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Haiti Business Week | The next competitor for Apple

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A new and promising company is emerging out of Haiti ready to win the Caribbean and international markets with its ... Android tablets! Based in the Sonapi Industrial Park in Port-au-Prince, Surtab has started producing tablets just two months ago and has already sold its first bulk orders to local and international customers.

With its two powerful yet affordable products, the Wi-Fi Tablet and the 3G Tablet, the company is targeting a big chunk of the world market that industry leaders Apple and Samsung did not - the developing countries.

A crazy idea that turned out possible

The idea of manufacturing touchscreen tablets in Haiti came from JP and Ulla Bak, a couple who came here after the earthquake to do some philanthropic work. They decided to switch from philanthropy to business because they realized that what people needed most in Haiti was jobs. In December 2012, Maarten Boute, the former CEO of the biggest company in Haiti, Digicel, and Coles group, a local manufacturing company, joined them in this venture.

"I first thought they are a little bit crazy because it seemed like something that would be difficult to do here, but we quickly realized it was possible," says Maarten Boute, now the CEO of Surtab.

The company has been progressing extremely fast this year

The founders of Surtab started the incorporation process in April while working on retrofitting the industrial rooms into what is called "the clean room", which is a climate-controlled, dust-free environment. This process was facilitated by the experienced garment manufacturer Coles Group, one of the Surtab investors.

The company has also made all the connections with the world suppliers for parts, defined the products, brought international trainers to train local employees, and started production just this past August.

Last month it won an important grant from Pan American Development Foundation (PADF) through the LEAD program that will further support their development.

Winning the market

Surtab is targeting the local Haitian market, as well as the Caribbean and the American markets to take advantage of the proximity and tax breaks agreements that Haiti has with the US and CARICOM (the Caribbean Community and Common Market).

"Right now the Caribbean is our natural first. We have orders from Turks and Caicos and Jamaica, we have orders for samples from Suriname, and we have interest from Trinidad and Tobago," shares Maarten.

"Haiti itself is quite a big market, there's 10 million people here locally, so even though it's not our prime target, the local market is already quite big to sustain such a business."

Surtab is luring its customers with high quality products at a price that is at least twice lower than the ones offered by the major brands, therefore connecting to modern technologies schools, non-profits, government agencies, and of course the private consumers who may choose tablets over the more expensive laptops.

Currently the factory price is \$85 for the Surtab Wi-Fi tablet, and \$150 for the 3G model. The end user may purchase them from retailers at a price close to \$100 and \$200-210, respectively.

"The Surtab 3G version is better except for one parameter (that the Samsung tablet is better at) than all the other tablets; and we've compared it to at least 50 tablets on the market today," noted Maarten.

Surtab is set to building a strong brand unlike many of the Chinese producers of affordable tablets that are not consistent, that do not have stable brands, and do not have the capacity to offer quality service in the Caribbean, such as customer support, returns and repairs.

Other than that, the company considers Haiti a brand in itself. "Haiti is a brand. People will buy from Haiti if they know it's a high quality product," says Maarten.

Pros and Cons of Operating in Haiti

Being in Haiti has its important advantages such as a large internal market, proximity to Caribbean and American markets, tax breaks agreements, and access to a workforce that is eager to work and learn.

On the other hand, there are some specific challenges that businesses go through. The procedure of incorporating a company was simplified, but is still not the easiest. It took Surtab about 3 months to incorporate. "I don't want to be negative. Let's say you need to have the right lawyer and have patience," says Maarten.

The other challenge is the energy cost that is still extremely high, partly due to the fact that even the industrial park itself is not capable to provide electricity 24 hours a day. The company has to run its own generators, and that increases the already high electricity cost.

However, Maarten is positive. "Once you have the basics and understand how the country works, it's a pleasant place to do business in because there's a lot of demand and, especially, there's a very eager workforce that is looking for work."

Surtab is not the only tablet made in the Caribbean

Last year, Celestial, a brand from St. Lucia, grabbed the public attention with its ambitious plan to manufacture laptops, cell phones and tablets in St. Lucia for the Caribbean market. According to the local media, they have won \$500,000 from Compete Caribbean Grant program and have been heavily supported by the local Prime Minister.

Celestial still advertises as the only producer of laptops, cell phones and tablets in the Caribbean. But it has to watch its lead in the tablets market. The Haitian Surtab is officially launching in November and they have proven to move at a mind-blowing speed.

"We foresee and hope that in the next few years we can grow to take 0.1-0.5% of the global market share, which is millions of tablets that will be coming out of Haiti every month," says Maarten Boute, CEO of Surtab.