

CANADA - HAITI TRADE

In the wake of the military coup d'état that resulted in the overthrow of Jean-Bertrand Aristide, the democratically-elected President, and in concert with the Organization of American States, the Canadian government has placed a financial, economic and trade embargo on the Republic of Haiti. Import or export permits are now required for all transactions.

Haiti and Canada have had trade relations ever since the colonial era, when spices and molasses were traded for smoked fish and tools. Trade in 1992 fell drastically by 65% when compared to 1991. Bilateral trade decreased from \$26.2 million in 1991 to \$9.2 million in 1992. Of Canada's exports, \$8.4 million consisted of merchandise including food commodities, electrical equipment, vehicles and related products, paper and textiles. In return, Canada imported clothing, sporting goods and fruit.

With more than 80% of the population living in the rural areas, agriculture is the main economic activity of Haiti, although it represents only 30% of the GNP. Manufacturing has increased to an unprecedented degree in the past decade. It now generates more than 15.3% of the GNP and accounts for 70% of the country's exports.

When the country's political condition returns to normal, there will undoubtedly be sustainable development projects funded by organizations such as the **World Bank** and the **Interamerican Development Bank**. Interesting possibilities should arise as concerns projects to restore the electrical network and in construction and transportation, education and health. The little-developed mining industry holds significant potential regionally, promising an influx of hard currency.

The support programs for Canadian exporters have been suspended, but should resume when the embargo is lifted. **External Affairs and International Trade Canada (EAITC)** will again provide assistance through the Program for Export Market Development (PEMD), as will the **Canadian International Development Agency (CIDA)** through its Industrial Cooperation Branch, which provides considerable support for Canadian companies wishing to expand their commercial interests in Haiti. Finally, through the **Export Development Corporation (EDC)**, Canadian companies receive assistance in the form of insurance, guarantees and funding to help them cope with foreign competition.