,516 |
| 1959 | 1,744 | 1,189 | 32 | 1,221 | 27,343 | 1,643 | 981 | 2,624 | 29,087 | 2,832 | 1,013 | 3,845 |
| 1960 | 555 | 255 | 22 | 277 | 25,700 | 1,837 | 925 | 2,762 | 26,255 | 2,092 | 947 | 3,039 |
| 1961 | 300 | 150 | 12 | 162 | 23,863 | 1,837 | 857 | 2,694 | 24,163 | 1,987 | 869 | 2,856 |
| 1962 | 150 | 150 | 6 | 156 | 22,026 | 1,838 | 793 | 2,631 | 22,176 | 1,988 | 799 | 2,787 |
| 1963 | | | | | 20,188 | 1,837 | 728 | 2,565 | 20,188 | 1,837 | 728 | 2,565 |
| 1964 | | | | | 18,351 | 1,838 | 662 | 2,500 | 18,351 | 1,838 | 662 | 2,500 |
| 1965 | | | | | 16,513 | 1,838 | 596 | 2,434 | 16,513 | 1,838 | 596 | 2,434 |
| 1966 | | | | | 14,675 | 1,836 | 532 | 2,368 | 14,675 | 1,836 | 532 | 2,368 |
| 1967 | | | | | 12,839 | 1,755 | 466 | 2,221 | 12,839 | 1,755 | 466 | 2,221 |
| 1968 | | | | | 11,084 | 1,501 | 406 | 1,907 | 11,084 | 1,501 | 406 | 1,907 |
| 1969 | | | | | 9,583 | 1,500 | 350 | 1,850 | 9,583 | 1,500 | 350 | 1,850 |
| 1970 | | | | | 8,083 | 1,500 | 294 | 1,794 | 8,083 | 1,500 | 294 | 1,794 |
| 1971 | | | | | 6,583 | 1,500 | 240 | 1,740 | 6,583 | 1,500 | 240 | 1,740 |
| 1972 | | | | | 5,083 | 1,500 | 183 | 1,683 | 5,083 | 1,500 | 183 | 1,683 |
| 1973 | | | | | 3,583 | 1,500 | 129 | 1,629 | 3,583 | 1,500 | 129 | 1,629 |
| 1974 | | | | | 2,083 | 1,112 | 74 | 1,186 | 2,083 | 1,112 | 74 | 1,186 |
| 1975 | | | | | 971 | 389 | 41 | 430 | 971 | 389 | 41 | 430 |
| 1976 | | | | | 582 | 389 | 25 | 414 | 582 | 389 | 25 | 414 |
| 1977 | | | | | 193 | 193 | 8 | 201 | 193 | 193 | 8 | 201 |

TABLE 2

HAITI: ESTIMATED CONTRACTUAL SERVICE PAYMENTS ON THE EXTERNAL PUBLIC DEBT /1

National and Government Guaranteed Debt

(continued)

/1 The schedules shown in this table were prepared from data which were largely inconsistent or incomplete and the repayments may not, therefore, be factual.

/2 The amount outstanding shown in 1956 is as of February 29, 1956. Payments, however, are shown for the full year.

/3 Excludes $109,000 outstanding GSA loan included in Table 1. Although Haiti reports that the loan may be settled over a five year period, such other details as interest rate and date payments begin are not readily available. No repayment schedule could be made.

Source: IBRD - Economic Staff

TABLE 3

VALUE OF EXPORTS, 1950 - 1955

(millions of U.S. dollars)

| Commodity | Fiscal Year 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | Oct.-June 1954 | Oct.-June 1955 |
|---|---|---|---|---|---|---|---|---|
| Coffee | 20.5 | 26.0 | 32.7 | 25.1 | 43.5 | 23.0 | 37.6 | 21.8 |
| Sisal | 9.3 | 12.1 | 10.3 | 4.7 | 4.9 | 5.4 | 3.7 | 4.0 |
| | 29.8 | 38,1 | 43.0 | 29.8 | 48.4 | 28.4 | 41.3 | 25.8 |
| Sugar | 2.9 | 4.0 | 3.3 | 2.3 | 1.2 | 1.2 | 0.8 | 0.7 |
| Cotton | 0.8 | 0.6 | 0.6 | 0.8 | 0.6 | 0.9 | 0.6 | 0.7 |
| Cacao | 0.8 | 1.3 | 1.1 | 1.1 | 1.9 | 1.2 | 1.8 | 1.0 |
| Bananas | 1.3 | 1.0 | 0.5 | 0.3 | 0.2 | 1/ | 0.2 | 0.02 |
| Essential oils | 0.6 | 1.0 | 1.1 | 0.6 | 0.8 | 1.1 | 0.5 | 0.8 |
| Handicrafts | 0.9 | 1.0 | 1.2 | 1.4 | 1.0 | 1.0 | 0.9 | 0.8 |
| Others | 1.3 | 2.6 | 2.1 | 1.5 | 1.4 | 1.1 | 0.7 | 0.8 |
| Total Exports | 38.5 | 49.6 | 52.9 | 37.8 | 55.5 | 34.9 | 46.8 | 30.6 |

Source: Fiscal Department, BNRH

1/ Less than $50,000

TABLE 4

VOLUME OF EXPORTS, 1950 - 1955

| Commodity | Unit | Fiscal Year 1950 | 1951 | 1952 | 1953 | 1954 | Oct.-June 1954 | Oct.-June 1955 |
|---|---|---|---|---|---|---|---|---|
| Coffee | Thousand m.tons | 26.2 | 25.4 | 31.3 | 23.1 | 31.8 | 28.1 | 18.5 |
| Sisal | " | 33.4 | 31.2 | 25.9 | 20.0 | 24.0 | 17.4 | 23.0 |
| Raw Sugar | " | 30.8 | 34.4 | 32.4 | 28.5 | 15.4 | 9.8 | 9.3 |
| Cotton | " | 1.3 | 0.5 | 1.1 | 1.3 | 0.8 | 0.7 | 1.0 |
| Cacao | " | 1.8 | 2.0 | 1.9 | 2.1 | 2.2 | 2.1 | 1.2 |
| Bananas | Million stems | 1.8 | 1.3 | 0.6 | 0.4 | 0.4 | 0.2 | 0.04 |

Source: Fiscal Department BNRH

TABLE 5

UNIT VALUE OF MAJOR EXPORTS, 1950 - 1955

(U.S. dollars per kilogram)

| Commodity | Fiscal Year 1950 | 1951 | 1952 | 1953 | 1954 | Oct.-June 1954 | Oct.-June 1955 |
|---|---|---|---|---|---|---|---|
| Coffee | 0.78 | 1.02 | 1.04 | 1.09 | 1.37 | 1.34 | 1.18 |
| Sisal | 0.28 | 0.26 | 0.25 | 0.24 | 0.21 | 0.21 | 0.17 |
| Sugar | 0.09 | 0.12 | 0.10 | 0.08 | 0.08 | 0.08 | 0.08 |
| Cacao | 0.45 | 0.65 | 0.58 | 0.52 | 0.91 | 0.86 | 0.83 |

TABLE 6

TOURISM, 1950 - 1955

| Fiscal Year | Numbers of Visitors: Tourists (thousands) | Numbers of Visitors: Seamen (thousands) | Gross Tourist Income (millions of U.S. dollars) |
|---|---|---|---|
| 1950 | 12.1 | | 1.6 |
| 1951 | 16.9 | | 2.2 |
| 1952 | 21.1 | | 2.7 |
| 1953 | 34.4 | 52.0 | 4.1 |
| 1954 | 48.1 | 79.5 | 6.2 |
| 1955 | 54.9 | 88.8 1/ | 5.9 |

Source: Institut Haitien de Statistiques

1/ October-June only.

TABLE 7

VALUE OF IMPORTS, 1950 - 1955

(millions of U S. dollars)

| Commodity | Fiscal Year | | | | | |
|---|---|---|---|---|---|---|
| | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 |
| Wheat flour | 3.2 | 4.0 | 5.3 | 4.7 | 5.1 | 5.2 |
| Other foods | 3.6 | 4.4 | 6.1 | 5.9 | 5.8 | 5.4 |
| Cotton cloth | 7.8 | 7.3 | 7.9 | 5.4 | 7.4 | 4.9 |
| Other textiles | 3.4 | 4.0 | 5.0 | 4.0 | 1.9 | 2.6 |
| Shoes | 0.5 | 0.7 | 1.2 | 1.3 | 0.7 | 0.6 |
| Soap | 1.3 | 1.7 | 1.6 | 1.8 | 1.8 | 0.8 |
| Chemicals and Pharmaceuticals | 1.0 | 1.3 | 1.2 | 1.0 | 2.5 | 1.0 |
| Oil Products | 1.4 | 1.9 | 2.3 | 2.3 | 2.0 | 1.7 |
| Iron and Steel | 1.9 | 3.0 | 2.9 | 2.6 | 4.1 | 3.2 |
| Agricultural machinery | 1.0 | 1.4 | 1.7 | 1.2 | 3.0 | 2.4 |
| Vehicles | 1.3 | 2.1 | 2.3 | 2.4 | 2.5 | 2.4 |
| Cement | 0.6 | 0.6 | 0.7 | 0.8 | 0.6 | 0.2 |
| All other | 9.2 | 12.1 | 17.6 | 11.7 | 9.8 | 8.8 |
| Total Imports | 36.2 | 44.5 | 50.7 | 45.1 | 47.2 | 39.2 |

Source: Fiscal Department, BNRH

TABLE 8

GEOGRAPHICAL DISTRIBUTION OF MERCHANDISE TRADE, 1950 - 1955

| Country | Fiscal Year | | | | | Oct.-June | |
|---|---|---|---|---|---|---|---|
| | 1950 | 1951 | 1952 | 1953 | 1954 | 1954 | 1955 |
| | | | | EXPORTS (percentages) | | | |
| U.S.A. and Canada | 57 | 59 | 59 | 41 | 46 | 45 1/ | 48 1/ |
| Belgium | 16 | 18 | 23 | 19 | 22 | 22 | 15 |
| France | -- | 2 | -- | 12 | 11 | 11 | 16 |
| Italy | 12 | 6 | 8 | 10 | 8 | 9 | 10 |
| Netherlands | 9 | 6 | 5 | 7 | 5 | 5 | 3 |
| United Kingdom | 3 | 5 | 1 | 1 | 2 | 2 | 2 |
| Other countries | 3 | 4 | 4 | 10 | 6 | 6 | 6 |
| | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| | | | | IMPORTS (percentages) | | | |
| U.S.A. | 76 | 72 | 69 | 68 | 63 | 64 | 65 |
| Continental Europe | 7 | 10 | 10 | 12 | 17 | 14 | 13 |
| Canada | 5 | 5 | 6 | 5 | 8 | 8 | 6 |
| United Kingdom | 4 | 5 | 4 | 4 | 4 | 4 | 4 |
| Curacao | 3 | 3 | 3 | 4 | 3 | 3 | 3 |
| Other countries | 5 | 5 | 8 | 7 | 5 | 7 | 9 |
| | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| | | | | BALANCE OF MERCHANDISE TRADE 3/ (millions of dollars) | | | |
| United States | -5.6 | -3.1 | -4.5 | -15.1 | -5.0 | -8.4 2/ | |
| All other countries | +8.4 | +8.2 | +6.7 | +7.8 | +13.3 | +4.1 | |
| | +2.8 | +5.1 | +2.2 | -7.3 | +8.3 | -4.3 | |

1/ United States only.

2/ Fiscal 1955

3/ Totals for 1950 differ slightly from those shown in commodity classification of trade.

Source: Fiscal Department BNRH

TABLE 9

BALANCE OF PAYMENTS, 1950 - 1955

(millions of U.S. dollars)

| Item | Fiscal year 1950 | 1951 | 1952 | 1953 | 1954 | 1955 |
|---|---|---|---|---|---|---|
| A. Goods and Services | | | | | | |
| Exports (f.o.b.) | 39.9 | 50.4 | 53.2 | 38.2 | 56.7 | 34.9 |
| Imports (c.i.f.) | -36.2 | -43.9 | -50.3 | -44.6 | -47.6 | -39.2 |
| Net invisibles | - 4.4 | - 6.7 | - 5.6 | - 5.8 | - 2.1 | n.a. |
| | - 0.7 | - 0.2 | - 2.7 | -12.2 | 7.0 | |
| B. Private funds | | | | | | |
| Donations | -- | -- | - 0.2 | 0.1 | - 0.6 | n.a. |
| Direct investments | 4.7 | 6.2 | 4.7 | 5.7 | 2.4 | n.a. |
| Short-term funds | - 0.8 | - 1.4 | - 2.1 | - 1.2 | - 5.5 | n.a. |
| | 3.9 | 4.8 | 2.4 | 4.6 | - 3.7 | |
| C. Official funds | | | | | | |
| Donations | 0.5 | 1.0 | 0.8 | 0.9 | 0.6 | n.a. |
| Long-term funds | - 1.0 | - 0.6 | - 0.5 | 3.4 | 1.4 | n.a. |
| Short term funds and monetary gold | - 2.2 | - 1.7 | -.3.1 | 7.5 | - 4.4 | n.a. |
| | - 2.7 | - 1.3 | - 2.8 | 11.8 | - 2.4 | |
| D. Net errors and omissions | - 0.5 | - 3.3 | 3.1 | - 4.2 | - 0.9 | n.a. |
| Total (B ≠ C ≠ D) | 0.7 | 0.2 | 2.7 | 12.2 | - 7.0 | |
| Increases in National Bank's exchange reserves | 2.6 | 3.7 | 1.1 | - 6.1 | 5.5 | -2.5 1/ |

1/ October 1, 1954 - September 20, 1955

Source: 1950-54 data from International Monetary Fund;
1955 data from Tables 3, 7, 12

TABLE 10

## GOVERNMENT BUDGET, 1950 - 1955

(millions of U.S. dollars)

| Category | Fiscal Year 1950 | 1951 | 1952 | 1953 | 1954 | 1955 |
|---|---|---|---|---|---|---|
| Revenues | | | | | | |
| Import taxes | 11.72 | 13.24 | 15.14 | 14.06 | 16.46 | 14.18 |
| Export taxes | 4.12 | 5.18 | 5.98 | 4.50 | 7.22 | 3.97 |
| Other taxes | 5.98 | 6.64 | 8.14 | 8.72 | 8.52 | 11.38 |
| Total | 21.82 | 25.06 | 29.26 | 27.28 | 32.20 | 29.53 |
| Expenditures | | | | | | |
| Defense | 4.96 | 4.99 | 5.62 | 6.39 | 7.22 | 6.56 |
| Debt service | 2.07 | 1.90 | 1.70 | 1.26 | 1.42 | 2.36 |
| Investment 1/ | 6.20 | 6.14 | 11.52 | 8.94 | 10.96 | 9.80 |
| Other expenditures | 8.60 | 11.33 | 13.15 | 13.83 | 15.41 | 16.00 |
| Total | 21.83 | 24.36 | 31.99 | 30.42 | 35.01 | 34.72 |
| Budgetary surplus(+) or deficit(-) | -0.01 | 0.70 | -2.73 | -3.14 | -2.79 | -5.19 |

1/ Investment financed by government revenues, as shown in Table 11.

Source: Fiscal department of National Bank and Ministry of Finance

TABLE 11

## PUBLIC INVESTMENTS IN HAITI, 1950-1955
(Thousands of Dollars)

| Item | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 |
|---|---|---|---|---|---|---|
| | Fiscal Year | | | | | |
| AGRICULTURE | 1,153 | 1,132 | 1,968 | 3,376 | 9,405 | 11,412 |
| Irrigation and Agriculture 1/ | 168 | 82 | 851 | 110 | 1,118 | 1,126 |
| Irrigation (borrowed funds) | - | - | - | - | - | 500 |
| Artibonite Valley | 750 | 750 | 750 | 1,500 | 2,521 | 2,520 |
| " (borrowed funds) | - | - | - | 1,500 | 5,500 | 7,000 |
| SCIPA | 235 | 300 | 367 | 266 | 266 | 266 |
| TRANSPORTATION | 891 | 1,706 | 3,862 | 6,276 | 3,687 | 3,865 |
| Roads, airports | 84 | 1,115 | 3,383 | 1,955 | 1,709 | 3,034 |
| Roads, airports (borrowed funds) | - | - | - | 3,870 | 1,476 | 804 |
| Bridges and Land | 90 | 73 | 45 | 35 | 127 | 27 |
| Material and Equipment | 718 | 519 | 434 | 415 | 375 | - |
| PUBLIC BUILDINGS AND WORKS | 3,679 | 2,934 | 4,546 | 2.909 | 3,229 | 1,539 |
| Municipal and Port Works | - | 1,650 | 1,931 | 1,669 | 1,225 | 79 |
| Municipal and Port Works (borrowed funds) | - | 400 | 743 | - | - | - |
| Housing & other Buildings | 775 | 796 | 1,872 | 942 | 571 | 1,460 |
| International Exposition, etc | 2,904 | 88 | - | 298 | 1,433 | - |
| MISCELLANEOUS | 478 | 769 | 1,884 | 1,745 | 1,616 | 1,285 |
| International Organizations (except SCIPA) | 383 | 407 | 494 | 630 | 716 | 608 |
| Miscellaneous (mainly industry) | 95 | 362 | 640 | 1,116 | 600 | 521 |
| Contribution to Agricultural & Industrial Bank | - | - | 750 | | 300 | 157 |
| Total | 6,201 | 6,540 | 12,260 | 14,307 | 17,936 | 18,101 |
| of which: | | | | | | |
| out of Govt.revenue | 6,201 | 6,140 | 11,517 | 8,936 | 10,960 | 9,797 |
| out of borrowed funds | - | 400 | 743 | 5,370 | 6,976 | 8,304 |

1/ Except Artibonite Valley

Source: UN Monetary and Fiscal Expert.

TABLE 12

SUMMARY BALANCE SHEET OF THE NATIONAL BANK
(millions of U.S. dollars)

| Item | September 30 1952 | September 30 1953 | September 30 1954 | September 30 1955 | February 29 1956 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Note Cover | | | | | |
| Gold | 2.7 | 2.2 | 2.2 | 2.2 | 2.2 |
| Dollars 1/ | 4.1 | 3.7 | 5.5 | 3.5 | 7.2 |
| Government securities | 2.0 | 2.0 | 3.0 | 4.6 | 4.9 |
| Discounts and advances | 1.0 | 1.8 | 1.8 | 1.1 | 1.2 |
| Total | 9.7 | 9.6 | 12.4 | 11.3 | 15.5 |
| Other Assets | | | | | |
| Dollars | 5.9 | 1.2 | 4.3 | 3.8 | 4.8 |
| Loans and investments | 6.3 | 11.1 | 11.8 | 17.1 | 13.6 |
| (of which to Government) | (0.7) | (3.6) | (1.0) | (8.7) | (7.4) |
| IMF/IBRD Subscription | - | 3.5 | 3.5 | 3.5 | 3.5 |
| Other assets | 1.1 | 3.5 | 1.4 | 1.7 | 1.4 |
| Total Assets | 23.1 | 28.8 | 33.4 | 37.4 | 38.8 |
| **LIABILITIES** | | | | | |
| Capital, surplus and undistributed profits | 1.7 | 1.8 | 1.8 | 1.9 | 2.5 |
| Notes in circulation | 9.7 | 9.6 | 12.4 | 11.3 | 15.5 |
| Deposits | 10.6 | 10.3 | 13.4 | 16.9 | 15.5 |
| IMF/IBRD Subscription | - | 3.5 | 3.5 | 3.5 | 3.5 |
| Other liabilities | 1.1 | 3.7 | 2.3 | 3.8 | 1.9 |
| Total liabilities | 23.1 | 28.8 | 33.4 | 37.4 | 38.8 |

1/ Including $500,000 gold subscription to IMF

Source: National Bank

TABLE 13

DOMESTIC MONEY SUPPLY, 1950 - 1955

(millions of gourdes)

| Item | September 30 | | | | | |
|---|---|---|---|---|---|---|
| | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 |
| Gourde notes and coins | 38.8 | 44.2 | 55.3 | 54.5 | 68.2 | 63.4 |
| Bank deposits | 44.7 | 60.2 | 64.4 | 63.6 | 71.7 | 99.7 |
| Total domestic money supply | 83.6 | 104.4 | 119.8 | 118.1 | 139.9 | 163.1 |

Source: BNRH