



TESTIMONY
OF
AMBASSADOR HERVE DENIS
THE REPUBLIC OF HAITI'S AMBASSADOR
TO THE UNITED STATES
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON TRADE OF THE WAYS AND MEANS
COMMITTEE
HEARING
ON
THURSDAY, SEPTEMBER 10, 2020 AT 2:00 P.M.

Good afternoon Honorable Members of Congress, Co-panelists, and viewers:

My name is Herve Denis. I serve as the Republic of Haiti's Ambassador to the United States.

First, I wish to express my deepest gratitude to the Haitian Government, and my staff at the Embassy. Second, thank you to my esteemed colleagues at CARICOM who have worked tirelessly on the Extension of Caribbean Basin Economic Recovery Act (CBERA), H.R. 991.

Chairman Earl Blumenauer and Ranking Member, Vern Buchanan, thank you for holding today's hearing and for the opportunity to testify before the Subcommittee on Trade of the Ways and Means Committee. I want to also express my profound thanks to the Chairman of the Ways and Means Committee, the Honorable Richard Neal, Congresswoman Terri Sewell, for introducing the legislation, members of the Committee, and the Congressional Black Caucus (CBC) members. Lastly, to staffers Alexandra Whittaker, Robert Nutall, and countless others, thank you for working closely with the Embassy.

As a 30-plus year career diplomat, my tour in Washington, DC, has been one of the most rewarding due to my role in strengthening bilateral relations between two of the oldest republics in the Americas and fostering inclusive development. Today's testimony seeks to re-emphasize the importance of passing H.R. 991 before its expiration date, September 30, 2020.

For almost two years, the Government of Haiti has been working with CARICOM Ambassadors, Association of Industries of Haiti (ADIH), NGOs, Think Tanks, and U.S. manufacturing companies to lobby Congress to pass this critical bicameral and bipartisan piece of legislation. The efforts of the Haitian Diaspora have not gone unnoticed. I am immensely grateful for their support.

The Caribbean Basin Trade Partnership Act (CBTPA) provision gives duty-free eligibility for textiles and apparel made from U.S. yarns and fabrics, enabling eligible countries to compete with China and other Asian apparel suppliers. Such provision, among many other benefits, helps sustain U.S. yarn production and encourage further investment in the sector. For example, investments by MAS holdings and Everest Textiles in North Carolina, alone, in 2016 and 2017, have created roughly 4,000 new American jobs that are producing inputs for CBTPA eligible apparel made in Haiti. Countries such as Barbados, Belize, Curacao, Guyana, Jamaica, Saint Lucia, and Trinidad and Tobago also benefit from this provision.

The U.S. enjoys a hefty trade surplus with CBI countries. According to the ***Thirteenth Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act***, U.S. total goods trade (total exports plus general imports) with the CBI countries was \$19.4 billion in 2018. The U.S. goods trade surplus with the CBI countries reached \$7.4 billion in 2018.

The Republic of Haiti's garment industry is the industrial foundation of the country's economy, and its existence depends on the preferences granted under CBTPA and the additional HOPE/HELP programs. According to ADIH, the industry, which provided direct employment to almost 60,000 workers early this year, was already beginning to suffer from the delay in CBTPA's renewal before the coronavirus outbreak. Buyers and investors were hesitant to make new commitments while the program's future remained uncertain. The country was already

losing jobs at the end of 2019, well before buyers and retailers began canceling orders in response to the pandemic.

The unfortunate reality is that the (1) demand for apparel has gone down, and (2) potential buyers who are still capable of placing orders are not willing to commit until Congress renews CBTPA before its expiration date. Haiti's garment industry's future, and thus the jobs and economic sustainability for many Haitian families, remain in jeopardy until the legislation passes.

CBPTA will play a crucial role in strengthening the supply chain for PPEs and textiles in response to COVID-19, which would make America less dependent on nations outside of the Western Hemisphere. Also, with the issues regarding China, Haiti hopes and expects to benefit from the "Near-Shoring" concept introduced by Congress.

In closing, I humbly urge the United States Congress to pass H.R. 991 before September 30, 2020, for the following reasons:

1. to reaffirm CBTPA,
2. to boost Haiti's manufacturing and assembly sectors,
3. create security stability in the country and the region,
4. to decrease migration, and
5. foster US-Haiti partnership

Honorable Members, thank you for your time, and your commitment to the Republic of Haiti and the Caribbean region.