Haiti Economic Lift Program (HELP): Unlocking potential for South Asian apparel manufacturers

By Srimal Fernando and Mizly Nizar

January 12 marks nine years since Haiti experienced a devastating earthquake in 2010. It was a major catastrophe in the Caribbean nation which possibly killed more than 150,000 people and displaced hundreds of thousands wiping out livelihood while having a devastating effect on the economy.

Over the years the turnaround story that saw the recovery of the Haitian economy was initiated through the US- Haiti Economic Lift Programme (HELP). Within a few months after the disaster, the US signed the bipartisan HELP Act (S. 3275 and H.R. 5160) on 24 May 2010 expanding access for Haiti’s apparel exports to the United States’ 300 million consumer market. While being a major driving force of the Caribbean nation’s apparel boom, it was quite clear that the HELP initiative was constructive in creating jobs for Haitians.

The HELP initiative has remained attractive to South Asian apparel companies who are currently offshore manufacturers to reshape their production strategies to embrace the new on-shore and near-shore production model which is being adopted by the apparel sectors in North America and Europe. Offshore production entails outsourcing the manufacturing of products by final consumer countries to foreign nations. In contrast the new trend in production focuses on locating manufacturing industries near their final markets; near-shoring – or on the land itself; on-shoring. According to predictions by the recent McKinsey Survey, by 2025 a large segment of the North American and European markets will be supplied by both near shoring and on-shoring manufacturers.

The major players in the South Asian apparel sector that export to the US are in Sri Lanka and Bangladesh. The Sri Lankan apparel sector whose exports to the US and EU markets amount to over $4 billion are hence faced with restructuring challenges to maintain future sustainability. This shift in readjusting with the new trends in the global apparel sector is no easy task. Aligning with this new global trend the Sri Lankan based clothing and lingerie manufacturer MAS Holdings has set up a large export-oriented apparel plant employing 3,000 people in Haiti’s Caracol Industrial
Park to cater to the niche US textile market.

Industrial parks in Haiti were originally formed with US support through the HELP initiative to create job opportunities for Haitians. The US trade preference programs for Haiti also provides the opportunity for South Asian apparel and textile companies to change the focus of their production models to the ‘on-shore and near-shore’ option by setting up manufacturing units in Haiti.

Such relocation close to export destinations would enable speedy delivery of final products to their markets which is a top priority in the apparel sector while also ensuring that the established markets for the South Asian apparel sector are not lost in the future.

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