HAITI

An ongoing political crisis and increasing gang violence continue to depress economic activity, with GDP declining by an estimated 2.6 percent in H1FY25. Agriculture contracted the most, worsening food insecurity. Despite tighter monetary and fiscal policies, inflation accelerated, led by food and housing. GDP is projected to decline for a seventh straight year, deepening poverty.

Population[1] million	Poverty[2] millions living on less than $3.00/day
11.8	4.1
Life expectancy at birth[3] years	**School enrollment** primary (% gross)
64.9	..
GDP[4] current US$, billion	**GDP per capita[5]** current US$
25.2	2142.7

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2012 (2021 PPPs). 3/ 2023. 4/ 2024. 5/ 2024.

Key conditions and challenges

By June 2025, gang-controlled territory had expanded, displacing 1.3 million Haitians and deepening an already severe humanitarian crisis. This, together with deep structural challenges including state capture and an unconducive business environment limit growth and poverty reduction. Underdeveloped financial markets and weak competition fuel a large informal economy. The indefinite suspension of US commercial flights to the main airport and intermittent border closures with the Dominican Republic have isolated Haiti, constraining domestic resource mobilization. A weak labor market is dominated by low-quality, poorly remunerated jobs, alongside low human capital development.

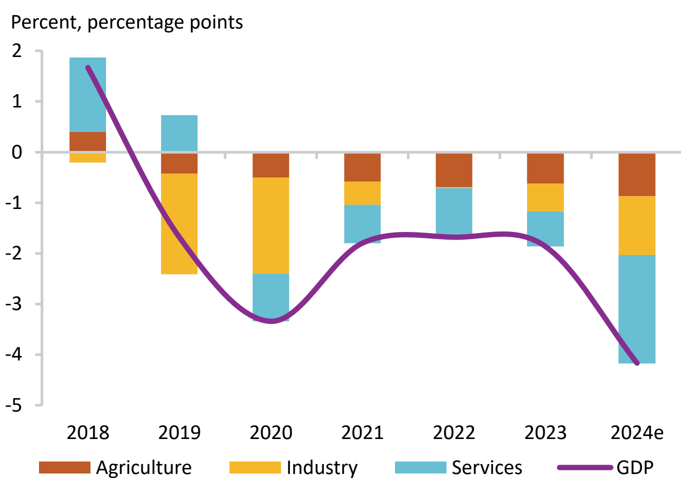
In this context, political uncertainty is rising, and humanitarian challenges are mounting. The nine-member Transitional Presidential Council, established to exercise presidential powers, is set to end by February 2026. However, general elections scheduled for late 2025 require substantial planning and face security constraints.

Recent developments

Economic activity weakened due to expanding gang control in the Centre department, political discord, and abrupt leadership changes. The Haitian Institute of Statistics and Information composite economic activity index contracted by 2.6 percent in the first half of fiscal year 2025. Agriculture registered the largest decline (-5.8 percent), exacerbating food insecurity. Industry contracted by 4.5 percent, as trade policy uncertainty weighed on apparel, Haiti's main export. Services declined 1.4 percent, led by a weakening hospitality subsector. Despite strong remittances inflows, the current account deficit (CAD) widened by 0.1 percent of GDP from a balanced position in the same period in 2024, as imports ticked up.

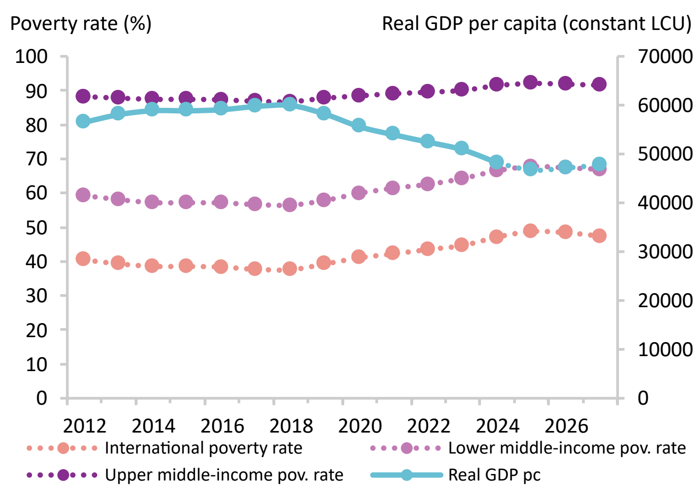
The bleak business environment contributed to weak tax revenues, estimated at 3.5 percent of GDP at the end of Q3FY25. Recurrent expenditures have performed according to the budget plan. Capital expenditures, however, have been constrained by weak procurement processes, inadequate project execution, and insecurity, including capital expenditure to support security forces. Weak revenues and slow capital budget execution yielded

FIGURE 1 / Real GDP growth and sectoral contributions to real GDP growth (supply side)



Sources: Haiti Statistical Office (IHSI) and World Band staff calculations.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

a small fiscal surplus estimated at 0.1 percent of GDP by Q3FY25. Tight monetary policy, and strong remittance inflows eased pressure on the gourde, which appreciated 1.3 percent against the US dollar over the first nine months of the fiscal year. Against this backdrop, the current account registered a deficit of 0.07 percent of GDP during H1FY2025.

Inflation reached 28.4 percent by June 2025, up from 25.3 percent at the outset of the fiscal year in October 2024 as security conditions worsened. Inflation was led by higher food prices (31.5 percent in June 2025) and housing and electricity (43.9 percent in June). More than half of Haiti's population faced high levels of acute food insecurity in the March to June 2025 period, and an estimated 8,400 displaced people are experiencing catastrophic hunger. The share of Haitians living on less than US$3.00/day 2021 PPP is estimated to have increased from 42.2 percent in 2021 to 48.7 percent in 2025.

Outlook

GDP is forecast to contract 2.0 percent in 2025 owing to uncertainty about the political process, insecurity, an unconducive business environment, and receding private consumption. Modest GDP growth is expected by 2026 as investment increases from a low baseline, assuming marginal improvements on the political and security fronts. Uncertainty around the renewal of preferential access to US textile markets may further depress textile exports in the near term. Exports are forecast to accelerate in 2026, contingent on reaching a trade agreement with the United States. The share of Haitians living on less than US$3.00/day 2021 PPP would fall from 48.7 percent in 2025 to 47.3 percent by 2027, if GDP returns to growth over the medium term.

The current account deficit (CAD) is expected to narrow in 2025 supported by resilient remittances inflows, widening in subsequent years as imports pick up with modest GDP growth. Increased government spending ahead of planned elections is expected to contribute to inflationary pressure in 2025, moderating over the medium term if security conditions relax supply constraints. With election spending, the fiscal deficit is expected to reach 0.8 percent in 2025. Tax revenue may gradually improve over the medium term as a new general tax code goes into effect and tighter customs controls are implemented.

The path ahead remains fraught with downside risks and depends on an effective political transition and improvements in security. A credible budgetary framework and an appropriate mix of fiscal and monetary policy will remain key to reducing inflation and strengthening growth prospects. Inclusive growth will require strengthening the business environment, expanding social protection, and enhancing the institutional framework for disaster risk management, including better preparedness and response systems.

Recent history and projections	2021/22	2022/23	2023/24	2024/25e	2025/26f	2026/27f
Real GDP growth, at constant market prices	-1.7	-1.9	-4.2	-2.0	2.0	2.5
Private consumption	-0.7	0.1	-5.2	-4.6	1.6	1.1
Government consumption	17.6	3.3	1.6	35.0	7.4	2.0
Gross fixed capital investment	-9.9	-17.6	-36.3	-16.8	20.0	60.5
Exports, goods and services	2.4	-9.6	-31.9	-15.3	5.5	6.1
Imports, goods and services	4.9	-0.4	-16.2	1.0	6.5	7.3
Real GDP growth, at constant factor prices	-1.8	-3.6	-4.4	-2.0	2.0	2.5
Agriculture	-4.5	-5.6	-5.6	-3.2	1.0	2.0
Industry	-0.4	-3.8	-4.7	-0.6	2.5	3.4
Services	-1.6	-2.9	-3.9	-2.2	2.0	2.2
Employment rate (% of working-age population, 15 years+)	55.8	55.8	55.4	55.4	55.4	55.4
Inflation (consumer price index)	27.6	44.2	25.8	28.1	19.5	12.0
Current account balance (% of GDP)	-2.4	-2.6	-0.6	-0.4	-0.8	-1.4
Net foreign direct investment inflow (% of GDP)	0.2	0.1	0.2	0.2	0.1	0.1
Fiscal balance (% of GDP)	-3.2	-2.1	-0.1	-0.8	-0.5	0.1
Revenues (% of GDP)	6.6	7.4	6.0	6.2	6.7	7.2
Debt (% of GDP)	26.6	24.8	15.0	15.0	15.7	15.5
Primary balance (% of GDP)	-2.9	-1.8	0.2	-0.6	-0.3	0.4
International poverty rate ($3.00 in 2021 PPP)[1,2]	43.5	44.6	47.1	48.7	48.3	47.3
Lower middle-income poverty rate ($4.20 in 2021 PPP)[1,2]	62.5	64.2	66.4	67.7	67.3	66.8
Upper middle-income poverty rate ($8.30 in 2021 PPP)[1,2]	89.5	90.0	91.5	92.1	91.9	91.5
GHG emissions growth (mtCO2e)	0.2	-1.5	-0.7	1.3	3.6	3.9

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on SEDLAC harmonization, using 2012-ECVMAS. Actual data: 2012. Nowcast: 2013-2025. Forecasts are from 2026 to 2027.
2/ Projection using neutral distribution (2012) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.