

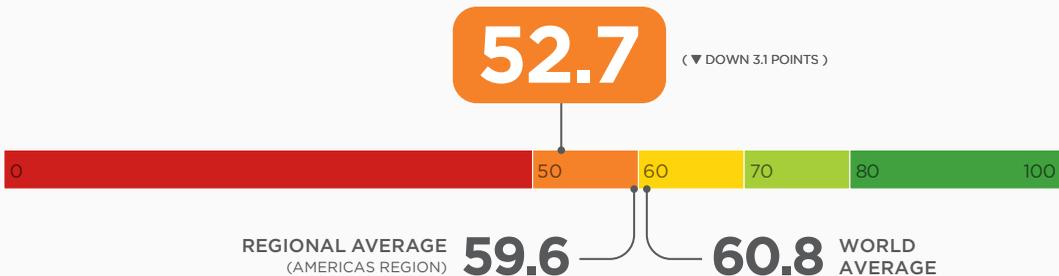
HAITI

Haiti's economic freedom score is 52.7, making its economy the 143rd freest in the 2019 *Index*. Its overall score has decreased by 3.1 points because of sharp declines in scores for **judicial effectiveness, business freedom, property rights, and government integrity**. Haiti is ranked 25th among 32 countries in the Americas region, and its overall score is well below the regional and world averages.

Poor economic management and crippling natural disasters have taken a terrible human and economic toll in Haiti. Years of political volatility have severely undermined the effectiveness of public finance and the rule of law. Under the supervision of international donors, the government is working to increase domestic revenues and gradually eliminate fuel subsidies to fund reconstruction after hurricane damage, as well as to improve public institutional capacity, upgrade infrastructure and public services, and support agriculture and rural development through better provision of credit and more carefully targeted subsidies.

WORLD RANK: **143** REGIONAL RANK: **25**
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

ECONOMIC FREEDOM SCORE



RELATIVE STRENGTHS:
Fiscal Health and Government Spending

HISTORICAL INDEX SCORE CHANGE (SINCE 1995):
+9.7

CONCERNS:
Property Rights and Government Integrity

FREEDOM TREND



QUICK FACTS

POPULATION:
11.0 million

GDP (PPP):
\$19.9 billion
1.2% growth in 2017
5-year compound annual growth 2.2%
\$1,815 per capita

UNEMPLOYMENT:
14.0%

INFLATION (CPI):
14.7%

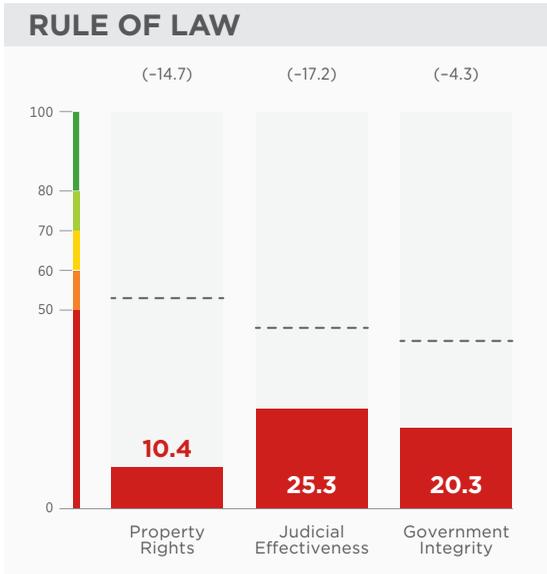
FDI INFLOW:
\$374.9 million

PUBLIC DEBT:
31.1% of GDP

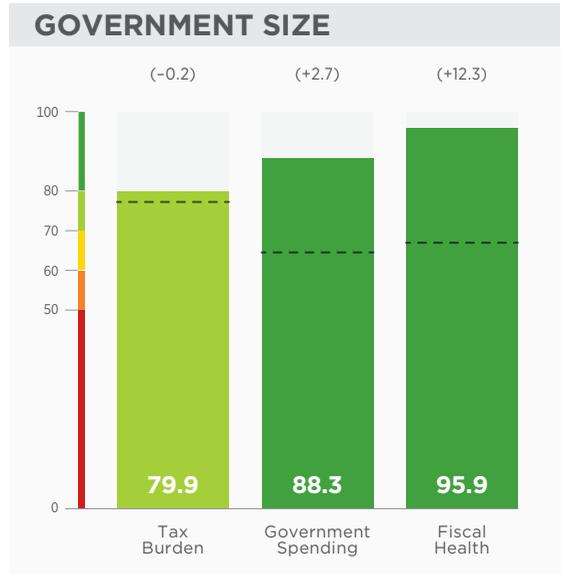
2017 data unless otherwise noted. Data compiled as of September 2018

BACKGROUND: The Western Hemisphere's poorest country, Haiti is plagued by widespread corruption, gang violence, drug trafficking, and organized crime. Democratic order was restored when President Jovenel Moïse of the center-right PHTK party took office in 2017 after a protracted period of political instability. Moïse's flagship reform program, The Change Caravan, has made some improvements in health care, education, and infrastructure. Instability flared anew in 2018, however, when violent protests against reduced fuel subsidies forced Prime Minister Jack Guy Lafontant to resign and exposed the security vacuum left by the October 2017 departure of U.N. peacekeepers. Challenges include ongoing reconstruction from storm damage and continued recovery from 2010's devastating earthquake. One-quarter of Haiti's people live in extreme poverty.

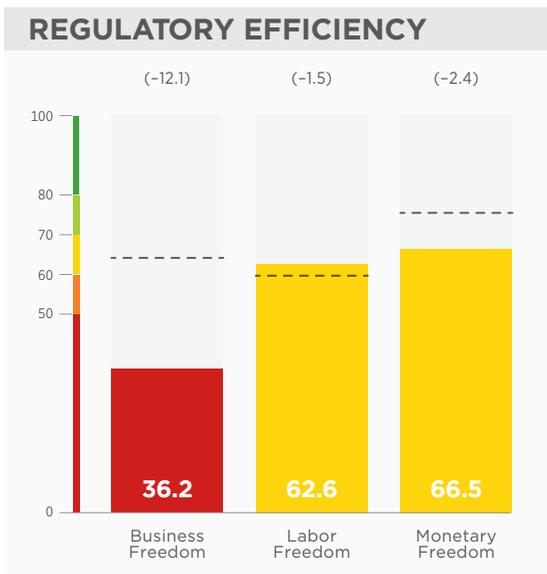
12 ECONOMIC FREEDOMS | HAITI



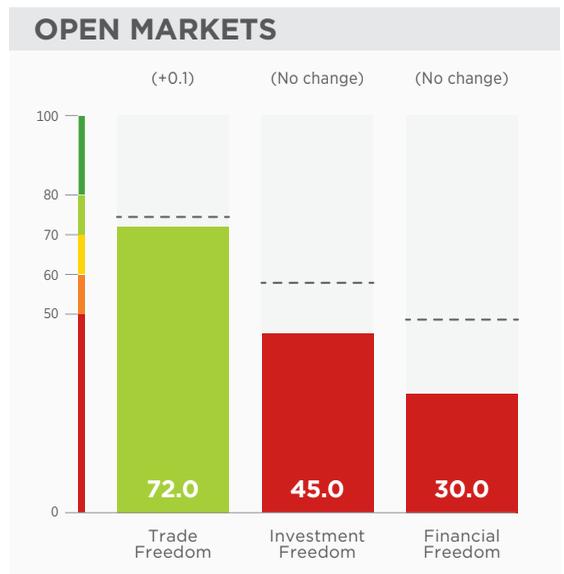
Real property interests are impaired by the absence of a comprehensive civil registry. Bona fide property titles are often nonexistent. Bureaucratic red tape impedes the functioning of the judicial system, as do an antiquated penal code, opaque court proceedings, lack of judicial oversight, and widespread corruption. To date, there has never been a conviction on drug trafficking or corruption-related charges in a Haitian court.



The top personal income and corporate tax rates are 30 percent. Other taxes include value-added and capital gains taxes. The overall tax burden equals 14.5 percent of total domestic income. Over the past three years, government spending has amounted to 19.7 percent of the country's output (GDP), and budget deficits have averaged 1.2 percent of GDP. Public debt is equivalent to 31.1 percent of GDP.



The overall business environment remains burdensome, and political uncertainty further undercuts already poor regulatory efficiency. Reforms to improve the business climate have had little effect. A large portion of the workforce is unemployed or dependent on informal activity. The government has attempted to reform subsidies but faced violent protests in 2018 against reductions in fuel subsidies.



The combined value of exports and imports is equal to 75.3 percent of GDP. The average applied tariff rate is 6.5 percent. As of June 30, 2018, according to the WTO, Haiti had one nontariff measure in force. Bureaucratic barriers discourage foreign investment. The strained financial infrastructure remains fragile. Many economic transactions are conducted outside of the formal banking sector.