

Chronicle on Cuba

SUMMARY OF NEWS ITEMS REPORTED ON CUBA

January-December, 2003

This web resource highlights the most significant news items on Cuba listed in FOCAL's monthly Chronicle on Cuba throughout 2003, and groups these according to a wide range of key topics. Web links to important documents and statements are also included.

ECONOMY

AGRICULTURE AND LIVESTOCK

The Cuban Agriculture Ministry said 2002 consumable rice output increased by 10 percent to 290,000 tonnes, still well short of domestic demand, official weekly Granma International reported. The weekly said state-run provincial rice farms produced 65,000 tonnes, down slightly from just over 70,000 tonnes in 2001. Farm cooperatives and private farmers produced 225,000 tonnes, up from 195,000 tonnes in 2001. Production by the military for its soldiers and by other sectors for consumption by workers was not reported. (February, Economy)

Organic tomatoes, ginger, broccoli, oregano and other produce and spices are readily available in Cuba's free farmers' markets, thanks to the country's urban gardening programme. Small farmers in Cuba produced three million tons of organic vegetables and herbs in 2002, compared to just 4,200 tons in 1994. But the vegetable crops grown without chemical pesticides and fertilizers in the organic family gardens of this Caribbean island nation currently go towards domestic consumption, unlike organic sugar and coffee, which have made headway in European markets. Exporting organic products requires international certificates that entail relatively high costs for small farmers. (March, Economy)

The Fifth Meeting on Organic Farming in Cuba got off to a lively start at Havana's International Convention Center. Of the 400 delegates to the Fifth Meeting on Organic Farming, roughly half are from all over Cuba with the remainder representing some 24 different nations, including the United States and Britain. The meeting takes place as Cuba receives a harvest of more than 200,000 tons of organic rice via the labors of rice growers from the urban agricultural sector. (May, Domestic Affairs)

The latest potato harvest will not meet projected production goals, said an agricultural specialist who asked not to be identified. Among the causes for the shortfall, the specialist cited late planting, inadequate cultivation and the loss of some seed. Potatoes are put in cold-storage and distributed as part of the population's basic food basket. But after November last year, potatoes disappeared from the markets. (May, Economy)

Cuba's top citrus official forecast a record crop of more than a million tonnes by 2005 and said the industry was recovering from storms that slashed last year's output by 50 percent, in an interview published by the official daily Granma. "The recovery is being consolidated and by the end of 2005 production should be more than the record 1.017 million tonnes of the 1989-90 harvest," Percy Ruiz Medina, president of state-run Grupo Empresarial Fruticola, told Granma. Some 60 percent of Cuba's orchards are dedicated to oranges, 30 percent to grapefruit, and 10 percent to limes, of which 80 percent is processed into juice, 5 percent exported fresh and sold to the tourism industry, and the rest used for domestic consumption, Ruiz added. Israeli-based investors, operating through the BM Group, have a 50 percent interest in Cuba's most important processing facilities, and provide financing for the crop. Italian investors have also put money into the juice business. (May, Economy)

On the 44th anniversary of the first Agrarian Reform Act, Orlando Lugo Fonte, the president of National Association of Small Farmers (ANAP), explained that from the 25% of cultivable land in Cuba - around one million hectares - the cooperative-campesino sector contributes 53% of root vegetables produce, 56% of fresh vegetables, 90% of tobacco, 75% of corn, 76% of beans, 73% of fruits, 73% of coconut, 58% of coffee, 63% of cacao, 61% of honey and 18% of sugar cane. In terms of animal farming, ANAP associates contribute 36% of milk, 57% of pork; have 68% of the island's sheep, 86% of its goat herds, and 77% of its horses. (May, Economy)

For the first time, Cuba has managed to certify and export four lines of organic agricultural produce – coffee, cacao, honey and citrus fruits – to Europe and Japan. With these sales, revenue is rising as organically cultivated produce fetches prices of between 30-40 % higher than the non-organic equivalents. They are cultivated in the most easterly region of the country, where various farms, essentially those managed by campesinos, do not use pesticides. With respect to coffee – currently undergoing a crisis on the international market – more than 4,000 hectares were certified and sales of 103 tons at 40% higher prices were recorded. (May, Economy)

Cuban citrus fruit company Citricos Arimao in Cienfuegos, central Cuba, has exported 500 tonnes of orange juice with organic certification to Europe, Arimao's director, Omar Gonzalez, said. Arimao processed 1,000 tonnes of fruit from a 70-hectare restructured area for the delivery, Gonzalez added. Arimao has an agreement with Swiss retail co-operative Coop in Basel, northern Switzerland, which manages 1,000 supermarkets in Europe. (June, Domestic Affairs)

Cuban Vice-President Carlos Lage stated that the country has electrified irrigation in around 57,000 hectares devoted to different kinds of crops, thus contributing to save fuel, reported "Granma" newspaper. During a ceremony in Havana province to close the first stage of the program in the territory, Lage highlighted the nation's effort to guarantee an increase in vegetables and grains, even under conditions of scarcity and despite the national and international economic situation. The leader stated that over the last two months, Cuba's power situation has improved and it is expected to remain at an acceptable level of stability. (June, Economy)

The western province of Pinar del Río has the potential for excellent agriculture results, according to Cuban Agriculture Minister Alfredo Jordán. The Cuban government official recalled some of the most recent achievements of the sector, which included cattle-raising. Alfredo Jordán stressed the rapid recovery by the tobacco sector from the damage caused by recent hurricanes. He said preparations are well underway to begin a new stage in tobacco next month. (August, Economy)

As part of a program funded by the Canadian International Development Agency, in partnership with Victoria-based Lifecycles and the Cuban Association of Agriculture and Forestry Technicians, David Goodman and Linden Huizinga will be heading to Cuba to help promote and teach urban agriculture in Havana. In Cuba, Goodman will focus on nutrition and educating children, while Huizinga will show Cubans how to develop international partnerships with individuals and ecotourism groups. "It's just an amazing opportunity to be able to learn from them and how they look at food security and how they look at urban farming and how it fits into their culture and then bring that back here," Huizinga said. (September, Foreign Affairs)

Nigeria and Cuba have agreed to enhance cooperation in the field of agriculture, said a communique released in Abuja. The communique said that the two sides also agreed to link prospective investors and entrepreneurs in Nigeria with Cuban technical experts in the sugar industry. "It has been agreed that a team of Cuban technical experts would arrive in Nigeria for further discussions in this area," said the document. During the third session of the Nigeria-Cuba Joint Commission, the Cuban delegation said the country had very special species of sugarcane with high yield as well as expertise in the sector which could be very beneficial to the country. (September, Economy)

A local community rice cultivation program is developing in Havana province and is expected to produce 19,000 tons of rice in the year 2005. The initiative is aimed at making rice cultivation a popular activity based on the use of older technologies. In that respect, the island's agriculture and sugar ministries have made plots of land available in order to meet a faster planting schedule. To date, rice harvests in the province have reached little over 5000 tons, although the project is expected to reach production of up to 17,500 tons of rice this year. (October, Economy)

Cuban farmers are working to make good years of deforestation and soil loss by planting trees on sensitive hillsides. The government pays land workers in the south-east of the island to establish trees in designated areas - giving them a large bonus only if they survive. In many parts of Cuba, trees were cleared to grow tobacco and sugar cane. It resulted in unprotected soils - and even roads - being washed away by rain. (November, Domestic Affairs)

Special measures to prevent from hydro and biological erosion have been applied by Cuban scientists to over 8,000 hectares of land, in the hydrographic basin of the Toa river. Authorities have made huge investments in methods such as the establishing of vegetal barriers, construction of terraces and improvements of soils, affected by the superficial dripping of waters. The Toa River basin, in the North Western part of the island, is one of the most important basins of the Antilles. (November, Economy)

Cuban agricultural production increased this year at lower costs in terms of fuel and other imported resources, said Cuban Vice-President Carlos Lage. Lage said that such a production can increase in order to supply agricultural marketplaces, where prices must continue to be observed with discipline, and thus improve the food supply for the population. (November, Economy)

The Cuban livestock sector will conclude this year with signs of recovery, assured Agriculture Minister Alfredo Jordan. Though there is still much to be done in the sector, this year's milk production will close with about 20 million liters of milk more than in 2002, the minister told the press. Jordan and Cuban Vice President Carlos Lage attended an integral analysis of this farm sector in Sancti Spiritus, 217 miles east of Havana. This area, pointed out Jordan, has been the most difficult to recover, and this year's results are due to better climatic conditions, organization and control. Cuban ranchers will produce some 400 million liters of milk this year, of which, 255 million will be assigned to the dairy industry, the minister affirmed. (November, Economy)

Agricultural production should be less concerned with growth and focus more on the needs of the population, emphasized Carlos Lage, secretary of the Executive Committee of the Council of Ministers, in a meeting with agriculture executives in Havana. The statement comes after a visible increase of certain vegetables and other products in the markets; however, there is a lack of variety. Some prices have decreased but still remain generally high and out of reach for most people. (November, Economy)

BIOTECHNOLOGY

At the close of 2002, the biotechnology sector in Cuba had brought in over \$30 million –a 10% increase over the previous year. (January, Economy)

The Cuban Center of Molecular Immunology (CIM), and its commercial branch CIMAB SA, announced that the companies BIOCON India Ltd and CIMAB SA have finalized a joint venture agreement to establish a new Joint Venture company, BIOCON Pharmaceuticals Ltd, that will set up a new manufacturing facility to manufacture and market a select range of biotechnology products for human health care primarily in the Indian market. (February, Economy)

Kee Biogenetics, a division of Kee Pharma, has joined with the Cuban company, Heber Biotech to strengthen its oncology portfolio and to introduce a range of biotech products in India. Initially, the company plans to focus on cardiology, immunology and oncology segments with the introduction of melagenina (remedy for leucoderma patients), recombinant streptokinase (cardiac drug), recombinant

interferon, gamma and alpha interferon (for cancer) and epidermal growth factor, Dr Alok Dev, head of Kee Biogenetics, told the press. (July, Economy)

Technology starved Indian biotech and pharma companies are eyeing Cuban scientific institutes for licensing technology transfers of biotech products. Currently, Cuban institutes have plenty to offer to Indian companies in the field of generic engineered protein erythropoietin (EPO), including its novel biotech products; hepatitis B and meningitis B vaccines, a skin growth factor, interferons, thrombosis and heart attack medicines as well as AIDS treatments. Also, Cuba has set ambitious plans to increase its drug profits globally by expanding its overseas markets through the development of novel bio-pharmaceuticals and by sale of other drugs. (July, Economy)

Cuba's struggling economy has been boosted by the successful export of its medical technology abroad, and by health tourism within the country. Today the medical sector ranks sixth in terms of exports and services, providing the country with vitally needed foreign exchange that was worth \$ 250m a year in 2002. Out of that figure biotechnology alone accounted for more than \$ 150m. During the last few years the biggest earner for Cuban biotechnology has been the export of Hepatitis-B vaccine to more than 30 countries. Cuba's cutting-edge products for neck and breast cancer have caused the biggest stir in the world of biotechnology. They have just been licensed to a German pharmaceutical company, with rights to develop the drug TheraCIM h-R3 for the European market. If TheraCim h-R3 receives regulatory approval, it could become a standard cancer treatment in Europe in four or five years, with estimated sales of around \$3bn a year. Another growing source of income is health tourism, with a number of specialist hospitals, clinics, health spas and resorts catering to foreign visitors. Last year more than 5000 foreign patients travelled to Cuba for a wide range of treatments including eye-surgery, neurological disorders such as multiple sclerosis and Parkinson's' disease, and orthopaedics. (November, Economy)

CORRUPTION

Several senior officials in the largest state-run tourism organisation in Cuba Cubanacan have been placed under house arrest on suspicion of corruption. Among those detained is the president of Cubanacan, Juan Jose Vega. Millions of dollars are said to be missing from the hotel, restaurant and travel agency business. The irregularities came to light when the company complied with a government order to all firms holding US dollars to convert them into Cuban pesos. Cuban Minister of Defence Raul Castro is reportedly taking an active involvement in this inquiry. (December, Economy)

Sol Meliá SA said its operations in Cuba are not affected "at all" by the recent house arrest of the chairman and various boardmembers of Cuba's state-owned Cubanacán company. A Sol Melia spokeswoman said: "We're following the story closely as it concerns the sector in which we operate and a country which is an important destination for us, but this news does not affect our operations there at all." "We operate 20 hotels in Cuba, some of which are owned by Cubanacan, but as this is an internal affair concerning employees of the state-owned company, it will not affect our leasing arrangements for these hotels," she added. (December, Economy)

Four senior executives of Cuba's biggest state-run tourism organisation have been dismissed because of "serious management errors," but "in no case have they participated in theft or embezzlement," the Tourism Ministry said in a communiqué. "It is true that the president of the Cubanacán group, the directors of two of its companies, and the head of one of its branch offices have been removed from their posts," said the statement that appeared in Granma, the ruling Communist Party's official daily newspaper. The errors, according to the Tourism Ministry, were "linked to a lack of discipline, control and other violations" of "the strict standards that govern the conduct of Cuban leaders and officials." The note also stated that some of the errors committed "are normal practices among executives in many other parts of the world." The statement, which was datelined December 6, was the first official information provided on the case. (December, Economy)

GENERAL INDICATORS

Cuba ranks first on Spain's list of negligent borrower countries and is the nation that most often defaults on debt repayments to the Spanish state. In fact, the Caribbean island accounts all by itself for nearly a third (32.53 percent) of all missed payments of outstanding debts to Spain by sovereign debtor countries. (May, Economy)

Tourism, remittances, agriculture and nickel are now the pillars of the Cuban economy, which is no longer dependent only on the sugar industry, a sector that has been in the doldrums lately. Remittances from Cubans living abroad generate \$800 million to \$1 billion each year, according to unofficial data, making these transfers the second-largest source of foreign currency in the country after tourism. But while tourism and the nickel industry continue to grow, the agricultural sector still plays a major role in the economy, accounting for more than 40 percent of Cuba's gross domestic product and 60 percent of hard currency income from exports. Agriculture produces more than half the basic food products consumed in Cuba, according to an article in the most recent edition of the weekly newspaper *Negocios en Cuba*. Last year, production of roots, tubers and garden vegetables exceeded 10 million tons and close to 7 million tons of that total was harvested from urban crops. (May, Economy)

Cuba's economy should grow a modest 1.5 percent this year as the communist government struggles with the effects of a world crisis on its crucial tourism industry and the price of petroleum, economists in Havana say. A newly released report from the semi-independent Center for Studies of the Cuban Economy said that 2003 will be the third subsequent year that the nation's economic growth has fallen below original government expectations. Government officials had originally set 3 percent as their economic growth target for this year. The center's 1.5 percent projection is "modest compared with the projections of previous years, but much more in line with the nation's current reality," said the report. (May, Economy)

Mexico is seeking an arrangement with Fidel Castro to obtain payment of the Cuban debt of \$400 million, outstanding since the early 1990s, according to sources with the Mexican Foreign Office. Undersecretary for Latin America and the Caribbean, Miguel Hakim, said that efforts are under way to coordinate a meeting between Foreign Secretary Luis Ernesto Derbez and Castro during the 24th Summit of CARICOM Heads of State in Jamaica. (July, Economy)

The US Bureau of Western Hemisphere Affairs has released a new fact sheet on Cuba's external debt. According to the report, "Dunn and Bradstreet rate Cuba as one of the riskiest economies in the world: only Angola, Congo, Sierra Leone, Zimbabwe and Iraq are worse". (July, Economy)

Cuba's foreign debt has spiraled so high during its current economic crunch that creditors will probably have to forgive significant portions during any post-democracy restructuring, an official from the Inter-American Development Bank said. "I think there will be a forgiveness element," Dennis Flannery, executive vice president of the IADB said at a Cuban economic forum in Miami. "I think the terms of restructuring Cuba's debt will be highly concessional." Cuba's foreign debt is so high -- it owes \$12 billion in hard currency, plus Russia claims it is owed another \$20 billion, Flannery said, citing the State Department -- that a credit agency has listed the Caribbean nation among the world's riskiest investments, along with Iraq and Angola, a nation to which Cuba once sent military and economic aid. Flannery added that Cuba's economy is in disastrous shape: "It's pretty much a cash economy." Asked whether communist-run Cuba risked running out of cash, he told journalists "it could, and then it would become a humanitarian case like African countries." The conference of the Association for the Study of the Cuban Economy addressed rebuilding Cuba after a transition to a market economy -- something none of the participants expect under the government of Fidel Castro. (Sun Sentinel, Tehran Times, (August, Economy)

Cuba's foreign debt was unchanged in 2002 at just under \$11 billion as the government slashed imports to cope with a foreign exchange shortage, according to a yet to be released UN study. Cuba's foreign debt totaled \$10.900 billion at the end of last year, similar to the 10.893 billion reported in 2001, the United Nations' Economic Commission for Latin America and the Caribbean (ECLAC) reports in a soon to be

published study of Communist-run Caribbean island's economy for the period 1998-2002. The debt was unchanged in part due to a strong dollar in 2002, and is expected to increase this year as the U.S. currency has weakened. Cuba has not published any information on its 2002 balance of trade, current account and debt, but the ECLAC report was prepared in collaboration with the state-run National Institute for Economic Research using preliminary official data. (October, Economy)

Argentine Interior Minister Aníbal Fernández recommended "caution" when negotiating with the Cuban government concerning its proposal for a 75 per cent haircut in Cuba's 1.9bn US dollar debt with Argentina. During the negotiations that Foreign Minister Rafael Bielsa conducted with Fidel Castro's government, it was decided that "approximately 50m US dollars would be set apart from this debt of 1.9bn US dollars. These funds would be earmarked for providing free medical care in Cuba to Argentine citizens who need highly complex medical treatments and who lack the funds to pay for such care," the foreign minister reported. Cuba also proposed that Argentina apply a 75 per cent haircut to the Cuban debt. In relation to that suggestion, Fernández recommended, "first, take a careful look at things". (October, Economy)

Cuba has one of the highest unemployment rates in the region with a rate of 12 per cent, according to a study by the University of Miami (UM). The Cuban government has reported that unemployment has decreased from 7.9 per cent in 1995 to 3.3 per cent in 2002. But the U of M says the government adds in workers on compensation. The report further indicates that those figures also include 94 per cent of the 100 thousand workers from the sugar industry who were laid off in 2002 as well as the 320 thousand urban farmers working half time. (October, Economy)

Carlos Lage, secretary of the Executive Committee of the Council of Ministers, informed the press of a slight reduction in the prices of certain products in comparison with those at the beginning of the year. A national network of 2,388 farmers' markets with prices fixed at provincial level on the basis of production and costs and the absence of intermediaries, is being consolidated as an alternative to the private sector supply and demand markets, where prices are very high. At the opening of three farmers' markets in the capital, which brought the total of this kind of outlet to 73, the vice president of the Council of State stated that the state markets should be inserted within the People's Councils in the communities. (October, Economy)

A substantial number of Cuban workers feel that they work too long in less than optimal conditions and are not compensated in direct proportion to their efforts, say some of the findings of a recent study by the Labor Medicine Institute. According to the study, 46% of those surveyed thought that they worked much hard in relation to the salary they perceive, with women generally feeling more often overworked than men, and those aged 36 to 50 feeling more overworked than those between the ages of 18 and 35. The study surveyed 1,000 workers in Havana. (October, Economy)

The Cuban economy is expected to increase by 2 percent, an expert affirmed. According to Osvaldo Martínez, chair of the Cuban congressional Economic Affairs Committee, this increase will surpass that predicted by the Latin American Economic Commission (CEPAL) for the region. Cuban authorities had predicted an increase of 1.5 %, but Martínez said that figure has been half a point bigger this year. Martínez made the announcement during a lecture on the Cuban economy in the 1990s, at the 13th OLACEFS conference (Latin American and Caribbean Superior Fiscal Entities' Organization), that took place in Havana. (November, Economy)

The Cuban government expects economic growth to exceed its 1.5 percent target for 2003, helped by high nickel prices, recovering tourism and good weather, Economy Minister Jose Luis Rodriguez said. "Growth will be higher this year, thanks to higher performance in some areas, such as agriculture, and a favorable international environment," the minister told the press in an interview. The president of the Economic Affairs Committee of Cuba's National Assembly, Osvaldo Martínez, predicted GDP growth would speed up to 2 percent by year's end. "That's their estimate. We have no figure yet," Rodriguez said. He added: "No doubt it will be higher than the 1.5 percent we planned for this year." (November, Economy)

Believing it is not in debt to Russia, Cuba refers to financial problems between the two countries as mutual liabilities. Such comments were made at a Moscow press-conference by Cuba's First Deputy Foreign Minister Fernando Remírez, who is on an official visit in Russia. "Following the abrupt breakage of foreign economic relations with Russia after the collapse of the Soviet Union, the Cuban economy suffered a major damage," said Remírez. "Our links had been developing for thirty years and when all of a sudden all agreements were denounced, all projects either frozen or discarded and all joint programmes terminated, our economy entered into a crisis," he added. (November, Economy)

The Ministry of Finance and Prices and the National Association of Economists and Accountants have concluded the 5th Verification of Internal Controls in which 5000 government entities were inspected. It is striking to note the recurrence of problems like absence of internal control mechanisms, diversion of resources, financial indiscipline, lack of control over fixed assets, the violation of safety and protection measures and illegal sale of products destined for state enterprises. (November, Economy)

The Russian Finance Ministry plans to hold talks with the Cuban government about the settlement of past-due Cuban debts to Russia, Deputy Finance Minister Sergei Kolotukhin said at a Duma budget committee meeting. Cuba owes Russia about \$150 million. A Russian-Cuban intergovernmental agreement has been in place since 1994, whereby Russia allocates loans to Cuba so it can buy Russian equipment. This agreement expires in 2003 so the debt settlement issue has come up, Kolotukhin said. Russia's 2004 federal budget envisages loans to Cuba of \$21 million for the purchase of Russian equipment. However, this money can only be disbursed if Cuba's past-due debts are settled. (December, Economy)

Cuban economic growth was reported to be 1.5 in 2003, by the Cuban Government Minister, Ricardo Cabrisas. Cabrisas spoke at a conference between representatives of Cuba and Japan, held in Havana. The economic growth of Cuba is feasible, despite the embargo on the country, the falling prices of sugar and coffee and the rising oil prices, Cabrisas added. The forecast made by Cabrisas was 0.5 percentage points below the forecast of 2.0 made by the president of the economic commission at the Cuban Parliament, Osvaldo Martinez. (December, Domestic Affairs)

Cuba's economy grew 2.6 percent this year despite a severe foreign exchange shortage and a 40 percent decline in sugar production, Economy and Planning Minister Jose Luis Rodriguez said. Rodriguez, delivering a year-end economic report to parliament, said the growth stemmed from a 12.7 percent increase in tourism arrivals, a recovery in the non-sugar portion of the agricultural sector from three hurricanes in 2001/02, and increased oil, gas and electricity production, among other factors. Cuban economists said increased government spending also helped fuel demand. Rodriguez said the budget deficit rose to 3.5 percent of Cuba's GDP, or around 1 billion pesos, compared with 3.2 percent in 2002 and less than 3 percent in 2001. "We have moved from a sugar-based economy to one based on tourism and other services," Rodriguez said, forecasting similar results in 2004. "Our economy continues to recover." (December, Economy)

ENERGY

Cuba-Venezuela Oil Agreement

A communique issued by Cuba's Foreign Ministry confirmed that imports of crude from Venezuela were cut off on December 2, due to the walkout declared by the managers of the state oil monopoly Petroleos de Venezuela SA (PDVSA), and only began to arrive again early this month. Among the damages suffered by the Cuban economy, the ministry mentioned the virtual shutdown of the oil refinery in Santiago de Cuba, 967 kms east of Havana, and the fact that the government was forced to purchase oil from intermediaries at a high cost. (January, Economy)

Cuba blasted critics of a controversial oil agreement with Venezuela, insisting it was no give-away, as the first crude arrived from the South American country since a general strike began there on December 2. The Foreign Ministry characterized as a "gross fascist lie," charges by those trying to oust Venezuelan President

Hugo Chávez that the World's No. 5 oil exporter sells Cuba cheap crude to prop-up the communist-run Caribbean island. (January, Economy)

A Cuban TV news broadcast showed Venezuela's President, Hugo Chávez, standing up at a public rally for what he calls the unselfish support that Cuba gives to Venezuela in areas like public health. "We sell oil to Cuba under the same conditions we sell it to other Caribbean nations, we are not giving her anything for free, we rather do get a lot free from Cuba", added Chávez. He referred to the free medical attention that Cuba provides to ill Venezuelans, "even paying for accompanying relatives, for which I am very grateful to Commander Fidel," he pointed out. (January, Economy)

Venezuela announced that its oil sales to Cuba are back to normal. During an encounter with the foreign press, Venezuela Ambassador to Cuba, Julio Montes, said that the daily shipment of 53,000 barrels of crude oil, diesel and aircraft fuel has resumed. This accounts for more than half of Cuban oil imports. (April, Economy)

The Cuban government has said that it will pay down "to the last penny" what it owes Petróleos de Venezuela (PDVSA), in reply to the "vulgar lies and slanders" made by "certain (Venezuelan) media" that claim Hugo Chávez's government give Castro's Cuba oil "for free". (June, Economy)

Cuba pays more than one billion dollars a year for its Venezuelan oil based on an agreement signed in October 2000, said Cuban Foreign Affairs Minister Felipe Perez Roque. Venezuelan President Hugo Chavez does not give free oil to Cuba, we buy it from Petroleos de Venezuela (PDVSA), the Cuban diplomat replied to a South American cybernaut on an Internet forum on the US blockade of Cuba. (September, Economy)

Oil and Other Resources

Fidel Castro has stated that Cuba will not starve nor will basic social services be affected in spite of the likelihood of a world crisis due to the erratic increase of oil prices. Our society is best prepared to confront and overcome that probable catastrophe given the U.S. plans to attack Iraq, said Castro during the inauguration of the Universal Higher Education Program. (January, Domestic Affairs)

Cuban leaders hope that the island's oil reserves will pull it from its economic crisis. Onshore wells already cover nearly half of Cuba's domestic fuel needs. Officials predict that next year's combined oil and natural gas production will jump 17 per cent to a record fuel output equalling 34.1m barrels, equivalent to 93,400 barrels a day. That production is due largely to foreign partnerships that help convert the heavy, sulphur-laden crude of Cuba's onshore wells into useable fuel. Three years ago, Cuban officials parcelled the island's 112,000 sq km exclusive economic area in the Gulf of Mexico into 59 leaseable blocks to attract foreign investment. Repsol-YPF, the Spanish company, optioned the first six offshore blocks between Havana and the resort city of Varadero. Sherritt International, the Canadian group, won rights to explore four adjacent blocks in what is becoming the centre of offshore attention. Pebercan, a third, French-Canadian concern developing Cuba's onshore reserves, has pinned its hopes on a 4,500 metre well in central Cuba that the group thinks may hold over 600m barrels of light crude. (January, Economy)

Business representatives from Great Britain are interested in Cuban oil, not only what could be extracted on the island's platform but in deep water as well, said in Havana Lord Colin Moynihan, the new president of the UK-Cuba Initiative, while in Havana. The initiative seeks to explore foster business opportunities in general. (January, Economy)

Cuba plans to implement a strict savings of fuel and minimize expenses to face a world energy crisis because of a possible US war against Iraq. In an interview granted to Granma newspaper, Pedro Perez, director of the Cuban Foreign Trade enterprise Cubametales and Alberto Betancourt, advisor to the general director of Cuba Petroleo (CUPET), stressed the importance to economize, in order to ease the effects of this situation. Both officials stated the government is making an extraordinary effort to lessen the effect of this international situation on the Cuban population. (February, Economy)

A strong appeal to conserve fuel oil appeared in the Cuban official press, which called for the enforcement of energy-conserving measures. The note was published at a time when long power outages are affecting the capital and other cities and communities throughout the country. In Havana, neighbourhoods endure daily 2-4 hour blackouts while air conditioning in public office buildings can only be turned on for as little as two hours per day, and there have been drastic cuts in fuel allotment for state-owned vehicles. (March, Economy)

Brazil's oil giant Petroleo Brasileiro (Petrobras), is interested in resuming oil exploration and production activities in Cuba, a spokeswoman for the Cuban embassy in Brazil said. The Cuban government is inviting oil companies to drill for oil in its offshore fields in the gulf of Mexico. According to spokeswoman Marcia Muñoz, Petrobras has been in talks with the Cuban government and has shown interest in working new E&P blocks in that country. "Cuba is looking to partnerships with foreign companies to develop its oil reserves, and Petrobras would be a fantastic partner," the spokeswoman said. Petrobras didn't reply to calls asking for comments. (March, Economy)

The Cuban government is readying for "the worst economic variant" the imminent war in Iraq may pose for the country, and stressed that fuel conservation lies at the core of that program. "It is our duty to be prepared and, for several months now, we have been planning for the worst possibility," said Carlos Lage, secretary of the Executive Committee of the Ministers' Council, according to a Cuban official press summary of his statements during a meeting of the Ministry of Planning and the Economy. (March, Economy)

Distinguished world specialists and experts on the Gulf of Mexico are considering the possibility of large oil deposits in the Cuban economic zone of this important coastal region. Researchers from the United States, Mexico, Canada, Britain, France, Spain and Cuba, amongst other countries attended an international workshop to examine the subject of hydrocarbons, as part of the Geology and Mining Congress being held in Havana's Hotel Nacional. (March, Economy)

The Cuban Radio and TV retransmission signal station for the Caribbean, situated in the eastern province of Guantánamo, is to receive electricity due to the first multi-source electrical system on the island. José Carlos Díaz Vidal, a specialist from ECOSOL Solar Company, told the press that the station will derive 30 kilowatts from a mini-hydroelectric source, 16 kilowatts from photo-voltaic energy, 6 kilowatts from windmills and 10 kilowatts from diesel." He commented on the electrification of two rural communities in the mountainous zones of Guantánamo: "Cold Wind Up, with solar panels, and Cold Wind Down, with a centralized hybrid system using wind and photo-voltaic energy." (April, Economy)

A photovoltaic wind central with the highest rate of energy production in the island was settled at "La Cana" height, located at Guantanamo province the most Eastern region and sun capital of the island. A TV signal centre and another radio linking station, located to almost 200 thousand meters by the sea, are the main benefits of this system whose main energy source is the wind. Specialists to Science, Technology and Environment Ministry and of the Electronic Techniques Centre were in charge of the mounting of this photovoltaic wind center. (May, Economy)

Cuban Vice-president Carlos Lage inaugurated a new plant generator of electricity in the Oil Distributor Enterprise in Matanzas, an investment that will allow to save over US\$ 1 million 400,000 annually. When talking to the workers, Lage said that all the electricity of the nation is already produced with Cuban oil. The current consumption of Cuban electric plants includes 92 percent of crude and natural gas from the national hydrocarbon deposits, and eight percent of fuel oil produced by national refineries. (May, Economy)

The Cuban government has invited the Brazilian state-owned oil company Petroleo Brasileiro SA (Petrobras) to search for oil in the Gulf of Mexico. The Cuban ambassador to Brazil, Jorge Lezcano Pérez, said that the Spanish giant Repsol-YPF SA had already carried out prospective work in the area, which indicated that there could be substantial oil reserves there. Pérez said the initial idea is establishing a

partnership between Petrobras and Cuba. A Petrobras spokesperson told OGI Online that the company is interested in the offer, and a deal could be struck later this year. (May, Economy) Oil and Gas Journal, 28/5/03)

During a visit to Brazil, Cuba's Vice-President Carlos Lage said that Brazil's President Luiz Inácio Lula da Silva expressed strong interest in accepting the Cuban government's earlier invitation to explore for oil in the Cuban sector of the Gulf of Mexico. Tilden Santiago, Brazil's ambassador to Havana, confirmed that Brazil was interested in exploring for oil in the gulf, but that the technical evaluation had to be completed by Brazilian state-owned oil company Petróleo Brasileiro SA (Petrobras). "Petrobras's world-class technological expertise to find oil in ultradeep waters qualifies us to research for oil in the (Gulf of Mexico)," said Petrobras President José Eduardo Dutra. (July, Economy)

The employees of the Petroleum Drilling and Extraction Enterprise of Central Cuba, located in the province of Matanzas, have already extracted one million tons of crude oil this year, setting a new record for themselves. (July, Economy)

500,000 people living in remote mountainous areas of Cuba will finally be able to pack away their oil lamps, listen to radio, and even watch TV, thanks to the growing use of renewable energy sources in this Caribbean island nation. "A plan got underway this year to bring electricity to some 100,000 homes using photovoltaic (solar) panels," Luis Bériz, president of the non-governmental organisation Cubasolar, which promotes the use of renewable, green-friendly sources of energy, told the press. The pace at which the project will go ahead will depend on the funds available to Cubasolar. "It would be great if we could complete it within a year, but our work will depend on the available financing," said Bériz. "He said it cost 1,870 dollars to bring electricity to each home through photovoltaic or solar electric panels, and to equip each household with six lamps, a TV set and a radio cassette player. (August, Economy)

Brazil's state oil giant Petrobras (PBR.N) (PETR4.SA) has signed a letter of intent with Cuba on technological exchange as part of a strategy aimed at returning to the island in search for crude. Petrobras President Jose Eduardo Dutra told reporters his company was studying at least one block that should be offered on a concession basis by the Cuban government. "We have already been there and drilled one well five years ago and now Cuba will be licensing other blocks. Petrobras, in the same way it acts in other Latin American countries, also has interest in working there," Dutra said. (September, Economy)

Venezuelan energy experts are helping Cuba increase its oil output and carry out new exploration as part of growing bilateral cooperation, Cuban Foreign Minister Felipe Perez said. Perez, who held talks in Caracas with his Venezuelan counterpart Roy Chaderton, said "dozens" of oil technicians from the OPEC nation had traveled to Cuba to give on-the-spot advice and to train Cuban personnel. "Venezuelan technicians are teaching us; they are helping us improve our own production, and are also training our people," Perez told reporters. He added that this technical support also covered Cuba's oil exploration efforts but offered no details. (September, Economy)

Brazil's state owned oil company Petróleo Brasileiro SA (Petrobras) plans to resume oil exploration activities in Cuba, said José Eduardo Dutra, the company's president. Dutra announced that Petrobras and the Cuban state oil company Cubapetróleo SA had signed a letter of intent for the exchange of technological information. Analysts said that this is the first step towards Petrobras' accepting Cuba's invitation to explore for oil in deep water off Cuba in the Gulf of Mexico (September, Economy)

The Norwegian drilling rigs operator Ocean Rig ASA said that it had received a letter of intent regarding a contract for the semi-submersible drilling rig Eirik Raude from Repsol YPF Cuba SA. The contract would cover the drilling of one well offshore Cuba for a day rate of USD195,000, Ocean Rig said. (October, Economy)

Production at the Cuban Enterprise of Oil Drilling and Extraction from the Center (EPEPC) will grow this year by nine percent, reported the digital version of the local newspaper, Giron. Statistics provided to the

press noted that this indicator represents 100 thousand tons more fossil oil than in 2002, for a total production of more than one million 741 thousand tons. The Enterprise working area is located in the western Cuban Province of Matanzas where one of the island's largest hydrocarbon reserves is located. The oil extracted from this zone is considered "Heavy" dense crude with high presence of sulfur and is used in Cuba for generating electricity and in the cement industry. (November, Economy)

Cuba's fast-improving energy sector - with domestic oil production now at 4.1m tons a year and accounting for 80% of the country's energy needs - is expected to eventually ease the country's current economic woes. With domestic oil and natural gas production growing at 10% a year, Cuba has begun to meet most of its energy needs without the need for imports. The high density domestic crude oil that now provides 90% of Cuba's electricity needs has forced power stations to introduce costly conversions to cope with its high sulphur content. But the long term savings in foreign exchange and the reduction in power cuts are expected to provide a considerable boost to the economy. (November, Economy)

Oil workers in Matanzas province have extracted a million and a half tons of oil, an unprecedented result since oil prospecting and extraction began in the 1970s. (November, Economy)

Production by Cuba's Central Oil Drilling and Extraction Enterprise (EPEPC) is expected to grow by six per cent this year compared to last year, an official source reported in Matanzas province. Director Reynaldo Ruiz said that EPEPC would fulfill its extraction plan of 1.735m tonnes of oil. The amount is 100,000 tonnes over last year's production, with Ruiz attributing the increase to several factors, including the introduction of state-of-the-art technology and new techniques for extracting crude oil. (December, Economy)

Cuban Basic Industry Ministry projects closing 2003 with a 17.9 percent growth in production compared to last year, Minister Marcos Portal told Granma newspaper. Portal said the generation of electric power will increase by 3.2 percent, and extraction of gas will reach 644 million cubic meters, up 10.2 percent over last year. Oil extraction, he said, will reach 3.72 million tons, and refining 2.524 million tons, representing growth of 2.5 and 42.2 respectively. Granma said profits are expected to be 20 percent more than planned and will exceed 507 million dollars. Productivity is up 14.7, as well as exports and consumption of national crude oil in the generation of electric energy. Likewise the production of nickel, cement, acetylene and glass bottles or containers will also grow. (December, Economy)

A Venezuelan institute is investigating ways of increasing the production and improving the quality of Cuban oil, Caracas' envoy to Havana said. If the research of the Venezuelan Institute of Chemical and Petrochemical Research leads to an increase in the output and quality of Cuban oil, Venezuela will reduce its oil exports to the island, Ambassador Julio Montes said. (December, Economy)

FOREIGN INVESTMENT AND TRADE

International Trade Fairs

The 12th Caribbean International Fair opens its doors for five days in the eastern city of Santiago de Cuba, bringing together business people from 31 countries, as well as government representatives and trade promotion organizations. For the first time in the fair's history three events organized by the Association of Caribbean States (ACS) are to be run in parallel, with more than 30 member states taking part. The 4th Trade Promoters Forum (June 9), the 4th Business Forum (June 10-11), and the 12th ACS Committee for Business Development and External Relations (June 12) will contribute to bringing the nations of the region together to search for business opportunities, an exchange which is still considered to be too limited. (June, Economy)

Major automobile, maritime and railroad transportation companies from Europe and Asia are exhibiting their most recent creations in Cuba as part of the International Transportation Fair -- FIT 2003 -- which is underway in Havana. Speaking with reporters in the Cuban capital, Angel Garate -- Deputy Transportation

Minister and organizer of the event -- said that Germany, Brazil, Spain, Russia, Canada, Mexico and Belgium stand out among the 16 countries participating in the event. (September, Economy)

A contract signed between Volvo and Veracuba, the Cuban company to import buses to be used in tourism, has notably increased economic results at the International Transport Fair, currently under way in Havana. Volvo will be among the group of business people accompanying Brazilian President Luis Inacio Lula da Silva on his next visit to Cuba. Luiz Carlos Caparelli, sales manager of Volvo do Brasil, regarding negotiating prospects, affirmed that many of these are based on finance from Brazil's National Economic and Social Development Bank. He also stressed how Lula's visit will speed up any future negotiations between Brazilian and Cuban companies. (September, Economy)

The 21st Havana International Exposition opened in Havana attracting about 1,300 enterprises from over 50 countries and regions throughout the world. At the opening ceremony at the Cuban exposition center, the secretary of the executive committee of the Cuban Council of Ministers, Carlos Lage Davila, said the participation of so many foreign companies in the exposition showed that the economic and trade blockade the United States has imposed on Cuba for the past 40 years is "unreasonable." The European Union participated with less stands than in previous years due to political tense relations with Havana. At same time, Cuban authorities did not visit the European stands as they used to do before. (November, Economy)

Spanish businessmen are still interested in doing business in Cuba, Spain's ambassador said in Havana during the inauguration of the international trade fair hosted every year by the island's communist regime, despite a significant drop in their participation at the gathering. More than 60 Spanish firms are taking part in the event. Ambassador Jesus Garcia, who toured the Spanish booths at the ExpoCuba fair, attributed the drop in participating Spanish companies - which amounted to more than 100 last year - to an interest by his country's businessmen in fairs devoted to specific economic sectors rather than a general forum. According to Garcia, the considerable drop in the number of European firms at the fair is not linked to the deteriorating diplomatic relations between Havana and EU countries, but to business trends and the island's economic situation. (November, Economy)

Organizers of the 21st Havana International Exposition pointed out that there is a significant growth in the Latin American business sector at the fair this year, primarily from the Southern Cone countries. Argentina has an official pavilion for the first time, with a large group of representatives. Brazil's participation has also grown this year, with an official pavilion at the Trade Fair. Having an official pavilion means that it is sponsored by the country, which also funds part of the costs. Among the countries with pavilions are: Venezuela, Mexico, Spain, Germany, France, Belgium, Canada and Japan. (November, Economy)

At the 21st Havana International Exposition, Roberta Lajous, Mexican Ambassador to Cuba, and Alejandro Roca, Cuban Minister of the Food Industry, inaugurated the Mexican pavilion at the Fair. In an area of over 300 square meters, Mexico exhibits agricultural products, building materials, and domestic appliances. (November, Economy)

Fidel Castro asserted that the great number of foreign signatures in the 21st International Fair of Havana, mainly from the United States, proves Cuban seriousness in business. These signatures deny those predictions that it was impossible to trade with Cuba, because it was not a serious country, Fidel Castro expressed. Castro was giving the closing speech at the awards ceremony for the International Fair, in Havana. He explained how the country makes more rational investments now. Rationality and control prevent excessive purchases and inventories, providing better assurances to people trading with the island that obligations will be met. It is true that the 21st version of the fair has not been the size of previous ones because of competing secondary events, but it has certainly been a high quality one, he pointed out. Ending his speech of almost two hours, Castro called for peace, friendship, and brotherhood among nations, which - he stressed - is what we have to pursue as members of this species, whose wisdom is what can save it from dangers of various kinds, from the existence of numerous nuclear weapons to new diseases. (November, Economy)

Contracts for over \$150 million (130, 197 million euro) in exports and imports between Cuba and other countries were signed at the 21st International Havana Fair, Cuban Deputy Foreign Trade Minister, Pedro Luis Padrón, said. Among the major contracts were those signed with companies from China, Brazil, Argentina, Italy, Chile, Mexico, Panama and the US, the minister said. Padrón also informed that the companies at the 21st Havana Fair signed a letter of intention for mutual investments, according to which some \$17 million (14,76 million euro) will enter Cuba by the end of 2003. (November, Economy)

General

Cuba's 2002 foreign investment was over US \$1 billion, highlighted Cuban Foreign Investment and Economic Collaboration Minister Marta Lomas. During an evaluation held in the central Cuban City of Santa Clara, Lomas said the 24 new businesses established with other countries last year is a good indicator amidst economic difficulties. (January, Economy)

Marta Lomas, minister of Foreign Investment and Economic Cooperation, informed that 2002 closed with 403 international economic associations in operations, out of which 82 are based abroad. Foreign partners with greatest participation remained: Spain (105), Canada (60) and Italy (57); 56% of the total corresponding to EU countries. Since opening to foreign investments 578 businesses have been created and 175 have been dissolved due to expiry of contracts and others causes. The total amount of foreign investments was \$5,930 million. (January, Economy)

Some 56 percent of foreign investments in Cuba come from the European Union (EU), according to a report by the Ministry of Foreign Investments and Economic Cooperation. The island's 403 international joint ventures with state-owned businesses have a total capital investment of \$5.93 billion, principally in the tourism, biotechnology, basic industry, construction, food and agriculture. Figures published in the official weekly Granma International indicate that 20 percent of these ventures are based abroad. The report also notes that Spain has the greatest number of ventures in Cuba (105), followed by Canada (60), Italy (57), France (18), Britain (14), Mexico (13), China (12), Panama (10), Germany (9) and the Netherlands (8). (February, Economy)

Ernesto Senti, Cuban First Vice Minister of Foreign Investment and Economic Collaboration, informed that 403 international economic associations work in Cuba. These transactions include joint companies, administration contracts for hotels and joint productions held in 32 economic activities such as Tourism, Agriculture, Basic Industry and Construction. The most efficient methods are in force in the Steel Industry where 60 contracts are being used to acquire technical assistance, supplies, machineries and technology transference. (July, Economy)

Foreign investment is and will continue to be a complement of the country's economic and social development efforts, said Marta Lomas, minister for Foreign Investment and Economic Cooperation (MINVEC). Lomas offered a review of her ministry to the members of the National Assembly of the People's Power. There are currently 355 active international economic associations, mainly in tourism, the basic industry and construction. The main foreign business partners are Spain, Canada and Italy. (October, Economy)

Productions for Export

Exports by entities in Eastern Holguín province have added to their trade list the aboriginal root vegetable known a yucca. Canada became the first importer of the tropical produce, which was a major element in the diet of Cuban aborigines and it keeps being a traditional food at present. Executives with the Frutas Selectas enterprise, in charge of promoting the exports of Cuban produce, expect to soon begin exports of Cuban sweet potatoes as well. (February, Economy)

Cuba's foreign trade declined by more than \$900 million in 2002, as a foreign exchange crisis forced Havana to slash imports by \$677 million, the official daily Granma said. "Trade was \$5.574 billion (...) a 13.9 percent decline compared with 2001," Granma said. Cuba reported 2001 trade was \$6.5 billion, of

which \$4.838 billion was imports and \$1.662 billion exports. Granma said imports declined 14 percent last year and exports 13.6 percent, or by \$266 million. The trade deficit was \$2.725 billion, a 14.2 percent decline from \$3.176 billion in 2001. The trade decline was the first reported by Cuba since 1994, when it began recovering from an economic crisis caused by the demise of former benefactor the Soviet Union. (February, Economy)

Cuba's Arimao Citrus Fruit Enterprise has exported 500 tons of 100 percent natural orange juice to Europe. Omar González, the director of the enterprise located in Cienfuegos province, said that during the most recent harvest, his entity collected and processed 1000 tons of oranges. The Cuban executive said the export initiative followed the signing of a contract with Swiss Firm Coop, which manages 1000 supermarkets throughout Europe. (September, Economy)

Products in high demand, such as honey and marble, have joined the over 100-product export list of the Cuban industrial sector in eastern Granma province. Both local products are currently in high demand on the European and Canadian markets. Granma province is the country's largest producer of honey; it also possesses the island's largest marble reserves. Other export lines include sacks to transport coffee, which are usually exported to the Brazilian and Colombian markets. (September, Economy)

Cubanita is the trade mark under which Cuban citrus fruits produced by the Victoria de Girón enterprise in Central Cuba are increasing sales in Europe. Among the major markets for the Cuban product are the UK, France, Holland, Germany, Italy, Sweden and Switzerland. The Victoria de Girón enterprise expects to produce 400 000 tons of citrus fruits this year. (October, Economy)

Cuba's main rum distillery has announced that it will soon produce a new ready-made cocktail for the domestic market after the drink was successfully marketed in Italy. Havana Club International S.A. executives said the cocktail would be a mixture of white rum and fruit juices and would be called "Havana Club Loco". (December, Economy)

Victoria de Giron Citrus Corporation, the Cuban sector leader, will produce 350,000 tons of citrus by the end of 2003, an official source informed. Roger Delgado, company director, told the press that a total of 420,000 tons are expected to be harvested by the end of the July-June campaign. This figure will recover the historic records, hindered the last two years since Hurricane Michelle affected seven Cuban provinces in November 2001. (December, Economy)

In an increasingly difficult domestic environment for alluring and retaining foreign investors, Cuba's Ministry for Foreign Investment and Economic Cooperation (MINVEC) is now promoting Cuban investments overseas in an effort to offset a diminishing flow of foreign capital entering the island in recent years. In 2003 MINVEC published a new guide on opportunities abroad for Cuban state-owned enterprises which "encourages Cuban industries to analyze their prospects for working in other lands." Targeting neighboring markets in Latin America and the Caribbean as well as the developing world at large, Cuba's new global investment strategy seeks to "establish companies in [developing] countries [employing] Cuban high technology, specialists, and know-how with native manpower." From MINVEC's perspective, the new emphasis on 'working in other lands' will "facilitate the internationalization of Cuban enterprises and increase exports." (December, Economy)

The guayabera --the boxy, pleated shirt known for comfort and coolness-- is experiencing a revival in the tattered workshops of Cuban fashion designers and state-run clothiers. Cuban designers are dreaming of going global, first targeting the growing number of tourists to the island, with the eventual goal of penetrating markets abroad. Linen and cotton guayaberas ranging from US \$25 to \$100 hang for sale at hotel gift shops alongside portraits of revolutionary Ernesto "Che" Guevara and compact discs of salsa. (December, Economy)

Africa

- **Namibia**

The Namibian government says it is committed to the early establishment of a pharmaceutical plant to be set up in co-operation with the Cuban government. Cuban Foreign Investment and Economic Co-operation Minister, Marta Lomas Morales said the joint venture represented an investment of N\$130 million over the next three years. Lomas was meeting with Namibian business representatives to encourage trade and investment between the two countries. (July, Economy)

- **South Africa**

South Africa and Cuba signed a cooperation agreement in Pretoria for the mining and energy sectors, the Department of Minerals and Energy said. Minerals and Energy deputy minister Susan Shabangu and Cuba's minister of economic cooperation and investment, Martha Lomas, signed the deal to boost collaboration between their countries in electricity, hydro-carbons, mining and human resources development. The agreement envisages cooperation through an exchange of information in various fields, the department said in a statement. These included information on mining technologies and government programmes, as well as policies and strategies on energy. Lomas' visit was part of a five-nation southern African working visit. (July, Economy)

Flights between South Africa and Cuba and the interest of important South African hotel chains to invest in Cuba were some of the subjects dealt with by South African Vice President Jacob Zuma during a recent visit to Cuba. During his tour of the Varadero Beach Resort, the high-ranking South-African government official said that bilateral cooperation between his country and Cuba in the field of tourism will increase. (September, Economy)

Arab Countries

- **Iran**

Cuban Minister of Construction Fidel Figueroa de la Paz expressed his country's readiness to boost bilateral cooperation with Iran in order to implement a number of construction projects in Cuba and in some other countries. In a meeting with Iran's Ambassador to Cuba Ahmad Edrissian in Havana, minister Figueroa highlighted the suitable grounds for cooperation between the two countries' technical and engineering companies to implement construction projects in Cuba and third countries in the Caribbean Sea and Latin America. (February, Economy)

President of the Cuban Central Bank Francisco Soberón Valdés declared his readiness to contribute to broadening of economic ties with Iran. In a meeting with Iranian Ambassador to Havana Ahmad Edrissian, Soberón Valdés expressed his interest in banking cooperation and exchange of the professional expertise with the Central Bank of Iran. (April, Economy)

- **Kuwait**

Carlos Lage, Secretary of the Executive Committee of the Ministers Council attended the signing of three economic collaboration agreements between Cuban ministries and the Kuwaitian Foundation for Economic Development. The signatures in the three documents will allow the island to grant a US\$ 10 million 70,000 credit, to carry out the modernization and rehabilitation of the aqueduct of Santiago de Cuba, located in the western part of Cuba. (July, Economy)

Asia

- **China**

Fidel Castro met with visiting Chinese Trade and Economic Cooperation Minister Shi Guangsheng. Castro and his Chinese visitor discussed the economic situation on the island, as well as the recent measures taken in Cuba's sugar industry to increase efficiency and production. (January, Economy)

Cuba will purchase 50,000 tons of grain from China for 16.2 million US dollars. Both sides reached the agreement during the 21st International Fair of Havana, an event that has attracted the participation of 3,293 firms from 49 nations. (November, Economy)

Cuba paves the way for a more effective contribution by science and technology to sustainable development following the adoption of cooperation projects with other nations. América Santos, Deputy Minister of Science, Technology and the Environment said that the island and China will do joint research on nanotechnology, a discipline in charge of producing parts at a small scale. Such modern technology is winning space in the fields of pharmaceuticals and in the production of raw material for different industries. (December, Economy)

Cuban Government Minister Ricardo Cabrisas is in Beijing where he is meeting with Chinese government officials, as well as business and financial executives. He is also heading the Cuban delegation to the 26th Session of the Cuba-China Economic and Trade Relations Inter-Governmental Committee. Over the weekend, Cabrisas presided over a business seminar during which businesspeople from Cuba and China discussed opportunities to increase bilateral economic relations. The meeting was organized by the Promotion of Cuban-Chinese Economic and Trade Relations Business Committee and more than 50 business executives attended from Dalián, a major northern Chinese port city in Liaoning province. They met with business managers and representatives from Cuban government institutions related to economics and trade. (December, Economy)

- **India**

India and Cuba signed a Memorandum of Understanding on cooperation in the field of standardisation and certification of products. The MoU marks the renewal of understanding between the two countries on fixation of standards for various items in consumer interest. The memorandum was signed by the Director General of the Bureau for Indian Standards (BIS), Nirmal Singh, and Cuba's Director of International Relations and Minister of Science, Technology and Environment, Jorge Fernandez. (December, Economy)

- **Japan**

A score of firms make up the first-ever Japanese trade mission to Havana, currently in progress. (July, Economy)

Cuba and Japan tighten collaboration links with the signing of a bilateral agreement on the processing of urban garbage in Havana. This was the main result of the visit made by a mission of the Japanese International Collaboration Agency (JICA) presided by Katsura Miyazaki, Vice Director of the Social Development Department of that governmental organization. (August, Economy)

Cuba and Japan advocate strengthening bilateral economic and trade ties and agreed on new prospects in this area. During the opening of the 12th joint meeting of the Japan-Cuba Economic Conference, Cuban Government Minister Ricardo Cabrisas highlighted that bilateral relations have increased since Fidel Castro's visit to that country. (December, Economy)

Japanese small and midsize companies are set to step up business with Cuba, the only socialist country in the Western Hemisphere, aiming to boost their combined imports from the country in 2004 by five times this year's total of about 20 billion yen on a contract basis. The companies are also showing growing interest in bioscience technology developed in Cuba. Food Discovery, a small Tokyo-based trading company, is watching with keen interest a Cuban technique for improving food strains, and is seriously considering outsourcing research to the island nation. The company, together with two other Japanese firms, set up a conference to promote food imports from Cuba earlier this year. Eiji Fukui, president of Food Discovery, is interested in Cuban bioscience technology. As the US has imposed economic sanctions against Cuba, "their best scientists haven't left the country to go to the US, which means we can outsource high-grade research to Cubans at low cost," said Fukui. (December, Economy)

- **Kazakhstan**

Kazakhstan and Cuba note the availability of preconditions for broadening and stepping up bilateral economic relations. Issues of bilateral cooperation were discussed at a meeting between the speaker of the Majlis (lower house) of the Kazakh parliament, Zharmakhan Tuyakbay, and Cuban Deputy Foreign Minister Angel Dalmau in Astana, the Kazakh capital. "In particular, interaction between the two countries in the sectors of petrochemistry and biotechnology may become one of the factors of cooperation, and partnership in tourism has great potential," the Majlis press service has said in a report issued on the results of the negotiations. (March, Economy)

- **North Korea**

The Democratic People's Republic of Korea and Cuba signed a bilateral agreement on maritime transport. Among other objectives, the accord seeks to lower transportation costs between the two countries. (May, Economy)

- **Singapore**

A Singapore company linked to a fraud investigation at Italian food conglomerate Parmalat has no knowledge of selling millions of dollars of the group's powdered milk, a key official said. Parmalat, one of Italy's most important companies, has been rocked by scandal since the discovery of a multi-billion-euro hole in its accounts. One case under investigation involves tens of millions of dollars worth of powdered milk that Parmalat subsidiary Bonlat claims to have sold Cuba through Singapore-based Camfield Pte Ltd. Camfield's company secretary, Lawrence Kwan, said he had never heard of that deal. "We don't know about that powdered milk," he told the press. Cuba's only bulk food importer said Parmalat's claim that the nation owes it tens of millions of dollars for powdered milk was false. The press obtained part of a transcript of an interrogation by Milan prosecutors of a Parmalat accountant, Gianfranco Bocchi, in which he admitted the milk sales to Cuba were phoney. (December, Economy)

- **South Korea**

Economic exchanges between South Korea and Cuba are expected to increase following the conclusion of a memorandum of understanding between the Korea Trade-Investment Promotion Agency (KOTRA) and three Cuban trade-related agencies last year. The accords with the Center for Export Promotion of Cuba, the Center for the Promotion of Investments, and the Cuban Chamber of Commerce laid the foundation for formal economic exchange channels between the two nations which have no diplomatic ties, KOTRA officials said. (February, Economy)

- **Viet Nam**

The Hanoi Electronics Co. (Hanel) won a contract to sell 10,000 computers to Cuba during the three-day visit to Vietnam by Fidel Castro, according to Vietnam News Agency's correspondents in Havana. The first 3,000-computer batch of the contract will be delivered to the foreign partner shortly. The company will also provide Cuba with a television assembly line free of charge, and has signed a Memorandum of

Understanding with the Copextel Co. to further enhance its cooperation with Cuban electronics and informatics companies. (August, Economy)

Canada

[See also, Foreign Affairs/ Canada]

Sherritt International will spend \$110 million to develop its oil and gas holdings in Cuba this year while it negotiates with the government over the way the business is taxed, the resource company said. Last year, Cuban officials challenged Sherritt's interpretation of how its oil and gas business should be taxed, resulting in a bigger than usual tax bill for the Toronto-based company. While oil and gas is the biggest part of Sherritt's business in Cuba, the company is also involved in nickel mining, hotels and tourism, power generation, soybean processing and wireless phone service in the Caribbean country. (March, Economy)

Assessment of the Delta Junior windmill, designed by Canadian experts and manufactured by the Dutch firm Dutch Industries Limited, is one of the projects currently implemented in Cuba to ensure potable water supply. As an energy source, wind power stands out for allowing electricity production without fuel costs, as well as water extraction for land irrigation and human and animal consumption. (March, Economy)

Cuba has opened its doors to a Canadian businessman interested in doing business with Cuban fashion models. According to the June issue of Cigar Aficionado journal, businessman Dean Bornstein recently opened an office in Havana to represent more than 75 Cuban supermodels through a subsidiary of his Toronto-based company. (June, Economy)El Nuevo Herald, 8/6/03)

The Investment Dealers Association of Canada (IDA) is probing several people in connection with the stock manipulation investigation surrounding Visa Gold Explorations Inc, a small company that hunts for sunken treasure off the coast of Cuba. Separately, Brant Securities Ltd. suspended trader Derek Reid, one of the people named in police search warrants related to Visa Gold, said Keith McMeekin, president of the Toronto brokerage firm. The IDA said it had already been investigating Mr. Reid for unrelated matters. And Paul Bourque, the IDA's senior vice-president of member regulation, said that would now be expanded to look at any involvement Mr. Reid may have had in the new controversy surrounding Visa Gold, (June, Economy)

A recent air transportation agreement reached between Cuba and Canada has made Air Canada the second airline company from that country to fly to Cuba after Air Transat. The new air connection will offer different itineraries including flights from Calgary, Halifax, Ontario, Montreal, Ottawa and Toronto. Air Canada's destinations will include Havana, the Varadero Beach Resort and Holguín. (August, Economy)

Cuban cargo interests are backing a new triangular containership service between the Caribbean island, the Mediterranean and Canada. Melfi Lines will operate three ships averaging 900-teu capacity on a fortnightly service from the beginning of September. The Panamanian-registered carrier, which is owned by Cuban trading house Cimex Enterprises, is setting up its own operation following the demise last year of a direct service to Europe run by Coral Container Lines. (August, Economy)

Canada is planning to undertake several joint projects with Cuba to combat desertification and drought. According to Leonard Good, president of the Canadian company Global Environment Facility (GEF), he plans to visit the Sabana-Camagüey Project, located east of the Cuban capital. The Canadian business executive is in Cuba to take part in sessions of the 6th Conference of United Nations Convention to Combat Desertification and Drought and to verify some joint projects between his country and the island. Speaking with reporters in Havana, Leonard Good said that some of the projects are already in the second stage of development and are proving very successful. (August, Economy)

Cuban exporters of fresh and processed foods and beverages, alcoholic beverages (rum), natural/herbal products and textiles will be visiting Canada at the end of October. Meetings will be held in Montreal and

Toronto sponsored by Trade Facilitation Office Canada and The Center for Export Promotion of Cuba (CEPEC). (September, Economy)

Sherritt International Corp.'s oil, gas and power generation businesses in Cuba have grown to the point where the Toronto-based company is mulling sales of some of its other holdings in the communist Caribbean island country. Sherritt, one of the largest foreign investors in Cuba over the last decade, said it will focus capital spending on its nickel and energy assets while pursuing 'strategic options for its limited hotel and soybean operations. "In our desire to touch as much of the Cuban economy as we have, we've made those investments. We feel it's important for our relationship with Cuba to be represented across as broad a span of that economy as we can be", Sherritt chairman Ian Delaney told analysts in a conference call about the company's \$20.6-million profit in the third quarter. "We'd gone about as far as we can go on the cellular business, so we sold that back to the Cubans", Delaney said. 'I think our concentration, our principal capital expenditures (in Cuba), will be in oil and gas and nickel and, potentially, electricity there.' (November, Economy)

Caribbean

- **Bahamas**

For the first time in more than 40 years, trade between the Bahamas and Cuba has been established by means of a freight service that will provide weekly service between the two countries allowing Bahamians to import goods from the communist country at lower customs prices. (March, Economy)

- **Curacao**

Havana's Caribbean Dry Dock Company has finished a major construction project in Curacao. The Cuban entity built a complex dry dock gate, whose floating test has proven successful. (September, Economy)

- **General**

The Latin American and Caribbean Organization of Supreme Audit Institutions (OLACEFS) and Cuban officials are examining transactions taking place in the national economic system in order to avoid irregularities. The Cuban Minister of Audits and Controls, Lina Pedraza, explained to the visiting OLACEFS executive secretary, Alvin Weeden -- who also serves as the Panamanian Comptroller -- that Cuba is carrying out a strict plan to control, prevent and detect economic disorders. (August, Economy)

Europe

- **Austria**

Cuban Deputy Minister for Foreign Investment and Economic Cooperation, Ricardo Guerrero Blanco, and Austrian Deputy Minister for Economic and Labor Affairs, Josef Mayer signed a bilateral agreement with the aim of expanding economic and commercial ties. The protocol calls for increasing commercial exchange, and promotes business in areas including tourism, biotechnology and multimedia, fields offering broad development potential for both countries. (September, Foreign Affairs)

- **Belgium**

Belgian brewing giant Interbrew SA's expansion plans in Cuba are on track at 1.5 million hectoliters (39.63 million U.S. gallons) a year, with plans to double output in the future, the head of the company's local operations told the official media. Interbrew, the world's No. 3 brewer, and the government have a 50/50 percent partnership in Cervecería Bucanero SA (CBSA), which operates a brewery in eastern Cuba. CBSA Director Gerry Burk said recent investments had increased capacity at the plant to 1.5 million hectoliters

per year, from 600,000 hectoliters (15.85 million U.S. gallons) this time in 2002. Burk said planning continued to build another 1.5 million hectoliters brewery near Havana. (June, Economy)

- **Bulgaria**

Cuba and Bulgaria vowed to develop their trading ties during the first meeting of businessmen from the two countries. Sofia Mayor Stefan Sofiansky, who headed the Bulgarian delegation, told a press conference after the meeting that its goal was to draw up a basic scheme of union for the future development of bilateral trade and economic cooperation. (February, Economy)

- **Croatia**

The governments of Cuba and Croatia began talks on enhancing economic and trade cooperation. The sectors of information, communications, petroleum, education and transportation will be the focus of the first meeting of a mixed commission for economic and trade cooperation between the two sides. Vice Minister of Economy Olgica Spevec heads the Croatian delegation, and Vice Minister of Foreign Investment and Economic Cooperation Ricardo Guerrero leads the Cuban side during the three-day talk. (September, Economy)

- **Germany**

The president of the Cuban-German Chamber of Industry and Commerce, Johannes Hauser, indicated that German businesspeople have shown reserve regarding the Cuban market. According to German newspaper Berliner Zeitung, this is partly due to salary costs being higher there than in other Latin American countries as wages are paid to the Cuban state in US currency, a fraction of which goes to pay the employees in Cuban pesos. (March, Economy)

- **Greece**

The demise of a joint-venture between Lagoa Shipping and the Cuban government is seeing the Greek outfit lose ships. Yiota Gousas Athens Lagoa Shipping of Greece and the Cuban government are going their separate ways after dissolving a shipping joint venture. The changes have already seen three ships exit Lagoa's fleet and another three are set to be withdrawn with the dissolution of joint-venture company Millennium Shipping Co. (June, Economy)

- **Russia**

Cuba and Russia have signed an agreement in Havana to repair old Soviet cars and trucks. The Cuban company "Soluciones Mecánicas," which is based in Camagüey, signed the accord with Russian joint venture "Sociedad Anónima". According to José Julio Martínez, the director of "Soluciones Mecánicas," 80 percent of the cars and trucks rolling down the roads of the island were made in the former Soviet Union. (August, Economy)

- **Spain**

Spain's Sol Melia, which runs some 20 hotels in Cuba, is expanding into the cays off the Caribbean island. The company's Cuba marketing and sales director, Gabriel Garcia, told the press that by year's end the chain hopes to open Melia Cayo Santa Maria off central Villa Clara province. The 360-room facility, targeting couples and families, will join a second hotel, in this case, in the Sol line, that the chain is developing on the cay. When the hotel is finished, Sol Melia's holdings will span 9,000 rooms, or 22 percent of the island's total, with more than half of those located on cays north and south of the island. (May, Economy)

Madrid-based Occidental Hotels & Resorts now manages the "Miramar" hotel in Havana, which was inaugurated early in 2000 and had been managed by the French hotels chain ACCOR under the "Novotel" brand name. (June, Economy)

Spanish consultancy C. E. Consulting Empresarial in Madrid has signed an agreement with the Cuban Government to set up a joint company and start operating in Cuba. The company will be the first international consultancy brand which enters the Cuban market. Consulting Empresarial has 62 centres in Spain, of which five are company-owned and the rest franchises. (June, Domestic Affairs)

Spanish charter operator Iberworld Airlines SA introduced regular flights to Cuba, on the Madrid-Havana route, it was reported. Iberworld is part of Spanish hotel chain Iberostar, a subsidiary of German tour operator Thomas Cook. (June, Economy) Spanish News Digest, 23/6/03)

The Cuban-Spanish Havana Financial Corporation (CFH) has chalked up pre-tax net earnings of \$9.35 million since it was created in 1998 through a joint venture by Spain's Caja Madrid savings bank and Cuba's Banco Popular de Ahorro. Caja Madrid announced that in just the first 10 months of 2003, CFH's pre-tax earnings totaled \$2.69 million. Since 1998, the entity has carried out some 2,180 financing operations on the island worth more than \$283 million. The Spanish-Cuban financial corporation, the only one of its kind in the country, provides special loans for Cuban-based companies. It also finances production activities, foreign trade operations and promotional and real estate projects. (December, Economy)

- **Switzerland**

The Swiss Embassy in Cuba and the local Basic Industry and Foreign Investment and Economic Collaboration Ministries signed an agreement aimed to decrease electric energy consumption. Swiss Ambassador in Cuba Jean-Claude Richard stated that the project will allow Cuba to purchase modern equipment that can reduce electric power consumption by almost 50 percent. The advantage of the investment by the Swiss Agency for Cooperation and Development (COSUDE) lies in its sustainability. While it creates an electric energy fund for companies and institutions, it will reduce petroleum consumption and the emission of carbon dioxide to the environment. (May, Economy)

- **Turkey**

Cuba and Turkey initiated a bilateral collaboration program, during the 5th Session of the Joint Cooperation Commission that concluded in Havana. Both nations signed an agreement for a 10 million euros credit to Cuba for the purchase of Turkish products --raw materials, goods and equipments. (November, Economy) 6/11/03)

- **Ukraine**

Cuban Foreign Minister Felipe Perez Roque met with Ukraine's Prime Minister Viktor Yanukovich, ending three days of talks aimed at spurring trade, investment and humanitarian ties with the former Soviet republic. Yanukovich called Cuba "a traditional partner" and stressed that his government is working to create "optimal conditions" for foreign investors, according to a statement. The two also discussed Ukraine's bid to join the World Trade Organization and revitalizing tourism. (March, Economy)

Ukraine and Cuba have signed a protocol on reciprocal access to their goods and services markets. The document was signed during the World Trade Organization's ministerial conference held in Cancun, Mexico, the press service of the Ukrainian Economy and European Integration Ministry said. (September, Economy)

Ukrainian companies "Ukrinterenergo" and "Turboatom", together with the boiler plant of Barnaul, and with Spanish capital, have joined forces to rebuild and modernize the electricity generating units of Cuban plants. (November, Economy)

- **United Kingdom**

Glasgow's connection to Cuba's Caribbean heat was strengthened with the announcement of the first direct flights between the city and the island. The news follows last year's high-profile twinning between Glasgow and Havana and was hailed by Alex Mosson, the city's Lord Provost, as a sign of increasing links between Castro's Cuba and Jack McConnell's Scotland. (January, Economy)

A British delegation from the Great Britain-Cuba Initiative, headed by lawmaker Lord Colin Moynihan, is in Havana exploring new areas to establish business with Cuba. The group of British lawmakers is putting the accent on tourism, agriculture, biotechnology, energy, and computing, according to statements made by Lord Moynihan to the local TV. (September, Foreign Affairs)

Nutec, a UK company based in Aberdeen, has signed a contract with the Cuban government to train 100 Cuban engineers in operational skills and safety in the management of offshore oil-rigs, in preparation for the day when light crude oil starts to flow for the first time in the Cuban zone of the Gulf of Mexico. The first batch of ten Cubans have started the training course in Aberdeen. The British Ambassador in Havana, Paul Hare, told the press that "this kind of UK-Cuba cooperation fits very well with our policy of constructive engagement," in contrast to Washington's policy of continuing to impose a 41-year old trade embargo. (November, Economy)

Latin America

- **Argentina**

Cuba has resumed importing Argentine dairy products after certifying sanitary conditions at a dozen of the South American country's processing plants, Argentine officials said. In a note to Bernardo Cane, president of the National Agro Food Health Service of Argentina, the director-general of Cuba's Institute of Veterinary Service, Emerio Serrano Ramirez, praised the country's active "foot-and-mouth disease alertness program." Last December, a team of Cuban technicians inspected dairy facilities in the Argentine provinces of Buenos Aires, Santa Fe and Cordoba. (February, Economy)

Cuba plans to open its market for the import of fresh and processed beef from Argentina, the Cuban Institute of Animal Health (IMV) informed Argentine food and animal health inspection service Senasa. Cuba will also import pork meat and milk products from Argentina. (July, Economy)

Argentine motorcycle manufacturer Juki will produce motorcycles of the brand Mondial in Cuba under a joint venture contract with Cuban motorcycle manufacturer Rodar Motociclos, it was reported. Two Italian companies, one Chinese company and two Japanese companies, including Suzuki, participated in the tender for the contract awarded to Juki. The joint venture envisages the reopening of an assembling plant in Cuba, which closed in 2002. With the project Juki aims to cover the demand of public organisations and travel agencies, which operate in Cuba. Juki will also export motorcycles from Cuba and Central America. (December, Economy)

An official Cuban delegation to Buenos Aires held a meeting with Argentinean businesspeople from different sectors interested in investing or trading with Cuba. Headed by the President of the Cuban Chamber of Commerce, Bertha Delgado, the delegation gave close to 200 businesspeople and diplomats present at the Argentinean foreign ministry headquarters located in the city's Barrio Norte an overview of the business sector in Cuba. (December, Economy)

- **Brazil**

The Governor of the Brazilian state of Acre, Jorge Viana, is on a visit in Havana exploring new business opportunities with the island. "I have come to meet several ministers, particularly in the areas of health, sports and education as well as to visit economic and tourist sites of interest", said Viana to the press. (January, Economy)

Cuban Minister of Foreign Trade Raúl de la Nuez concluded a visit to Brazil after defining collaboration agreements, and highlighted the interest of the Brazilian government and entrepreneurs to strengthen bilateral relations. De la Nuez said he signed a memorandum of understanding with the Minister of Development, Industry, and Foreign Trade, Luiz Fernando Furlan, to explore development of the Cuban production of alcohol as a motor-vehicle fuel. He highlighted Brazil's extensive experience in that kind of production from sugar cane, and said he talked about a future possibility to build a joint venture to be developed in the Caribbean Island. (April, Economy)

Cuban and Brazilian companies have come together to form the mixed-enterprise BRACIMEX -- designed to facilitate business exchanges and commerce between both countries. The new joint enterprise was officially opened on the occasion of the visit to Cuba of a delegation of 36 Brazilian business people. (June, Economy)

The governments of Brazil and Cuba have signed a cooperation agreement aimed at introducing actions to promote entrepreneurial activities in Cuba. The project would benefit education and culture, local development, tourism and the sugar cane industry. This project is scheduled to last three years. According to Sebrae (Brazilian Service of Support to Small and Micro Firms) President Silvano Gianni, sharing experiences would be important to the Cuban economy "particularly in spreading the entrepreneurial culture, which is not an exclusive culture of the capitalist system and may be very well present in any sort of political society". (August, Economy)

Brazil plans to create a \$400 million credit line to finance exports to Cuba, a fund that will be announced by President Luis Inacio Lula da Silva when he visits the island, Valor Economico said. The loans will be provided by state-owned development bank Banco Nacional de Desenvolvimento Economico e Social, the newspaper reported. Brazilian exports to Cuba dropped to \$95 million last year, from a peak of \$120 million. The main export categories are chickens, footwear and agricultural machinery. Drugs and vaccines top the list of imports. (September, Economy)

Brazilian President Luiz Inacio Lula da Silva and Fidel Castro pledged to emphasize business over politics in their relations and urged executives in both nations to make trade and investment deals. Lula was accompanied by more than 60 Brazilian executives, on a two-day visit to Cuba to discuss doing business with the Communist-run nation. The two leaders presided over a signing ceremony for commercial agreements worth \$200 million, an "exceptional step for Cuba and Brazil," Lula said. Among the most significant was an accord between Cuba's state-run tourism firm, GranCaribe, and private Brazilian companies to build four beach resorts worth about \$114 million. Other projects include using Cuban biotechnology to develop generic drugs in northern Brazilian laboratories and a \$20 million deal to produce fuel grade alcohol in Cuba's outdated sugar mills, said Almir Lima Nascimento, adviser to the Brazilian foreign ministry's department of commercial promotion. Also signed was an agreement to renegotiate Havana's \$40 million debt with Brazil, to be paid back in part with revenue from the island's exports to the Latin American giant. Mario Vilalva, business development director at the Brazilian Foreign Ministry, said that some of the investment agreements are at an advanced phase, while others require further study. One of the works in progress is a \$114 million investment in the construction of four resort hotels with a combined total of 2,500 rooms. In regard to oil, Vilalva said the possibility of Brazil's oil giant Petrobras drilling in the Gulf of Mexico, where Canada's Sherrit and Spain's Repsol have been operating, was not addressed. (September, Economy)

The official Brazilian development bank has approved a credit worth US\$12.2 million, which will allow Cuba to purchase 500 Brazilian automobiles as well as bodyworks and chassis for buses. (October, Economy)

- **Chile**

A Chilean trade mission will visit Cuba to discuss business opportunities and to boost trade relations, the head of the mission, Nelson Gutierrez, said. Over 60 city mayors, businessmen and representatives from public and private industry associations expressed interest in taking part in the trade mission. Trade relations between Chile and Cuba started with the export of frozen mackerel from Chile to the island. At present, primary Chilean exports to Cuba include meat, milk products, wine, textiles, cellulose, paper and timber. The value of Chilean exports to Cuba has increased 40 times since 1990. Trade between the two countries in 2002 totalled \$42.9 mln (38.69 mln euro), of which \$41.8 mln (37.7 mln euro) were of Chilean exports to Cuba. (September, Economy)

Chilean Sky Airlines, owned by German businessman Jurgen Paulmann and Chilean businessman Fernando Uauy, plans to start flights between Chile and Cuba by the end of 2003, Paulmann said. The company has not decided yet whether the flights will be charter or regular ones. (September, Economy)

- **Guatemala**

The company Tikal Jets has started the first direct air travel between Cuba and Guatemala. The first flight, a DC-9 aircraft, took off for the island with 80 passengers on board. (December, Economy)

- **Mexico**

Mexican Ambassador to Cuba, Roberta Lajous, headed a ceremony to mark the registration of the tugboat "Don Víctor Santín", which was purchased from the Cuban company Astilleros del Caribe (Asticar). The tugboat will be used in the port of Morelos, Quintana Roo, Mexico. (January, Economy)

An exhibition of Cuban products and services will be held in the Aztec territory of Merida, where 16 sectors of the island's economy will be represented. This initiative, in which 60 enterprises and 88 businessmen will take part, will be held in an effort to diversify Cuba's economic and trade relations with Mexico at the state level. (September, Economy)

Mexican Undersecretary of Economic Relations and Cooperation, Lourdes Dieck, is leading several meetings on cooperation mechanisms between her country and Cuba, informed the Mexican Embassy in Havana. Dieck is meeting with Cuban government officials as part of 12 Session of the Intergovernmental Working Group for Economic Cooperation, which for two days convened on the island. (December, Economy)

- **Panama**

Cuba stands high among countries that are key to Panama's goods re-exportation activities, said in Havana Melitón Arrocha, Panamanian Foreign Trade Vice-Minister. He added that it is now most important "to use the Colón Free Zone in the Island's behalf, as a vehicle for the marketing of Cuba's top quality products." (May, Economy)

- **Uruguay**

The Government of Cuba confirmed to the cattle raising authorities of Uruguay's Ministry of Livestock, Agriculture and Fisheries (MGAP) the purchase of dairy products. Negotiations had begun prior to the break of diplomatic relation last year. (January, Economy)

NATIONAL AND FOREIGN CURRENCY

The use of the Euro as an alternative to the US Dollar in two tourist facilities has been successful, said a Cuban government official. Last year, the European common currency began to circulate in Varadero, and it is also doing well Jardines del Rey. (January, Economy)

Cuba's Central Bank announced that on June 1 it would take out of circulation peso bills printed prior to 1990 in denominations of 1, 3, 10 and 20. Those bills will no longer be considered legal tender, the Central Bank said - without providing further explanation - in a note published in Granma official newspaper. Holders of such bills may spend them before June 1, keep them because of their value to collectors, exchange them for other currency or deposit them in the bank. (February, Economy)

Cuba's Minister of Tourism, Ibrahim Ferradaz, announced in Rome that Cuba is ready to introduce the Euro throughout the whole island after successfully testing its use in the tourist resort of Varadero. Ferradaz explained that 40 percent of the tourists visiting Cuba come from Europe. The Cuban minister of tourism took part in the International Fair on Tourism at Milan, where he met with different Italian and foreign operators with the goal of marketing Cuba as an outstanding tourist destination. (February, Economy)

Cuba's Central Bank reiterated that it will withdraw old currency from circulation as of June 1, 2003, including all bills printed before 1990, in the denominations of 1, 3, 5, 10 and 20 Cuban pesos. Citizens can buy products in the network of establishments operating in the national currency, keep them for their numismatic value and or change them for dollars at the exchange houses. (May, Economy)

Cuba is studying the expansion of the use of the Euro, noting that its circulation in tourist areas has been quite successful. According to the island's Minister of Tourism Ibrahim Ferradaz, expanding the use of Europe's common currency will soon take place in tourist areas located in the eastern provinces of Las Tunas, Camagüey and Holguín. (May, Economy)

The Cuban Central Bank said that state companies must exchange their dollars for local scrip to do business among themselves and purchase foreign exchange for their imports. The government pegs the locally printed currency, called a convertible peso, as equivalent to the dollar, though it has no value outside the country. Cuba's 5,000 state companies must turn in to the Central Bank all dollars they earn in exchange for convertible pesos. The 400 companies authorized to export and import must do the same with export earnings and exchange convertible pesos for hard currency to import, the Central Bank said, in a statement carried by the local media. (July, Economy)

Managers and foreign companies doing business in Cuba are in an uproar over the government's surprise move to introduce foreign exchange controls for state-run enterprises, but sources say the Communist nation has begun to reconsider the measures. Foreign suppliers and businesses in Cuba that sell products to the state companies complained that they will face further delays of over two weeks in collecting payments and arrears from the cash-strapped state. "It is a real mess," said one Western diplomat. "This will lower financial confidence and paralyze trade," said another. Some foreign companies have stopped doing business with state-owned companies until the government clarifies how and when they will be paid for goods and services, foreign business sources in Havana have said. (August, Economy)

NATURAL DISASTERS

More than 600 people were evacuated and dozens of dwellings were damaged as a result of severe rainstorms that buffeted the extreme eastern part of the island, authorities said. In Baracoa, the second-largest municipality in Guantánamo province, heavy seas caused severe flooding in low-lying areas, damaging cocoa plantations and other crops, and disrupted electricity and telephone services. (April, Economy)

Fires destroyed more than 36,000 hectares (90,000 acres) of woodland in Cuba between 2000 and 2002, and though this year's forecast is encouraging, foresters advise caution. Between late April and early May 2002, 12,500 hectares (30,000 acres) of forest went up in smoke, the official Juventud Rebelde newspaper reported. In 2002, 353 forest fires burned 23,118 hectares (57,000 acres), the newspaper said. The chief of the forest-fire prevention department of Cuba's Forest Rangers Corps, Martin Chavez, said smoldering cigarettes and cigarette butts caused 33 fires between January and June 2002, but other blazes were caused by fishermen, hunters and farmers who use fire to clear the ground. (May, Economy)

Drought is severely affecting various areas in Cuba's eastern region and meteorological predictions confirm that the trend will continue over the next few years. The amount of rain in Cuba has dropped in the last 10 years. May is the beginning of the rainy season in Cuba but the amount of rainfall has decreased in the provinces stretching from Camagüey to Guantánamo. According to reports the drought is so serious it is affecting the population's water supplies, agriculture, fishing and cattle raising. The level of the province's main reservoir, the El Rincon dam, is reportedly in a critical state with only 4.2 million cubic meters of water out of the 21.4 million capacity. (June, Economy)

NICKEL

Cuba and China have signed an agreement to trade Cuban nickel. The agreement, signed by Miao Gengshu, director of China's Import and Export of Minerals and Metals Company, and Angel Roberto Fernández, Ministry for Basic Industry's director of Cubaniquel Managerial Group, was made at the opening of the 15th Inter-government Joint Commission. Other countries export nickel to China, but this agreement stipulates that our company will only import Cuba's product due to its excellent quality and price, assured Miao. (January, Economy)

State-owned Cubaniquel is looking at expanding its "Che Guevara" plant to 50,000t/y nickel plus cobalt compared to last year's 31,500t, the company's director Angel Roberto Hernández told local business weekly Opciones. Hernández said the Pedro Sotto Alba plant could also be expanded to 50,000t from 2002's 33,000t of the metal. That plant is a 50:50 joint venture with Canadian company Sherritt International. (January, Economy)

Cubaniquel, a Cuban state-owned raw nickel and cobalt material supplier, will soon send a delegation to Beijing for talks with senior executives of China Minmetals, China's largest state-owned nonferrous metal trading company, said Dong Zhigang, a source with China's Minimetals' Tin and Nickel Department. During the meeting, the two companies will discuss in detail the implementation of an agreement signed earlier this year during China's Trade Minister Shi Guangsheng's visit to Cuba, Dong said. Under the agreement, Cubaniquel pledged to supply raw nickel and cobalt concentrate to China Minmetals on a long-term basis while China Minmetals promised to fund nickel and cobalt mining projects in Cuba. China Minmetals, which has been importing nickel from Cuba since 1998, bought a little more than 1,000 tons of nickel from Cubaniquel last year, Dong said. (February, Economy)

The most likely expansion for Canadian Sherritt International Corp. in the near term may be nickel and cobalt mining assets in Cuba, said Ian Delaney, Sherritt's chairman. Nickel supply is tightening internationally, he said, because virtually no new mines have gone into production in the past decade and as a result "we are very bullish on the nickel-cobalt world." Sherritt-owned mines in Cuba currently produce 33,000 tonnes of nickel annually and he said he would like to see the output increase to 80,000 tonnes.

Cuban nickel is mined from so-called laterite deposits, which are close to the Earth's surface and relatively inexpensive to mine. "If we were to look around for a place to expand in the world (...) the cheapest new nickel would be in Cuba," he said. (May, Economy)

Not all the employees of the René Ramos Latour nickel processing plant, operating as a joint venture with Canadian Sherritt International Corp., are being properly looked after and are, therefore, quitting their jobs. Service workers do not receive US\$ bonuses; are not fitted with adequate work clothing; and, according to management sources, cannot use the company's bus shuttle service to commute to and from work because of fuel shortage. (May, Economy)

Canadian Sherritt International said it is looking at developing more near-surface nickel laterite deposits in Cuba, where it is already a large investor in oil and gas, agriculture and tourism. Dennis Maschmeyer, Sherritt's chief executive and president, told a conference in Toronto the company's plans to expand its Moa laterite nickel and cobalt project in Cuba looked more attractive with the prospect for both metals "extremely positive". Maschmeyer said consumption for stainless steel production was rising, led by China, which has left nickel supplies tight and pushed prices higher. (June, Economy)

The Norwegian engineering and construction services provider Aker Kvaerner said that its Engineering & Construction division had won a contract to modify a nickel plant in Cuba. The contract, awarded by Empresa Ernesto Che Guevara, included the design and procurement management of a sulphide concentrate drying system and a sulphur dioxide and soot removal gas cleaning system, Aker Kvaerner said. (July, Economy)

Cuba's 2003 unrefined nickel plus cobalt production fell 4.7 percent, from 75,116 tonnes in 2002, Economy and Planning Minister Jose Luis Rodríguez said, though revenues rose sharply due to higher prices. That would put output at around 71,600 tonnes in 2003. Rodríguez, during a report on the economy to a year-end session of parliament, said production would rebound 7.7 percent in 2004. (December, Economy)

Army General Raúl Castro sent his congratulations to mine workers at the René Ramos Latour nickel plant on the occasion of that entity's 60th anniversary. (December, Economy)

SOURCES OF FINANCE

A credit agreement of 10 million dollars for a renovative agricultural irrigation project has been signed between Cuba and the International Development Fund, attached to the Organization of Petroleum Exporting Countries (OPEC). The agreement was signed by Marta Lomas, Cuban Minister for Foreign Investment and Economic Cooperation, and Y. Seyyid Abdulai, Director of the OPEC Fund. This is the second loan that the fund has approved for Cuba after helping to finance a water supply and purifying project. (July, Economy)

The "Nueva Banca" Group, a Cuban financial institution, announced it would lend \$600 million to local companies to help bolster their production. The objective of the loan is to help local companies fulfill their commitments with the State and help them stay on the market, said Nueva Banca' president, José Julio Rodríguez. (August, Economy)

The Brazilian government has granted Cuba major credit facilities under favourable conditions for the purchase in Brazil of buses and vehicles for tourism. The credit of \$12.7 million was arranged through the National Bank of Economic and Social Development (BNDES). (Radio Progreso, 27/11/03)

SUGAR

Cuban Sugar Minister Ulises Rosales del Toro said the restructuring of the island's sugar industry was "going well," though the current harvest should prove "very difficult." Rosales del Toro said in an interview that the process of restructuring what was previously Cuba's top industry "is a complex process, conducted at an also complex time." According to Rosales del Toro, the goal is to cut production costs to below \$0.035 per pound so as to be able to compete successfully on the international market. About 100,000 sugar workers have been laid off. "More than 94,000 workers have gone back to school. We should reach the goal of 100,000 very shortly," Rosales del Toro said. (January, Economy)

Cuban raw sugar production fell further behind schedule toward a plan of around 2.7 million tonnes, as rain across much of the Caribbean island hampered harvesting and transportation of cane to mills. "Milling in recent days has been interrupted by rain," sugar reporter Juan Varela said during his daily spot on state-run radio. "Milling (...) was low, below 50 percent of capacity, because of an insufficient supply of cane," said Varela, who has daily access to Sugar Ministry data. Cuba's sugar harvest is particularly vulnerable to wet weather because plantations lack adequate drainage systems, bogging down cane-cutting machines responsible for 80 percent of harvesting. (February, Economy)

The sugarcane harvest is facing serious hurdles to meet its government-set goals. The Cuban Communist Party issued an appeal to the sugar industry workers to increase their efforts to reach the 2,700,000-ton mark set for this year's output. But according to a local expert, it will be rather difficult to meet that figure as the harvest is "behind schedule." (March, Economy)

Cuba's sugar harvest remained well behind schedule with the official media reporting that Villa Clara was the first province to produce 200,000 tonnes of raw sugar, six weeks later than the first province last year. During the 2001/02 harvest Eastern Las Tunas reached 200,000 tonnes of sugar in February. Central Villa Clara produced around 370,000 tonnes of sugar during the 2001/02 harvest of 3.61 million tonnes and reached the 200,000-tonne mark on February 27, and 300,000 on March 29. (April, Economy)

Despite the drop in sugar production over the past several years, sugar still accounts for almost one-third of total agricultural exports in Cuba. Sugar industry, historically the most important in the country, produced only 3.6 million tons last year and forecasts for this year are much lower. According to some analysts, this year's sugar harvest, which is almost over, will not exceed 2.5 million tons. (May, Economy)

Dozens of sugar mills across western and central Cuba reopened after being shut for days due to rain, as the beleaguered industry made a final push to top 2 million tonnes of raw sugar before the season ends, local analysts said. Local analysts said the industry would be lucky to produce more than 2 million tonnes of raw sugar before milling ended, with current tonnage estimated by Reuters at between 1.9 million and 2 million tonnes. "They reached 1.9 million tonnes last week and hope to top 2 million. If they are very lucky they could reach 2.1 million," said a local analyst who asked not to be named. (May, Economy)

Cuba could experience a US\$ 180 million loss in exports if the current sugar cane harvest turns out to be, as indicated by forecasts, the worst in the last 60 years. This year's harvest of the Cuban crop will be 1.5 million tons lower than the 3.6 million tons harvested in 2002, ranking it below the outputs for 1935 and 1936, with 2.6 and 2.5 million tons respectively, according to figures on record. (May, Economy)

Cuba's worst sugar harvest in 70 years appeared all but over after gathering around 2 million tonnes of raw sugar, as moderate to heavy rain made cane cutting impossible and closed mills across much of the country, sources said. Local analysts forecast the harvest would be called off in many areas, as it was too costly to resume for just a few days or weeks. "The Sugar Ministry will look at the situation on a province to province basis to see if it is worth reopening the mills," a government economist said. "Ministry officials have told me that in many cases they do not think it will be," he added, asking that his name not be used. (May, Economy)

Caught in the middle of a major restructuring of its sugar industry, Cuba has pledged to invest millions of dollars over the next five years in a program seeking to boost sugar cane derivatives. In statements to the press in Havana, the director of the Cuban Institute for Research on Sugar Cane Derivatives, Luis Galves, said that the program expects by-products to bring in 20 to 25% of revenues for the industry. If you are currently in the business of producing cane sugar, noted the Cuban expert, you only have two alternatives left for survival: cutting down on production costs and boosting derivatives. (May, Economy)

Cuba has added a few more tonnes of sugar to this year's near record low harvest by keeping some mills open in June despite poor harvesting conditions and low yields, government sources and media reports indicated. Local analysts calculated production this season at slightly over 2.1 million tonnes of raw sugar, 40 percent below last year's 3.61 million tonne output. They said final output might near 2.2 million tonnes before the last mill closed by the end of the month. The Sugar Ministry has not said how many of the 79 mills that participated in the harvest are still open, but local analysts doubted it was more than a dozen or so. (June, Economy)

This year's near record low sugar harvest is over in Cuba. Local analysts estimated Cuba's output at around 2.1 million tonnes of raw sugar, well below the 2.7 million tonnes planned and the lowest since 1933. "The harvest has ended after a difficult campaign," reported state-run Radio Rebelde, "due to resource shortages, the late opening of some mills, technical and weather problems." None of Cuba's 13 sugar-producing provinces met its target for the year. (June, Economy)

Cuba said that the recently harvested sugar crop was the smallest in decades and said a high-level commission was at work to insure that organizational and other problems were eliminated. "The coming harvest could be better than that recently concluded, one of the worst since the 1930s," the state-run information agency, AIN, said. The Sugar Ministry has provided no final tonnage since the harvest closed June 20. (July, Economy)

Cuba will assist Venezuela in rebuilding its sugar industry by donating old sugar-mills and technical know-how, said Venezuelan Ambassador to Havana, Julio Montes. (July, Economy)

The sugar industry is among the major contributors to the degradation of Cuban soil, a problem affecting nearly 70 percent of cultivable areas on the island. According to official figures, the soils in 11 of Cuba's 14 provinces suffer from erosion, compaction, acidity, salinity and lack of organic material, but the phenomenon is most dramatic in the east, where the island's most fragile ecosystems are found. Experts say the main culprit is five centuries of monoculture of sugarcane, a crop that depletes the soil's nutrients. Sugarcane production intensified in the early 19th century through the mid-20th century. Commercial cultivation of sugarcane and subsequent expansion of cattle raising led to the deforestation of extensive areas, a phenomenon that accelerated in the 19th century with the rise of coffee plantations in the eastern mountains. (August, Economy)

Cuba should efficiently fulfill its sugar industry strategy, the Cuban Vice President, Carlos Lage, said at a meeting with sector representatives in Havana. The sugar cane harvesting and processing should be carried out at low costs as world market prices of sugar are currently low, Lage added. Cuba should ensure sufficient sugar cane harvest to cover the needs of the domestic and external markets, Lage said. (September, Economy)

Cuban Vice-President Carlos Lage said that the coming sugar cane harvest should mark a point of recovery in the industry due to greater State support. During a meeting with the ministers and vice-ministers involved in agriculture and sugar processing activities as well as officials and grassroots leaders from the sector, Lage said that the poor results of the previous harvest were due to a lack of supplies, operational deficiencies and adverse weather. In the midst of the current economic limitations, Lage stated, the country will make an effort to guarantee the indispensable resources. Cuban Vice-President anticipated that the 2003-04 harvest should go well, "since it is not only about producing sugar, but doing it with efficiency and low cost." (October, Economy)

Cuba's poor sugar harvest this year and the continued decline in the product's international prices are taking a toll on the state coffers, dampening hopes for an economic surge despite successes in tourism, the country's new leading money earner, and other industries. The socialist government did not officially report the results of the harvest that ended in June, but sugar industry experts say output was 2.1 to 2.2 million tonnes. This marks a low point comparable only to harvests in the early 20th century and has forced Cuba to import sugar from Brazil or Colombia to comply with export contracts and to meet domestic demand. The island might have to turn to the United States as well. (November, Economy)

Cuba will commence this month the so called "small harvest", which serves to gauge the potential yield of the sugarcane harvest after a period of decline in the last few years. The 23 sugar refineries that will commence milling this month, out of a total of 70, are meeting their repairs schedule, according to reports by the daily newspaper Granma. (December, Economy)

Havana province's Habana Libre sugar mill churned out Cuba's first raw sugar of the season, state-run radio said, as the 2003/04 harvest got under way amid hopes of greater output and efficiency. A national ceremony inaugurating the season was scheduled at the Habana Libre. Industry sources told the press the Sugar Ministry had set a harvest target of 2.6 million to 2.7 million tonnes of raw sugar, based on cane estimates. The sources said plans called for production to cost \$.035 to \$.045 per pound, compared with more than \$.05 in 2002/03. Cuba has yet to report 2002/03 output, estimated by Reuters at between 2.1 million and 2.2 million tonnes, a 40 percent decline from the previous harvest's 3.6 million tonnes. (December, Economy)

Cuban Sugar Minister Ulises Rosales del Toro said 2003/04 raw sugar output would increase 19 percent over the previous harvest's production, the official daily Granma said. Cuba has yet to report on the 2002/03 crop, estimated at between 2.1 million and 2.2 million tonnes, a 40 percent decline from the previous harvest's 3.6 million tonnes. A 19 percent increase would put this season's output at around 2.6 million tonnes, 700,000 tonnes for domestic consumption and the remainder for export. Rosales said he expected 6 percent more cane to be milled this year and industrial yields to jump 2 percent to 12 tonnes of raw sugar per hundred tonnes of cane milled, resulting in "a 19 percent increase in sugar production compared with the previous campaign." (December, Economy)

Cuban Sugar Minister General Ulises Rosales del Toro said that the reorganization of the sugar industry conducted two years ago has yielded "satisfactory" results, though less than expected. "We are following the plans we developed and our personnel is motivated by the changes we are implementing," Rosales del Toro told Cuba's General Assembly. The minister said the last sugar harvest - the first since the reorganization effort 20 months ago - did not meet expectations, but that changes have been adopted to improve the next one. "For this sugar harvest, we started with 100 percent of the manpower we needed, and we are receiving more logistic support for our workers. Furthermore, we have eliminated most of the deficiencies we pinpointed," the general asserted. Rosales del Toro said seven sugar refineries are in operation, and 10 more will start working next month. (December, Domestic Affairs)

Cuba's 2002/03 raw sugar production was 2.2 million tonnes, Economy and Planning Minister Jose Luis Rodríguez said in the first official admission that output fell 40 percent from 2001/2002. "The harvest was unsatisfactory and weighed in at 2.205 million tonnes," Rodríguez told a year-end session of the Cuban parliament during a report on the economy. Cuba reported the 2001/02 harvest produced 3.6 million tonnes of sugar. (December, Economy)

TAXATION

Cuban economy authorities have said that tax collection on the island is being conducted as expected, with 99.4 per cent of taxpayers filing their returns in a timely fashion. It was noted that this is the highest percent achieved ever since the restructuring of the tax system at the beginning of the 1990s. (April, Economy)

TELECOMMUNICATIONS

In a move that is expected to advance the domestic industry towards wireless over fixed-line technologies, the country's two state-owned companies - fixed-line provider Empresa Nacional de Telecomunicaciones de Cuba (Etecsa) and mobile phone provider Teléfonos Celulares de Cuba (Cubacel) - are set to merge. With one of the most poorly developed industries in the Latin American region, Cuba has a teledensity of just 5.8% and has just 12,000 foreign and government cellphone subscribers in a population of over 11million. (February, Economy)

Sherritt International Corp. said it earned \$33.6 million, 18 cents per share, in the April-June period, compared with \$24.5 million, 15 cents per share, in the year-ago quarter. During the quarter, Sherritt - which earlier this year divested its Canadian metallurgical coal business and rolled Fording Inc.'s thermal coal operations into the Sherritt Coal Partnership II managed by Luscar Ltd. - "agreed to participate in the Cuban government's initiative to consolidate the telecommunications industry in Cuba." Negotiations continue and the company said it "may effectively dispose of its interest in the Cuban cellular telecommunications business." It also said that "as a result of working capital, financing and operating factors," it has lost management control of its Cuban soybean processing business, now accounted for as an investment. Sherritt added that it "has been one of the largest foreign investors in Cuba for over a decade and continues to have a co-operative and mutually beneficial relationship with the state." (August, Economy)

Cuba is seeking to merge the three firms in its telecommunications sector, according to Canada's Sherritt International Inc. Sherritt said that it "agreed to participate in the Cuban government's initiative to consolidate the telecommunications industry (...) Negotiations continue in respect to a possible arrangement pursuant to which Sherritt may effectively dispose of its interests in the Cuban cellular telecommunications business." The state-run telecommunications company is in merger talks with a telecom venture in which Sherritt has an interest and with another venture involving Telecom Italia SpA aimed at developing a wireless service for the local population, foreign suppliers said. Fixed-line operator Empresa Nacional de Telecomunicaciones de Cuba SA (Etecsa) and state-owned Celulares del Caribe (C-Com), with only a few thousand subscribers, are also involved in the negotiations, suppliers and diplomatic sources said. Communist-run Cuba's telecommunications are among the least developed in Latin America and the Caribbean. The government reported at the close of 2002 that there were 650,000 fixed-line phones, or 5.8 phones per 100 residents. The island's 11.3 million people have almost no access to mobile phones. Cell phones are available to tourists and other foreign visitors. (August, Economy)

Canada's Sherritt International Corp. sold its 40 percent indirect stake in a Cuban telephone operation for \$43 million to a Cuban government agency. A Sherritt representative said in a statement it had sold its stake in Teléfonos Celulares de Cuba, S.A. (Cubacel) to Telefónica Antillana S.A. and would receive 80 percent of the selling price. The remaining 20 percent would go to the private holder of the minority interest in Cubacel. A payment of \$10 million has already been made with the balance of the \$43 million to be paid quarterly until August 2007. Sherritt's sale proceeds are about equal to its \$45.1 million net book value of the Cubacel investment. (September, Economy)

Cuba plans to invest some \$74 million in the telecommunications industry this year, Cuban Information and Communications Minister Ignacio Gonzalez Planas said. At a meeting of the Hispanic-American Association of Research Centers and Telecommunications, Gonzalez Planas said investment in the telecom sector would result in service improvements in cellular telephony, particularly in remote areas. The minister added that these efforts were in response to the growing use of computer technology in Cuba and future applications of new technologies in infrastructure, an expanding computer culture and growing

research, software and customer service industries. Gonzalez Planas said he expected Cuba's current national average of six telephone lines per 100 people and 14 telephone lines per 100 residents in the capital to improve this year. (November, Economy)

TOBACCO

Runway models wore earth-toned fabric and gigantic hats resembling tobacco leaves as Cuba's annual cigar festival hosted a celebration of high fashion inspired by this island's famed tobacco business. While hundreds of cigar aficionados dined on lobster and generous portions of red wine - followed by puffs on Cuban cigars - male and female models showed off fashions made from rough fabrics ranging in tones from beige to dark brown and light green to deep olive. Five fashion houses - Christian Dior, Mouma Ayoub, Maurizio Galante and Cuban designers Martha Veronica and Abraham - showed off their tobacco-inspired styles. Princess Hermine de Clermont Tonnerre, a prominent figure of the Parisian high society, visited Cuba to attend the Havana Cigar Festival together with other important personalities of the European jet-set like lord Rothchild, prince Michel Poniatowsky and Lebanese fashion designer Mouna Ayub. (January, Domestic Affairs)

About 900 people traveled to Havana for the Fifth Annual Habanos Festival, which began at the city's historic Tropicana. The celebration includes visits to tobacco plantations and cigar factories, and meetings of collectors of cigar memorabilia. The high point of the yearly gathering is the elegant cigar dinner and auction on Friday night. But President Fidel Castro, who has traditionally attended and helped auction off elaborate humidors stuffed with special cigars for tens of thousands of dollars, was not expected back in time from his current Asian tour. (February, Economy)

With a growing demand, the Cuban tobacco industry will significantly increase the amount of land dedicated to the crop this year. The initiative will particularly take place in central Sancti Spiritus and Villa Clara provinces, where some 1000 new tobacco-curing houses are being built to meet the expected production increase, said Eduardo Rodríguez, an executive with the Tabacuba Group. "Planting activities will soon get underway, since high-quality seeds and all other necessary resources are guaranteed for the season," said Rodríguez. (September, Economy)

The Cuban tobacco industry will significantly increase the amount of land dedicated to the crop this year. The initiative will particularly take place in central Sancti Spiritus and Villa Clara provinces, where some 1000 new tobacco-curing houses are being built to meet the expected production increase, said Eduardo Rodríguez, an executive with the Tabacuba Group. (September, Economy)

A report by the TABACUBA group in charge of Cuba's tobacco production, notes that more tobacco has been planted this year than in recent years, particularly in the central provinces of Sancti Spiritus and Villa Clara. The report also notes that the central provinces are preparing one thousand new tobacco houses and other spaces for leaf storage. Cuban tobacco authorities hope to harvest 61,289 pounds of tobacco -- to break the record 55,997 pounds established in the 1970s. The main markets for Cuban tobacco are Spain, France, Germany, England, North Africa and Arab nations in the Middle East. (September, Economy)

For the sixth year running the famous Cuban cigar Partagás, produced in its Havana factory, won four of the top prizes awarded by Havanoscope, the specialized French cigar guide. The experts from Havanoscope 2004 tasted all 260 brands of Habanos available on the European market, from both famous and almost unknown Cuban cigar houses. The jury awarded 19 'five bands', the top prize in this traditional contest of which Partagás took four. The Cuban cigar houses Cohiba and H. Uppmann both won three prizes. (October, Economy)

The international demand for havanos, which contracted in 2002 due to a global economic crisis, started recovering gradually in June with an increase of 20% in sales in October, said a Cuban businessman. The president of the local business group Tabacuba, Oscar Basulto, indicated that since mid year there has been an increase in sales in the 122 countries where havanos are distributed. (November, Economy)

TOURISM

Cuba's key tourism industry started the new year on a positive note as the cruise ship Sunbird sailed into Havana Bay with a record 1,414 passengers -- the largest single load of cruise passengers to visit the island. The towering ship arrived at Havana's cruise ship terminal and was to sail on to Cuba's smaller Island of Youth on its way to Grand Cayman, said a spokesman for the Silares terminal management firm. (January, Domestic Affairs)

More than 400,000 Canadians travelled to Cuba in 2001, up from 109,000 in 1994. "People come for sunshine and beaches," said Ibrahim Ferradaz Garcia, the minister of tourism for Cuba, "but many other Caribbean nations have great beaches." Garcia, in Ottawa to promote tourism, said he wants to diversify the reasons to visit Cuba. Garcia said he hopes that Cuban architecture, music, history, eco-tourism and scuba diving will also lure Canadians, and that it will become a popular spot for conventions. (January, Economy)

January 2003 showed a favorable tourism balance at the Varadero Beach Resort, where more than 537,000 visitors enjoyed the famous resort's many offerings, local tourism sources informed. Vivian Valle, Tourism Ministry expert (MINTUR), told the press that this figure represents 150,000 more tourists than in January 2002. (February, Economy)

Cuban authorities are pinning their hopes on the booming international cruise ship business to attract tens of thousands of more visitors to the island and supply the island with much needed foreign exchange. Last year, 70 cruise ships with 45,000 passengers visited Cuba and officials say this year 120 liners with 77,000 passengers are expected at the ports of Havana, Cienfuegos, Santiago and Punta Francés. (February, Economy)

Cuban government sources announced that China decided to include the Caribbean island in the list of foreign tourist destinations for its citizenry. President Jiang Zemin informed Fidel Castro of the Chinese government's decision in a meeting during the Caribbean leader's official visit to China. Including Cuba in its international tourism projects gives the green light to Chinese travel agencies to promote and develop organized trips to Cuba. (February, Economy)

Cuba's tourism industry is recovering from a post-September 11 decline and doing better than other Caribbean destinations suffering from the Iraq war's impact on the sector, industry sources said. Tourism is vital to communist-run Cuba's overall economic performance, accounting for close to half the foreign exchange earnings needed to import fuel, food and other essentials. Cuban Tourism Minister Ibrahim Ferradaz said the December-through-March high season closed with "a recovery in all tourism resorts," after the sector suffered a 14 percent decline in arrivals in the year-earlier period. (April, Economy)

The current tourist season is one the best for Cayo Largo del Sur, with 90 per cent occupancy levels, earnings of over \$800,000 and revenues in January in excess of \$3,250,000, indicated Luis Clarke Wright, a representative of the Ministry of Tourism. (April, Economy)

Some 770,000 foreigners visited Cuba during the island's tourist high season between January and April, a 19 percent increase over the previous year, Cuban Deputy Tourism Minister Marta Maiz said. She said the number of visitors during the first four months of the year was 2.0 percent higher than the same period in 2001, "which was one of the best high seasons in Cuba in years." The deputy tourism minister said this year's increase was achieved despite "all the situations in the world that are influencing the tourism industry on an international level." She said the island's top tourist sites were the capital Havana; Varadero, in the west; Jardines del Rey, in central Cuba, and Holguín in the east. (May, Economy)

More than 1,000 specialists from 60 countries in Latin America, the Caribbean and other regions will take part in the International Tourism Convention in Varadero, Cuba's largest beach resort. The conference - the largest of its type ever held in Cuba - will focus specifically on Mexico, the source of more tourists to the island than any other Latin American country, Cuba's Deputy Tourism Minister Marta Maiz told the press.

Mexico will be represented by some 80 delegates. Also attending will be Wendy Haskett, the director of the World Tourism Encounter, which will be held in Mexico in mid-September. (May, Economy)

With 8 countries in attendance, the International Show of Technology and Products for the Tourist Industry (TECNOTUR) opened in Havana. The exhibition is second in importance only to the International Tourism Convention. (May, Economy)

Canadian Occidental Hotels and Resorts has opened its first hotel in Cuba - the Hotel Occidental Miramar in Havana. The recently built, five-star hotel is located on 5th Avenue, adjacent to the financial district, in close proximity to Havana's convention centre and about 10 minutes from the Old Historic City. The Hotel Occidental Miramar will be featured in selected Canadian tour operator programs offering two-centre holidays, which combine a beach vacation with a stay in Havana. (June, Economy)

Tourism, Cuba's main foreign exchange earner, has recovered from a post-September 11 decline that slowed the Caribbean island's efforts to pull itself out of economic crisis, the Tourism Ministry announced. A million tourists had visited the Cuba this year, a 16 percent increase compared with the same period in 2002, the ministry said. "Last year arrivals reached one million on July 29 (...) while in 2001, the best year to date for the industry, the number was achieved on June 30," the official business weekly, Opciones, said. Foreign companies, such as France's Accor and Spain's Sol Melia, manage the majority of five-star and four-star hotels in Cuba. (June, Economy)

The Mallorcan hotel chain Blau Hotels has signed contracts to manage two Cuban resorts. One of them is run by state-owned firm Cubanacan and is presently undergoing repairs, while the other is still under construction by Gaviota, a Cuban firm involved in resort development and management. (July, Economy)

Air Canada has been cleared to fly scheduled service to Cuba, adding to its already existing chartered flights. A release from Canadian Transport Minister David Collenette said the airline will fly from Calgary, Halifax, London, Moncton, Montreal, Ottawa and Toronto to destinations in Cuba including Havana, Varadero, Holguín and one other city not yet chosen. But an Air Canada spokeswoman said a final decision hasn't been made on destinations. Renee Smith-Valade said the airline already offers charter vacations to Cuba, but this new designation will allow the company to introduce scheduled service. (July, Economy)

Cuba's tourism industry targets two million foreign tourists in 2003, the Minister of Tourism Ibrahim Ferradaz told a press conference. Around one million tourists visited Cuba in the first half of 2003, it was reported on June 29, 2003. The number of one million foreign tourists was achieved at the end of July 2002 and at the end of June in 2001. Most of the five-star and four-star hotels in the country are operated by French hotel chain operator Accor and Spanish hotel chain Sol Melia. (July, Economy)

China and Cuba signed a memorandum of understanding in Beijing, allowing Chinese travel groups to visit the Caribbean country. Cuba is the first nation in the Western Hemisphere to gain Approved Destination Status from the Chinese government. (July, Economy)

Cuba is promoting ecotourism in 60 areas on the island that have a rich biodiversity, tourism officials said. Seven of the nine major wetlands in the Antilles are located in Cuba, the official newspaper Juventud Rebelde reported. Some 22 percent of the island is considered a protected area, and 11 percent of those areas are active tourist destinations. About 630,200 ecotourists visited Cuba last year, 160,000 of whom visited the island on vacation packages that included some type of ecotourist activities. (August, Economy)

Canada continues to be the main supplier of tourists to Cuba -- with more than 270,000 Canadian vacationers visiting the island between January and the end of May this year. Speaking with reporters in Santiago de Cuba, Ibrahim Ferradaz, Cuba's Minister of Tourism, noted that during "high season," there are more than 100 flights from 17 Canadian cities arriving in Cuba every week. Ibrahim Ferradaz said that Italians are Cuba's second largest tourist market, followed closely by vacationers from Germany, France, Great Britain, Spain and Mexico. (August, Economy)

China has granted Cuba the status of a "Government Tourist" destination, which will make it possible to carry out organized trips to the Caribbean communist state, according to the official Cuban News Agency. It said that Cuba is the first Latin American country to receive such a status from Beijing, allowing the island to enter a major market. (August, Economy)

The master plan for Varadero, the most popular beach resort in Cuba, calls for 26,000 rooms by the year 2010. According to the Ministry of Tourism (MINTUR), the future development of the tourist resort will be carried out with special attention given to the preservation of nature. Lester Felipe Oliva, MINTUR representative in the western province of Matanzas, where the Cuban beach area is located, stated that the investment process includes four and five-star hotel facilities. Oliva told the press that the program is approved by the Council of Ministers, led by MINTUR and the Science, Technology and Environment Ministry (CITMA). (August, Economy)

Canadian WestJet Airlines Ltd. will expand its presence in the charter market this winter after reaching a deal to transport up to 80,000 passengers to Caribbean destinations for Transat A.T. Inc. The companies said the aircraft will serve Caribbean destinations in Cuba, Mexico and the Dominican Republic. The deal - worth about \$29-million in revenue for Calgary-based WestJet -- is much larger than previous deals between the two companies. (August, Economy)

Air Canada is beefing up its service to Cuba as the island nation continues to attract Canadian tourists. Air Canada will introduce scheduled flights for the winter on most of the 15 routes the carrier operates to Cuba from seven Canadian cities. Canada will also begin year round, non-stop service between Toronto and Havana, three times weekly. For the new winter season, the carrier will also introduce non-stop flights between Montreal-Cayo Largo, Moncton-Holguin and Halifax-Varadero. (September, Economy)

Foreign tourist arrivals in Cuba rose 14.8 percent during the first eight months of 2003, compared to the same period last year, Deputy Tourism Minister Antonio Romillo said. Tourism revenues and hotel occupancy rates rose 19 percent and 4 percent, respectively, during the period. Some 1.68 million visitors, hailing mainly from Canada, Spain, Britain, France, Italy and Mexico, visited Cuba last year, generating revenues of some \$2 billion, according to official data. (September, Economy)

Approximately 100 travel agencies from 20 countries have confirmed their participation in the 3rd Turnat meeting, at Cuba's eastern province of Granma. The meeting, considered as the most important of its kind in Cuba, will use the facilities in Marea del Portillo Beach, the meeting's main venue, near the mountain range of Sierra Maestra. The Turnat-2003 agenda will include conferences to be attended by specialists. (October, Economy)

Israel and Cuba haven't had diplomatic relations since 1973, but that hasn't stopped thousands of Israelis from touring the Caribbean island. "We assume that at least 10,000 Israelis have already visited Cuba," said Daniel Faians, president and CEO of Polaris Group, a large travel wholesaler and airline agent based in Tel Aviv. "Those who go to Cuba stay in deluxe hotels and travel in private cars with private guides," Faians said. (October, Economy)

China has highlighted Cuba, Hungary, Croatia and Pakistan as nations it hopes Chinese tourists will visit. According to the report, Beijing's travel agencies hold a wait-and-see attitude for these newly opened tour destinations. (November, Economy)

SunCuba, a joint venture between Cuba's state-run Cubanacan Corporation and Suntine International Economic-Trading, plans to build Havana's biggest hotel as a symbol of the new-found camaraderie between Cuba and China. The venture is currently building a 700-room hotel in the Pudong business district of Shanghai. Cuba has imported 500,000 Panda-brand televisions and is assembling a similar number at the rate of 1,000 per day to replace burned out Soviet-era sets. Plans call for other household appliances to follow. China's Liaoning MECX Group signed a contract this year to supply Cuba's food processing industry with packing machinery and materials. A similar agreement to supply light industry was signed in 2002. As part of an effort to right the trade balance, China's National Minerals and Metals

Nonferrous Company agreed this year to increase imports of unrefined nickel and cobalt. Cuba was also designated China's first official tourist destination in the Latin American region, a move the local leisure industry hopes will bring 20,000 Chinese to the island next year. (November, Economy)

Air Canada has introduced three-times-a-week direct flights to Havana, the company announced. The new flights on 120-passenger capacity A-319 jets will be added to the Montreal-based airline's regular charter offerings. Ruth Zafrany, Cuba supervisor for Air Canada Vacations, the airline's tour operator, said her compatriots had always found the Caribbean island an extremely attractive tourist destination. More Canadians visit Cuba than citizens of any other country. Between January and October, 363,945 Canadians traveled to the communist-ruled island. (December, Economy)

Tourists visiting Cuba by sea will rise in the forthcoming years and in 2004 their number is expected to stand at 94,000, the director of Cuban-Italian sea transport company, Silares-Cubanco, Gianluca Suprani, said at a press conference. The press conference was given on the arrival of Sundream ship of British cruise transport company Sun Cruises to Havana with 1,200 passengers on board. Cuba has three major ports in Havana, Santiago de Cuba, 967 km east of Havana, and in Playa Punta Frances, on Isla de La Juventud island, southwest of Cuba. According to the director of Silares-Cubanco, a total 60,000 European tourists came to Cuba by sea in 2003 to date. (December, Economy)

Jonathan Watts, president of the Canada-Cuba Sports & Culture Festivals, says his organization's idea of tourism has nothing to do with "selling a destination". "What we do -he says- is to promote Cuban culture". The organization, which organizes travels and exchanges, closed 2003 with positive results. Aside from the interest of Canadian groups, more than a few Americans have requested the organization's services to attend cultural events on the island. (December, Economy)

Jardines del Rey, located in central Cuba, will set a record number of visitors with 170,000 tourists this year. According to officials from the island's Tourism Ministry, Jardines del Rey has earned more than 100 million dollars in 2003, after only ten years of operation. (December, Economy)

TRANSPORTATION

During the Balance Meeting of the Ministry of Transport in Havana, Vice-president of the Cuban State Council, Carlos Lage, made reference to worsening conditions in the capital's public and freight transport services. "This year there will be no increase in the allotment of equipment or fuel to improve public and freight transportation services," pointed Lage. (March, Economy)

Because of shortages of buses, trains, spare parts and fuel, Cuba's transit system only accommodates 14 percent of the passengers it moved in the 1980s, before Soviet subsidies dried up. Under the hitchhiking system more than 2,200 transportation inspectors are assigned to 1,034 designated stands or rest stops across Cuba. There they wave down all state owned cars and trucks and match them up with passengers who are going in the same direction. The service costs only 3 pesos (15 cents) for the longest trips. Officials at Cuba's Ministry of Transportation estimate that between January and September inspectors secured about 45 million rides for passengers across the island. They expect that number to jump to 70 million by the end of the year. Wielding only a clipboard and whistle, the inspectors cannot issue fines to drivers who don't stop. While rides within city limits are relatively easy to secure, travelers with faraway destinations -- especially those going to the eastern provinces can wait for days. (November, Economy)