

# Caracol Industrial Park

November 2011



A construction worker observes the progress at the site of a future power plant at the Caracol Industrial Park on November 9, 2011. Photo copyright Kendra Helmer/USAID





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PARC INDUSTRIEL  
DE CARACOL



SONAPI



## Caracol Industrial Park

For the business community, Haiti offers an attractive combination of proximity to the U.S market, a competitive and highly motivated workforce, generous trade preferences for the U.S. and European markets and special incentives for foreign investors. Haiti's competitiveness is now receiving a boost through major infrastructure projects, supported by the Haitian Government and its international partners. These investments generate the productive base from which Haiti can grow and prosper.

The Caracol Park, the largest of these investments, demonstrates the power of partnership with a diverse group of stakeholders coming together to promote an ambitious goal: the creation of thousands of sustainable jobs in one of Haiti's poorest regions. Partners include the communities of Haiti's Northern region, the Government of Haiti, the Inter-American Development Bank and the United States Government.



The Government of Haiti, the U.S. Government and the Inter-American Development Bank closed a deal to build an industrial park in Haiti's North Corridor with Sae-A Trading Co. Ltd., Korea's leading garment manufacturer, as the tenant. The announcement of the effort, facilitated by the Interim Haiti Recovery Commission, was made January 11, 2011, at the USAID-funded Haiti Apparel Center in Port-au-Prince. It is the first major public-private partnership to bring permanent jobs to Haiti since the January 12, 2010, earthquake. Photos copyright Kendra Helmer/USAID



Partners have committed to establishing the necessary infrastructure for a globally competitive 250 hectares full-service industrial park, including solid waste disposal, waste water treatment facilities, modern industrial buildings, and the infrastructure necessary to support the integration of the Park into the Northern region and the sustainable growth of surrounding communities. Investments include accessible roads, new port facilities,



Heavy machinery clears brush from the site of a USAID-funded housing site near the Caracol Industrial Park in northern Haiti on November 9, 2011. A woman waits with a machete to help break up the sticks. Photo copyright Kendra Helmer/USAID.

reliable supply of electricity and the construction of housing in commuting distance. The total committed public investments in the project exceed \$224 million. The Park, located in proximity to the town of Caracol in Haiti's northern region, is on track to open for business in March 2012.

The passing of the Haiti Economic Lift Program (HELP) Act in May 2010 by the U.S. Congress significantly increased U.S. trade preferences for Haitian apparel, making Haiti more attractive to large scale manufacturing operations.

In January 2011, Sae-A, one of the world's leading garment manufacturers, signed an agreement to become the Park's anchor tenant and establish a leading-edge apparel manufacturing complex, fully vertically integrated with on-site fabric mills, printing and embroidery.



Schoolchildren study at Ecole Marie Dominique Mazzarello. Photo copyright Kendra Helmer/USAID



Crews work on the site of the Caracol Industrial Park in northern Haiti on November 9, 2011. Photo copyright Kendra Helmer/USAID.

The Caracol Park, owned by the Haitian Government's "Société Nationale des Parcs Industriels (SONAPI)" and managed by a private management firm, is projected to create 20,000 permanent jobs from Sae-A's investments alone. An estimated total of 65,000 jobs could be created in the Park with the arrival of other tenants and factory buildings. The Park represents an important economic priority for the Government of Haiti to spur the growth of jobs throughout the country and create economic opportunities beyond the capital Port-au-Prince.

### Pillars of the Caracol Industrial Park

The success of the Park rests on a number of pillars to ensure the Park attains true global competitiveness and is properly integrated into the sustainable growth of the communities of Northern Haiti.

- A 250 hectares full-service industrial park: The Park offers factory shells at competitive rental rates built to international standards. Phase 1 is comprised of 350,000m<sup>2</sup> of roofed factory floor space. The Park will be owned by the Haitian Government and managed by a private management company. A dedicated on-site power plant with redundant backup capacity will ensure consistent power supply at competitive tariffs. The Park also offers appropriate water to support the needs of industrial



Heavy machinery levels out the land at the site of the Caracol Industrial Park on November 9, 2011. Photo copyright Kendra Helmer/USAID.





A woman helps guide trucks that are working preparing the Caracol Industrial Park in Caracol, Haiti, on November 10, 2011. Photo copyright Kendra Helmer/USAID.

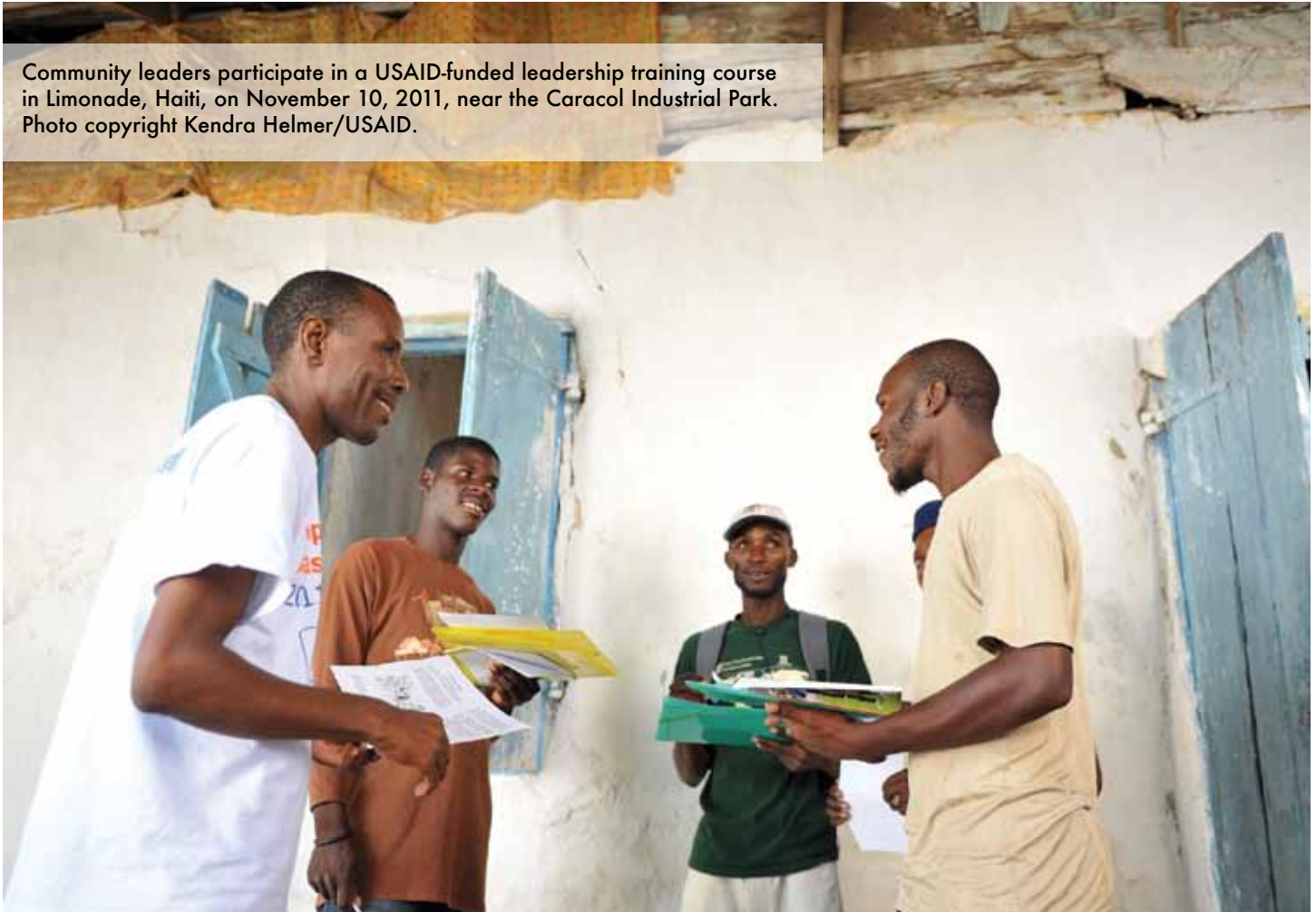
laundries and fabric dye houses and waste water treatment plants built to the highest environmental standards. Contracts for the park construction and the power plant were awarded in September after open, competitive international bidding, and construction is progressing rapidly

- New housing: To accommodate potential migration to the area and provide adequate and affordable housing, 5,000 new homes will be built in surrounding communities in convenient commuting distance of the Park, with access to services, including water, electricity, health facilities and schools.
- Electrification: The Park's power plant will provide electricity to nearby towns and villages that are currently not connected to the electric grid, improving the quality of life of local residents and the competitiveness of small and medium sized businesses in the region.
- Direct access to global markets: The Park project contains significant investments in modernized port facilities in the North that meet the International Ship and Port Facility Security Code (ISPS) and offer short transit times of 3-4 days to the U.S. with frequent vessels.

## A Transformational Opportunity

The Caracol Park is one of the largest and most ambitious regional investment projects in Haiti's history. It is projected to have a transformative effect on the northern region and the livelihoods of its people in a sustainable manner. The benefits include:

Community leaders participate in a USAID-funded leadership training course in Limonade, Haiti, on November 10, 2011, near the Caracol Industrial Park. Photo copyright Kendra Helmer/USAID.



- The Park will build on the momentum in the Haitian manufacturing sector. Today in Haiti, there are 31 apparel factories employing close to 29,000 workers. In 2010, \$517 million worth of apparel were exported to the U.S., an increase over prior years despite the impact of a devastating earthquake. For 2011, exports are estimated to be \$610 million, close to a 20% annual growth.
- The Park, housing and ancillary infrastructure is projected to generate up to 2,800 construction jobs over the coming years. The local community has already been employed in the Park's security force and the construction of the perimeter wall.
- The Park will create 20,000 full-time Haitian jobs in the first six years with Sae-A's investment alone, which will make Sae-A the largest private employer and biggest private foreign investor in Haiti. Sae-A is estimated to generate over \$500 million in wages and benefits over the next ten years, with each worker earning three times Haiti's current GDP per capita (per capita GDP is approximately \$640). In addition to Sae-A, other tenants are expected in the first six year, creating additional jobs.





The exhibit at the MAGIC fashion show in Las Vegas featured clothes made in Haiti, from T-shirts to tuxedos. Photo by Eben Nicastro/Fabrikology

- Once the Park reaches full capacity, it is projected to have 65,000 permanent full-time employees. The Park is projected to create one job outside the Park for each full-time employee inside the Park, by stimulating growth in microenterprises, smallholder farming, food vending and financial services. The Park is expected to increase the number of formally registered private sector jobs in Haiti by an estimated 20%.
- Sae-A will produce apparel with fabric made in Haiti, reducing dependence on imported raw materials and dramatically increasing the value added in Haiti for each garment manufactured. This not only raises Haiti's competitiveness, but also means more investment and more revenue for Haiti's local economy.
- The Park will increase the tax base through the development of more employment and increased trade.
- The Park will demonstrate to the world that Haiti is open for business and able to compete effectively on the global marketplace, without compromising on labor and environmental standards.

Heavy machinery levels out the land at the site of the Caracol Industrial Park on November 9, 2011. Photo copyright Kendra Helmer/USAID.



## **Protecting Workers and the Environment**

The Caracol Park is not just a business investment: it is a pledge to work with the Haitian Government and people to bring jobs and commerce back to Haiti. To achieve this objective, continued engagement with the local communities is essential.

- Frequent meetings have been held with the local communities in the North, providing opportunity to share feedback on the project. The Mayor's Office in the town of Caracol has been inaugurated after a complete renovation, providing a meeting space for the community to discuss the Park and other matters affecting the region. The GOH has launched a communication campaign with radio spots, billboards and information kiosks in six main regional towns to ensure everyone is informed about the benefits of the park and the progress of the project.





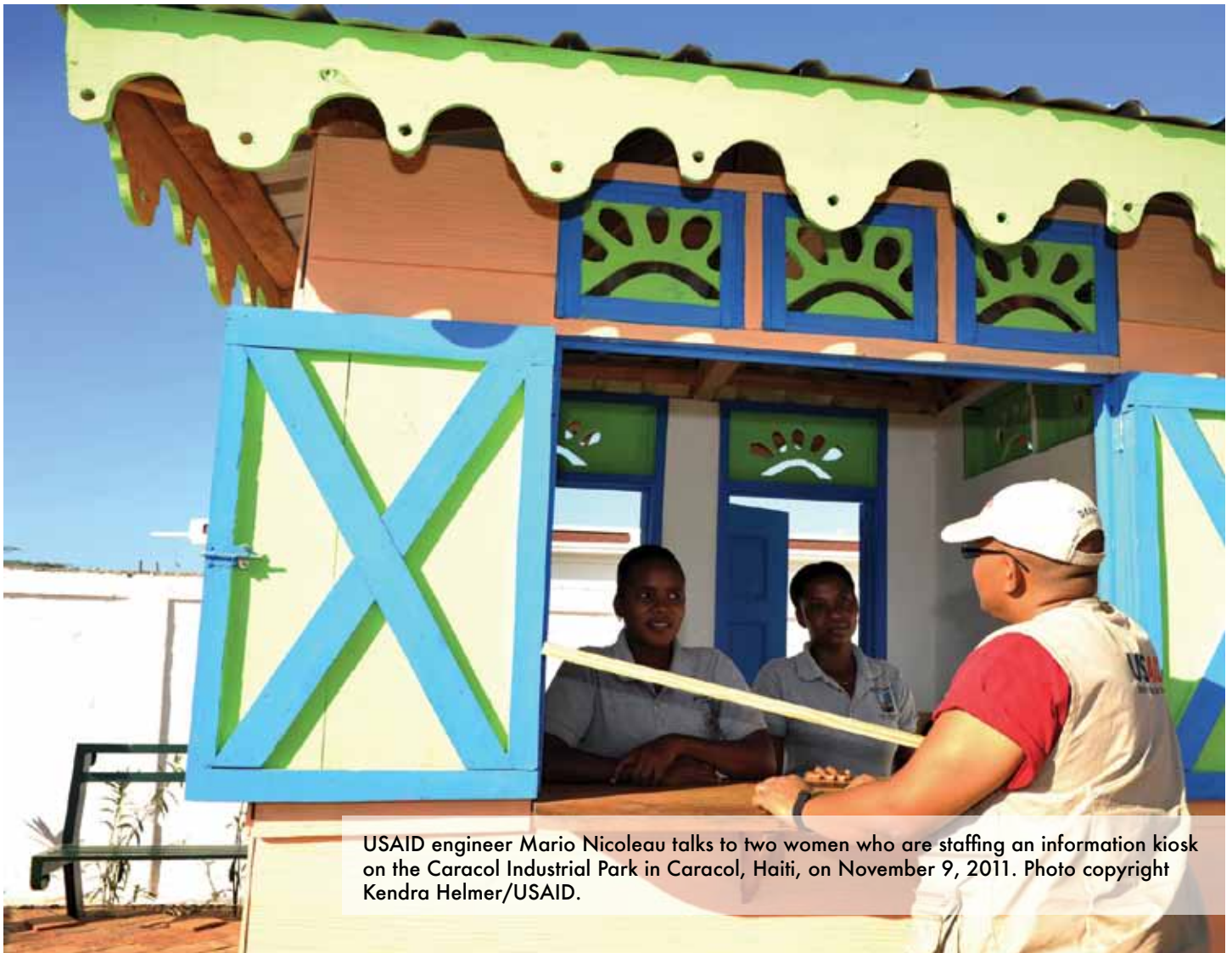
USAID engineer Mario Nicoleau talks with men who are surveying a USAID-funded housing site near the Caracol Industrial Park in northern Haiti on November 10, 2011. Photo copyright Kendra Helmer/USAID.

- The GOH has completed a farmer compensation plan after a consultation process spanning several months. The plan ensures that farmers who would otherwise be adversely affected by the construction of the Park are compensated and receive opportunity to sustain their livelihoods.
- The Caracol Park and all its tenants are required to adhere to the International Labor Organization's (ILO) highest standards. The industry in Haiti collaborates with the ILO's Better Work program and regular audits are being conducted to comply with the strict criteria of the U.S. trade preference program and of buyers. The employees at the Park will have access to nutritious food at competitive rates in canteens which will be conveniently located onsite, providing a new market for local farmers and produce.
- The amount of water required by Sae-A and other potential tenants of the Park has been calculated and state of the art waste water treatment facilities have been included, both for domestic and industrial waste water



discharge. All water used in the Park's operations will be treated to meet U.S. environmental guidelines, with regular independent audits as required by U.S. and other international buyers. These modern facilities will allow a garment manufacturer for the first time to produce apparel with fabric made in Haiti.

- The Caracol Park project has undergone extensive environmental assessments. An environmental plan has been communicated to the local community, which not only ensures that environmental impacts are carefully mitigated, but also includes additional investments to restore and safeguard the environmental assets of this beautiful and diverse region of Haiti.

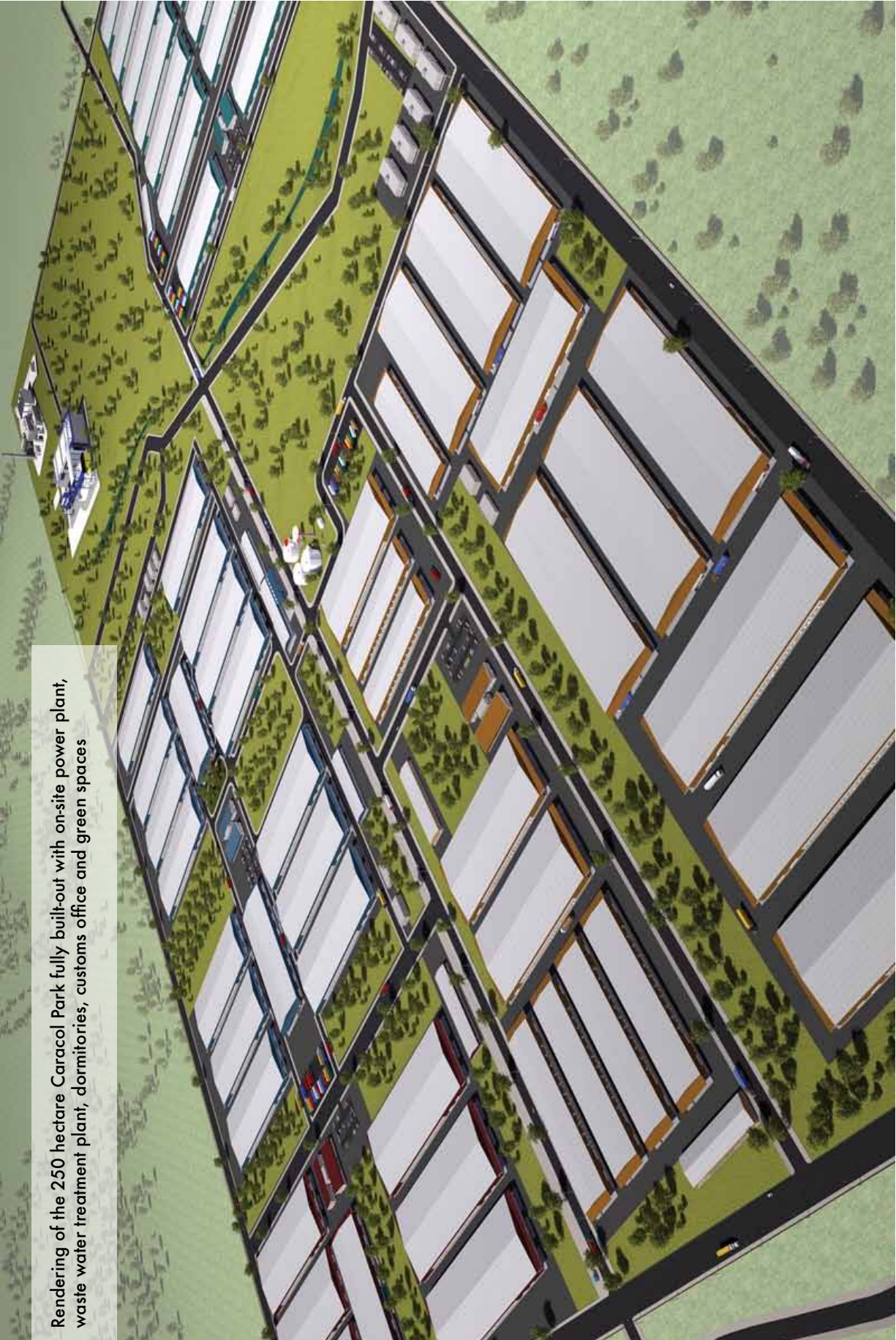


USAID engineer Mario Nicoleau talks to two women who are staffing an information kiosk on the Caracol Industrial Park in Caracol, Haiti, on November 9, 2011. Photo copyright Kendra Helmer/USAID.

A sign in the town of Caracol in northern Haiti illustrates the plans for the Caracol Industrial Park. Photo copyright Kendra Helmer/USAID.







Rendering of the 250 hectare Caracol Park fully built-out with on-site power plant, waste water treatment plant, dormitories, customs office and green spaces





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