

FOCAL SUMMARY OF NEWS ITEMS REPORTED ON CUBA January-December 2004

This resource is a compilation of news items on Cuba listed in FOCAL's monthly Chronicle on Cuba throughout 2004

ECONOMY

AGRICULTURE AND LIVESTOCK

[See also, Natural disasters]

January 7: Cuba is making use of Chinese experience in the cultivation of vegetables to raise the yield of its agricultural production, a senior Cuban official said. The President of the National Institute of the State Reserve of Cuba, Moises Sio Wong, praised the techniques used by Chinese farmers, saying they are useful and fit for Cuba. Sio said that cultivation of short-cycled yam vegetables would be of interest to Cuba, as shown by the nearly 100-ton-per-hectare output secured by Chinese agricultural producers in three consecutive years. The Chinese research institute was collaborating with the Cuban Food Research Institute, in the central province of Villa Clara, exchanging experiences and expertise in agricultural production. (*The People Daily*, 8/1/03)

January 31: The representative of the UN Food and Agriculture Organization to Cuba, Francisco Arias Milla, said that the island could supply itself with enough rice in the future due to successful production results on the island. Cuba imports 60 percent of the rice it consumes. (*Radio Habana Cuba*, 31/1/04)

February 4: Coconut collectors in eastern Guantanamo province have achieved their highest yield in the past 13 years. Half of the large coconut harvest will be destined to the oil producing industry, 10% to benefit the upcoming planting season, while the rest will be sold at local markets for internal consumption as well as for tourism. (*Radio Habana Cuba*, 4/2/04)

March 13: Coffee growers in central Villa Clara province have kicked off a recovery strategy in local coffee plantations, which is expected to be completed by 2007. The program includes replacement of plantations and soil improvement, based on organic techniques. The initiative also includes the use of worms as organic fertilizer and the cultivation of alternate crops. Studies prior to the implementation of the strategy in that mountainous area of central Cuba indicated a sharp decrease in productivity due to inappropriate planting and soil management. Over 63% of all local coffee plantations in the central province are older than 16 years, which affects the plants' productivity, since the best productive stage of such plantations is around 10 years. (*Radio Habana Cuba*, 13/3/04)

March 17: Cuba aims to keep driving up rice production by encouraging cultivation in small paddies through a programme involving 190,000 farmers across the island. More than 130,000 hectares are already planted with rice as a result of the initiative, and is expected to increase with the incorporation of fallow farmland and the sugarcane fields that have been abandoned since the restructuring of the socialist-run country's sugar industry in 2002. Another 30,000 hectares of rice belong to public entities that benefit from strong infrastructure but are lacking in the organisation necessary to improve yields and reduce costs. Rice is a staple of the Cuban dinner table. This country of 11.2 million people consumes 670,000 tonnes of rice a year, but almost 60 percent has to be imported, mostly from Vietnam, China and the United States. (*IPS*, 17/3/04)

March 18: Cuba's once-large cattle herd has been hit hard over the years, leaving many Cubans longing for beef. The situation also has forced Cuban officials to take tough measures to protect cattle, even as the government turns to the United States for help in restocking its herd. The beef industry never recovered, but dairy herds were built back up through huge investments and imported animal feed, experts said. Years later, when the Soviet Union collapsed and ended \$5 billion in annual subsidies, Cuba lacked the money for feed, and much of the dairy herd also was lost. The problems have been exacerbated by severe droughts and by what some experts describe as Cuba's ill-fated attempts to breed a superbovine that could thrive in a tropical climate. The government today imports huge quantities of milk from New Zealand, Canada and other countries and distributes it at subsidized prices for infants, children up to age 7, the elderly and the infirm. Most everyone else has to purchase powdered milk on the black market for \$1 a pound. Cubans earn an average of about \$10 a month. At the same time, per capita beef and veal consumption in Cuba has fallen from about 3.7 pounds per month in 1961 to just over 1.2 pounds per month in 2001, according to the United Nations. (*The Chicago Tribune*, 18/3/04)

April 5: Cuban citrus fruits enterprise Ceiba excelled its production record in 3,000 tons up to now, a total of 89,000 tons, and could possibly surpass this figure since it might end the harvest season with 95,000 tons. In statements to the press, Jorge Perez, director of Ceiba Enterprise, added citrus fruits plantations counted on enough reserve to reach the aforementioned number of tons, though it is already surpassed their best production record ever, reached in 1998. Among the immediate plans, they want to plant 350 hectares this year to produce 100,000 tons of fruits, a goal suggested by Fidel Castro. (*Prensa Latina*, 5/4/04)

April 20: The 9th International Alimexpo 2004 Fair begins in Havana with the participation of exhibitors of 160 companies from 16 countries. The event, taking place at the EXPOCUBA fair grounds, includes the participation of representatives of Cuban enterprises of the Food Industry, the Light Industry, the Agriculture Ministry and the Sugar Ministry interested in strengthening trade relations and carry out business with foreign companies. Alimexpo 2004 includes lectures on graphic techniques, integral food and special diets for people with certain dietetic requirements. Companies from France, Canada, Italy, Spain, Switzerland, Chile, Mexico, Brazil, Argentina, Belgium, Dominican Republic, New Zealand, Czech Republic, China, Venezuela and Cuba are taking part in this exhibit. (*Prensa Latina*, 20/4/04)

April 21: Bárbara Castillo, minister of Domestic Trade (MINCIN), announced the reinstatement in May of the so-called "deregulated eggs" (which are not distributed as part of the ration card and are sold at market price). (*Cubanet*, 21/4/04)

April 26: Cuba is looking for an international distributor for two new varieties of coffee, which it expects to launch to the market under the name of its most well-known cigars. The Cohíba Atmosphere and the Montecristo Delegend are high quality coffees from specially developed plantations with very little or no chemical fertilizer at all, according to representatives from the state-owned company Cubacafé. According to specialized sources, organic coffee is valued at 30% higher than varieties cultivated with chemicals. In spite of some recovery, the value of a pound of coffee (450 grams) is under 70 U.S. cents in the international market. (*Opciones*, 26/4/04)

May 31: The Cuban Territorial Flora and Fauna Unit (UTFF) has announced that Cunagua, one of Cuba's 36 protected areas, is benefiting from a program of reforestation of precious woods. The ecological characteristics of Cunagua, 261 miles east of Havana, are propitious for many endemic animals, including reptiles and birds such as the tocororo, cartacuba and the tiny hummingbird, making this a relevant natural laboratory. In addition to the planting of cedar and other valuable trees on 74 of the over 6,400 mountainous acres, the program includes elimination of weeds and construction of living fences to contain soil mineral erosion, particularly in areas devastated by fire, UTFF assistant technical director Sergio Martinez Vega explained. (*Prensa Latina*, 31/5/04)

June 1: In Camagüey, with the largest cattle herd in Cuba, thousands of animals remain vulnerable to the intense drought affecting the east of the island, while others are receiving water from water tankers. According to the local press, the water shortage has caused the animals to lose, on average, 55kg of weight. Water levels in the wells have dropped between 4 and 5 meters, and only 687.000 m³ can be pumped from the 2.6 million m³ Cubano Búlgara dam, Camagüey City's main water source . Up until last April, some 20,000 heads of cattle had died due to the water shortage. (*AFP*, 1/6/04)

August 10: The intense drought parching eastern Cuba since last year has severely damaged its ranching and agriculture, notably the sugar cane crop. Holguin, one of the provinces hardest hit by the drought, required an investment of \$15.2 million last year to alleviate the situation, provincial deputy director of finance Raul Topes told the local press. "The amount," the official noted "could increase if the lack of precipitation persists, with resulting low levels of water in reservoirs." According to an Agriculture Ministry report cited by state-run Prensa Latina news agency, more than 2,200 head of dairy cattle have died, leading to a 418,000-liter (110,430-gallon) decrease in milk production over the past year. (*EFE*, 10/8/04)

September 1: Cuba has planted some 1700 hectares with citrus fruit annually since the 2001-2002 harvest and that figure is expected to significantly increase over the next five years. During a recent tour of eastern Ciego de Avila province, the president of the Citrus Fruit Entrepreneurial Group, Percy Ruíz Medina, said that the country needs larger orange and grapefruit plantations for domestic consumption as well as to increase exports of fruit juice. (*Radio Habana Cuba*, 1/9/04)

September 6: Cuba hopes to cover almost 30 percent of its surface area with trees by 2015 with the help of a massive reforestation campaign announced by the National Forestry Office. The spokesperson for the office, José Garea, told local reporters that the campaign has a multi-million dollar budget and is inspired by the need to protect the environment and promote sustainable development. The reforestation will begin almost immediately and more than a million hectares of land have been earmarked for tree planting over the next ten years. (*Radio Habana Cuba*, 6/9/04)

October 15: Cuban Vice President Carlos Lage convoked the heads of food state markets in the capital and called them to improve food supplies for the population, in view of the deficient supply of agricultural products. Cuban newspaper Granma published a note saying Lage met the presidents of the Popular Councils (local government bodies), managers of state agricultural markets and provincial officials to analyze the situation in the sector. "We are in a difficult period, but we exhort you to stop hearing justifications and demand supply in the markets," Lage stated. Granma said the causes alleged for bad supply were controlled prices, compared to those based on supply and demand, and the delay of supplies. The offer situation was particularly tense in the month of September, after the course of Hurricane Charley, so it was necessary to establish weekly meetings among municipal authorities and market managers. (*Prensa Latina*, 16/10/04)

October 18: Cuba's Agriculture Ministry (MINAGRI) will, this year, invest over 71 million Cuban pesos and adopt measures to improve the environment. Specialists explained that the measures consist of purchasing ecologically safe technology and fertilizers for coffee and tobacco plantations. Other measures include expanding forests from the current 23.4 percent to 25 percent of the national territory. The Agriculture Ministry also plans to work out definitive solutions for the treatment of the saline soils in eastern Guantanamo province. In addition, some MINAGRI institutions are adapting environmentally safe procedures like 36 coffee grain processors that consume one liter of water per kilogram of processed grain, while planning to train specialized personnel. (*Radio Habana Cuba*, 18/10/04)

November 8: Cuban experts advised to give priority to crops resistant to drought in eastern Cuba as a reliable measure to deal with the lack of water caused by the unfavorable climate conditions in the country in the last 10 years. Adolfo Rodríguez, chief of the National Group of Urban

Agriculture, called agriculture workers to ration the use of the water in the irrigation of fields, work with efficiency and quality and make an adequate cultivation plans. The local authorities must guarantee the transportation of irrigating systems to other favorable areas -in case the reserves are exhausted- if there are not conditions to solve the problem in a short term, Rodríguez said. It is expected an increase in the production of urban agriculture in 2004 despite the current difficulties, he added. (*Prensa Latina*, 8/11/04)

BIOTECHNOLOGY

February 3: A conference on Chinese and Cuban biotechnological advances and their application in medicine got underway in Beijing with the participation of eminent scientists from both countries. The agenda includes the emergence, organization and development of biotechnology in Cuba and the introduction into the Chinese health system of techniques created on the Caribbean island. Cuba's development of neuroscience, new products to fight cancer, the HIV-AIDS prevention and treatment program and state control over medicines are other topics to be analyzed. (*Radio Habana Cuba*, 3/2/04)

March 2: Eshagh Yahanguari, Iran's Minister of Industries and Mines, arrived in Havana, invited by the Cuban Minister of Foreign Investment and Economic Collaboration. The Iranian minister said his country can supply raw material to Cuban industries, while stressing that Iran is interested on cooperation with Cuba in medical and biotechnological fields. (*A/N*, 2/3/04)

March 15: The Bangalore-based Biocon Ltd, in joint venture with Cuban pharmaceutical firm Cimab SA, will commission a facility in Bangalore, India, to manufacture the latter's biotech products based on the monoclonal antibodies (Mab). The facility, in which Biocon will invest Rs 125 crore, is expected to begin commercial production of Mab products in 2006. Initially the Rs 372 crore Biocon will market Mab products only in the domestic market. (*Business Standard*, 15/3/04)

April 7: Cuban biotechnological products have begun to garner a place in the complex pharmaceutical market, which is controlled by first world companies. Doctor Mauro Alfonso, Commercial Manager of CIMAB Ltd., a medium-sized firm dedicated to the marketing of Cuban pharmaceuticals, said the island's biotechnology products are currently being sold in 14 Latin American, Middle Eastern and Asian countries, while 40 new sales contracts have already been signed with businesses with other nations of the world. The executive gave details on some of the most promising products including anti-cancer vaccines and monoclonal antibodies, which are being used in Canada, Spain and Italy. Dr. Alfonso said that CIMAB Enterprise is also promoting the setting up of joint ventures with Chinese and Indian companies in order to build pharmaceutical processing labs that meet the current demand of monoclonal antibodies and other pharmaceuticals. (*Radio Habana Cuba*, 11/4/04)

June 23: Indian BIOCON Biopharmaceuticals, the joint venture with Cuban research company CIMAB, has said it has added five more products to the proposed portfolio. These will now include two additional monoclonal antibodies and three cancer vaccines, according to an agreement signed by Biocon CMD, Ms Kiran Mazumdar-Shaw, and Ms Patricia Sierra of CIMAB in Havana. Biocon said the commercialisation of these products would herald its entry into novel and proprietary products. (*The Hindu*, 23/6/04)

August 8: Professor Asma Ismail, a member of the Universiti Sains Malaysia-Cuba collaboration team, said that Malaysia and Cuba had both expressed interest in collaborating in vaccine development against infectious disease, development of monoclonal antibodies against cancer, biotechnology techniques in fish feed and fish production and human resource development programmes. "USM is interested in working with Cuba in medical biotechnology, which includes diagnostics, vaccinology, pharmacogenomics, stem- cell engineering and biomaterials. We also want to collaborate in neuro-science and aquaculture," she said. (*New Sunday Time*, 8/8/04)

August 9: Cuban anti-cancer vaccines are gaining a place in the international market, according to AIN News Agency. One of these vaccines is the EGF-P64K which is a biomedicine based on the human epidermal growth factor and used for the treatment of different types of skin cancer, according to the Cuban weekly newspaper Opciones. Commercial manager of the Cuban Center for Molecular Immunology, Mauro Alfonso, commented on the large number of countries interested in the product. Agreements have been signed with an Indian firm and negotiations are underway with other nations. Some of the contracts include partial technology transfers while others cover marketing rights and cooperative production. (*Radio Habana Cuba*, 9/8/04)

November 22: Biotechnological cooperation between Cuba and China continues to move forward with the conclusion in Havana of clinical tests of a humanized monoclonal antibody created by Cuban scientists. According to Dr. Joaquín Villán, the second phase of clinical trials of the TheraCIM h-R3 recently ended successfully. Dr. Villán, a Cuban scientist participating in this technological transfer, noted that registration of the medicine for production and trade in the Asian nation could be given by the State Administration of Food and Medicine of China before the end of this year. TheraCIM h-R3 is an antibody used in a treatment combined with radiotherapy on patients with advanced cancer in the head and neck. The antibody has been created and produced by scientists from the Cuban Molecular Immunology Center, with patents in several countries including the United States. (*Radio Habana Cuba*, 22/11/04)

December 3: Havana recently inaugurated a series of modern facilities to obtain biotechnological elements with which to produce more vaccines. The new centers are another example of the scientific possibilities and talent the island has developed in the sector over the past 45 years. The new high-tech labs are part of an extensive investment process backing the island's national Biotechnology Program to produce medicines. (*Radio Habana Cuba*, 3/12/04)

CENTRALIZATION

[See also, National and foreign currency]

April 13: Managers of Cuba's state enterprises have been told to hand over their expensive cars like Toyotas and Mitsubishi's and stick to the more proletarian Russian-made Ladas or smaller vehicles. It's part of Fidel Castro's campaign to roll back the market-oriented reforms that gave rise to social differences in an officially classless, communist-run society. The most recent clampdown has targeted executives of state companies, whose perks are under fire. "Cuban officials feel they have weathered the crisis and it's time for the state to take an even more central role in the economy," said Phil Peters, an expert on Cuba at Washington's Lexington Institute think tank. Western diplomats said Cuba is retrenching economically as well as politically. They point to a crackdown on dissent last year and increased regulation of foreign companies too. "The number of joint ventures fell by 70 last year, and will decline by a similar number this year. Tens of thousands of small independent businesses have folded in recent years under government pressure and small foreign trading companies are packing their bags," a European commercial attache said. Dozens of executives of the two largest corporations, Cimex and Cubanacan, were removed over alleged mishandling of dollars, charging of commissions and the use of foreign bank accounts. The government also ended the freedom most state companies had gained to import goods. "It's a double blow. First the dollars were taken away, and now the right to trade and make independent decisions," a Cuban economist said. "We are going back to the 1980s when everything was centralized." (*Reuters*, 13/4/04)

April 14: For years, Cuba's cash-starved businesses and state-run agencies have been allowed to develop specialties far outside their mandates to stay afloat. This practice appears to be ending. A government directive from April 1 has demanded that such secondary businesses cease and desist. The order's objective, the circular says, is "to adjust entities' social objectives to their primary function and suspend payment in hard currency for services that do not correspond to those functions". The shift on keeping companies to their primary objectives is likely to reverse

many of the market mechanisms introduced to help the government survive the downfall of the Soviet Union. The move reflects the renewed embrace of centralised state-planning by Fidel Castro. Western diplomats say the changes follow Mr Castro's increasingly conservative trend. "Cuba's economy is moving in one direction and China's and Vietnam's another," one European diplomat said. (*Reuters*, 14/4/04)

April 28: Resolution 11/2004 of the Cuban Ministry of Labour establishes that from October onwards no new licences—required for self-employment activities—will be issued on 40 different trades. The document indicates that those who already have a licence may continue their activities, but transfers from licence-holders to relatives will not be permitted nor new licences will be issued. (*BBC Mundo*, 28/4/04)

May 5: Cuba is imposing tighter limits on private sector workers — from auto body repairmen and masseuses to children's clowns and used book sellers — as the government tries to reassert control over the unofficially sanctioned private economy. Under a Labour Ministry decree scheduled to take effect Oct. 1, no new licences will be allowed for 40 categories of self-employment. The list includes an array of professions, such as stonemasons, computer programmers and television antenna repairmen. The measure has not yet been made law by publication in the official gazette, but probably will be by the end of May. (*The Toronto Star*, 6/5/04)

July 9: While acknowledging Cuba's achievements in providing social services, a regional United Nations economics commission has recommended in a new report that the communist nation allow more private enterprise. The recommendations by the UN Economics Commission on Latin America and the Caribbean (ECLAC) come as Cuba is moving in the opposite direction. The report, "Social Policy and Structural Reforms: Cuba at the Beginning of the 21st Century," was presented at a Havana hotel with UN commission members and Cuban officials in attendance, including Economics Minister Jose Luis Rodriguez. "It would be pertinent in the coming years to redesign the parameters of competition in the public, private and cooperative sectors, to redefine the role of the state in the economy," the report stated. It suggested that Cuba could continue to maintain control over economic strategy while opening up to "diversification in relations of property, the decentralization of business activity and the role of the market." "It also would be good to be more flexible in the regulations concerning private activities and self-employment," the report said. (*La Nueva Cuba*, 11/7/04)

July 14: Signaling a recent move toward a re-centralization of the Cuban economy, clients of the Bank of Credit and Commerce, created as part of the national banking system overhaul undertaken in the 90s, have been informed that, as of last July 1, its Havana branches have been turned over to the Metropolitan Bank. Officials with the latter said that the decision includes the Havana branches of the People's Savings Bank. (*EFE*, 14/7/04)

July 21: According to a newly-released economic report, Cuba has managed to maintain its social achievements despite the serious economic problems affecting the island since the late 1980s, following the collapse of the Soviet Union and the socialist bloc in Eastern Europe. The report was released by the Santiago de Chile-based Economic Commission for Latin America and the Caribbean (CEPAL), along with economist Jorge Máttar and representatives of the United Nations Development Program and Cuba's National Institute of Economic Research. The ECLAC, UNDP and INIE study underlines the importance of placing social welfare at the centre of development policy, which requires maintaining high growth rates and dealing with challenges such as infrastructure (especially transportation and housing) needs, the ageing population, care for vulnerable groups, and dealing with the differentiated effects of the crisis in the early 1990s, apparent in the relative backwardness of some Oriente provinces and major differences in productive performance between the different economic sectors. (*Radio Habana Cuba*, ECLAC, 21/7/04)

December 30: Moving to further centralize the communist state's control over the economy, the government's Central Bank announced that individual state companies would no longer handle foreign exchange. Beginning January 1st, a single government account will be established for foreign currency and for convertible Cuban pesos, an exchangeable currency that trades 1-1 to the US dollar and that is now used as the primary form of legal tender on the island. Under a series of steps to be introduced in the coming months, state enterprises will relinquish control over foreign exchange and convertible Cuban peso accounts. Any profits from sales or services will have to be deposited into that single government account. Also, a state company that now wishes to buy any goods or services available only in foreign currency will need special approval from a new Foreign Exchange Approval Committee. A note signed by bank chief Francisco Soberon and published in daily official Granma said that, "next year, there will be a considerable increase in financial in-flows from abroad," thanks to deals with China, Venezuela and an oil exploration and production deal with Canada's Sherritt International Corp. (*AP, AFP, The Globe and Mail, National Post, 30,31/12/04*)

COLLABORATION AGREEMENTS

[See also, Foreign Affairs/ Africa/ Asia/ Caribbean/ Latin America]

January 1: Cuba closed 2003 with nearly 700 collaboration projects with foreign institutions, according to the Ministry for Foreign Investment and Economic Collaboration (MINVEC). In statements to the press, MINVEC Deputy Minister Eduardo Santos said that these programs total US \$230 million and mainly benefit the sectors of education and health, and municipal governments. He added that 46 percent of the projects are being carried out in eastern Cuba. (*Prensa Latina, 1/1/04*)

February 10: Cuba will keep all of its diplomatic personnel in Haiti and ship additional medical supplies to its doctors and nurses there, the Cuban Embassy announced. In a press release, the embassy said Cuban diplomats and medical staff in Haiti have received formal instructions from Havana to remain at their posts and continue their work. Some 570 Cuban health care workers, including 300 doctors, are currently in Haiti. Havana considers its medical mission in Haiti "very important," which is why the health personnel must remain at their posts to help the Haitian people, the statement said. (*EFE, 10/2/04*)

February 12: With a potential migration crisis brewing amid continued political turmoil in Haiti, Cuba has issued an appeal for international assistance for the troubled country just 50 miles off its eastern tip. "Cuba believes that the international community cannot abandon Haiti. The social situation is getting worse," Foreign Minister Felipe Perez Roque urged the members of the Association of Caribbean States (ACS). "Collaborating with Haiti has become a duty for all of us, its neighbors." In the early 1990s, about 600 Haitians wound up in Cuba as thousands trying to escape the violence of a military coup in their homeland fled in rickety boats in an attempt to reach the United States. Cuba set up an emergency refugee camp near the sparsely populated eastern tip of the island to accommodate the Haitians who had come ashore in the eastern provinces of Camaguey, Holguin, Guantanamo and Santiago. Cuban Foreign Minister, Felipe Perez Roque, made the call at the opening ceremony of the ministerial meeting of the ACS, in Panama, and called on the Caribbean bloc to deliver more help to the turbulent country. (*Xinhua, The Miami Herald, 12/2/04*)

February 14: A brigade of 50 Cuban doctors traveled to Paraguay to provide care and conduct research there, the official press announced. The delegation, made up of general practitioners and 10 epidemiologists, will care for needy people as well as conduct research on diseases transmitted by insects and other animals, Granma official newspaper reported. This is the fourth Cuban medical brigade to offer its services in Paraguay. (*EFE, 14/2/04*)

February 22: A new team of 60 Cuban physicians has begun rendering their services in six Zimbabwean provincial hospitals. Doctor Felipe Delgado Bustillo, the head of the medical team,

explained that 43 of the specialists are replacing those who had worked in Zimbabwe as part of the Integral Health Program for two years. (*Prensa Latina*, 23/2/04)

February 24: The President of the Dominican Republic, Hipólito Mejía, has expressed his personal appreciation for Cuba's training of doctors from his country. During an event at the Government Palace, the Dominican president noted that 40 young people have been accepted to study at the Latin American School of Medicine. (*Radio Habana Cuba*, 24/2/04)

February 25: Another group of forty young people from Guatemala have left for Havana to study medicine in response to an offer made by the Cuban government. Havana's ambassador to Guatemala City, Angel Abascal, saw the students off at the airport. Speaking with reporters, the island's representative in the Central American country said that these 20 young men and 20 women will study to become doctors and, when they graduate, return to Guatemala to treat people in poor, remote communities. (*Radio Habana Cuba*, 25/2/04)

March 2: Kenya and Cuba have stated their interest to strengthen cooperation links at the second intergovernmental joint commission in session in Havana. Kenya's Assistant Foreign Affairs Minister Moses Wetangula and Cuba's Foreign Investment Minister Marta Lomas are focusing on expanding collaboration in the next two years. The parties will close their meetings Friday by signing an agreement. Wetangula thanked Cuba's hospitality and friendship towards his country, with which it is collaborating in culture and sports. Some 21 Kenyan youths are currently studying in Cuban universities. Kenya and Cuba signed several cooperation agreements in sports and culture in the first intergovernmental joint commission in Nairobi. (*Prensa Latina*, 2/3/04)

September 2: Half a hundred Cuban doctors, members of the Special Program of Health in Honduras, attended an emergency operation against dengue in Rivera Hernandez shantytown, in San Pedro Sula department. The anti-dengue operation was developed to face the appearance of new cases in this sector, noted the chief of the metropolitan area, Diogenes Chavez. The coordinator of the Cuban doctors, Redelio Rendon, explained that in the last 32 weeks over seven thousand cases of dengue were reported, 120 of hemorrhage dengue with high incidence in this capital and in San Pedro Sula, according to official statistics. (*Prensa Latina*, 3/9/04)

September 27: Cuban and Venezuelan authorities approved 116 collaboration projects in 15 different areas, ranging from joint development of vaccines to sports training. Granma reported that, after 4 days of private sessions, the 5 th Joint Commission held its closing ceremony, with the attendance of Fidel Castro. Foreign Investment Minister Marta Lomas was quoted as saying that 120 Venezuelans and their Cuban counterparts had taken part in 20 working groups. (*AP*, 27/9/04)

November 10: The South African government has signed a framework agreement with Cuba to help boost the country's plans of providing proper shelter for the poor. Housing Minister Lindiwe Sisulu and Cuban Deputy Minister of Construction, Rene Mesa signed the agreement in Pretoria. Speaking after the signing ceremony, Western Cape MEC for Housing and Local Government, Marius Fransman said the Cubans would be deployed to aid with the People's Housing Process. "That agreement will talk to technical assistance to be rendered by Cuban architects and engineers to support the low cost housing process in South Africa." (*AllAfrica*, 10/11/04)

November 14: The department of transport in Mpumalanga, South Africa, will be seeking expert engineers from Cuba to beef up its capacity after a long battle to find suitable candidates locally. Roads and Transport MEC Fish Mahlalela said he belied soliciting the help of Cuban experts would help solve the shortage of civil engineers in the province. (*AllAfrica.Com*, 14/11/04)

November 18: Cuba is offering technical assistance to the Dominican Republic in order to strengthen that country's irrigation systems. A commission from the Cuban Hydraulic Research Center has arrived in Santo Domingo, the capital of the Dominican Republic. Engineers will

provide collaboration that includes technical assistance and help in designing plans for underground irrigation basins. The Cuban delegation will also carry out research and design hydraulic works systems. (*Radio Habana Cuba*, 18/11/04)

November 2: Jaime Canfux Gutiérrez, coordinator of the Adult Literacy and Education Chair at the Latin American and Caribbean Pedagogical Institute (IPLAC) informed Granma International that "eight Cuban specialists are in New Zealand working as consultants to the Greenlight Learning for Life program. According to Canfux, Greenlight Learning for Life is an alternative Cuban literacy program via television and video classes entitled "Yo sí puedo" ("Yes, I Can"), suited to the conditions of this bilingual nation, where English, known as Kiwi English and with its very own pronunciation and structure, and Maori are the two official languages. (*Granma International*, 2/11/04)

November 9: Following the 4 th Session of the Joint Intergovernmental Commission in Havana, Cuba and Guatemala announced the adoption of a bilateral agreement comprising 30 cooperation projects for the 2004-2006 two-year period. According to local media reports, sectors that will benefit the most from this accord will include agriculture, scientific research, health care, sports, etc. (*Notimex*, 9/11/04)

December 13: Guatemala's Ministry of Health thanked the Cuban medical brigade working in that Central American nation for having saved over 64,000 dollars in repairs and maintenance of hospital equipment, according to Cuban AIN News Agency. This recognition was made by a health official to a group of Cuban specialists that participated in the 6th Scientific event organized by the 531 Cuban medical personnel offering their services in Guatemala, reported the Granma newspaper. (*Radio Habana Cuba*, 13/12/04)

CORRUPTION

[See also, Domestic Affairs/ Illegal activities]

January 8: Heads are rolling in Cuba's leisure industry, from the president of the largest tourism corporation to a dishwasher at the famous Hotel Nacional. The tourism ministry announced last month that it had fired Jose Vega, the president of Cubanacan, and other company executives for "grave management errors" at the sprawling conglomerate that operates 13,000 of the island's 40,000 tourism quarters, 23 joint ventures, hundreds of restaurants and other establishments. The company has 30,000 employees and reported revenues of 330 million in 2002. "Cubanacan executives were told (Jose) Vega, vice-president Orlando Enterian and the heads of Cubanacan's reception and transportation divisions were fired for financial mismanagement and poor human resource policies," says an industry source. But according to at least one Cuban economist, "the employees at various Havana hotels said all personnel records were under review in search of those who bought their jobs instead of going through a government-organised training and placement system that is supposed to give jobs to the best qualified. It remains to be seen how many people will lose their jobs in the crackdown that western diplomats say is being orchestrated by President Fidel Castro to preserve revenues for the state and appease popular discontent at tourism industry privileges. Government insiders say that Ibrahim Ferradaz's days as tourism minister may be numbered. (*The Financial Times*, 8/1/03)

April 11: Corruption in Cuba does not only involve big corporations and branches of foreign firm, but it includes smaller domestic retailers as well. The most resounding case was that of the TRD Caribe, under the control of the Ministry of the Armed Forces and managed by General Julio Casas Regueiro. The store chain has a turnover of US\$250 million a year. The investigation is being conducted by the Military Counter-Intelligence. The CUBALSE Meridiano stores chain, administered by the Council of State, has not been exempt from similar irregularities. Since 1999, the so-called "verification of internal controls" carried out by the government show that 90% of the audited entities are operating properly. However, the Vice-President of the Association of

Economists of Cuba (ANEC), Blanca Rosa Pampín, admitted last year that the number does not correspond with the reality, due to the use of inaccurate audit and control methods. (*El Nuevo Herald*, 11/4/04)

June 9: Raúl Castro has taken over the Cuban tourism industry, according to a video that since last May has been circulated among party officers and economy executives. The video indicates a tendency towards re-centralization of the economy, including tourism. In the hour-long videotape, Raúl Castro speaks during a meeting of the Board of Directors of the Ministry of Tourism (MINTUR) and, after openly criticizing management practices in recent years, confirms he will now be in charge of the industry – Cuba's main source of hard currency. (*El País*, 9/6/04)

June 17: Cuba's ruling Communist Party has launched a drive against corruption in government and business, and what it views as a creeping capitalist ideology in the ranks, party sources said. Thousands of officials, bureaucrats and executives of state-run companies are being told to stop corrupt practices or risk their jobs and party membership. "There are those who have copied capitalist methods so well that they have become capitalists themselves," Communist Party political bureau member Jose Ramon Machado Ventura told party leaders in western Matanzas province. Machado Ventura, long a defender of hard-line ideology, is in charge of the campaign as head of the National Commission to Fight Corruption and Illegalities. He is a close associate of Castro's younger brother and chosen successor, Defense Minister Raul Castro. (*Reuters*, 17/6/04)

GENERAL INDICATORS AND BUDGET

External debt

January 15: In its annual report for the year 2002, the Central Bank of Uruguay's declared irrecoverable credit assets owed by Cuba. (*La República*, 15/1/04)

January 16: According to a Venezuelan daily, last year alone, the Cuban government's debt to state-owned Petróleos de Venezuela (PDVSA) reached a total of US \$891 million. Out of that figure, US \$240 million --to be paid in Banco Nacional de Cuba (Cuba's National Bank) IOU's-- account for Havana's long-term debt, which became due last December. The remaining US \$651 million account for the island's short-term credit. *El Universal* adds that, of 92 shipments made by PDVSA, with payment due between January 2003 and March 2004, Venezuela has received IOU's for only 20 of them. (*Encuentro en la Red*, 16/1/04)

February 24: Russia has presented Cuba with proposals to settle Cuba's debt to the former USSR and its outstanding debt to Russia. According to Russia's Finance Ministry, the Cuban debt to the USSR is denominated in transferable roubles, Soviet roubles and dollars and hovers around \$25.2 billion. Cuba also has a debt on part of a \$350 million credit issued by Russia in the first half of the 1990s. (*Novecon*, 24/2/04)

April 26: Cuba is meeting restructured short-term debt payments to some governments, diplomats said, apparently using increased tourism and nickel revenues, as well as cash gleaned from recently imposed hard currency controls. But the same sources cautioned the effort was not sufficient to free the Communist nation from its status as one of the world's worst credit risks. A Japanese diplomat said Cuba had paid on time \$50 million in principal under a 2002 restructuring of \$120 million in short-term official debt. European diplomats said Havana was paying France's and Germany's restructured short-term debt on schedule too. Other European Union governments also reported some payments, though at times late and on an irregular basis, with Spain an exception and owed more than \$300 million in short-and medium-term trade cover. Most foreign and Cuban analysts said Cuba's foreign debt, excluding former communist

countries, has increased from \$11 billion in 2001 to between \$13 billion and \$14 billion due to borrowing, accumulated interest, and a weaker dollar. (*Reuters*, 26/4/04)

May 6: According to Mexican Economic Affairs Secretary, Fernando Canales, his country asked Cuba to pay US \$450 million worth of outstanding debt obligations incurred with the government-owned National Bank for International Trade (Bancomext). "That sum will have to be paid since it is an investment of the Mexican people's savings," stressed the government official. On March 30 th, Bancomext announced it was closing its Cuban branch offices, acknowledging that it was leaving behind over US \$400 million in debts it had been unable to collect. (*AFP*, 6/5/04)

July 27: Guillermo Rivera, a spokesman for the Mexican Foreign Trade Bank (Bancomext), confirmed that Mexico will be making progress in the on-going negotiations to collect the nearly US\$ 400 million the island owes. The official added that, although the matter has been taken to court, it is expected that part of the debt can be paid off through diplomatic channels with temporarily "frozen" assets pertaining to ETECSA, a Cuban government-owned telecommunications company. According to Rivera, the "frozen" assets amount to between US\$ 40 and US\$ 50 million, currently deposited in Italian accounts and resulting from the business operations of Empresa de Telecomunicaciones de Cuba S.A. (ETECSA) and Telefónica Antillana S.A. (TelAn). (*Notimex*, 27/7/04)

August 25: The potential breaking-off of diplomatic relations between Cuba and Panama has given rise to concern among businesspeople of the Colon Free Zone. Cuba is not only their main client in the Caribbean but owes them over \$200 million. The breaking-off would have "very negative consequences on the Free Zone and Panama", said Hertsel Levy, president of the (Colon Free Zone) Association of Merchants (AU). He also added that Cuba is one of the top ten buyers of the Fee Zone, conducting \$12 billion worth of business a year. (*El Nuevo Herald*, 26/8/04)

September 15: The President of the Panamanian Chamber of Commerce, Raúl del Valle, declared that the diplomatic breakup between Cuba and Panama had "immediate repercussions at the Colon Free Zone (CFZ)." Remaining optimistic, he added: "Talks have already taken place between both governments and bilateral relations have not ceased altogether. I am confident that things will go back to normal soon." According to CFZ sources, Cuban buyers are having difficulties purchasing products in Panama as the absence of a Panamanian embassy in Havana makes it impossible for them to acquire travel visas. With the Cuban outstanding debt to the Central American nation exceeding US \$200 million, Panama is only accepting cash payments in its transactions with Cuba. (*La Prensa*, 15/9/04)

October 4: The Cuban government has denied it owes US\$30 million to Indonesia because of a rice purchase in 1993 as reported by the State Logistics Agency (Bulog) to the House of Representatives (DPR). Cuban Ambassador to Indonesia Miguel Ramirez Ramos refuted the Bulog report at a meeting with the House leadership represented by Deputy Speaker AM Fatwa. The Bulog had reported to the House it was investigating the rice sale transaction with Cuba because there was no clarity about the payment, the House said in a statement. There were differences between the date and information possessed by the House and those by the Cuban government about the transaction, it said. (*Asia Pulse*, 4/10/04)

General

[See also, Domestic Affairs/ Political Affairs/ Cuban Communist Party, Youth Communist Union, Mass Organizations and National Assembly of People's Power]

January 5: Cuba allocated US 2 billion 159 million dollars to social security in 2004 to cover assistance to more than one million retired and pensioners. The figure represents a three percent increase over the 2003 budget, indicated Georgina Barreiro, Minister of Finance and Prices. (*Prensa Latina*, 5/1/03)

September 15: According to experts, aging and slow population growth rates in Cuba could hinder the island's social and economic development. With over 14 % of its citizens aged 60 and older by the end of 2002, Cuba is ranked among the nations with the highest rates of population aging on the planet. The 2001 Demographic Yearbook for Cuba reports a birth rate of 1.6 children per woman and a life expectancy rate of approximately 77 years. By 2010, the projected figure for people 60 and older is expected to reach 18 %. (*EPS*, 15/9/04)

October 4: An energy crisis, hurricanes, increased controls on state businesses and a tighter U.S. embargo are taking a toll on the Cuban economy after a strong first semester, foreign and domestic experts said. "There had already been a noticeable decline in business activity by mid-year as managers balked at making decisions or waited for authorization from above. The energy crunch just makes matters worse," a foreign banker said. "The steel, mechanical, food processing and light industries are the sectors most affected," said a Cuban economist, who asked his name not be used. "Nickel plants are operating normally, the sugar harvest will not begin until January, and October is a very slow month for tourism when many hotels, for example the entire Cayo Largo resort, are closed anyway," he said. Tourism, up 10 percent through August, has suffered from an extremely active hurricane season and the bad publicity it has brought. High oil prices are also forcing tourists to reconsider travel plans and increasing the price of airline tickets, industry sources said. (*Reuters*, 4/10/04)

December 15: Cuba's economy grew by 3.0 pct in 2004, according to the preliminary annual report of the United Nations' Economic Commission for Latin America and the Caribbean (ECLAC). The country managed to post the economic growth in 2004 despite the continuous drought and damages caused by the hurricanes. Another adverse impact on the Cuban economy in 2004 was caused by the energy crisis, ECLAC added. One of the main problems of Cuba in 2004 was the currency deficit caused by the higher crude oil prices and lower foreign investments to Cuba, said ECLAC. The fiscal deficit of the country totaled 3.5 pct in 2004, almost unchanged from 3.4 pct in 2003. The current revenue expanded 9.6 pct year-on-year in 2004. The current account deficit dropped to 0.3 pct of the gross domestic product (GDP) in 2004. (*Latin America News Digest*, 16/12/04)

December 23: Cuban tourism and the economy overall continued the steady growth of recent years in 2004 despite a pair of devastating hurricanes, increased US sanctions and higher oil prices, the island's top economic planner said. In his annual year-end report, Economics Minister Jose Luis Rodriguez told Cuba's National Assembly that 2004 had been "extraordinarily difficult" in part because of more than US\$2 billion (\$A2.61 billion) in damage caused by Hurricanes Charley and Ivan. The UN Economic Commission for Latin America and the Caribbean, using traditional criteria for calculating gross national product, reported that Cuba's economy grew 3 per cent in 2004. Growth was 2.6 per cent the year before. Rodriguez, using a different formula Cuban planners devised to take into consideration the communist nation's broad social safety net and heavily subsidized services, said the economy grew 5 per cent this year. Rodriguez said the government's expectations for 2005 were low for the sugar industry. The news was brighter for nickel. Rodriguez projected production would reach 77,000 metric tons next year to be sold at favourable prices on the international market. (*AP*, 23/12/04)

December 23: For 2005, Cuban authorities have earmarked \$1.469 billion for defence, out of a total budget of 22.704 billion. The Cuban government also announced further centralization of the economy. The Minister of Economy, José Luis Rodríguez, said that proper functioning of the economy requires "increased centralization of important economic decisions". Similarly, the President of the Parliamentary Economic Commission, Osvaldo Martínez, indicated that in a centralized regime "business efficiency, rather than diminish, would increase". "Among the main objectives for 2005 is increasing the country's defence capabilities", added Rodríguez. (*AFP*, 23/12/04)

December 25: The budget and development guidelines for 2005 were approved in the last ordinary session of the Cuban Parliament. Fidel Castro attended the session to pass the 2005 budget, which assigned over two-thirds of the earmarked sum to social programs. Allocations for education, health and social assistance, culture, sports, sciences and technology amount to 10.5 billion pesos (same as US dollars in the current official exchange), and account for 68 percent of expenditures included in the budget. Education (4.1 billion pesos), health and new programs to improve medical and assistance services (2.3 billion pesos) and payments for social security pensions (2.3 billion pesos) registered the highest increases compared to 2003. Allocations for these three sectors rose by 11.3 percent, 9.4 percent and 5 percent, respectively. (*Prensa Latina*, 25/12/04)

December 25: Fidel Castro told his country's National Assembly that he had "good news" regarding the beleaguered economy, including announcements of unprecedented investments in nickel mining, the discovery of oil deposits and Venezuela and China's pledges to extend major loans as well as donate funds to the island. Castro made the announcements at the closing session of the 2004 Congress, at which the government budget and other economic and social plans were adopted, according to a summary published in the local press next day. China will be extending close to \$2 billion in loans for joint nickel and nickel-iron mining ventures, he said. In addition, China has donated \$6.1 million for the purchase of fabrics for school uniforms and a similar amount for hospital and medical equipment, and extended unspecified credit toward the purchase of television sets. Cuba's own resources plus an oil agreement in the works with Venezuela, Cuba's principal ally in Latin America, should ensure that the island's fuel needs are fully met in 2005, he said. In return, Cuba will provide a range of services - including medical care - to the South American country on "substantially preferential terms." Venezuela's state-owned PDVSA oil company is negotiating the partial purchase of Cuba's oil refinery at Cienfuegos and the possibility of forming a three-way partnership with China to produce stainless steel in Venezuela, among other projects. (*EFE*, 26/12/04)

December 29: Despite having achieved full-employment category three years ago, Cuba is developing new policies to tackle remnants of unemployment in 2005, according to its Labor and Social Security Minister, Alfredo Morales. "Without losing this category in any way, we admit there is still 2 percent of unemployed people, though the entire population has access to jobs or education," assured Morales. (*Prensa Latina*, 29/12/04)

ENERGY

Energy crisis

[See also, Domestic Affairs/ Political affairs/ Government of Cuba]

May 29: With summer coming, the continuing reparation of a large thermoelectrical plant will oblige Cubans to take "exceptional energy-saving measures", the state power company Union Electrica reported. Union Electrica head of energy management Victor Puentes told the National Information Agency (AIN) that despite steps already taken in some state and residential areas to diminish energy consumption, "efforts must be doubled" in order to meet power needs in the coming months. The official attributed the electricity crisis to the prolonged repair process at the Antonio Guiteras electrical plant in the eastern province of Matanzas, which has a maximum generating capacity of 330 megawatts. The plant's turbine has been damaged and will be out of commission throughout the summer. (*EFE*, 29/5/04)

June 16: Amid economic hardship and with the prospect of a scorching summer, with temperatures almost matching the 38.8 C record high set in April 1999, the Cuban government is taking steps to enforce energy conservation. A government memorandum was circulated instructing state enterprises "to unplug air-conditioners and non-essential equipment," and schedule electric-powered agricultural irrigation between 10:00 pm and 10:00 am, to avoid peak

consumption periods. A radio and television campaign calls for the conservation of energy in the residential sector which experts say is the biggest consumer. (*Reforma*, 16/6/04)

June 25: Energy authorities have indicated that the long power outages affecting the country are due to a breakdown in the high voltage mains and maintenance in one of the main power plants. During the last week, the number of "apagones"—Cuban slang for power cuts—increased on the island. In Havana, scheduled blackouts have lasted periods of six to eight hours, at different intervals, both during the day and night. (*World Data Service*, 25/6/04)

July 14: An electrical plant breakdown left the Cuban capital without electricity for at least three hours, said the state-run electric company. The blackout occurred after the shutdown of the Guiteras, Havana and Carlos Manuel de Cespedes thermoelectric plants in the province of Cienfuegos, an electric company source told the press. The blackout "could be extended until 7:00 p.m.," added the source, but there was no word as to whether that had occurred. Days before, the Electric Union sent a message alerting the population of possible electric service interruptions due to the breakdown in the Cienfuegos plant, which caused blackouts on the communist island. "This situation will continue until the end of this week when repairs to this plant are completed, reinstating electrical energy in the country and reducing inconveniences to the population," the announcement said. (*EFE*, 14/7/04)

July 5: The city of Havana suffered a power outage for more than an hour, temporarily leaving at least 2 million people without electricity due to power line difficulties in central Cuba. Residents in the western provinces of Matanzas and Pinar del Rio were also affected by the outage, caused by malfunctioning high-voltage lines connecting the central cities of Santa Clara and Cienfuegos to Matanzas, according to Union Electrica, the country's power provider. (*AP*, 5/7/04)

August 5: Cuba announced it will take new measures to reduce electricity consumption due to shortages caused by breakdowns in the generation system. The head of the Energy Conservation Program on the island, Víctor Puentes Monto, said on local television that the shortfall is estimated at 200 megawatts, mainly as a result of breakdowns in the Antonio Guiteras electrical plant in Matanzas. In an effort to reduce demand, the government has instructed state entities to halt non-essential production, to relocate indispensable staff to administrative headquarters and to send the rest on holidays. Other measures include turning air-conditioning off in state entities during peak demand, cut lighting and the use of electrical equipment as well as scheduling irrigation during early morning hours. (*EFE*, 6/8/04)

August 7: Cuban top engineers and operators are working round the clock to repair the turbine in one of the biggest sources of electric power in the country, interrupted since May, reported National TV News. The breakdown caused a deficit close to 200 mega-watts bringing frequent brownouts to many cities and localities of the island. (*Prensa Latina*, 7/8/04)

August 9: Cuban energy authorities insisted that "it is indispensable" to fully observe a group of special measures adopted recently aimed at conserving electricity and curtailing consumption. (*Efecom*, 9/8/04)

September 2: Cuban authorities called on the island's 11 million inhabitants to save electricity in the face of prolonged blackouts that have added discomfort to a hot summer. The outages began after Cuba's largest power plant, located near the city of Matanzas, broke down in May during maintenance work, depriving the country of 330 megawatts, almost one fifth of its power needs. Hurricane Charley made matters worse in western Cuba by downing high voltage power lines and electrical poles in and around Havana during its furious passage. Electricity demand regulator Victor Puentes said the Antonio Guiteras generator near Matanzas, 60 miles east of Havana, will be repaired in 10 days, improving power supplies. But maintenance work on other generators will mean power cuts will continue through the end of the year, Puentes said in an interview with the ruling Communist party newspaper Granma. "We must continue saving electricity at work places and homes to contribute to the stability of this vital service," he said. (*EFE*, 2/9/04)

September 27: Faced with growing difficulties in the local power grid, Cuban officials headed by Fidel Castro are appearing on TV these days to explain the whys and hows behind the island's current chain of blackouts. Cuban television broadcast its regular Round Table, in which Fidel Castro suggested having a second program to thoroughly analyze a situation that has resulted in more frequent and prolonged power outages since May. Castro noted that this time and unlike previous occasions, blackouts had not been prompted by oil shortages. Experts appearing in the program offered explicit details regarding the damages that have affected power sources such as the Antonio Guiteras thermoelectric plant, in western Matanzas province, some 98 kilometers east of Havana. (*Prensa Latina*, 28/9/04)

September 28: During a second episode of a TV daily Round Table (Mesa Redonda) dedicated to Cuba's electric grid, Fidel Castro announced that new emerging measures would be taken to save energy, including the possibility of closing Antillana de Acero, one of the biggest factories in Havana. Castro also announced that a third episode of the TV program will be dedicated to the electricity crisis in Cuba. Although many individuals have not been able to watch the TV transmissions due to recurring blackouts. (*Radio y Diario Monitor*, 28/9/04)

September 28: Investigators examining problems at Cuba's largest thermoelectric power plant have ruled out sabotage as the source of the breakdown. The Antonio Guiteras plant, in the western province of Matanzas, sustained damage to a rotor due to a sudden temperature drop apparently caused by oversights on the part of three computer operators in charge of monitoring temperature levels. During a broadcast on state-owned television dedicated to Cuba's electricity problems, Interior Ministry representative Lt. Colonel Nestor Borrero said authorities opened an investigation of the breakdown. Experts concluded that the workers implicated in the problem, who were not identified, had merely committed an "operational error," Borrero said. Fidel Castro, meanwhile, said "we've got to be half-wits to forget that there's an enemy that never ceases in his efforts to sabotage anything that can be sabotaged." The power plant experienced the breakdown when it was preparing to shut down for scheduled maintenance in May. Cubans have endured repeated and lengthy blackouts in recent months due, in large part, to problems at Guiteras, considered the "heart" of the island's electric grid. (*EFE*, 28/9/04)

September 29: Cuba said it would close more than 100 factories as part of measures to cope with an energy crisis that has caused daily blackouts of up to 12 hours, wreaking havoc on personal lives and the economy. "Steel, cement, paper, juice and other plants totaling 118 in all will be shut at least for October," Vice President Carlos Lage said in a television broadcast. Lage said Havana's Antillana de Acero steel works, with a government reported capacity of 600,000 tonnes, would be closed. "The steel works has been working very little anyway," Lage said in a television broadcast. "The citrus processing plants can be shut down in October because the bulk of the harvest begins in November," Vice President Carlos Lage said. It was not clear how many of the four citrus plants in the country were scheduled to operate in October. Lage explained that in order to diminish effects on the population, production in factories would take place outside the hours of most consumption, although this would increase the country's costs. To reduce use of lighting in workplaces, the commercial sector will only work until 7:00 pm, except for food service. Cuba will not establish daylight saving time in October this year to prevent an increase in power consumption, so the school and work schedule will also be reduced by a half hour for four months beginning October 25. "We all are to blame (...) we have a weak system," Fidel Castro said, promising to invest in new capacity. He said supply problems could persist for five months or more. (*Reuters, Prensa Latina*, 29/9/04)

October 3: Cuban authorities announced a daily six-hour blackout plan for Havana as one of the steps to be taken by the government to stem the island's serious electric crisis. Under the plan published in *Juventud Rebelde* official newspaper, the lights will go out in the capital at the same time every day, Monday through Friday. But blackout hours will be rotated among groups of Havana municipalities on weekends. The plan's objective is "to contribute to the organization of production, services and the family life of our people," the announcement said. The cuts are one

of a set of measures announced by Cuban Vice President Carlos Lage to meet the island's serious power deficit following a breakdown at the island's largest thermoelectric plant in May that has caused unintended blackouts of up to 11 hours. Other government measures include the closing of 118 companies, the reduction of the workday by half an hour and the halting of various production plants. (*EFE*, 3/10/04)

October 10: The weekly *Tribuna de La Habana* reported that during the past week there were more power cuts than had been planned. "This was due to power generation shortages caused by some plants which went out of service unexpectedly, but the problems have now been resolved and the plan should be followed next week", said *Tribuna de La Habana*. (*AFP*, 10/10/04)

October 24: The Cuban government announced that it will keep in place the energy conservation measures it recently adopted despite the fact that the generator whose major breakdown provoked an energy crisis last May has come back on line after repairs. Union Electrica said in a statement that the Guiteras plant is still in its "testing and adjustment phase," but the firm emphasized that it is essential that some industries that had to be halted return to their activities again. However, the company said "that makes it necessary to maintain a blackout program" that establishes during which 30 hours of the week residential electrical service will be curtailed. The program announced for next week includes blackouts of up to five hours a day in Havana, spread over morning, afternoon and evening hours. However, Union Electric said that in the coming weeks it will continue to halt a group of generating units in a staggered fashion, so that regular maintenance work can be done on them to assure that, in the future, electrical services will run smoothly at all plants. (*AFP*, 25/10/04)

October 28: President Luiz Inacio Lula da Silva promised to help Fidel Castro to handle a series of crises in electrical energy supply that have been affecting the economy and causing long blackouts in Cuba. The help was confirmed by Brazilian Mines and Energy minister, Dilma Rousseff, who will present a proposal to that end at a meeting in Venezuela with other energy ministers of the Southern Hemisphere. Rousseff said that the request was made by the Cuban government, but there still is no project defined for the help. (*Gazeta Mercantil Online*, 28/10/04)

November 11: Cuba's state-owned utility said that it is well on the way to remedying the supply problems that have caused blackouts of up to 12 hours throughout the island since May. "The situation of the electric system, if no other unexpected problems arise, will continue to improve once the maintenance cycles are restored" at the Antonio Guiteras plant in the western province of Matanzas, Union Electrica said in a communique, adding that it will soon be able to meet demand for electricity 24 hours a day while maintaining "an indispensable reserve." Union Electrica noted that the rolling blackouts will have to continue for a while and that some of those outages may be longer than originally announced. (*EFE*, 11/11/04)

November 25: Low energy supplies and equipment breakdowns that have forced some power plants to shut down could increase the number and frequency of blackouts around the island, Cuba's state-run Union Electrica said in a press release. The company noted that "electric service has been negatively affected by energy leaks at key generating units in the nation's power system." The same day, an official television newscast said several generators are out of service for maintenance purposes. "The level of technical interruptions is high. Insufficient reserves and unexpected leaks may impair electric service," the communique warned. Union Electrica also noted that scheduled rolling blackouts would remain in place, and occur more often than previously planned. (*EFE*, 25/11/04)

Oil and other resources

[See also Foreign investments and trade/ Latin America/ Venezuela; and Foreign Affairs/ Canada, and Latin America/ Venezuela]

January 6: Oil production in Cuba increased in 2003 for the tenth consecutive year. According to Fidel Rivero Prieto, director of the Cuban petroleum company CUPET, more than 4,300,000 tons were pumped, for an increase of 3.7 percent over the previous year. (*Radio Habana Cuba*, 6/1/04)

January 12: The Norwegian super-semi, Eirik Raude, is to drill an exploration well in Cuban waters for Repsol-YPF, with an option to drill a second. The rig is expected to spud the first well in March, which will be the first attempt at deepwater drilling off Cuba. The drilling location will be off the island's north-west coast in 1,650m. Repsol holds the licence mandate to explore six blocks under a production-sharing agreement with Union Cubapetroleo (Cupet), the Cuban national oil company. (*Aberdeen Press & Journal*, 12/1/04)

February 24: Spanish oil major Repsol YPF said it would start exploring for oil off Cuba by April at the latest, drilling several wells. The Communist-run island has granted Repsol the right to explore five blocks in the Gulf of Mexico off the west of Cuba, Repsol Chairman Alfonso Cortina told a news conference to discuss the company's 2003 results. "We have done the seismic studies (...) and we are going to start the first survey at the end of March or at the start of April," Cortina said. "These are high-risk areas (...) but we are optimistic." Cuba in December estimated its 2003 oil production at 260.4 million barrels (713,000 barrels per day), a 2.5 percent increase on 2002. Foreign companies, mainly Canadian firms Sherritt International Corp. and Pebercan Inc., have joint ventures and production agreements with state oil monopoly Cubapetróleo (Cupet) and account for around 60 percent of Cuba's oil and gas output. (*Reuters*, 24/2/04)

March 5: The head of Sherritt International says the company needs to "make something happen" in the next six months to get expansion of its Cuban nickel project underway or it will miss a chance to take advantage of the recent strength in nickel prices. "We're sitting down with our counterparts in Cuba and it's really a matter of negotiations to define the terms that are satisfactory to both parties," Dennis Maschmeyer, Sherritt's chief executive, said during a conference call with analysts. Last year, Sherritt's Moa mining and processing facilities in Cuba produced 7,715 tonnes in the fourth quarter and 32,042 tonnes for the full year of nickel plus cobalt contained in mixed sulphides. That compared with 8,159 tonnes during the fourth quarter of 2002 and a record 33,382 tonnes during the prior year. The company attributed the lower production rates to lower-grade ore and additional maintenance activities in 2002. (*The Toronto Star*, 5/3/04)

March 9: Cuba's efforts to use biogas as a source of renewable energy have been acknowledged during a workshop on the subject in the central Cuban province of Camaguey. One of the participants at the workshop, Italian engineer Enrico Turin, who also serves as vice president of the Eurosolar Association, noted that Cuba has the advantage of great volumes of residuals from agriculture and fishing that can be used to develop biogas. (*Radio Habana Cuba*, 9/3/04)

March 13: The Cuba-Canada joint venture in the energy sector, known as Energas, will make important investments in East Havana to increase power generation this year. Energas executives say that the project is expected to allow for the improved use of gas reserves on the northern coastal strip of Havana province and make a considerable contribution to environmental preservation. The company's station in central Matanzas province, with a 200-megawatt-hour potential, contributed 144 million kilowatt-hours in January, which satisfied all local consumption needs during hours of the highest electrical demand. Also in that central province, Energas produced tons of pure sulphur and liquefied gas, which is distributed throughout the island as kitchen fuel. (*Radio Habana Cuba*, 13/3/04)

March 16: China Petrochemical Corp., or Sinopec, has signed a memorandum of understanding with Cuba's national oil company, Cuba Petroleo, or Cupet, to explore four oil blocks in Cuba, a Sinopec official said. The MoU will allow Sinopec to conduct geological studies of the four Cuban blocks over six months, which could lead to the signing of a production sharing contract between the two companies, he said, without giving details of the blocks. "We will do a survey on these blocks first and then decide if we will enter into a PSC," he said, adding the blocks are likely to contain mostly crude oil, as opposed to natural gas. The MoU marks the first attempt by Sinopec, China's second largest oil and gas company, to enter oil and gas exploration and production in Cuba. (*Dow Jones*, 16/3/04)

March 17: Under the Caracas Accord, Venezuela's state-owned national oil company, Petróleos de Venezuela, currently ships to Cuba 13,000 barrels of Vitol Fuel, 10,000 of Shell, as well as 53,000 barrels of crude oil, on a daily basis. Now, the company has approved the shipment of an additional 25,000 barrels, for a grand total of about 100,000 barrels per day. (*El Nacional*, 17/3/04)

April 7: A 750-million-dollar investment undertaken by the Cuban oil sector has led to steadily increasing yields based on expanded exploitation of local reserves over the past few years. Energy industry statistics indicate that as a result of such continuing investment, as well as the setting up of joint ventures with foreign companies, local oil production has grown sevenfold over the past decade, allowing for significant import reduction. The oil industry in Central Matanzas province is leading the local production increase with a current exploitation of 170 oil wells, followed by other reserves in Havana and eastern Ciego de Avila provinces. (*Radio Habana Cuba*, 11/4/04)

April 13: Cuba opened its energy sector in 2000 for the extraction of crude oil in association with foreign companies. The contracts grant foreign investors the right to commercialize a portion of the resources while the Cuban government uses the rest in refineries and electricity generation plants, said Eduardo Andrade, president of the Asociación Mexicana para la Energía y Desarrollo Sustentable de México. At the end of 2002, Spanish company Repsol YPF obtained the rights over six of Cuba's offshore blocs for oil exploitation. Sherrit International, a Canadian oil company, invested \$110 million last year in oil and gas exploration activities within the Cuban maritime territory. (*Grupo Reforma*, 13/4/04)

April 15: The important role of biomass fuel as a means of sustainable development was underlined during the second day of the 6th CUBASOLAR International Workshop on Renewable Energies. Engineer Julian Torres, of the Cuban Observatory of Science and Technology asserted that biomass conversion notably reduces the emission of contaminating gases in relation to those of fossil fuel. In Cuba, biomass conversion is used to generate 30% of the electricity in the country. (*Radio Habana Cuba*, 15/4/04)

April 16: The Spanish company Repsol YPF is to start drilling the first oil well in Cuba's exclusive zone in the Gulf of Mexico, announced Juan Fleites, vice president of the Cuba-Petroleo company. Fleites was detailing developments in the Cuban oil industry during the first Cuba-US trade round of 2004, attended by 400-plus businesspeople and authorities from 30 US states. He noted that Cuba owns 112,000 square kilometers of 59 blocs to a depth of 1000-3000 meters in that area and contracts have been signed with European countries for 10 of those blocs. He announced that, to date, 16 prospecting and drilling contracts have been signed with foreign companies, essentially from Canada, France and Spain. However, the blockade obstructs US companies from participating in Cuba's oil development. The principal oil drilling area of the island is located on the northwest coast and ranges from Habana province to beyond the city of Cárdenas in Matanzas province. (*Granma Internacional*, 16/4/04)

May 8: Sherritt International Corp. plans to boost electricity production in Cuba by 71 per cent over the next three years, supplying about 20 per cent of the island's needs. Energas, a natural gas-fired generator one-third owned by Sherritt, will add about 150 megawatts of new capacity,

chief operating officer Jowdatt Waheed said in a conference call yesterday, one day after Sherritt announced a 52-per-cent increase in quarterly profits. The expansion plans are still being worked out, but Sherritt executives hope the two-phase development will proceed. The Toronto-based company says it will finance its share of the project with its Cuban cash flows. (*The Globe and Mail*, 8/5/04)

May 27: A leader from China National Offshore Oil Corporation (CNOOC) said he had listened to the introduction of the Cuban petroleum and natural gas exploitation plan and some relative projects, which were made by Cuban Petroleum Corporation. The leader said CNOOC still has no plan to prospect and exploit the petroleum and natural gas in Cuba. (*SinoCast*, 27/5/04)

June 2: One of the world's largest deep-water drilling rigs has arrived off Cuba's northwest coast and is preparing to drill the first well in Cuba's virgin Gulf of Mexico waters, oil industry officials said. Spanish oil major Repsol YPF (REP.MC) hired the Eirik Raude, owned by Norwegian company Ocean Rig (OCR.OL), for \$195,000 a day to drill a single well 18 miles offshore in water more than a mile deep. A Repsol official said the rig was at the drill site. "The rig has arrived and will be ready to go in the next couple of days," said Bob Warrack, Ocean Rig senior vice president of marketing. "And I hope they strike oil, because it will be fascinating to see the reaction." Oil experts say Cuba's Gulf waters, like those of Mexico and the United States, could harbor large quantities of medium-grade crude. (*Reuters*, 2/6/04)

June 28: The Spanish oil company Repsol-YPF has begun drilling for oil in waters 18 miles off Cuba's northwestern coast in an effort to reduce Havana's dependence on imports. Experts say Cuba must discover a deposit of light crude large enough to make it commercially feasible to spend more than \$1 billion developing any deep-water field in the Gulf. Some Spanish oil industry executives have been quoted as saying the odds of Repsol-YPF finding such deposits are only one in 25. A Repsol official put the odds at one in four. And a Repsol-YPF engineer working to sink the well, told *The Financial Times*, "The chances that we will find oil are better than winning the lottery or a casino jackpot. More like getting some of the numbers right or coming out ahead at the blackjack table on consecutive nights." Drilling has been delayed twice since one of the world's largest deep-water rigs, the Norwegian-owned Eirik Raude, arrived. Fidel Castro's younger brother and designated successor, Defense Minister Raul Castro, recently visited the Eirik Raude, as did Vice President Carlos Lage, oilmen said. (*The Miami Herald*, *Reuters*, 28/6/04)

July 5: Brazil's largest oil company, and Cuba's national oil company, Cuba Petroleo, or Cupet, will together invest \$20 million to build a new lubricant plant in Cuba, a top director said. Nestor Cervero, the international director at Petrobras, as the federally-owned Brazilian group is known, said the plant is expected to go on-line in about two years. Its production will be sold on the Cuban market and exported to Central American countries. (*Dow Jones*, 5/7/04)

July 5: Repsol's gamble in Cuba has attracted much attention. Last month, Spanish Repsol YPF hired a Norwegian drilling platform, the Eirik Raude, at a cost of around \$200,000 a day to search for oil in Cuban waters, in a narrow sector of the Gulf of Mexico off the northwestern coast. The venture, established with Cubapetróleo, the government-owned oil company, is being watched about as closely in Houston's executive suites as any in the energy industry. A significant find by Repsol would be a boon for Cuba, which imports most of its fuel, mainly from Venezuela, and often struggles to find the hard currency to pay the bills. More broadly, it could shake up the dynamics of oil production in the Gulf of Mexico, dominated for decades by the United States and Mexico. And a big oil discovery could change the political debate in the United States over the decades-old sanctions against Cuba, which now prohibits most commerce with the country. (*The New York Times*, 5/7/04)

July 15: As a Spanish firm enters the last stage of petroleum exploration off Cuba's coast, officials and economists are growing increasingly hopeful of news that could profoundly affect the communist country's struggling economy. "Supposing there is petroleum, it would really good

news for the country," said Jorge Mattar, a specialist on the Cuban economy for the UN Economic Commission on Latin America and the Caribbean. Battered by world oil prices and a foreign exchange deficit, Cuba's spends "a good percentage" on the purchase of foreign petroleum, Mattar said. The Spanish petrochemicals company Repsol-YPF is currently doing exploratory drilling about 30 kilometers (18 miles) north of the island's coast in Cuban waters, spending US\$195,000 a day to rent a Norwegian platform since early June. (*AP*, 15/7/04)

July 21: Cubans are eagerly awaiting news of the outcome of oil exploration off Cuba by Spain's Repsol YPF that could turn cash-strapped Havana into an oil producer overnight and breathe life into Fidel Castro's communist regime. The possibility of striking major oil reserves off Cuba has prodded US oil lobbies close to US President George W. Bush's administration into action. John Gibson, president of the top US oil distributor Halliburton, came out against the US economic embargo on Havana which keeps US oil companies locked out of the potential for profit so close to home, *The New York Times* reported recently. (*AFP*, 21/7/04)

July 24: Drilling of an exploratory well in Cuba's virgin Gulf of Mexico waters has been completed, a senior official said. Work on the well by Spain's Repsol YPF (REP.MC) began in June and captured the attention of the industry and governments due to its potential economic and political consequences. "The drilling has ended and the Spanish company is assessing the results. We don't know if there is good quality oil yet. We expect to be informed in two weeks," the Cuban official, who spoke on the condition he was not identified, said. (*Reuters*, 25/7/04)

July 27: Canadian mining and energy company Sherritt International is analyzing 3D seismic work on four blocks offshore Cuba, the company's investor relations and corporate affairs VP Ernie Lalonde told the press. Sherritt acquired exploration rights to the N16, N23, N24 and N33 deepwater blocks, which span 2 million acres, in 2002. "We have shot the seismic and we are doing the analysis," Lalonde said, without saying when the analysis could be completed. Cuba's government opened up 51 blocks to foreign investors in 1999 for their subsequent development as a means of stimulating oil production in light of the 255,000 barrel a day deficit that in the past was provided by the Soviet Union. (*BNAmericas*, 27/7/04)

July 28: Brazil's federal oil company Petroleo Brasileiro SA (Petrobras) has delayed the signing of a contract for the construction of a lubricant plant in Cuba in partnership with local oil monopoly Cubapetroleo (Cupet). The project, worth \$20 millions was supposed to be officially signed by Petrobras and Cupet officials on August 2 when the Brazilian company's president, Jose Eduardo Dutra, will visit the country. According to Petrobras, there has been no agreement on some aspects of the contract that are still subject of negotiations. The company said there was no possible new date for the contract to be signed. (*Latin American News Digest*, 28/7/04)

July 29: Spanish oil and gas company Repsol YPF said it had found high-quality oil in an exploratory well in Cuban waters but it had decided the well was not commercially viable. "The first well drilled in Cuba has partially met our initial expectations," Chief Operating Officer Ramon Blanco told an analysts' conference call, according to a text provided by Repsol. "The existence of a petroleum system has been confirmed. Also we have been able to prove the presence of high-quality reservoirs," he said. "Nevertheless, the well has been considered non-commercial and, at this stage, the group is defining future exploration activities in the area," Blanco added. A company official said Repsol had found no gas. Michael Rodgers, a senior director at PCF Energy, a Washington-based energy consulting firm, said it is not uncommon for oil companies to come up empty in early exploration efforts, especially in untested areas such as Cuba's Gulf of Mexico waters. He said it may take several more wells before Repsol or another company learns whether the vast area off Cuba's coast contains enough light crude oil to justify investing \$1 billion or more to develop a major oil field. "It's rare that the first well in a frontier basin finds a commercial discovery," Rodgers said. "This is a puzzle, and this is the first piece in the puzzle. The fact that they have proven the existence of a petroleum system is good news." (*Reuters, Chicago Tribune*, 29/7/04)

August 1: Cuban oil production through July was 17 million barrels toward a new record of more than 30 million barrels this year, the official media said. "The central oil producing region arrived at 1 million tonnes (7 million barrels)" the government's midday television newscast said. State-run radio said the 7 million barrels represented 41 percent of this year's output, which would therefore be 17 million barrels. Cuban oil production was 26 million barrels (71,300 bpd) in 2003 and 653 million cubic meters of gas. The media reports said natural gas production was 500 million cubic meters through July. Foreign companies, mainly Canadian firms Sherritt International Corp. (S.TO) and Pebercan Inc. (PBC.TO), have joint ventures and production agreements with state oil monopoly Cubapetroleo (Cupet) and account for around 60 percent of Cuba's oil and gas output. (*Reuters* 1/8/04)

August 3: An end to the oil shipments from Venezuela, combined with recent US restrictions on travel and remittances to Cuba, could put the Cuban economy and Castro's government against the ropes. "Clearly it is in the Cuban government's commercial and economic interests to have Chávez remain the president of Venezuela," said John Kavulich, president of the US-Cuba Trade and Economic Council, a New York-based group that monitors trade with the communist island. Kavulich compares a possible Chávez loss to the end of Soviet subsidies to Havana in 1992. "Venezuela has clearly replaced the USSR in terms of the commercial and economic element," says Kavulich. "Without Venezuela, Cuba would not be able to maintain its current commercial, economic, and political systems. There would have to be some changes." (*The Miami Herald*, 3/8/04)

August 5: Sherritt International Corp., Toronto, plans to resume exploratory drilling in northern Cuba in the third quarter and is considering an increase in its \$90 million capital spending plan in light of the current oil price. Capital spending was \$46.2 million in the first half of 2004, and first half gross working interest oil production in Cuba fell 13% to 37,444 b/d (19,811 b/d net). The production dip was due to natural declines in Canasí and Puerto Escondido fields and delays in drilling several development wells in the last half of 2003. Exploratory drilling will start with the Santa Cruz prospect on Block 7. Sherritt said it has work commitments for several exploration wells in the next 12 months. With three rigs running, the company will refocus development drilling on the Seboruco area, where recent drilling has resulted in higher than anticipated initial production rates. It will undertake a 50% capacity expansion of the Yumurí oil treatment facility in late 2004 to process production expected from new wells at Seboruco and Yumurí. Construction was completed in the 2004 second quarter on a pipeline to ship gas from the Canasí facility to the Cuban gathering system at Puerto Escondido. (*Oil and Gas Journal*, 5/8/04)

Octubre 6: Spanish oil and gas company Repsol (YPF) will likely start offshore drilling in Cuba in a second exploratory well in 2006, despite finding non commercial deposits early this year, said a company executive. "We are going to collect seismic data and will likely commence drilling a second well in 2006", said Repsol Manager in Venezuela, Valentín Alvarez, to reporters. (*La Nueva Cuba*, 7/10/04)

October 27: Canadian PEBERCAN Inc. announced an intensification of its oil exploration and development project within Bloc 7, a concession located between Havana and Matanzas on the north coast of the Republic of Cuba. At present, three drilling rigs are active in this zone and will remain active until the end of 2004. PEBERCAN Inc. is involved in the exploration, development and operation of oil reserves in the Republic of Cuba. Its mining domain includes five concessions covering 6,155 km², including Block 7, the only concession operated to date. PEBERCAN sells all of its production to the Cuban government. (*Canada News Wire*, 27/10/04)

December 25: An oil deposit with an estimated 100-million-barrel reserve has been discovered off Cuba's coast by Canadian companies Sherritt International Corp. and Pebercan Inc., Fidel Castro said. "We have a new oil discovery (...) the first since 1999," Castro said during a closed-door speech to parliament deputies, parts of which were carried by official media next day. "The oil has a density of 18 API (...) and contains less than 5 percent sulfur," he said, pointing out it was of better quality than the heavy crude associated with the area, which averages 16 API and 8

percent sulfur. The new Santa Cruz field, 33 miles east of the capital, will go into production in 2006, Castro said, while the Canadian firms will drill two new test wells, and explore three other potential deposits nearby in 2005. (*Reuters, The Globe and Mail, 26/12/04*)

December 31: Sherritt International Corp. has confirmed "promising" exploration results from an offshore oil prospect in Cuba, but made no predictions as to when or if the prospect could be brought into production. Shares of Sherritt and exploration partner Calgary-based Pebercan Inc. soared following reports of a joint oil discovery in Cuba. The discovery is in Block 7, an area off the northwest coast of Cuba. Sherritt, the largest foreign oil producer in Cuba, holds a 45-per-cent working interest in Block 7. Pebercan holds the remaining 55-per-cent stake and is the operator. (*The Globe and Mail, 31/12/04*)

FOREIGN INVESTMENT AND TRADE

[See also, Foreign Affairs/ Canada]

Exports

January 31: Cuba's Minister of Foreign Trade Raul de la Nuez said that the island still has to improve in its exporting capacity. The Cuban official made this statement during the closing of the General Assembly of the island's Chamber of Commerce, in which they discussed the institution's work during 2003. (*Radio Habana Cuba, 31/1/04*)

February 1: Cuba's non-traditional exports rose by 18 pct year-on-year for full-year 2003, officials of the country's Foreign Trade Ministry (Mincex) reported. The increase of the exports of consumer products reflected the favorable economic conditions in the country, Cuba's Foreign Minister, Raul de la Nuez Ramirez, told the General Assembly of the country's chamber of commerce (CCRC). Cuba's trade turnover rose 13.2 pct year-on-year in 2003, data from Mincex showed. Some of the products, which registered an increase were generic drugs, biotechnological products, and iron and steel products for the mechanics industry. Cuba's main trade partner in 2003 were Venezuela, Spain, China, Canada, the USA, France and Russia. (*Latin America News Digest, 2/2/04*)

February 4: Cuba's Metal and Recycling Industry expects to increase its sales of traditional and new products on the foreign market in 2004. The sector expects to earn some 97 million dollars in exports this year, some 20 million more than in 2003. Such operations will mainly include metal production lines, such as steel, as well as equipment and recycling products. At present, the Cuban Metal industry funnels its productions to 62 major markets, 29 abroad. Caribbean countries offer important advantages for the sector's export operations due to their geographic location and the existence of a trade and cooperation agreement that favors trade ties between Cuba and CARICOM nations. (*Radio Habana Cuba, 4/2/04*)

February 5: The National Biopreparations Center (BIOCEN) established a new record in 2003 in the manufacture of Anti-hepatitis B vaccines, with more than 17 million doses destined to cover national deliveries and export commitments. As Carlos Lastra informed Granma, last year BIOCEN ratified its position as an important manufacturer of Cuban biotechnology products, having taken on all the preparation phases of Recombinant Streptokinase; as well as the combination vaccine against diphtheria, whooping cough, tetanus and Hepatitis B; the Colony Stimulation Factor and certain kinds of Interferon. (*Granma International, 5/2/04*)

March 13: A group of 20 new local products have been added to the export list of eastern Santiago de Cuba province. The initiative, which is part of efforts aimed at increasing hard-currency revenues in that province, includes ecological bee honey, whose local production increased to 520 tons; fresh water fish; physiotherapy equipment, refined sugar, canned fruits,

juices and concentrates, waste paper and crafts, among other products. (*Radio Habana Cuba*, 13/3/04)

March 17: Eight Canadian Companies representing the sectors of fresh, processed and natural foods and alcoholic beverages will be visiting with respective producers and suppliers in Havana, Cuba and at their places of work. The purpose of this visit is to introduce Canadian buyers to Cuban suppliers in order to increase Cuban exports to Canada, assist in the development of Cuban production and export capacities, and to generally enhance the trade relationship between Cuba and Canada. (*Trade Facilitation Office Canada*, 17/3/04)

March 23: The Cuban industry is planning to expand its cement output from the 1,357,200 tons produced in 2003, to 2 million tons in 2004, with a growth in national consumption of that product. According to Isaac Alayón, president of the Grupo Empresarial Cemento-Vidrio (Cement & Glass Manufacturers Consortium), in contrast with a previous slump in that sector, improved performance by the country's six cement and clinker manufacturing plants allowed for an increase in exports. (*Notimex*, 23/3/04)

April 8: Cuban officials and eight Canadian import companies met in Havana to foster Cuban exports to Canada, *Business in Cuba* weekly informed. The meeting, sponsored by the "Centro de Promocion para las Exportaciones de Cuba" (CEPEC) and the Trade Facilitation Office Canada (TFOC), focused on food products such as nutritional supplements, drinks, organic products as well as sugar by-products, medicine and others. The Canadian business representatives met with at least 25 Cuban export companies. (*Prensa Latina*, 8/4/04)

April 12: The oyster-processing industry in Eastern Granma province is increasing production and expanding the commercialization of its product to foreign markets. The local oyster sector in Granma has so far processed over 165 tons of that marine specie, which is translated into 10 tons of edible oyster flesh, considered one of the seafood products in most demand around the world. The effort is part of a sales strategy aimed at including oysters on the list of Cuban exports for the foreign market. (*Radio Habana Cuba*, 12/4/04)

April 30: Ciego de Avila province has introduced new Cuban agricultural exports, which have increased the island's presence in the international market, agriculture sources said. ASEMAG trading company expert, Jose Luis Tapia, told the press that his company has exported tomatoes, pimiento, papaya, aubergine, haricot and cucumber to Europe and Canada with good acceptance for the quality and presentation of the products. The expert said that the country is developing a variety of Neapolitan pumpkin in Ceballos town, 267 miles east of Havana. Farmers have obtained fruits of up to 189 pounds. The country is selling the pumpkin directly to Italy. (*Prensa Latina*, 30/4/04)

May 26: The Cuban-Canadian joint venture PROSA looks forward to a significant production growth and expansion on the local and foreign markets this year. Located in central Matanzas province, PROSA expects to soon increase sales up to eight million dollars, which would translate into eight percent growth with respect to 2003. The company's products include toilet paper, tissues, handkerchiefs and other items, which are sold on the Caribbean market and in Cuba's dollar shops. (*Radio Habana Cuba*, 26/5/04)

November 2: During a visit to the 22 nd International Trade Fair in Havana, Foreign Trade Minister Raúl de la Nuez informed that, in comparison with the same period last year, in the first three quarters of this year, Cuban exports grew by 34% while imports grew by a mere 15%. (*IPS*, 2/11/04)

December 21: Cuba's exports were up 37 percent as of October 2004 compared with the same period last year, according to state media reports citing figures from the communist government's Foreign Trade Ministry. About 74 % of those exports were comprised of products traditionally sold abroad, such as nickel, sugar, tobacco and rum, the Communist Youth's Juventud Rebelde

newspaper said. According to the Juventud Rebelde report, nickel was the main export, totaling 61 % of all Cuban exports. The remaining exports were nontraditional products such as generic medicines, steel and even bee's honey. Primary destinations for Cuban exports are Netherlands, receiving 28 percent of the island's exports, followed by Canada, Venezuela, Russia, Spain and China. There are 239 Cuban firms that export products abroad, 137 of them fully government owned and operated and another 102 run by the government in conjunction with foreign capital and management. (*AFP, AP, 21/12/04*)

December 28: Cuba has informed that the metallurgical and mechanical industry increased its exports by 16% in 2004. The Vice-Minister of the industry, Vicente De la O Levi, said that exports of that sector – heavy machinery – amounted to \$90 million in the year coming to a close, which is an “all-time record”. (*Granma, 28/12/04*)

General

January 17: European entrepreneurs are taking part in 56 percent of the more than 4,000 international economic associations currently operating on the island. According to Deputy Minister of Foreign Investment and Economic Cooperation, Ricardo Guerrero, most European businesspeople working in Cuba are from Spain. Guerrero made the observation during an evaluation of the sector's performance in western Pinar del Río province. (*Radio Habana Cuba, 17/1/04*)

January 24: The number of foreign companies engaged in joint ventures with Cuba fell by 15 percent last year, state-run media said, as a political squabble with Europe and increased economic regulation took their toll. The decline, the first reported by the communist nation in more than a decade, comes as the government struggles with a foreign exchange shortage that has slowed economic growth. "Currently there are 342 active economic associations (joint ventures), and the most important foreign partners in these businesses are Spain with 98, Canada with 52 and Italy with 51," the Communist Party's daily, Granma, said, reporting on the annual meeting of the Ministry of Foreign Investment and Economic Cooperation. The ministry reported 403 ventures at the close of 2002, of which Spanish companies accounted for 105, Canadian companies 70 and Italian companies 57. Minister of Foreign Investment and Economic Cooperation Marta Lomas said at the meeting that seven joint ventures were formed last year compared with 24 new joint ventures in 2002. (*Reuters, 24/1/04*)

January 30: Cuban specialist Melbridge Container Line is stopping its Europe-Cuba service after 10 years, blaming stiff competition in the Cuban market. Ending the service also means the end of the shipping line, because it only operates on this route. A company insider, who did not wish to be named, said Melbridge Container Line's owner, believed to be a Panamanian single shareholder, had decided to call a halt to the service, and added: "It is out of our hands." He said he did not believe the state of the Cuban economy was related to the decision: "The Cuban economy has had problems for years." The European-Cuban market had seen increasing competition since the service was launched in 1994. (*Lloyd's List, 30/1/4*)

February 4: Foreign investments in Cuba declined considerably in 2003, coinciding with a recovery and growth in important sectors of the economy like tourism, nickel production and oil extraction. According to the Ministry for Foreign Investment and Economic Collaboration, 70 joint ventures were dissolved last year and 60 are near to close. At the end of 2002, over 400 joint ventures were operating in the island, 54 % of them with European companies. (*El País, 4/2/04*)

March 23: Cuba continues to generate interest among foreign investors, with the total number of investment projects currently operating on the island totaling almost 350, a high-ranking Cuban source said in Havana. Cuba presently has 342 foreign investment deals, with a committed capital of over US\$ 6 billion, said the Cuban Ministry of Foreign Investment and Economic Cooperation. Spain is the largest investor in Cuba. It is followed by Canada, Italy, France, Mexico

and China. Spain has 98 joint venture companies and commercial offices operating in Cuba. (*Radio Habana Cuba*, 23/3/04)

June 15: Cuban authorities are looking for foreign partners to help fund projects such as building an alcohol distillery and producing lollipops to further develop the island's sugar industry. The government distributed a pamphlet of 26 such initiatives to delegates at the International Congress of Sugar and Sugarcane Derivatives. "We are looking for financing, technology and/or markets," Manuel Alonso Padilla, a Cuban sugar ministry official, told reporters at the event. "We will provide the infrastructure, top-notch labor, and engineering." Dozens of business representatives from Europe, Mexico, Brazil and Australia will discuss the proposed projects, some of them costing millions of dollars. (*AP*, 15/6/04)

August 10: Foreign investment in Cuba dropped last year for the first time since the communist-led island began opening to business more than a decade ago. Havana authorized fewer new ventures with foreign companies, and a record number of existing ones dissolved. That resulted in a 15 percent decline in the number of foreign economic associations, to 343 at the end of 2003, according to a study presented at a just-concluded conference in Miami. The drop comes as Cuba gets more selective about the foreign ventures it will allow, souring even more overseas companies on doing business with the island. That's a reversal of Havana's more open attitude toward business in the early 1990s just after the collapse of the Soviet Union and demise of Soviet largesse. "In the past year, there's been a clear trend toward re-centralization of the economy," said Paolo Spadoni, a doctoral student at the University of Florida who has been researching foreign investment in Cuba for years. (*Sun Sentinel*, 10/8/04)

Trade fairs

November 1: More than 1,000 companies from 45 countries are participating in Havana's 12th International Fair (FIHAV), the most important business event in Cuba. Spain once again boasts the fair's heaviest foreign representation, followed by Latin America and the United States, organizing-committee president Abraham Maciques told the local press. Strong foreign presence in the fair, which runs through next Sunday, "once again ratifies interest in the Cuban market, the sense of security it gives (to foreign companies) and the prospects they see for doing business on the island," Maciques said. In addition to developing the local market, FIHAV is also "an opportunity for Cuba to showcase products that could be exported to third countries," he said. According to Cuba's Foreign Trade Ministry, eight official delegations headed by ministers, deputy ministers and presidents of official institutions from China, Vietnam, Venezuela, Argentina, Mexico, Belgium, Germany and South Africa are participating in the event. Meanwhile, governments and business delegations from Germany, the Czech Republic, Argentina, Brazil, Chile, Venezuela, Mexico and Peru are sponsoring pavilions on the grounds. According to the Cuban government, this year's participation in the fair from Colombia, Dominican Republic, Guatemala, Costa Rica, Trinidad and Tobago, Bahamas and the United States signifies an increase in trade negotiations between Cuba and other Western Hemisphere countries. (*EFE, Prensa Latina*, 1/11/04)

November 7: The 22nd Havana International Fair FIHAV 2004, Cuba's largest trade fair, concluded with more than \$193 million worth of contracts and letters of intent for deals, organizers said. Cuban Foreign Trade Minister Raul de la Nuez told local television stations that the organizing committee was "pleased" with the number of contracts signed. He said that \$26.6 million of the \$193.7 million was for export contracts in industries such as alcohol, seafood products and machinery. The largest contract penned this year was a more than \$60 million agreement with a rice company in Vietnam, Cuba's largest rice supplier, the foreign trade minister said. Letters of intent totaling more than \$7 million in exports were also signed and should be finalized in the coming months. "I believe this fair has been characterized by its results," the official said. Cuban state-owned food company Alimport alone signed agreements totaling more than \$135 million. Alimport head Pedro Alvarez said more than \$65 million of the total contracts were with US companies. (*EFE*, 8/11/04)

Africa

Angola

April 9: The Angolan Foreign Minister, João Miranda, has invited in Havana (Cuba), the economic operators of that country to invest in Angola, having into account the peace climate in this state. The Minister, disclosed it while assessing his four-day visit to Cuba. (Angolan Press, 9/4/04)

Congo

September 27: The XI Session of the Intergovernmental Mixed Commission for Economic and Scientific-Technique Collaboration between Cuba and Congo was opened in Havana with the aim to strengthen bilateral exchange. The ceremony was at the protocol headquarter of the Ministry of Foreign Investment and Economic Collaboration (MINVEC) and was presided over by the minister, Marta Lomas. The Congolese delegation was led by Justin Ballay Megot, minister in charge of Foreign Affairs, Cooperation and French-speaking countries. (*Prensa Latina*, 27/9/04)

Namibia

June 11: A Cuban-Namibian joint venture is bringing the loose-fitting guayabera shirt, worn by men in Cuba and much of the rest of the Caribbean, Mexico, Central America, Colombia and Venezuela, to the African market. The binational textile factory is one of five joint ventures set up by Cuba in Africa, and the first company on that continent to produce guayaberas, a traditional garment that emerged in the Cuban countryside in the 18th century. (*IPS*, 11/6/04)

Zambia

February 7: Cuba and the African nation of Zambia have concluded a joint venture to begin producing generic HIV/Aids anti-retroviral drugs. Zambian Health Minister Brian Chituwo said the deal involves the Cuban pharmaceutical firm Farko, with production of the drugs scheduled to start before June. (*Radio Habana Cuba*, 7/2/04)

Arab countries

Iran

[See also, Foreign Affairs/ Arab countries/ Iran]

November 20: Iran is to carry out two industrial projects to supply water and electricity to Cuba. Iran's Export Development Bank Manager Norouz Kohzadi and Cuban Minister of Government Ricardo Cabrisas concluded the agreement to that effect in Cuba, according to the Iranian embassy in Havana. During a meeting, Kohzadi outlined aspects of the current banking cooperation between the two countries and expressed Iran's readiness to provide the necessary financing for the projects at medium rate of return. (*IRNA*, 21/11/04)

April 14: Iranian Ambassador to Havana Ahmad Edrisian said that while Tehran and Havana have widespread cooperation in the political field, their economic relations are not satisfactory. Edrisian told the press that although Tehran and Havana have good cooperation in international fora, "but, the distance between the two nations has hindered their economic ties." "However, recently important steps have been taken in this regard," he added. Edrisian said the bilateral trade volume stood at dlr 50 million in 2003. The exchange includes Iran purchase of sugar and medicine from Cuba, while Iranian export to Cuba consists of raw material for textiles, plastics, sugar cane production machinery and electrical parts, he stated. (*IRNA*, 14/4/04)

April 27: Iran is to export cars to Cuba, said Iran's ambassador to Havana Ahmad Edrisian in a meeting with Cuban Minister of Foreign Trade Raul de la Nuez in Havana. Edrisian said Iran is also to enter a venture with Cuba for production of shoes, basic materials for textiles and plastic bags. Nuez said his country is ready for any cooperation with Iran to upgrade trade with the Islamic state. (*IRNA*, 27/4/04)

June 21: Iranian Ambassador to Havana Ahmad Edrissian and the Cuban Head of Iran-Cuba joint commission explored in Havana possible cooperation between the two countries. Given a 20-million euro loan by Iran to Cuba, Havana intends to expand trade with Tehran, he added. Edrissian said while Tehran and Havana have widespread political cooperation, their economic relations are not satisfactory. He further said that although Tehran and Havana have good cooperation in international fora, "the distance between the two nations has hindered their economic ties." "However, recently important steps have been taken in this regard," he added. The bilateral trade volume stood at US\$50 million in 2003. The exchange includes Iran's purchase of sugar and medicine from Cuba, while Iranian export to Cuba consists of raw material for textiles, plastics, sugar cane production machinery and electrical parts, he stated. (*IRNA*, 23/6/04)

July 4: Foreign Minister Kamal Kharrazi underlined the need for expansion of trade and economic cooperation with the Latin American state of Cuba, it was reported. In a meeting in Havana with the Cuban Minister of Government, Ricardo Cabrisas, Kharrazi declared that the two countries' interests in further economic cooperation would prepare the ground for provision of more facilities, according to the Press and Information Department at Iran's Foreign Ministry. He also underlined the importance of mutual cooperation between Iran and Cuba in agricultural, industrial and scientific fields as well as participation of Iranian businessmen in Cuba's international exhibition in the current year. Regarding Iran's readiness to supply Cuba with consultation in the energy sector, Kharrazi stressed that Iranian firms enjoy outstanding capability in different fields of energy that could be used in the Caribbean. (*IRNA*, 5/7/04)

October 28: Cuban Minister of Industry Javier Leon said in Havana that Cuba is keen on expansion of cooperation between Tehran and Havana in all industrial fields. In a meeting with the Iranian ambassador to Havana Ahmad Edrissian, Leon said that a Cuban delegation will visit the electricity facilities of Iran soon. He added that exchange of expert delegations is beneficial for identifying capacities for further bilateral cooperation. An Iranian delegation will also visit Havana for cooperation in engineering and technical knowhow in the oil industry. Edrissian also met the head of Cuban Radio and TV network Ernesto Lopez. (*BBC*, 28/10/04)

November 23: The first Iran-Cuba economic conference was held in the Cuban capital. An Iranian delegation comprising private sector officials and Cuban businessmen and industrialists attended the conference, the Iranian embassy in Havana announced. Speaking at the conference, the president of Iran's Chamber of Commerce, Industries and Mines, Ali Naqi Khamushi, described the trend of commercial ties between the Islamic Republic of Iran and [the] Republic of Cuba as "good". (*IRNA*, 23/11/04)

December 31: Iran's ambassador to Havana Ahmad Edrisian, meeting with Cuban Minister of Government Ricardo Cabrisas Ruiz conferred on the establishment of the 10th Iran-Cuba Joint Economic Commission slated for January 2005. Cabrisas who is also the chairman of the Iran-Cuba Joint Economic Commission welcomed the expansion of relations between the two countries particularly in areas such as commerce, waterworks and transportation, and referred to the joint commission as an opportune and important chance for exchanging views and paving the grounds for the implementation of joint venture projects as well as signing banking agreements. (*MNA*, 31/12/04)

Yemen

December 25: Cuba and Yemen have signed a protocol to strengthen cooperation in sectors such as health, agriculture, sports, higher education and radio and television as part of the 17th session of the Inter- governmental Joint Commission that concluded in Havana. (*AIN, Radio Habana Cuba, 25/12/04*)

Asia

China

[See also, Nickel; Foreign Affairs/Asia/ China; and Security/ Military relations]

January 24: Negotiations with Chinese enterprises over their participation in the industrial development of nickel, rubber and oil prospecting in the Exclusive Economic Zone in the Gulf of Mexico are paving the way for that nation occupying a priority place as a trade partner in Cuba's future. During the annual report from the Ministry for Foreign Investment and Economic Cooperation (MINVEC), Minister Marta Lomas also highlighted Cuban investment in the biotechnology and tourism sectors in China. With fewer joint ventures than in previous years, there was a 13% growth in income and exports, respectively, and profits per dollar invested were greater than in 2002.

July 3: Cuba and the People's Republic of China have agreed to jointly produce some 15 million plastic bags of parenteral sera a year. For this purpose, a plant is being built, as replacement to an older one operating for the last 15 years. As part of the investment, the Eastern Pharmaceutical Laboratory Enterprise is planning a second project to incorporate the production of plastic bags to substitute glass containers. (*Prensa Latina, 3/7/04*)

September 9: The Cuban government is attempting to strengthen and expand trade with China. Havana's strategy is not only aimed at boosting cooperation and trade flows, which in 2003 totalled 357 million dollars, but at attracting greater investment from China as well. Cuba's Ministry of Foreign Investment and Cooperation will present 41 proposals for joint ventures at the 8th China International Fair for Investment and Trade (CIFIT), one of the biggest such events in Asia, which runs in the southeastern port city of Xiamen. (*IPS, 9/9/04*)

November 1: Chinese Chamber of Commerce vice president Gao Yang said her current visit to Cuba is aimed to increase bilateral trade links. Gao, who participated in the opening of her country's pavilion at the 22nd Havana International Fair (FIHAV 2004), stated that the Asian exhibition area will mainly present producers of electrical appliances, a sector of great exchange between both states during the last four years. (*Prensa Latina, 1/11/04*)

November 22: The governments of Cuba and China signed a long list of cooperation accords affecting key areas of the Communist island's economy. The agreements were signed in the context of Chinese President Hu Jintao's visit to Havana, the last leg of his Latin American tour. Hu and Fidel Castro presided over the ceremony to sign the accords, which were designed to stimulate economic cooperation and trade in a host of areas, including petroleum, nickel production, biotechnology, education, telecommunications and tourism, among many others. The pacts do not set a figure on Chinese investment in Cuba, but experts expect Chinese funds to flow into the nickel sector, in particular. China also agreed to postpone for 10 years Cuban payments on Havana's financial obligations due on Chinese loans to the island between 1990 and 1994. Hu will conclude his visit to Cuba with a meeting with Defense Minister Raul Castro, and he will also deliver a speech to about 200 Chinese businessmen and Cuban officials. (*EFE, 22/11/04*)

Indonesia

August 7: Cuba and Indonesia are exploring possibilities of stepping up cooperation in the fields of agriculture, pharmaceuticals and biotechnology sectors, Indonesian Ambassador to Havana, Indra Cahya, told local press. Quoted by Cuban newspaper Granma, Cahya stated that in order to further agree on future exchanges all that is left are visits by Cuban specialists to his country. Three commercial delegations from Indonesia have visited Cuba this year, following the Third Intergovernmental Meeting in 2003. (*Prensa Latina*, 7/8/04)

Malaysia

November 25: Malaysia and Cuba should strengthen bilateral co-operation in biotechnology, biomedicine and agricultural research and development, Prime Minister Datuk Seri Abdullah Ahmad Badawi said. Speaking to the Malaysian Press after bilateral talks at the Cuban Palace of the Revolution, Abdullah said these areas had also interested Fidel Castro. Several agreements, especially on biotechnology and production of vaccines, have been signed between Cuban research and medical institutes and Malaysian companies during the Prime Minister's visit. (*New Straits Times*, 25/11/04)

Thailand

March 17: Thailand and Cuba have formally started to co-operate in trade and investment, with whisky, sports and sugar their priorities. During talks between Foreign Minister Surakiart Sathirathai and Deputy Investment and International Economic Co-operation Minister Ramón Ignacio Ripoll Díaz of Cuba, Thailand expressed its interest in deepening technical and economic co-operation with Cuba. Charoen Siriwattanapakdi, a well-known Thai whisky producer, was reportedly interested in tapping Cuba's rum whisky market and would like Cubans to invest in Thailand's liquor industry as well. The two countries also agreed to study co-operation in sugar pricing and tourism, according to Mr Surakiart. (*Bangkok Post*, 17/3/04)

Vietnam

September 15: The 22nd Joint Intergovernmental Commission between Vietnam and Cuba opened sessions in Hanoi, with an aim to promote bilateral trade and investment. The conference includes representatives of the Vietnamese and Cuban Chambers of Commerce as well as other officials from Hanoi and Havana. The purpose is to increase trade between both nations, said Frank Abel Portela, general secretary of the Cuban Chamber of Commerce. The new committee will support businesses in their search for new markets and clients, he added. (*Prensa Latina*, 15/9/04)

Caribbean

[See also, Collaboration agreements; Foreign Affairs/ Caribbean]

Jamaica

June 29: The Jamaican government said it will continue to encourage business relations with Cuba, despite ongoing pressure by the United States to discourage investment by foreign companies in the communist nation. Jamaica regards Cuba as a "close and valued neighbor" as well as a "member of the Caribbean family" and hopes to further strengthen the two countries' trade and economic links, Foreign Minister Keith Desmond Knight told reporters during a two-day visit to Cuba. The visit by Knight, who is also foreign trade minister, came two weeks after Jamaican hotel chain SuperClubs announced it pulled out of two Cuban resort properties after threats from the US government that company executives would not be allowed into the United States. (*AP*, 29/6/04)

Dominican Republic

December 7: Cuba and the Dominican Republic expressed their wish to increase bilateral relations, including those on trade, during a meeting in Santo Domingo, capital of the Dominican Republic. At the headquarters of the Center for the Promotion of Imports and Exports, officials of the two countries expressed their interest in increasing trade, according to the reports received in Havana. Diplomatic sources said the value of the commercial exchange between Havana and Santo Domingo amounts to nearly 50 million US dollars, which should double as a consequence of the results of the Bilateral Commission which convened in Santo Domingo last November. (*Xinhuanet*, 7/12/04)

Europe

France

March 10: Pernod Ricard's fastest-growing product is the famous Cuban rum Havana Club, which sold 1.9 million 9-litre (2.4-gallon) cases last year. Pernod Ricard's joint venture with Cuba, Havana Club International, has been selling the rum worldwide for 10 years, and sales have soared an average 17 percent a year. But the largest rum market, with 42 percent of the world's total sales of 38 million cases a year, is closed to the Cuban rum brand by a 4-decade-old U.S. trade embargo against Cuba's communist-run government. "We have won a battle but not the war," Ricard said at a news conference in Havana. "If the embargo is lifted tomorrow morning, we are ready to start selling in the United States." (*Reuters*, 10/3/04)

March 29: Alexandre Sirech, a 37-year-old Frenchman from Bordeaux is director-general of Havana Club International S.A. and presides over one of the most successful joint ventures ever launched between foreign investors and Cuba's communist government. In 2003, the company -- a partnership between French drinks giant Pernod Ricard and Cuba's Ministry of Food Industry -- shipped 1.92 million nine-liter cases of Havana Club rum. That's up from 1.73 million cases in 2002, when the brand ranked No. 53 on Impact magazine's list of the world's top 100 premium distilled spirits. "Demand has been exploding in Europe," he said, noting that Havana Club is now 50th on the Impact list. "If we keep up with this momentum, we should rank in the top 40 very soon." Havana Club has been able to score these gains even though the US embargo bars sale of Cuban rum in the United States where 42 percent of the world's rum is consumed. (*The Miami Herald*, 29/3/04)

Germany

April 7: Cienfuegos is now home to the only yacht basin on the Caribbean coast of Cuba with the opening of a joint venture between Cubanacan and Bluesail, subsidiary of the German ConImpex. ConImpex, based in Berlin and with interests in Russia, Spain, Hungary and Bulgaria, was founded in 1990 and has been in business with Cuba since 1995, chiefly in finance and commerce, but also renting motorboats in Varadero and Jardines del Rey. (*Prensa Latina*, 7/4/04)

December 20: Cuba hosted the Thomas Cook World Tour "Cuba's 2004", aimed at promoting the Caribbean island's attractions in the German market. The event, sponsored by the tour operator Thomas Cook, contributed to the effort to turn Cuba into one of the main destinations for German vacationers. Sources from the tourism sector said that during their stay in Cuba, the German tour operators visited resorts and tourist facilities in various parts of the Caribbean island. (*CubaXP*, 20/12/04)

Russia

[See also, General indicators/ External debt; and Foreign Affairs/ Europe]

September 26: Current trade and other Russo-Cuban economic ties fall far below potential opportunities. In addition, sizeable reserves have remained unused, Alexander Yakovenko, official spokesman of Russia's Ministry of Foreign Affairs, pointed out in an interview. Cuba remains among Russia's crucial Latin American commercial partners. A trend to reduce the bilateral trade deficit has been lately reversed. As Russia's Customs Committee statistics have it, the deficit approached 133 million US dollars during this year's first five months --9 per cent above the same period in 2003. The Russo-Cuban intergovernmental commission for trade, economic, research and technological cooperation is to meet for its 6th session before the year's end, added Mr. Yakovenko. (*Novosti*, 26/9/04)

September 29: Fidel Castro met with Russian Foreign Minister Sergei Lavrov in Havana. The Cuban leader expressed his interest in the implementation of some joint projects with Russian companies. According to Fidel Castro, joint projects can cover such spheres as car transport, production of medical equipment, development of mineral resources and modernization of the energy sector. Talking to the press, Castro and Lavrov expressed satisfaction with the Russian-Cuban political dialogue. (*Novosti*, 29/9/04)

November 11: Russia's leading bus manufacturing group, Russian Buses, has shipped 50 buses to Cuba, the company said in a statement. Cuba's Transport Ministry planned to use them as school buses, according to the statement. Russian Buses has also signed a dealership agreement with Cuba's Rusia Automotriz, SA, to sell at least 100 buses a year in Cuba. (*Tass*, 11/11/04)

December 13: Cuban Government Minister, Ricardo Cabrisas is in Moscow with the purpose of expanding bilateral exchange. The agenda of the also President of the Cuba-Russia Intergovernmental Commission for Economic and Commercial Cooperation will be extended for a further five days and will include meetings with official government authorities. Cabrisas will also meet with Russian Foreign Minister, Serguei Lavrov and with the official in charge of Russia's Chamber of Commerce and Industry, Evgueni Primakov. The Cuban official will also meet Russian deputies and representatives of the Ministry of Economy and Trade as well as the Association of Industrial and Financial Groups. (*Radio Habana Cuba*, 13/12/04)

Ukraine

September 17: Results and perspectives of the commercial exchange between Cuba and Ukraine are among the topics to be analyzed at the 8th Session of the Inter Governmental Commission, to begin in Havana. The course of the Program for Attention to the children affected in Chernobyl 14 years ago, and technical and economic projects in many sectors will be examined, as a note by the Cuban Ministry for Foreign Investment and Economic Collaboration pointed out. The projects are related to agriculture, industry, transport, iron and steel and other sectors. (*Prensa Latina*, 17/9/04)

September 22: Cuba and Ukraine inaugurated in Havana the Seventh Session of the Inter-Governmental Commission for Economic, Trade, Scientific and Technological Cooperation. The Cuban delegation, headed by Public Health Minister Jose Balaguer, and the Ukrainian delegation, led by Andry Pidaev, were expected to evaluate the current situation and prospects of bilateral cooperation, in particular commercial exchanges. (*Xinhua*, 22/9/04)

United Kingdom

August 5: The British government gave \$34,785 dollars to the United Nations Development Program (UNDP) in Havana for the construction of a drinking water system in Guantánamo. The system will benefit 571 residents in Hatibonico, of which 251 are women and 108 are children, and will supply water for household and general consumption as well as for food production and other economic activities. (*AFP*, 5/8/04)

November 15: Britain's largest trade mission ever to visit Cuba arrived in Havana, one day ahead of a key EU meeting in Brussels on future European relations with the communist island. The 40 visitors include potential investors in tourism, biotechnology, agriculture, education and energy, said Lord Colin Moynihan, the head of the UK-Cuba Initiative. The size and scope of the British trade mission clearly shows the strength of ties between Havana and London, said Moynihan upon arrival. (*AFP*, 15/11/04)

Latin America

Argentina

April 7: The trade turnover between Argentina and Cuba is seen to double in 2004, the Argentine Ambassador to Havana, Raul Taleb, said. According to the ambassador, the trade turnover stood at \$40 mln (33.1 mln euro) in 2003. The trade turnover is expected to be boosted mainly by a purchase, made recently by Cuba from companies from Entre Rios province, eastern Argentina, but no figures were available. (*Latin America News Digest*, 8/4/04)

April 19: An Argentinean Trade Mission formed by representatives of 37 companies met with its Cuban counterpart to strengthen and expand economic bilateral relations. South American businesspeople participated in an Economic Seminar held at the Hotel Nacional with the purpose of exploring business and commerce opportunities in the island. After that, they met in a one to one negotiating round that includes the signing of several commercial agreements. The Argentinean business mission is organized by the Direction of Export Promotion of the Ministry of Foreign Affairs of that country, headed by Jorge Lapsenson, director general of Commerce Strategy and includes Abraham Taleb, Argentinean ambassador to Cuba and Ruben Guillen, director general of the Banco de la Nacion. (*Prensa Latina*, 19/4/04)

April 19: Argentina's Banco de la Nación will open a branch in Havana to offer loans and consultancy services to the increasing number of Argentine businesspeople in Cuba, said officials with a delegation of businesspeople from the South American nation visiting the island. The bank will open branch "in a short time," said Rubén Guillén, head of the Bank. (*AP*, 19/4/04)

May 4: Argentine companies have reached agreements to export \$15 mln (12.6 mln euro) in goods to Cuba in 2004, mainly foods, following a recent trade mission to the island country, it was reported. A total 34 Argentine companies visited Cuba last April. Over 400 meetings between the Argentine companies, local companies and representatives of foreign companies, operating on the island, were carried out within the visit. Argentina will sell to Cuba 3,000 tonnes of black beans and 10,000 tonnes of wheat flour under the agreements, and 5,000 tonnes of cotton pellets, 100 tonnes of powder milk and 300 tonnes of poultry. (*Latin American News Digest*, 4/5/04)

May 20: Cuba's Foreign Trade Vice Minister Antonio Carricarte continued a series of talks with important Argentine executives, aimed to explore ways to increase bilateral relations. Carricarte is heading a large delegation of organizations and enterprises exhibiting Cuban export products and services in Argentina. He has held talks with Antonio Eduardo Seward, undersecretary of Foreign Trade, Eduardo Sigal, undersecretary of the chancellery for American Economic Integration and

MERCOSUR, the presidents of the import and export chambers, and other trade officials, seeking ways towards bilateral negotiations. (*Prensa Latina*, 20/5/04)

June 16: The government of Argentina is assessing a proposal from Havana to barter \$US 100 million worth of Cuban medicines for its equivalent in Argentine food products, indicated the daily "Clarín". According to official sources quoted by the newspaper, the proposal was well received by Argentina's foreign ministry. The offer consists of vaccines against hepatitis and meningitis, as well as diagnostic equipment that would be earmarked for poorer sectors of the population. (*EFE*, 16/6/04)

August 28: Argentina and Cuba signed a trade agreement in Buenos Aires, to achieve bilateral exchanges worth \$200 million per year. The accord was signed by Argentine Health and Foreign Ministers, and Cuba's Alimport (Cuba Food Importing Company) Argentina will purchase biopharmaceutical products and Cuban medical technology. Alimport will import Argentinean products, according to the document expiring in 2007. (*Prensa Latina*, 28/8/04)

September 7: Cuba and Argentina have signed a trade agreement worth US \$200 million per year. According to Argentinean Ambassador to Havana, Raúl Taleb, the agreement is expected to be in force for three years and is renewable on a yearly basis, unless either signatory party otherwise denounces it. In a press conference, Taleb explained that the pact seeks to improve a bilateral trade balance that heavily favors his country. (*AP*, 7/9/04)

Bolivia

December 2: Cuba and Bolivia signed five cooperation agreements on health and education during an official visit to Havana by Bolivian Foreign Minister Juan Ignacio Siles. The Cuban Foreign Minister confirmed that his Bolivian counterpart delivered a message to Fidel Castro from Bolivia's President Carlos Mesa. No further details were released. (*Europa Press*, 3/12/04)

Brazil

May 11: A top-level Brazil-Cuba business meeting and trade exhibition began in Rio de Janeiro in what has been described as an important step in ratifying growing co-operation between the two countries. The event is taking place in the Rio de Janeiro Industrial Federation's (FIRJAN) headquarters with the participation of the President of the Cuban Chamber of Commerce Bertha Delgado, the Cuban Vice Minister of Foreign Trade Antonio Carricarte, representatives of the Brazilian government and more than 40 business people from both countries. (*Radio Habana Cuba*, 11/5/04)

June 8: The Ribeirao Preto dental equipment supplier Dabi Atlante (Sao Paulo state) has signed a contract for the export of 1,700 equipment to the government of Cuba (US\$3.5mil) targeted at the new public health program. These exports involve 500 autoclaves, 500 x-rays equipment, 500 photopolymerizers ultralux, 2,000 amalgamators and maintenance kits. Dabi Atlante's professionals will undertake a training program to 30 Cuban engineers soon. (*Gazeta Mercantil*, 9/6/04)

Chile

February 1: The Chilean magnate in Cuba, Max Marambio, has started moving his business focus to Chile, it was reported. Marambio's holding company international Network Group (ING) comprises companies from the industrial, tourism and real estate areas. The ING companies posted a total turnover of \$100 mln (80.7 mln euro) in 2003, of which 80 pct was generated in Cuba. Marambio and the Government of Cuba have a 50 pct stake each in a Cuban-Chilean food and drink joint venture Alimentos Rio Zaza, which manufactures and sells 190 products, including juices, powder drinks, dressings, sauces, mayonnaise, dairy products, rum, wines and confectionery. Rio Zaza forecasts a \$50 mln (40.4 mln euro) turnover for 2004, compared to \$30

mIn (24.2 mIn euro) for 2003. Most of Rio Zaza products are made in Cuba, but it also buys raw materials and finished products from Chile, Brazil and Spain, to resell them afterwards under its own brands. A 100 pct of the milk used by Rio Zaza is bought from Chile. Marambio's Cuba-based travel agencies Sol y Son and Cosmo Service are present in 28 countries. They handled 120,000 passengers in 2003, most of whom visited Cuba. Sol y Son and Cosmo Service are the second largest travel agencies in Cuba, after the state agency Havanatur. Marambio also operates a number of hotels in Cuba. (*Latin America News Digest*, 2/2/04)

Guatemala

November 29: The Guatemalan minister for the Economy, Marcio Cuevas, visited Cuba seeking more trade exchanges with the island. The Minister stayed for three days in Havana, where he met with the Cuban minister for External Trade, Raúl de la Nuez, and the Cuban minister for Internal Trade, Bárbara Castillo. (*EFE*, 29/11/04)

December 1: The Minister of the Economy of Guatemala, Mario Cuevas Quesada, has wrapped up an official visit to the island. During his three-day stay, the Guatemalan official met with Cuban Foreign Trade Minister Raúl de la Nuez and Foreign Investment and Economic Cooperation Minister Marta Lomas to review bilateral trade relations. (*Radio Habana Cuba*, 1/12/04)

December 2: Cuba decided to grant import preferential duties to another 114 Guatemalan products, increasing the list of Guatemalan goods under this category to 502, according to an official source. Guatemalan Vice-Minister of Trade, Enrique Lacs, said the agreement was reached during a visit to Cuba by Economy Minister Marcio Cuevas. (*EFE*, 2/12/04)

Mexico

[See also, General indicators/ External debt; and Foreign Affairs/ Latin America]

March 17: Mexico's foreign trade bank Banco de Comercio Exterior (Bancomext) will close its representative office in Cuba, the bank's official said, without disclosing the reasons for the decision. The bank was the main intermediary between the Cuban Government and Mexican businessmen, interested in operations in Cuba. Bancomext was running business in Cuba with the island's Central Bank to find a solution to a 380 million external debt with Mexico. (*La Jornada, Latin American News Digest*, 17/3/04)

March 30: The Cuba-based representative of Mexico's state-run foreign trade bank, Bancomext, said the institution would close its Havana office next month. "We have already let our staff go, the office shuts in mid-April and I leave in 20 days," said Cesar Lajud Desentis, in charge of Banco Nacional de Comercio Exterior S.N.C's Cuba operations. Bancomext has functioned as an intermediary for more than 200 Mexican companies doing business with Cuba and worked unsuccessfully for over a decade to recover \$400 million in overdue debt. Bilateral trade was \$255 million in 2003, said Lajud. Some Mexican companies have urged Bancomext to reconsider shutting down the office established in 1975, the largest of 14 the bank says it is closing for budgetary reasons. (*Reuters*, 30/3/04)

July 13: In the wake of the Mexican authorities' decision to close the Havana branch of the Foreign Trade Bank (Bancomext), Mexican entrepreneurs are negotiating with Cuba to establish a representation office on the island. "We wish to open a representation office for those companies willing to deal with Cuba," said Cuauhtemoc Martínez, president of the National Chamber of Transformation Industries (CANACINTRA). (*AP*, 13/7/04)

September 25: Cuba appealed for the restructuring of the \$400 mIn (326 mIn euro) debt the country has with Mexico's state-run National Bank for Foreign Trade (Bancomext), at a meeting of Cuban Foreign Minister, Felipe Perez, and Mexican Foreign Minister, Luis Ernesto Derbez, in New York. The exact offer made by Cuba for the debt restructuring was not disclosed. The

acceptance of the offer by Mexico will include reinforcement of economic relations between Mexico and Cuba. The two ministers discussed the possibility of resuming the annual binational meetings between the two countries, which have not taken place since 1998. (*Latin American News Digest*, 25/9/04)

October 24: The Mexican National Chamber of Manufacturers (CANACINTRA) has announced it will open an office in Havana to promote the business activities of Mexican entrepreneurs in Cuba. The President of the Mexico Chapter of the Mexico-Cuba Bilateral Business Forum, Yeidckol Polevnsky, said that the offices will be inaugurated during the XXII International Havana Trade Fair. She also indicated that at the Fair Mexican businessmen as well as members of the Legislature and state governors are expected to participate to further business opportunities in Cuba. (*Notimex*, 24/10/04)

November 4: Mexican businessmen have asked the Mexican and Cuban governments to help to improve trade relations between the two countries, given that diplomatic disagreements during the last year have had a negative impact on trade. The National Chamber of Manufacturers (Canacintra) has reported that 2004 has been one of the worst years for trade with Cuba, mainly because of the Ahumada case, which resulted in a temporary recall of the diplomatic representatives of both countries. According to data from the Economy Secretariat, Mexico exported 74m dollars' worth of goods and services to the island between January and June this year, in contrast to the 294m, dollars' worth exported during the same period 10 years ago. Before the 22nd International Fair in Havana, Canacintra Secretary-General Rene Ortiz said that the Caribbean island constitutes a major business opportunity for Mexican manufacturers that has not been developed sufficiently. (*El Financiero*, 4/11/04)

November 8: The Cuban government has placed orders with Mexican manufactures for 50 new products to be introduced in the Cuban market, said Cuauhtémoc Martínez, president of the National Chamber of the Transformation Industry (Canacintra). These products to be imported monthly by Cuba will include 500 thousand candles, industrial-rated footwear – 2,500 pairs--, two containers worth of flooring and tiles, as well as 2 thousand surgical robes. (*Notimex*, 8/11/04)

Venezuela

[See also, Energy/ Oil and other resources; Foreign Affairs/ Foreign investments and trade/ Latin America; and US-Cuba Relations/ Diplomatic activities and statements/ Venezuela-Cuba relations]

February 23: Venezuela is Cuba's number one business partner, according to Cuban official sources. "Venezuela became Cuba's main economic partner, followed by Spain, China, Canada, the Netherlands and Italy," according to Raúl de la Nuez, minister of foreign trade, in an interview in Havana. (*World Data Service*, 23/2/04)

February 29: Venezuela's President Hugo Chavez has become Cuba's biggest financial supporter since the Soviet Union pulled the plug on its subsidies more than a decade ago. Over the past three years, Cuba has run up a massive debt of US\$752 million for oil shipped by Venezuela's state oil company, according to people close to the company. Though Venezuelan officials deny that Cuba is falling behind, people familiar with the debt say it is piling up and that the government has made little effort to collect. This makes the shipments a crucial subsidy that is helping keep the island's economy afloat as it struggles with the impact of endemic mismanagement, declining sugar sales and US sanctions. (*Caribbean Update*, 1/3/04)

April 8: Venezuela is looking at options to further economic ties with Cuba which includes the possible purchase of an oil refinery and opening a bank branch in Havana to expand trade. The new Venezuelan ambassador Adán Chávez, the elder brother of Venezuelan President Hugo Chavez said at his first news conference in Havana that he had come to strengthen economic and ideological ties between the two political allies. Chavez said the purchase of the unfinished Soviet-built oil refinery in Cienfuegos was being studied as part of an oil supply agreement signed

in October 2000 under which Venezuela ships Cuba 53,000 barrels a day on generous terms. He revealed Cuba will help Venezuela build low cost housing and will also build a plant to produce medicine in Venezuela. Cuban sugar industry technicians have helped Venezuela restart abandoned refineries and build a new one the state of Barinas, Chavez said. (*Reuters*, 9/4/04)

September 22: The Cuba-Venezuela Joint Cooperation Commission got underway in Havana with the aim of further strengthening bilateral friendship and cooperation relations. The gathering takes place in the context of the current Comprehensive Cooperation Accord reached between Caracas and Havana four years ago. Cuba's Minister of Foreign Investment and Economic Cooperation Marta Lomas and Venezuela's Energy and Mining Minister Rafael Ramírez are presiding over the joint commission. Participants at the meeting are evaluating the course of several joint projects underway in 17 social and economic fields. They will also look at the current bilateral cooperation program and draw up a plan for 2005. (*Radio Habana Cuba*, 22/9/04)

September 27: Cuban and Venezuelan authorities approved 116 collaboration projects in 15 different areas, ranging from joint development of vaccines to sports training. Granma reported that, after 4 days of private sessions, the 5 th Joint Commission held its closing ceremony, with the attendance of Fidel Castro. Foreign Investment Minister Marta Lomas was quoted as saying that 120 Venezuelans and their Cuban counterparts had taken part in 20 working groups. (*AP*, 27/9/04)

October 12: Officials from Venezuelan aluminum reducer Venalum, a subsidiary of state heavy industry holding CVG, have met with representatives from Cuba's government to analyze a project to manufacture aluminum profiles on the island, Venezuela's government web site reported. Delegates from both governments also evaluated the possibility of developing a coal-fuelled thermoelectric plant in Cuba. Venezuela would export the coal to Cuba in exchange for nickel. Another proposed project that came out of the meeting was building a stainless steel plant in Venezuela that would work with raw material from Cuba and be financed by Chinese investors. (*Business News*, 12/10/04)

December 7: Venezuela has reached a preliminary agreement with Cuba to supply the Communist-ruled island with 500,000 tons of coal a year which will fuel a thermo-electric plant to be built by a Chinese company, a senior Venezuelan official said. China also was interested in building a plant to produce stainless steel on the Caribbean island which would use Cuban nickel and Venezuelan coal, Deputy Minister of Mines Orlando Ortegano told the press. "We had a recent meeting in which we committed ourselves to providing 500,000 tons of coal a year for this Cuban-Chinese deal," Ortegano said in an interview. He added the three parties had reached what he called a "pre-agreement" but could not say when the Venezuelan coal shipments could start. "The Cubans are interested because it will solve an energy problem in the south (of the island)," Ortegano said. "Cuba has the nickel and we have the coal and the Chinese have the capital and are interested in a stainless steel plant," he added. (*Reuters*, 7/12/04)

December 14: Fidel Castro and Hugo Chávez have deepened their strategic alliance with a range of new agreements that guarantee a price floor for Venezuelan oil at \$27 a barrel, open wide doors to Venezuelan capital and exports, provide Venezuela with more than 15,000 Cuban doctors and health specialists, and set out the mutual opening of state bank subsidiaries, among other important political and economic provisions. The agreements also provide that Venezuelan investments on the island will retain 100% of property rights, as well as complete elimination of tariffs and import duties for imports from Venezuela, tax exemption for all Venezuelan capital in Cuba while investments costs are recovered, and 2,000 higher education scholarships in Cuba for Venezuelan students in any field annually. The 15,000 Cuban doctors in Venezuela will also be training specialists in that country. (*La Jornada*, 16/12/04)

NATIONAL AND FOREIGN CURRENCY

[See also, Centralization]

March 11: Cuba has taken more steps to restrict the circulation of the US dollar in the country as the Communist government continues efforts to roll back the market reforms of a decade ago. A circular from the Economy and Planning Ministry orders state companies to stop using the US dollar as of April for any services and products not considered their core business. A government official said state companies would now have to charge in pesos for nonessential services or close them down. Cuban businessmen said the latest restrictions range from a ban on some companies engaging in foreign trade to caps on the prices charged in an economy that is 90 percent controlled by the state. "We all think there will be more measures and each time they will move closer to controlling everything again," the manager of one company said. (*Reuters*, 11/3/04)

May 10: Cuba is taking drastic steps to deal with the effects of new US government measures designed to tighten the embargo against the island and step up pressure on the government of Fidel Castro. Among the 15 measures announced Monday night on Cuban television in response to the new US policy was one restricting stores that accept US dollars on the island to selling only food and cleaning products. Prices in the dollar stores and the cost of fuel will also rise. The exchange rate for the Cuban peso, convertible peso and the US dollar, however, will stay the same. Many depend on dollar stores to supply goods that have not been offered in state shops since the Soviet Union crumbled in the early 1990s. The statement warned, "days of work and sacrifice lie ahead" and exhorted all Cubans to "elevate their revolutionary consciousness." (*EFE, Sun Sentinel*, 11/5/04)

May 11: Cuba's dollar-only stores displayed "closed for inventory" signs after the communist government suddenly shut them down, blaming new US measures aimed at squeezing the island's economy. Long lines stretched from state stores with food and personal hygiene products -- nearly the only items still sold to Cubans in dollars -- as people scrambled to buy shampoo and soap from rapidly emptying shelves. The government did not say whether the stores would reopen. Three floors selling clothes, mattresses and electrical goods were cordoned off in Harris Brothers, where employees stood behind empty counters looking confused. Other workers catered to dozens of shoppers buying cooking oil, Spam and deodorant in the store's only open section. Dozens of stores along Old Havana's commercial Obispo Street selling toys, shoes and fancy furniture never opened Tuesday. Gift shops in upscale hotels and other tourist stores, however, were still selling T-shirts, crafts and camera film in dollars. (*CNN*, 11/5/04)

May 12: Cuba's dollar-only stores are closed temporarily to assess the impact of "brutal measures" announced last week by US President George W. Bush and will reopen, possibly with higher prices, Cuba's UN envoy said. Ambassador Orlando Requeijo Gual didn't know whether the stores would be back in business in days or weeks but said, "Don't worry about the situation because we should normalize the situation as soon as possible." Asked if Bush's new measures would lead to higher prices when the dollar stores reopen, Requeijo said the assessment the government is undertaking would also take into account higher prices for oil, gas and milk -- so an increase in prices in the dollar shops might not be "directly related" to Bush's actions but to rising international prices. (*AP*, 12/5/04)

May 13: Cuba is bracing for a new financial crunch as soaring oil prices, shipping rates and harsher US sanctions threaten the import-dependent country's scarce hard currency resources, local analysts said. "Thanks to increased tourism and higher nickel prices we were doing a bit better this year, but forecasts that oil will remain above \$40 per barrel and Bush's increasing hostility are forcing us to rethink plans," a Cuban economist said. "Here we go again, it looks like payments will be late or stop now," one diplomat said. With oil prices up 25 percent this year, freight costs twice what they were a year ago, and fuel costs pushing up tourist travel bills, the government had to act, said the Cuban economist. "The Bush measures were the icing on the

cake. They closed the stores to let everyone know just how serious the situation was," he said. Cuba imports 50 percent of its fuel needs, or 80,000 barrels per day, and a similar percentage of its food requirements. Food imports amounted to \$1 billion in 2003. Tourism, family remittances and spending by Cuban-Americans visiting Cuba account for more than 50 percent of hard currency revenues, estimated at just over \$5 billion. (Reuters, 13/5/04)

May 24: Cuban shoppers expressed dismay at hiked-up prices on goods sold in US dollars as stores selling everything from deodorant to electronic goods reopened two weeks after the communist government abruptly shut them down to reprice items. The Cuban government abruptly shut them down to raise prices, blaming US measures aimed at squeezing the island's economy. The reopening of more than 5,000 dollar stores across the island was announced in a full, front page article in the Communist Party daily Granma. An increase in gasoline prices also went into effect. At one local station, the cost for regular gasoline had been raised to 80 US cents from 75C per liter. The newspaper article, entitled "Information for the People," said prices at the dollar stores were increasing an average of 15.4%. (AP, 24/5/04)

June 9: In a surprising operation, posing more questions than it answers, the Cuban government filtered US\$ 3.9 billion into the international banking system using a US Federal Reserve program for the replacement of deteriorated bills, as an investigation by the Federal Reserve bank of New York revealed. Some analysts believe the funds, which had been deposited in the Union Bank of Switzerland (UBS), could be a money laundering operation. However, the general opinion in government circles is that the money is simply income from tourism and remittances, said an official from the Federal Reserve. Last May, the Federal Reserve bank penalized UBS with a \$100 million fine. (El Nuevo Herald, 9/6/04)

June 9: A US congresswoman requested an investigation into what she described as a Cuban government operation to launder \$3.9 billion using a Federal Reserve program. Florida Republican Ileana Ros-Lehtinen told the press that she made the request to a congressional committee of the Federal Reserve and to Union Bank of Switzerland. "Today I sent a letter to Congressman Michael G. Oxley, chairman of the House Financial Services Committee, asking for a formal investigation into this maneuver by Cuba which, in an illegal way, has used the US Federal Reserve to launder \$3.9 billion," Ros-Lehtinen said. The Cuban government used a US program to replace deteriorated US bills and deposit the \$3.9 billion into the Swiss bank accounts of unknown owners. (EFE, 9/6/04)

July 24: The Union des Banques Suisses, the largest banking group in Switzerland, rejected allegations of money laundering on Cuba's behalf. Three members of the US Congress Chamber of Representatives leveled the accusations at the UBS and called for an investigation. A UBS spokesperson said the bank had no knowledge of any on-going inquiry into its activities and denied involvement in any money laundering schemes. (AFP, 25/7/04)

October 25: Cuba announced that US dollars will no longer be accepted at businesses and stores on the communist island starting next month, in a move that will radically change the way cash transactions have been done over the past decade. Cuba's national currency, the peso, cannot be used with international partners. "Beginning on November 8, the convertible peso will begin to circulate in substitution of the dollar throughout the national territory," Fidel Castro said in a written message read by his chief aide, Carlos Valenciaga. In the message, Castro asked Cubans to tell relatives living abroad to send them money in other foreign currencies such as euros, British pounds, Canadian dollars, or Swiss francs. The move announced was likely to hurt mostly Cubans who receive American dollars from relatives in the United States. Cubans and others on the island can still hold dollars in unlimited quantities and can change them into pesos before the new policy takes effect. But they will have to pay a 10 per cent charge to exchange dollars after November 8. (AP, 25/10/04)

October 26: Fidel Castro's move to discourage the dollar's use could make travel to Cuba, and trade with it, a lot trickier. But Canadian tour operators said wider use of the loonie could

eventually make travel to Cuba simpler, if the Canadian dollar gains acceptance. "In the beginning, it's going to be cumbersome because people aren't used to it," said Arnold August, president of Montreal-based Voyage Culture Cuba, which sent nearly 1,400 Canadians to Cuba on educational trips last winter. "But once [Cubans] get use to exchanging Canadian dollars, it will be much better." Mr. August said Cuban tourism officials have assured him Canadian dollars will soon be readily convertible into pesos at most banks and hotels. André Lemay, a spokesman for the Department of Foreign Affairs and International Trade in Ottawa, predicted the decision would have little impact for Canadian tourists, but said the 10-per-cent commission could make doing business more expensive. Canadian embassy officials plan to meet representatives of Cuba's central bank in Havana to discuss how the new regime will affect financial dealings with Canada. Officials of Toronto-based Sherritt International Corp., one of the largest foreign investors in Cuba, said they believe the new rules will have little or no impact on the company's energy and mining businesses. (*The Globe and Mail*, 26/10/04)

October 26: The Minister President of the Cuban Central Bank BCC, Francisco Soberón, said the country does not expect adverse responses, if the reaction of the 17 executives of foreign banks working in Cuba is taken into account, after they learned about the new measures about business transactions in US dollars. Soberón explained that the decree 80/2004 approved by the BCC and announced by Fidel Castro will be positive for tourism growth. The Europeans will not have to worry about changing their currency into US dollars anymore; they will be able to change it into Cuban Convertible Pesos, the currency that will be circulating in Cuba when the new law comes into effect in two weeks, as dollars will no longer be accepted in shops and businesses. The minister said this initiative will guarantee a major financial sovereignty to the country as the island will be able to control the monetary flow and will have better possibilities to plan the money issued. (*Prensa Latina*, 26/10/04)

October 27: Fidel Castro said widespread use of the currency of US dollars would be halted to guarantee Cuba's economic independence. However, the move will also have an impact on many Canadians who spend their winter vacations on Cuba's white, sandy beaches. Although euros are accepted in a few resorts, the US dollar has been the primary currency demanded at hotels and other tourist installations. Vancouver-based travel agent Philip Beck of Carlson Wagonlit said he's counselling his Cuba-bound clients to avoid taking US dollars to the Caribbean country. "US dollars used to be on par with Cuba's convertible peso, but now I would encourage British Columbia travellers to take Canadian dollars. "It's as simple as that. There's no extra fee that way." (*The Province*, 27/10/04)

October 27: Cuban authorities were considering wider use of the European Union's euro as Cuba began rebuilding the hard currency base built mostly on US dollars for more than a decade. Foreign tourists were advised to leave American money at home and bring other foreign currencies instead. Since the government decided to replace the US dollar with the local Cuban convertible peso beginning November 8, authorities "have been studying coordinating with Cuba's Central Bank to extend the acceptance of the euro in other areas of the country," Tourism Minister Manuel Marrero said. "It is recommended that after that date that visitors to the country don't carry United States dollars," Marrero told a news conference. He said visitors could exchange euros, Canadian dollars, British sterling pounds or Swiss francs into convertible pesos after arriving in Cuba. The euro is accepted already at several coastal resorts on this Caribbean island. (*AP*, 28/10/04)

November 1: The Cuban Central Bank issued new convertible-peso bills in denominations of five and 10 pesos, the currency that will replace the US dollar on the island starting November 8. The press reported that the new currency will bear the legend "Banco Central de Cuba" and the bank's logo. The watermark will be the portrait of the apostle of Cuban independence, Jose Martí. The bills have a five-pointed star on the front along with a security ribbon bearing the popular revolutionary slogan "Patria o Muerte - Venceremos." The five-convertible-peso bill is green and has a picture of the monument to national independence hero Antonio Maceo. The 10-peso bill is brown and bears a picture of the monument to Maximo Gomez, a Dominican general who fought

for Cuban independence. The bank said the previous issue of convertible pesos from 1994 was still legal tender. The convertible Cuban peso, known officially as the "CUC" (Convertible Unit Currency in English) and popularly as the "chavito," will replace the dollar, to which it is pegged, as of November 8, according to an announcement made last week by Fidel Castro. (*EFE*, 1/11/04)

November 4: Due to the huge demand to dispose of the US bills that were legal tender in communist Cuba for a more than a decade, the Central Bank gave Cubans an extra week to exchange the American greenback for a local currency tied to the dollar. The need to extend the two-week transition period indicated that economic planners in Cuba underestimated how many US dollars had accumulated on the island since they were made legal tender as a temporary measure to capture hard currency after the loss of Soviet aid and trade. (*AP*, 4/11/04)

November 8: The US dollar disappeared from stores, hotels and restaurants in Cuba in what Fidel Castro has called a move to counter US attempts to stifle the island's economy. Cuban businesses can now only accept the "convertible peso" which has a face value equal to one dollar but which is worthless outside the country. The coloured notes have become known as "chavitos", or "monopoly money", by the local population. Now there will be the local peso and the convertible version. Rene Lazo, deputy chairman of the Cuban central bank, said the use of the dollar prohibited attempts to estimate the amount of money in circulation, the *Trabajadores* newspaper reported. He said that now the central bank will be able to "maintain an adequate balance between monetary circulation and the offer of goods and services." The official press has called the currency change "a new victory over imperialism" saying that Cuba was regaining its "monetary sovereignty". (*AFP*, 8/11/004)

November 8: In some areas of large public attendance in Havana, such as the busy produce markets, some "cambistas" (black market currency traders) are offering up to \$32.00 pesos per US dollar, nearly 20% more than the government-run exchange offices. Some analysts maintain that the rise of a black market for US dollars was an almost "natural" reaction, to be expected following the recent ban on US dollar-based transactions, while other experts forecast that this type of parallel economic activity is only transitory and should not prosper if the local convertible "peso" remains stable. (*EFE*, 8/11/04)

November 8: Havana will permit the exchange of Japanese yen, Venezuelan bolivars and Mexican pesos for Cuban convertible pesos starting next week, authorities announced in Havana. Central Bank of Cuba (BCC) President Francisco Soberon denied that the Cuban government is considering extending the use of the euro on the island, because "the convertible peso has come to stay, it is our currency." Nonetheless, he recognized that the use of the euro could grow in some tourism centers, but "in no way is it valid to say that we are considering the introduction of the euro," he said. The Central Bank of Cuba president also denied that a black market in dollars was likely to emerge on the island because "owning dollars is not prohibited." He also rejected any possible impact on the remittances that Cubans receive from family members in the United States, adding that the measure has been well received by foreign businessmen operating in the country. (*EFE*, 8/11/04)

November 15: A 10% tax on the exchange of US dollars has come into force in Cuba. The measure was originally planned for November 8, but was deferred for a week to allow people to change their dollar reserves into Cuban pesos. The move will affect Cuban citizens who receive money from relatives overseas as well as foreign visitors. (*BBC*, 15/11/04)

November 16: Fidel Castro appeared on TV along with the director of the Central Bank of Cuba, Francisco Soberón to discuss the progress of the de-dollarization of the economy. With more than 2.5 million transactions in the 18 days since the measure was announced until its full application, and with more accounts opened during that time than in the total in the last ten years, Soberón considered the change-over to be a success. Castro declared that the recent monetary measures implemented on the island seek, among other things, to "devalue the United States'

national currency." While giving an update on the impact of the ban on US dollar-based transactions, Castro said that the other objective of this measure is to respond to Washington's attempt to block Cuban deposits in international banks of any amounts in US currency derived from Cuban transactions abroad. (*Radio Habana Cuba, Notimex*, 16/11/04)

NATURAL DISASTERS

[See also, Sugar; Domestic affairs/ Social issues]

March 26: The devastating effects of the drought affecting East Cuba became more evident as the local water reservoir was unable to meet the demand, forcing water tank trucks to make more than 100 trips to distribute water. The local paper says the dams in the territory currently store less than 140 million cubic meters of water, and access to 100 million is limited by pumping capacity. Las Tunas is in the worst situation, as its population of 100,000 is barely supplied one fourth of the 17 million cubic meters of water required to provide stable service. Underground water has decreased by more than one meter and dried out many wells. This is why the population is hoping for a miracle downpour to ease their desperate situation. (*Prensa Latina*, 26/3/04)

April 5: The worst year for rainfall in a decade is the description for the period between May 2003 and this April in Cuba, given that precipitation has only been at 84% of its historic average. The provinces suffering the most dramatic drought of the last 10 years are Camagüey (76% of average rainfall since last May); Holguín (74%) and Guantánamo (69%). Scarcity of is also reported in Las Tunas (78%), although that province's worst year for rainfall was 2001. Granma, which also reports low rainfall (79%), had its worst year during 1999-2000. Holguín is in the worst situation, suffering from two consecutive years of the poorest rainfall in the last decade. During the 2002-2003 period, the eastern province only received 83% of its average rainfall, now standing at 74%. (*Granma International*, 5/4/04)

April 12: The intense drought in Cuba accounted for 14 forest fires last week and brought the total for this year to 218, with damage to 4,732 acres, according to the fire management chief of the National Forest Ranger Corps, Granma newspaper reported. The drought in Cuba, particularly in March and April, has set the stage for the fires, which have been chiefly in the Isle of Youth and the provinces of Villa Clara, Camaguey, Holguin, Guantanamo, and Cienfuegos, Chief Martin Chavez Blanco informed. Although most of the forest fires have been small, two were of greater magnitude, one of them affecting 395 acres in Mayari Arriba, Holguin, before being brought under control. (*Prensa Latina*, 12/4/04)

May 20: A continued drought in eastern Cuba has prompted emergency measures -- including the construction of a 50-kilometer long conduit from the River Cauto to Holguín, where the situation is most serious. Water from the river will supply area reservoirs that are almost completely dry from the lack of rainfall. (*Radio Habana Cuba*, 20/5/04)

May 25: Cuban authorities informed that the country's eastern provinces' water reserves, affected by a severe drought, will barely last another 3 months. Thousands of dollars were approved to increase land irrigation and special steps were taken to ensure adequate water supply for the population. According to official daily Granma, Rafael Vivar, a Ministry of Agriculture official, said that 19 of the 467 land irrigation reservoirs are depleted while the rest remain only at 25% capacity. Tanker trucks are delivering water for 18,000 cattle, and a similar number have been herded to other locations. Central government authorities had to authorize the expenditure of an additional US \$800,000 for land irrigation. Fuel allocation for that purpose was also increased. (*AP*, 25/5/04)

June 9: Mother Nature has not been kind to Cuba lately, with a drought already over a year old, an unusual June heat wave and several severe local storms, including a tornado. Although

Santiago de Cuba's tornado did not produce any deaths, it caused a great deal of material damage. Cuban tornados are not frequent. (*Prensa Latina*, 9/6/04)

June 11: Heavy rain which usually falls in May finally arrived in the eastern city of Santiago de Cuba to the relief of local farmers and residents alike, although the drought that has ravaged crops and cattle herds remains critical. As the entire island enters the cyclone season meteorologists predict more rain to come, although this will not exceed the monthly average for June. Thus far the rainfall in the east of the island is at 70% of normal levels forcing water rationing measures in most towns and cities. (*Radio Habana Cuba*, 12/6/04)

June 14: Intense drought afflicting eastern Cuba for months has dried up one of the reservoirs that supplies the city of Holguin, leaving its 70,000 residents without drinking water, the local press reported. According to the weekly *Trabajadores*, the critical situation has forced authorities to enlist a fleet of 85 tanker trucks to deliver water. (*EFE*, 14/6/04)

July 2: The installation of 50 new water pumps in the eastern Cuban province of Camagüey could help alleviate the effects of the severe drought that is currently afflicting much of the island. The pumps are being built by the Centre for Applied Technology (CITA). Principal CITA engineer Boris Manzanares told the press that the pumps were initially scheduled for installation in November, but technicians have been working around the clock to bring that date forward. (*Radio Habana Cuba*, 2/7/04)

July 3: A tornado with winds up to 200 kilometers (124 miles) per hour left 17 people injured and damaged some 200 homes as it roared through the eastern Cuban city of Manzanillo, local television reported. The high winds knocked down or partially damaged houses, roofs and walls while injuring residents of the port city located 906 kilometers (563 miles) east of Havana. (*EFE*, 3/7/04)

July 7: The United Nations warned that thousands of people might be at risk due to a severe drought afflicting parts of western Cuba, and said it had approved an aid package for the affected provinces. The UN said it fears acute food shortages in the three western provinces of Holguin, Las Tunas and Camaguey "where the drought has been particularly intense." The UN has approved 161,000 dollars in aid for the drought-hit areas, much of which will be sped to help over one hundred thousand children under five years of age, the UN said in a statement. "The drought has had a wide impact (...) there is also the possibility that infectious diseases could spread," UN representative Bruno Moro told the press after visiting Holguín with over 50 foreign diplomats. (*AFP*, 7/7/04)

July 12: Camagüey, the traditional heartland of Cuban cattle farming, has been hit particularly hard by the lack of rain in the traditional May, June and July wet season. The average rainfall across the island reached only a mean 0.7 mm a day from November 2003 to May 2004, making the current drought one of the worst on record. Two thirds of the 52 reservoirs in the central province are now totally dry and emergency standpipes and new wells have been created to maintain domestic water supplies. 160, 000 Camagüey residents now have no access to running water. (*Radio Habana Cuba*, 12/7/04)

August 6: Despite the recent rain that fell in the east of Cuba, drought still persists in Holguín province, 164.7 miles away from Havana, as assured by Cruz Mario, director of the Enterprise for Aqueducts and Sewer Systems in this province, who told the press that the lack of water supply has been partially mitigated, due to the rain in the last days, but a real restoration is not foreseen yet. The lack of rain in the last 10 years made the level of water go down from 21.4 to 2.4 million cubic meters in a reservoir called El Rincon, and the coming rain increased the amount of water in 2 million. (*Prensa Latina*, 6/8/04)

August 12: Fidel Castro said the capital city was thoroughly prepared to face Hurricane Charley, thus providing Havana the opportunity to considerably minimize losses. Castro referred to the

rapid movement of the hurricane, which within 24 hours moved from the sea off eastern Guantánamo province to areas just below western Cuba. "We were hoping it would not hit the capital city, that it would turn east or west, but meteorological forecasts have been made; we will see-once it passes through-what damage it has inflicted", commented Castro. This situation is occurring while the country is still hard at work recovering from two previous hurricanes that hit the country just a couple of years ago, particularly Michelle, which was very destructive, explained the Cuban leader. He said he was concerned about similar damage that could be inflicted by strong winds hitting areas of the capital city. (*A/N*, 12/8/04)

August 12: The tobacco leaves harvested in the Cuban western province of Pinar del Rio, the first in the country, have been secured against the approaching gusts of Hurricane Charley. Juan Carlos Pozo, from the Ministry of Agriculture, told the press measures include speeding up the harvesting of 26,000 tons of leaves, while sheltering them all in safe places. (*Prensa Latina*, 12/8/04)

August 12: Hurricane Charley has passed through Cuba after gathering strength in the Caribbean and headed north towards the American state of Florida. In Havana, authorities created shelters to evacuate 20,000 people from low-lying areas and from several buildings for fear they will collapse, like in Old and Central Havana's historic districts. In Pinar del Rio, Cuba's biggest tobacco-producing province, 52,000 people were evacuated and 50,000 tons of tobacco have been secured. More than 1,300 tourists were evacuated from Cayo Largo del Sur to the resort town of Varadero in Matanzas province, some 140 kilometers (87 miles) from the capital. Tourism officials in Varadero told the press that around 18,000 visitors stayed in the area's hotels and authorities were able to accommodate evacuees in vacant rooms. In addition, mobile civil-defense units were on the streets giving instructions on safety precautions in Cuba's main resort area. The entire fishing fleet on the Isle of Youth off the southern coast of Cuba proper was safely in port and the cargo at the docks were transferred to safe places, according to the official newspaper *Juventud Rebelde*. Havana residents waited in long lines at stores and gas stations to gather basic provisions and fill their cars' gas tanks up with gasoline, while many churches began selling candles in preparation for the electricity going out in the storm. (*EFE*, 12/8/04)

August 17: Cuban Vice President Carlos Lage told reporters that a complete report on damage to food production, services and housing caused by hurricane Charlie has not yet been submitted. Lage called on local authorities to step up recovery efforts, noting that people in some areas are still without electricity after four days. Brigades of electricians and other experts from Cuba's central and eastern provinces have been volunteering in the capital and in the province of Pinar del Río -- in an effort to restore all services to area residents as quickly as possible. (*Radio Habana Cuba*, 17/8/04)

August 19: The International School of Cinema in San Antonio de los Baños, one of the most prestigious institutions in the world of filmmaking, was hit by Hurricane "Charley" in his path through Cuba. Dozens of palm and coconut trees were pulled up by the roots and scattered all over the grassy areas surrounding the school, while hundreds of aluminium roof covers were lifted and glass windows were shattered by the winds. The Hurricane also destroyed walls and ceilings of some classrooms. (*EFE*, 19/8/04)

August 24: Hurricane Charley caused more than \$1 billion in damage to Havana and its surrounding provinces when it roared through western Cuba on August 13, killing four people, a leader of the ruling Communist Party said. The storm demolished 4,177 houses and damaged almost 70,000 other homes, Politburo member Pedro Sáez said in Round Table program -- broadcast live on Cuban radio and TV. He said that 798 schools and 312 health clinics and hospitals were also damaged by the hurricane. Charley has been nicknamed the "lumberjack" hurricane because its 105 mph (169 kph) winds uprooted or snapped more than 8,000 trees in Havana, and destroyed 300 hectares (7,400 acres) of tree plantations outside the city, he said. It was the worst storm to hit Cuba since Hurricane Michelle in 2001 plowed through the center of the island in 2001, leaving 200,000 homeless and \$1.8 billion in damages. Sáez, the party's first

secretary for the City of Havana province, said Charley's most painful impact was to leave 2 million inhabitants without water for days on end because pumping facilities had no power. Large parts of the city's westside, as well as Havana and Pinar del Rio provinces had no electricity for 11 days due to the downing of 28 high-voltage towers from a power plant in Mariel. Some 23,000 hectares (56,800 acres) of bananas, citrus and other fruit were flattened in Havana province, where cattle, chicken and pig farms were badly damaged. (*Reuters, Prensa Latina, 24/8/04*)

August 25: Over 100,000 Cubans are receiving water from tankers in Las Tunas province, due to a harsh drought that has been affecting eastern Cuba for ten years now. Nearly 140 communities in that territory of 2542 square miles and over 532,000 inhabitants are deprived of running water, which is getting scarcer, and into low level reservoirs, now at 30 percent of their capacities. Provincial authorities have estimated losses in 2004 in \$26 million, prompted by damages to agriculture and stockbreeding, besides the resulting soil degradation. (*Prensa Latina, 25/8/04*)

August 28: Cuba continues to strive to restore power in some areas after Hurricane Charley hit the western part of the country two weeks ago. Cuban Vice President Carlos Lage said there are many hard-working days ahead before reestablishing power services completely in western Pinar del Río and Havana provinces. It is time to resort to experience and professionalism to restore electricity to 30,000 houses lacking that service in the region since the hurricane hit the island on August 13, he said. The Cuban leader noted that 23 percent of the population in the 11 (out of 19) most affected municipalities of Havana province still lack power, adding that workers will have to complete the recuperation of high-tension towers brought down by the hurricane. (*Prensa Latina, 30/8/04*)

August 30: Executive Secretary of the United Nations Convention to Combat Desertification UNCCD, Hama Arba Diallo, said the UN is ready to analyze how the international community can cooperate in the implementation of strategies of all Cuban eastern provinces to combat the negative effects of drought. The UN representative praised the measures taken by authorities in Las Tunas, Holguin and Camagüey to counteract drought's effects. (*Prensa Latina, 30/8/04*)

September 2: The construction of a new small-capacity water reservoir in drought-stricken Holguín, east of Cuba, has entered its final phase. Water reservoir "Naranjo", with a capacity for 11,000 650 cubic meters of water and the first built since 2001, should begin its service in 2005 and start collecting water in the next rainfall period. (*Prensa Latina, 2/9/04*)

September 11: Fidel Castro stressed the need to employ all preventive measures in the face of deadly hurricane Ivan, which was on its way towards Cuba. He placed emphasis on saving human lives and then protecting material resources, as the strongest storm of the last 50 years approached the western part of the island. Speaking in a special edition of the nationally televised "Round Table" program, the Cuban leader exhorted Cubans to put into practice the solidarity that characterizes the nation by inviting neighbors in vulnerable dwellings to seek shelter in more stable buildings. (*Radio Habana Cuba, 11/9/04*)

September 11: Cuba girded for Hurricane Ivan by evacuating 40,000 people from flood-prone areas and directing some of them to a network of tunnels dug long ago to resist a US attack. Long lines formed at markets and gas stations, Havana residents hoarded supplies, and workers trimmed tree branches and cleared street drains as the hurricane that Cuban weather forecasters were calling "Ivan the Terrible" approached. Many stores had already run out of many goods, particularly candles and batteries, and buses were packed with people who were running to make last-minute purchases. One woman said the government had ordered neighborhood grocery stores to sell all their produce and issue current and future rations of the subsidized food items, so that none of it spoils. But lines were reported to be even longer at stores that sell goods for US dollars, where there is typically a greater supply and variety of food items and other goods. (*The Miami Herald, 11/9/04*)

September 12: Fidel Castro was again on Cuban national TV urging citizens to prepare for the onslaught of hurricane Ivan, the deadliest storm to threaten the island since the 1959 revolution that brought him to power. "We can't let our guard down," the 77-year-old dictator said as Ivan veered toward Cuba after ripping its way through the Caribbean. "There are still many hours in which this monster can do many unpredictable things," Castro said. (*The Globe and Mail*, 13/9/04)

September 13: In passing over the island, hurricane Ivan tore off roofs, downed trees and telephone poles and brought waves 5 meters (16 feet) in height along the coast. Civil Defense officials said that practically everyone had been evacuated from the communities with the greatest risk from the storm. A total of some 180,000 people were evacuated from Pinar del Rio province, some 35 percent of the western province's population. Many coastal towns were abandoned as about 1.3 million evacuated their homes across the island, mostly seeking refuge in friends and relatives' homes. Others went to government shelters. High winds tore roofs off buildings, ripped trees up by their roots, damaged citric and banana plantations, important roads were submerged in water, tobacco fields drenched and power lines downed. Cuba's tobacco crop was safe, according to top grower Alejandro Robaina. Planting season doesn't begin until next month and remnants of January's harvest are protected in curing houses. A tobacco curing house had part of its zinc roof pulled away. (*EFE, Sun Sentinel, Granma, AP*, 14/9/04)

September 15: The head of the UN body that focuses on disaster reduction said Cuba is a model for other countries in the management of hurricane risks, according to UN News Center. Salvano Briceño, director of the International Secretariat for Disaster Reduction, said Cubans are taught in schools, universities and workplaces how to prepare for hurricanes and how to cope with them if they hit the country. Some 1.3 million Cuban people were evacuated from their homes in anticipation of the arrival of Hurricane Ivan. Television and radio stations are used to transmit information to the public and all institutions are mobilized 48 hours in advance of the expected arrival of a serious storm. (*Prensa Latina*, 15/9/04)

September 18: Guanahacabibes Peninsula, located 200 kilometres west of Havana, is the westernmost point in Cuba, and was therefore the closest to the eye of Hurricane Ivan. It was declared a UNESCO (United Nations Educational, Scientific and Cultural Organisation) Biosphere Reserve in 1987. "There is very little vegetation left, and the trees still standing look like they were set on fire," commented Omar Ledesma, head of the meteorological station in Cabo de San Antonio. Ledesma is one of a team of 14 men who managed to reach Cabo San Antonio, after clearing a path through 50 kilometres of wreckage with axes and machetes. It took them 12 hours. "Along the way we saw dead fish and iguanas, but we saw others that were still alive," said Ledesma. He estimated that the hurricane affected 95 percent of the forests, as well as most of the beaches. Further to the east, throughout the rest of the province of Pinar del Rio, official sources have reported the destruction of 225 tobacco drying houses, the loss of almost 14,000 tons of citrus fruits, damage to 2,200 bee hives, and the death of 2,400 chickens. (*IPS*, 18/9/04)

September 29: Homes and agriculture in western Cuba suffered the worst effects from Hurricane Ivan earlier this month, authorities said in Havana, in the first detailed assessment of damage. In a report released by the official press, authorities in Pinar del Rio province say Ivan damaged 19,828 homes, of which 807 were destroyed and 2,108 had their roofs blown off. The head of the provincial government of Pinar del Rio, Vidal Perez, said 311 schools were damaged, as well as 46 sporting facilities, 38 cultural centers, and 93 clinics, according to the official publication Granma. Agriculture was the hardest-hit economic sector. Some 6,500 hectares (16,049 acres) of tubers and roots were lost, along with 4,140 hectares (10,222 acres) of vegetables, 3,966 hectares (9,793 acres) of plantains, 295 hectares (728 acres) of fruit trees and 170 hectares (420 acres) of rice. Ivan, the second hurricane to hit Cuba this year, damaged the area's electrical and telephone infrastructure. The fishing industry, vital to the province's economy, also was adversely affected, as five processing plants were damaged and two days of fishing were lost due to bad weather. (*EFE*, 29/9/04)

November 18: The drought affecting Cuba's East for several years now has spread to the central and western territories, Cuban experts informed. According to the Climate Center studies, rainfall in October, the last month of the rainy season, was very low across the nation. Thus, unfavourable conditions are predicted for the November-April season, which only accounts for 20 percent of the annual rainfall accumulation. Data of the Climate Control Bulletin term the rain deficit "excessively below the usual", causing "the drought expansion to the central and western regions." The country's 241 reservoirs are currently at 43% of their total capacity, according to specialists Margarita Fontova and Francis Rodríguez from the National Institute of Hydraulic Resources (INRH). For nine of the provinces, this is the lowest quantity of stored water since 1993. The only provinces not lacking stored water are Cienfuegos in the center of the island and, in the far west, Pinar del Río and the Isle of Youth, areas that were hit by the rain associated with Hurricane Ivan and which has aided their supplies. (*Prensa Latina, Granma International*, 18/11/04)

November 19: A pipeline constructed to bring water from the Cauto River, Cuba's largest, to the drought-stricken city of Holguín is finally up and running and should help bring relief to the more than 300,000 inhabitants of this major urban centre in eastern Cuba. "It's working well and transporting the 500 litres of water a second that it was designed to handle," engineer Rafael Aguilera, the director of the pipeline construction project, told the local newspaper *Ahora*. According to *Ahora*, attempts to put the pipeline into use were frustrated a full 25 times, as a result of breakages in the Italian-made pipes, which could not withstand the water pressure required. But since last week, the authorities say, the flow of water has been stabilised. Aguilera noted that a project of this scope would normally take up to three years to complete, but the state of emergency declared in the city 15 months ago in response to the drought made it essential to complete the pipeline in the shortest possible time. (*IPS*, 19/11/04)

December 15: Over 1,000 people have been evacuated in the eastern Cuban province of Holguín due to floods caused by the Sagua de Tanamo river, swelled by 300-mm rainfalls. Castro and Santa Teresa, two of Sagua de Tanamo river's tributaries, forced neighbors to seek refuge with friends and relatives or resort to government shelters. Damages to agriculture have not been yet assessed in coffee-producing areas. Holguín has been suffering the worst drought in 50 years, forcing authorities to adopt measures to guarantee water supply to the population, and secure productions and services. (*Prensa Latina*, 15/12/04)

December 22: Cuban parliamentarians expressed concern over soil degradation, which affects 70% of farmland on the island, indicated the official press. The National Assembly's Commission on Education, Culture, Science, Technology and the Environment heard a report by Abilio Cárdenas, director of the Ministry of Agriculture's Soil Institute, who said those soils suffer from the effects of erosion, acidity, salinisation, low organic matter, reduced fertility and poor drainage. (*AFP*, 22/12/04)

NICKEL

[See also, Foreign investments and trade/ Asia/ China, and Foreign Affairs/ Canada]

March 5: The head of Sherritt International says the company needs to "make something happen" in the next six months to get expansion of its Cuban nickel project underway or it will miss a chance to take advantage of the recent strength in nickel prices. "We're sitting down with our counterparts in Cuba and it's really a matter of negotiations to define the terms that are satisfactory to both parties," Dennis Maschmeyer, Sherritt's chief executive, said during a conference call with analysts. Last year, Sherritt's Moa mining and processing facilities in Cuba produced 7,715 tonnes in the fourth quarter and 32,042 tonnes for the full year of nickel plus cobalt contained in mixed sulphides. That compared with 8,159 tonnes during the fourth quarter of 2002 and a record 33,382 tonnes during the prior year. The company attributed the lower production rates to lower-grade ore and additional maintenance activities in 2002. (*The Toronto Star*, 5/3/04)

May 6: Sherritt International Corporation boosted its first-quarter profit by 52 per cent as revenue rose 16 1/2 per cent, the mining company reported. Sherritt, which also has significant oil, gas, power generation and tourism assets, mostly in Cuba, said it earned \$52.9 million or 35 cents per share in the first three months of 2004, compared with net earnings of \$34.8 million or 26 cents per share in the first quarter of 2003. Revenue climbed to \$224.9 million from \$192.9 million. (*The Toronto Star*, 6/5/04)

September 30: Cuba's nickel and cobalt production were so far unscathed by the energy crisis gripping the Caribbean island, industry sources said. Cuban officials had said the energy grid was functioning at just 50 percent of demand due to plant breakdowns and other problems, causing daily blackouts of six to 12 hours, and the crisis would continue in the coming months. "The nickel and mining plants are operating normally as they do not rely on the national energy system," said a foreign investor who visited Cuba's nickel mining region in eastern Holguin province last week. "The blackouts have affected office work, so some delays might develop," he added. (*Reuters*, 30/9/04)

November 4: Sherritt International Corp.'s earnings doubled in the third quarter, results showed, on the back of higher nickel and cobalt prices and strong sales. The company, which has power, oil and nickel investments in Canada and Cuba, earned \$40.2-million or 26 cents a share in the three months ended September 30. That compared with \$20.7-million or 11 cents in the same quarter a year ago. Sherritt said that sales of nickel, a metal used to produce stainless steel, increased by 5 per cent in the fourth quarter to 8.3 million pounds. Sales of cobalt, which is mined with nickel, were 900,000 pounds, up slightly over the prior-year quarter. (*The Globe and Mail*, 5/11/04)

November 16: Agreements signed during a visit by Chinese President Hu Jintao should allow Cuba to double production of nickel from its current level of 75,000 tonnes a year, according to Fidel Castro. "These are big, big investments," Castro said in a four-hour televised address. He said the Chinese investments would eventually mean that "nickel production, which is now of 75,000 to 76,000 tonnes (annually) -- will double." He stressed that Cuba would retain 51 percent ownership of companies created with Chinese capital. (*AFP*, 17/11/04)

November 22: Chinese companies signed agreements to invest in the production of Cuban ferro-nickel and form a joint venture to explore nickel reserves, in a major move into the island's nickel industry. State-owned Minmetals Corp. signed a memorandum of understanding that will allow Cuba to start up the unfinished Las Camariocas plant in eastern Holguin province, which has been mothballed since the demise of the Soviet Union more than a decade ago. State-run nickel monopoly Cubaniquel will own 51 percent of the plant and Minmetals 49 percent. The venture will produce 22,500 tonnes of ferro-nickel, with financing coming from the China Development Bank and guarantees from Sinosure, the Chinese Export and Credit Insurance Corp. An executive of Minmetals Corp.'s nonferrous unit said China was interested in other projects in Cuba's nickel industry located in Moa, Holguin province, where Cuba has a joint venture to produce nickel with Canada's Sherritt International. "We will be very active in Moa. China needs the resources. It is good for both countries," said Pen Pu Gang, vice president of China Minmetals Nonferrous Metals Co. (*Reuters, The Toronto Star*, 22/11/04)

REMITTANCES

March 31: In a recent poll conducted for the South Florida Sun-Sentinel and WTVJ Channel 6 by Florida International University, 54 percent of Cuban-Americans surveyed in Miami-Dade and Broward counties said they send money to Cuba. According to the survey, the average amount sent per household in 2003 was \$387 for an estimated total of about \$100 million annually from South Florida. (*Sun Sentinel*, 31/3/04)

August 5: Cuba has just inaugurated a new service to receive money remittances through Italy and Spain, five weeks after the restrictions approved by US President George W. Bush went into effect, according to a report in the press. The new service is called Sercuba and is provided by the Empresa de Telecomunicaciones de Cuba S.A. (ETECSA), a Cuban-Italian joint venture. Its offices will initially be in Italy and Spain, with prospects to spread to other countries. "Sercuba provides a safe, easy and rapid solution to send money transfers to your relatives and friends in Cuba," says the company on its website. (*Radio Habana Cuba*, 7/8/04)

SUGAR

[See also, Agriculture and livestock and Natural disasters]

January 23: Cuban Sugar Minister Ulises Rosales del Toro said the sugar harvest was on track, with mills opening on time and operating at acceptable levels and cane estimates were holding firm, state-run radio reported. "Ulises Rosales del Toro said mills have opened on time unlike the previous harvest (...) he said 56 mills were operating and the remainder would open soon," Radio Reloj said. At this time last year Cuba reported 30 mills were grinding. Rosales said mills were operating at 72 percent capacity, compared with 62 percent during the previous harvest. Rosales said in December, as he opened the harvest, that sugar output would increase 19 percent to 2.6 million tonnes, with 700,000 tonnes for domestic consumption and the rest for export. (*Reuters*, 23/1/04)

January 28: Cuban sugar crushing mills total 56 in the current 2003/04 crop year, up from 30 units in the year-ago period, it was reported. The 56 mills work with 72 pct of their production capacity in the current season, while those working in the previous crop year used 62 pct of their capacity. Other eight units are expected to start operations in February 2004, according to the Cuban Government. The country's 2003-2004 sugar output is expected to reach some 2.6 million tonnes, an 18.2 pct increase year-on-year, according to the Sugar Ministry. (*Latin American News Digest*, 28/1/04)

February 9: The Cuban sugar industry entered the peak eight weeks of the harvest with raw sugar production behind schedule, sources said, as yields and milling remained below expectations. The official media reported that 75 mills were now open. Eighty mills were scheduled to grind by February. Local media reports over the last week indicated output was behind schedule in many of Cuba's 13 sugar-producing provinces. For example, eastern Santiago de Cuba was 15 percent behind plan, official radio reported, while the government's AIN news agency said central Cienfuegos province was 5,000 tonnes behind schedule and western Matanzas province 23,000 tonnes behind schedule. Sugar Ministry officials speculate that output may come in a bit below the 2.6 million tonnes planned, with all but 700,000 tonnes for export. (*Reuters*, 10/2/04)

February 19: Eastern Las Tunas became the second Cuban province to produce 100,000 tonnes of raw sugar, the official media reported, as the harvest in the world's fourth-largest sugar exporter moved forward more quickly than last year. "The five active mills in the territory accumulated yields of 10.8 percent since the harvest began January 8, much higher than planned, and allowing for the production of 100,000 tonnes with 5 million arrobas (60,000 tonnes) less cane," the official news agency, AIN, reported from Las Tunas. The area's mills were operating at 75 percent capacity, compared with 64 percent at this time last year when it took the

province until March 8 to reach 100,000 tonnes, state-run radio said. Villa Clara province was the first of 13 sugar-producing provinces in 2003 to reach 100,000 tonnes on February 26, followed by Las Tunas on March 8. This year central Camagüey province reached 100,000 tonnes on February 12, compared with March 25 a year ago. (*Reuters*, 19/2/04)

February 27: Kenya and Cuba have signed a two-year technical agreement to revamp the island's sugar industry. In Nairobi, Planning Minister Anyang' Nyong'o made the announcement upon his arrival from a one week tour of Cuba. (*Radio Habana Cuba*, 28/2/04)

March 3: Cuba's plans to produce 2.6 million tonnes of raw sugar during the 2003/2004 harvest appeared further out of reach at the close of February, sources close to the industry said, as mills sputtered along and broke down. No official milling and yield information was available as the state-run media fell silent on the harvest's progress, a sure sign of problems, local analysts said. Cuba's top sugar reporter, Juan Varela, announced that the amount of sugar produced was not that important. "What is important is economic efficiency," he said. Varela's daily radio spots, usually filled with harvest information, have focused on Sugar Ministry efforts to produce food, electricity and livestock ever since. "I think the Sugar Ministry decided not to provide information on the harvest because it is not going well," a local sugar expert said. (*Reuters*, 3/3/04)

March 22: Central Camagüey became the first Cuban province to produce 200,000 tonnes of raw sugar in the 2003/2004 season, the local media reported, as the industry struggled to top last year's 2.2 million tonnes by early May. "Camaguey has become the first in Cuba to produce 200,000 tonnes of sugar during the current harvest," the province's official weekly, *Adelante*, said. Analysts say less-than-expected yields, harvesting and milling problems mean this year's harvest will weigh in at around 2.3 million to 2.4 million tonnes, though efficiency has improved. On April 7 of last year western Villa Clara province became the first of 13 sugar-producing provinces to reach the 200,000-tonne mark, followed by eastern Las Tunas on April 15, while Camaguey did not reach the mark until May 27. (*Reuters*, 22/3/04)

April 9: Cuba's raw sugar output passed 2 million tonnes as the industry struggled to surpass last year's 2.2 million tonnes before the rainy season sets in, local analysts said. "They will have to mill into May to reach 2.3 million tonnes," said a Cuban economist who follows the harvest closely. Cuba planned to end the harvest by May at 2.6 million tonnes, but mills have operated at less than 70 percent of capacity, compared with the 80 percent planned, while yields have been more or less as expected at just above 11 percent, industry sources reported. No national milling and yield information has officially been available since mid-February. (*Reuters*, 9/4/04)

April 19: A drought in eastern Cuba has reduced the amount of cane available for milling as the harvest enters its final weeks, the country's top sugar reporter said, adding to the problems of a beleaguered industry already behind schedule. "The cane remaining in the five easternmost provinces is less than expected, due mainly to drought," Juan Varela Perez said during his daily radio spot dedicated to the harvest. Varela gave no further details, except to say that estimates for the other eight sugar-producing provinces remained above what was needed to meet their plans. Cane was drying up fast in central Camaguey province, also affected by drought, an industry source said. The official Granma International reported rainfall in the area was the lowest in a decade. (*Reuters*, 19/4/04)

May 6: Cuban raw sugar production topped 2.3 million tonnes with little chance an additional 100,000 tonnes can be churned out before the last mill closes later this month, local analysts said. "Production passed the 2.3 million tonne mark when the month began," a source close to the Sugar Ministry said. Reuters estimated output at 2.32 million tonnes May 1, based on official media and provincial source reports. The world's fourth-largest sugar exporting country sells abroad all but 700,000 tonnes of the crop. More than half of 80 mills have already closed, according to official media reports, including most of the industry's larger ones. (*Reuters*, 6/5/04)

May 20: Cuba's sugar harvest is all but over, but not much more than the previous crop which yielded the least sugar in 70 years. The current crop was put at 2.4 million tonnes of raw sugar, local analysts said, with only a dozen of 80 mills still grinding, according to local media and source reports. The 2002/2003 sugar crop amounted to 2.2 million tonnes, making it the lowest in 70 years. "They are at 2.38 to 2.4 million tonnes and only a few small mills are still open, processing cane that had to be demolished anyhow and with yields at less than 8 percent," a source close to the Sugar Ministry said. It is estimated an output at 2.4 million tonnes, based on official media and provincial source reports. According to a Cuban economist with access to Sugar Ministry information, "2.4 million tonnes, give or take 10,000 to 20,000 tonnes, is right for the season." (*Reuters*, 20/5/04)

June 4: Cuba's latest sugar harvest came in at about 2.75 million tons, larger than last year but still tiny and less than officials had projected, the communist government announced. The Communist Party daily *Granma* quoted Vice President Carlos Lage as saying that the 2003-2004 harvest that ended this spring, was 2.9 percent smaller than previously forecast. The 2002-2003 harvest was about 2.4 million tons, according to government figures announced in late December. The previous two harvests were around 3.9 million tons. Lage blamed a drought in the island's east for the production of less sugar than hoped. But he said this year was more efficient than some others, with a drop in production costs and increased shipping speed. Cuba's sugar industry has been undergoing a major restructuring over the past several years as officials struggle to improve production and make a once-crucial industry more relevant. (*AP*, 4/6/04)

July 6: Drought has dashed Cuba's plans to increase raw sugar output any time soon from the historic lows that followed the outdated industry's downsizing in 2002, though damage will depend on precipitation in the coming months, industry sources said this week. "The plan was to build on the 2003/2004 harvest of 2.52 million tonnes toward more than 3 million tonnes in 2006," a local economist and sugar expert said. "Now we are talking about holding the line, something that may prove impossible." Output in 2002/2003 was the lowest in more than 70 years at 2.2 million tonnes following the closure of 71 of 156 mills and a 50 percent cutback in the area dedicated to cane. Prolonged drought from the eastern to the central parts of Cuba has destroyed and stunted cane earmarked for the coming harvest, and slowed planting for 2006. (*Reuters*, 6/7/04)

August 2: Cuba is urging sugar workers to take advantage of recent rainfall and ease damage caused by drought, local media said, though reports left no doubt that the coming harvest was in trouble and some mills would not open. Light-to-moderate rainfall over the last few weeks has put some life back into cane plantations devastated by months of unusually dry weather, but the moisture was not nearly enough. "Last year we had 680 millimeters (26.8 inches) of rain through July and this year 190 millimeters (7.5 inches)," the deputy director of central Villa Clara province's sugar industry, Sergio Guillen Sosa, said. (*Reuters*, 2/8/04)

August 5: Despite the current dramatic changes gripping the Cuban sugar industry, prompted by an international unfriendly market, the island's government has continued to improve living conditions for the relocated workers. As part of the benefits, the Paraguay community, in the easternmost Guantánamo province, already boasts a baseball field, a primary school, a library and a video cinema hall. Carlos Lage, the Secretary with the State Council's Executive Committee, said the government is also planning to increase the quality of life in former sugar-producing communities, while pondering other ways of improving conditions for residents in Paraguay community. (*Prensa Latina*, 6/8/04)

August 6: Cuba is seeking alternatives to tackle the intense drought affecting the eastern part of the island, by building water pumping stations and wells in round-the-clock working sessions, among other options. As part of such efforts, Cuban Vice President Carlos Lage has called on sugar cane farmers in Santiago, 900 km east of Havana, to find new alternatives and make their best to reduce the effects of the drought on the sugar cane plantations. On a recent tour of the east, Lage recommended to growers and harvesters that the soil in sugar cane plantations be

permanently covered with straw, in order to keep grass from growing and maintain the level of humidity amid the surrounding dryness. The government has already built 10 water-pumping stations and sunk 100 new wells in Holguín. Its greatest hope is a new pipeline, being built at the cost of \$5 million dollars to channel water in a 32-mile distance from the river Cauto to the city of Holguín. (*Prensa Latina*, 6/8/04)

September 1: Cuba is stepping up efforts to make use of sugarcane derivatives for animal and human medications at a time when the island's sugar industry is undergoing restructuring due to the low sugar prices on the international market. Local experts are unanimous in touting "alternative" uses for sugarcane, to make sweets and alcohol, animal feed, resins, preservatives, plastics and manufactured products like paper or furniture. Of the surprising variety of sugarcane derivatives, the product that achieved perhaps the greatest international popularity in the late 20th century was policosanol, or PPG, discovered and developed in Cuban laboratories. PPG is applauded as a regulator of the metabolism for fats, including cholesterol, and as a food supplement for people in situations of great physical exertion. This "natural" medication does not have harmful side effects and is thought to enhance sexual function. The product has customers in Europe and Australia, among other points of the globe, and is sought by many of the tourists visiting this socialist-run island. (*Tierramérica*, 1/9/04)

September 16: Hurricane Ivan caused almost no damage to Cuba's sugar industry as it roared by the western tip of the island, and the storm provided much-needed moisture to the drought-stricken crop, media reports and sources said. Damage was confined to western Pinar del Rio province which produced 75,000 tonnes of the most recent sugar harvest's 2.52 million tonnes of raw sugar. "Just a few of our 85 mills sustained minor damage and some cane is under water," a local sugar expert said. Brigades were hard at work draining flooded plantations before water could suffocate the plants, top Cuban sugar reporter Juan Varela Perez said in his daily radio spot. Ivan provided little relief to the drought stricken eastern part of the country as it passed south of the island, but precipitation increased as the Category 5 storm neared, benefiting the rest of Cuba which has also suffered a lack of rain this year. "Sugar workers and farmers in the western provinces, as well as some central provinces, have benefited from Ivan's rainfall, because they can now increase planting," Varela said. (*Reuters*, 16/9/04)

October 15: Cuba's Sugar Ministry postponed September's final crop estimate through the end of October as drought continued in key sugar-producing provinces, industry sources said. "There is so little cane and it is so stunted and thin that they decided to wait a month in hopes rain would improve the estimate a bit," an industry source said. The estimate is used to plan the harvest and exports. An initial estimate in August came in at less than two million tonnes of raw sugar, according to industry sources. "Cuban sugar traders have been told to expect no more than 1.5 million tonnes to sell," a Cuban economist, who wished to remain anonymous, said. "The drought worsened in September," the official daily Granma reported. "September precipitation was well below normal levels in the central and eastern regions." Granma reported key sugar-producing provinces such as Matanzas, Las Tunas, Villa Clara and Camaguey received 51 percent, 45 percent, 46 percent and 59 percent of normal rainfall, respectively, on the heel of a year or more of exceptionally dry weather. From April 2003 through May 2004 rainfall in parts of central and eastern Cuba was 400 millimeters (16 inches) short of the norm, the government said. (*Reuters*, 15/10/04)

November 1: Cuba and Brazil are studying future transfers of technology developed on the island to the South American giant in order to boost the production of sugarcane derivatives. Renato Caporali, head of the International Division of SEBRAE, a Brazilian institution that supports small and medium-sized businesses, took part in the 4th Bilateral Technical Cooperation Commission Work Group that wrapped up its sessions over the weekend. He reported that his organization signed a cooperation agreement with Cuba's Research Institute for Sugarcane Derivatives (ICIDCA). (*Radio Habana Cuba*, 1/11/04)

November 3: Cuban Sugar Minister Ulises Rosales del Toro said mills would open late for the coming harvest, in the latest indication that drought damaged the crop, the official news agency Prensa Latina reported. "The harvest will start in January, and not in December as usual, to give more time for cane to mature and increase industrial efficiency," Prensa Latina quoted Rosales as saying in an exclusive interview. Around 20 of 85 mills were not expected to operate during the coming harvest, provincial media and sources indicated. Vice President Carlos Lage recently said 26 of those mills would not open until February. The harvest ends in May. (*Reuters*, 3/11/04)

November 7: Strains of Cuban sugar cane are to be utilized in Ecuador and the Dominican Republic to generate electricity and serve as stakes for certain fruit and vegetable plants, an official at the National Sugar Cane Research Institute (INICA) said. Dayami Campo Guerra, who represents a business group affiliated with the island's Sugar Ministry, told local reporters that these varieties will be used not only for creating energy, but also as stakes for such plants as plantain. INICA-developed strains with similar characteristics have been used by Mexican farmers as stakes for keeping tomato plants upright, Campo Guerra said. (*EFE*, 7/11/04)

December 10: Cuba's sugar harvest began with the drought-ravaged crop estimated at no more than 1.8 million tonnes, compared with 2.52 million tonnes a year ago, industry sources said. The last time Cuba, one of the world's largest sugar exporters, produced less than 1.8 million tonnes of sugar was in 1909. Just four of 65 mills were scheduled to open this month, with the rest coming on line in January and February, a top sugar reporter, Juan Varela Perez, said in a daily radio spot. (*Reuters*, 10/12/04)

December 10: Iranian Minister of labor and Social Affairs Nasser Khaleqi met with Cuban Minister of Sugar Industry Rosales Toro Ulises, discussing ways to bolster sugar industry cooperation. According to a report released by the Iranian Embassy in Havana, the Cuban and Iranian officials reached consensus to expand research cooperation and share experiences in the field of sugar cane industry. (*IRNA*, 10/12/04)

December 13: Cuban sugar Minister Ulises Rosales del Toro announced 23 mills would remain closed during harvest just getting underway, confirming reports that drought had hurt this year's crop, the official daily Granma said. Rosales, opening the harvest over the weekend, urged increased industrial efficiency to maintain output at the previous harvest's 2.52 million tonnes of raw sugar, despite the unanimous opinion of local experts that production will not exceed 1.8 million tonnes, the lowest since 1909. "The minister insisted efficiency was a determining factor to counter possible low yields that the intense drought has caused sugar plantations," Granma said. The harvest usually begins in November or December and runs into May, but Cuba is in the grip of the worst drought in 40 years, according to the government. Rosales said just three mills would open this month, 46 in January and six in February. There were 85 mills opened during the previous harvest, 79 of which produced raw sugar and the remainder derivatives. (*Reuters*, 13/12/04)

TELECOMMUNICATIONS

January 17: Cuba's Telecommunications Enterprise ETECSA will install 80,000 new telephone lines this year based on conventional technology by using wire and wireless connections. In 2003, the Cuban enterprise installed 60,000 phone lines, 81% of which benefited residential areas, while the digitalization of phone service reached 80% last year. Such a program will continue to expand toward the island's eastern municipalities in coming months. (*Radio Habana Cuba*, 17/1/04)

March 1: Cuba will offer cell phone service to local residents for the first time, the official media reported, as the Caribbean island scrambles to modernize its telecommunications. "Starting the second half of the year the population will benefit from the installation and distribution of cellular telephones, a service up to now available only in dollars," Villa Clara province's official weekly, Vanguardia, said. "In the future the basic development of telecommunications will be cellular and

wireless," Vanguardia reported. The island's 11.3 million people have almost no access to mobile phones. Cell phones are available to tourists and other foreign visitors. (*Reuters*, 1/3/04)

April 19: Telecom Italia will disburse \$50 million (41,6 million euros) to take part in the Cuban mobile telephone system. Until now, the Italian operator had participation only in the fixed sector with Cuban company ETECSA. The Cuban company announced the purchase of two cellular operators with a license for fixed and mobile offerings until 2019. ETECSA will pay \$185 million for these companies, while Telecom Italia will add \$50 million to maintain its equity interest of 27% in ETECSA. (*Bloomberg*, 19/4/04)

May 22: According to Mexican authorities, an Italian court ordered the seizure of Cuban Telecommunications Inc. (Etecsa)'s bank accounts in Italy, worth a combined US \$40 million, as part of legal litigation initiated by Mexico to receive payment of Havana's outstanding debt to that country. The director of the National Bank for International Trade (Bancomext) said that the amount seized covers about 10% of the total figure owed. A Bancomext official indicated that the ruling is part of one of two legal suits launched by Mexico two years ago to ensure payment of the debt. (*El Nuevo Herald*, 22/5/04)

August 2: A telephone exchange in Havana caught fire, interrupting communications in several municipalities, informed the Cuba Telecommunications Company (ETECSA). The disaster took place at the Luz Plant located in the Lawton district, municipality of Diez de Octubre, which serves around 1,500 customers, said a source from ETECSA. (*EFE*, 2/8/04)

July 8: More than 40% of mailed packages handled by the Cuban National Postal Service so far this year have not reached their intended destinations. Services offered include national and overseas delivery of postal packages, but employees of that state-run agency often steal the assorted items mailed. (*Cubanet*, 8/7/04)

November 20: All Cuba's provincial capital cities will boast digital telephone service. The eastern cities of Bayamo and Las Tunas will join the rest of the island's provincial capitals in offering much improved digitized phone service to residents and businesses. Cuba's telephone company, ETECSA, also announced that at the beginning of 2004 the province of Las Tunas was 8.2% digitized and by the end of the year officials expect the area to be 60% covered. (*Radio Habana Cuba*, 20/11/04)

November 28: Full digitalization of telephone systems in the 14 Cuban provincial capitals was called a step forward in communications, after respective works were finished in Bayamo and Las Tunas, in the island's East. The two modern plants substitute analogical ones, and will also benefit people from Puerto Padre and Manzanillo, the second cities of Las Tunas and Granma provinces, respectively, the Juventud Rebelde daily reported. (*Prensa Latina*, 28/11/04)

TOBACCO

February 23: The late-winter/early-spring harvest in Cuba's western tobacco-growing region of Pinar del Rio is an important annual event. Tobacco is the communist-run island's third-largest export -- producing an average of 150 million hand-rolled cigars worth about \$240 million a year -- and is recognized worldwide for its quality. But this year's harvest is especially important. Fed by good seeds, rich soil, and growth-favoring humidity, there is a fertile optimism that production levels will normalize after extensive storm damage lowered tobacco yields a year ago. (*Newsday*, 23/2/04)

April 22: Cuba said the tobacco harvest in western Pinar del Rio province, home of its highest quality leaf, was all but over at around 22,000 tonnes, ensuring supplies for its much sought after cigars. "Pinar del Rio met its plan for this year's tobacco harvest and is at the point of ending it," the country's official radio reported. Pinar del Rio's 2003 crop weighed in at around 17,000 tonnes. Official reports when the harvest began indicated the plan would insure enough tobacco

for cigar production and to build up a reserve. The tobacco that goes into Cuban cigars comes exclusively from Pinar del Rio, except for 50 percent of the rapper leaf grown in neighboring Havana province, which reported a bumper crop. (*Reuters*, 22/4/04)

November 5: Tobacco in the eastern province of Pinar del Río - - the biggest producer of tobacco in Cuba -- is recovering from the damage caused by Hurricanes Charley and Ivan, which hit the area in August and September. According to authorities in the province, following weeks of clean-up operations and efforts to repair downed power lines, workers are striving to boost production of export-quality cigars. Four tobacco factories in Pinar del Río have extended their work day in order to fulfill production goals. (*Radio Habana Cuba*, 5/11/04)

TOURISM

[See also, Foreign Affairs/ Canada]

February 6: Some 700 German tourists have arrived in Santiago de Cuba aboard the "Delphin" cruise ship. The stopover is part of the ship's Caribbean itinerary and is the fifth cruise ship to arrive in Santiago de Cuba this winter. Previous cruise ships that have docked in Santiago de Cuba include the "Princess Danae" and "European Vision" -- with Italian and French vacationers - - and the cruise ship "Black Watch" -- with British passengers. (*Radio Habana Cuba*, 6/2/04)

February 18: Two of Cuba's major beach resorts, Varadero and Jardines del Rey, have set record numbers in the arrival of tourists, Tourism Ministry sources highlighted. Varadero registered a record number of foreign visitors on St. Valentine with 22,628 tourists, a mark broken the following day when the so-called Blue Beach lodged 22,867 tourists from eight countries, most from Canada. On the other hand, Jardines del Rey, a growing beach resort in northeastern Cuba, welcomed 6,176 foreign tourists, a record number for a day in the history of this destination in Ciego de Avila province. The arrival of tourists in Jardines del Rey so far this year has grown 18 percent compared to the same period of 2002, Tourism Ministry official Eduardo Veiga told the press. (*Prensa Latina*, 18/2/04)

February 18: Cuba has risen to eighth place among tourist preferences in the Americas. According to experts in the tourism sector, the island is among the top destinations for vacationers and welcomed more than 1.9 million visitors last year alone. For a number of years, Cuba ranked 23rd among tourists as the favorite destination in Latin America and the Caribbean. Statistics show that Canada sent the most visitors to Cuba during 2003 -- with a total of 450,000 vacationers -- a nearly 30 percent increase over the previous year. Following Canada, tourists to Cuba came from: Italy, Germany, France, Spain, Great Britain and Mexico. (*Radio Habana Cuba*, 18/2/04)

March 2: Cuba closed the first month of 2004 with a 12.4 percent increase in tourist arrivals, as compared to the same period last year, tourism industry sources informed. A total of 214,242 visitors traveled to the island in January, surpassing the number of arrivals in the same month last year by 23,573, according to statistics by the Ministry of Tourism. In January 2000, 163,786 tourists had visited the Caribbean island, 188,652 did so in the same month of 2001, and 140,792 in 2002. Canada, Italy, France, Germany, the United Kingdom, Venezuela, Spain and Mexico are still the island's principal markets. (*Prensa Latina*, 2/3/04)

March 24: Virgin Atlantic Airways Ltd plans to order two more A340-600 aircraft, recruit 1,400 staff, add new routes to Cuba and the Bahamas, and expand capacity on existing routes, said the British airline. (*Reuters*, 24/3/04)

March 24: Effective in July, Air Canada will boost its non-stop flights between Toronto and Havana, Cuba to daily service operated with Airbus A319 aircraft. In the meantime, the carrier has introduced a larger Airbus A320 aircraft on the route in response to customer demand for the popular new service launched only last December. (*CNW*, 24/3/04)

April 26: Cuba's main hard currency earner, tourism, increased more than 13 percent in the first quarter, according to a government report. Top officials have told foreign bankers they expect nickel plus cobalt profits to be around \$400 million this year due to high international prices. Tourism generates more than 40 percent of Cuba's hard currency, or some \$2.1 billion in 2003, while nickel has replaced sugar as the top export earner. "The first three months of the year were very good, especially because tourism put in a strong showing on top of last year's record arrivals," said Juan Triana, head of Havana University's Center for the Study of the Cuban Economy. Most foreign and Cuban analysts expect Cuba's GDP to increase at least 3.5 percent this year, compared with 2.6 percent in 2003 and 1.1 percent in 2002. (*Reuters*, 26/4/04)

April 27: Mexicana Airlines is increasing its promotion of flights to Havana and Varadero. According to Armando González, the regional director of the airlines, the company will step up its advertising in the coming months -- with the view to increase travel to the top two tourist destinations on the Caribbean island. During a news conference in Mexico City, Armando González noted that Mexicana Airlines moved more than 83,000 passengers on round-trip flights between Mexico and Cuba last year. (*Radio Habana Cuba*, 27/4/04)

April 30: British tourists seeking Caribbean sun and beach have spurred the recovery of Cuba's tourism trade, which grew 13.6 percent in the first quarter of this year, the Cuban government said. British tourists have flocked to communist-run Cuba in growing numbers, and charter companies are increasing weekly flights from eight to 12 a week. Rebeca Jara, sales promotion director at Cuba's Ministry of Tourism, said British tourism grew 37 percent in the first quarter to 32,616 visitors, and became the fastest growing European market for Cuba in March, though still behind Canada Italy, Germany, France and Spain in overall numbers. British charter operators Monarch and Britannia are adding new weekly flights to Cuba this year, Jara said, and the first charter flight from Ireland operated by SunAir will arrive in Varadero, she said. (*Reuters*, 30/4/04)

May 6: Bolivian airline Lloyd Aereo Boliviano (LAB) will start offering two weekly flights to Cuba as of August 2004, compared to one weekly flight offered currently. The flights are for the route LAB Santa Cruz de la Sierra-Panama-Havana. LAB has been maintaining contacts with the Cuban market for three years. The airline plans to open an office in Havana in the last quarter of 2004. (*Latin America News Digest*, 6/5/04)

May 12: Spain's Sol Melia, one of the world's largest holiday resort chains, is building two new hotels in Cuba. Sol Melia has reported a jump in first-quarter net profit, driven by Latin America and the Caribbean where tourism picked up with US economic recovery. Latin American and Caribbean markets represented about half of the company's core earnings in the first quarter. "Our resorts in Mexico, the Dominican Republic and Cuba are mainly benefiting from the economic recovery in the US, the increasing flow of American travelers and the positive trends in travel by European clientele with increased purchasing power thanks to the euro appreciation," it said in a statement. (*CNN, Gaceta de los Negocios*, 12/5/04)

May 27: The Cuban Tourism Office for Spain, Viajes Corte Ingles and Melia tour operators opened the 2004 promotion campaign seeking to increase the number of people traveling to Cuba beyond the number of travelers during the last two years. Antonio Esquivel, who runs the Cuban firm, Rosa Paramio, World Tourism executive manager of Corte Ingles, and Luis Jimenez and Oscar Pau, representatives of Cuban Air Lines and Melia Hotel group, respectively, presented the project before entrepreneurs and specialized media. (*Prensa Latina*, 27/5/04)

May 30: Cuba celebrated the arrival of a million tourists in record time, despite US efforts to undermine the Communist nation's most important economic sector and amid a shake-up over corruption. "In 2002, we reached the figure (a million visitors) on July 29 and in 2003 on June 29," said a statement from the Tourism Ministry, read out amid dancing and spiced rum drinks at Havana's Hotel Nacional. The statement said the industry was on track to attract a record 2 million tourists this year. (*CNN*, 30/5/04)

June 28: The US administration's new measures to stiffen the four-decade embargo against Cuba will restrict the visits of Cuban-Americans, and could undermine the revenues that the island takes in through its fastest-growing industry: tourism. Studies carried out by the University of Colorado in Denver and the Brattle Group consulting firm indicate that if the travel ban was lifted, the Cuban tourism industry would see its revenues increase by nearly 576 million dollars in just the first year. Last month, sources at Cuba's Tourism Ministry admitted that the number of US citizens travelling to Cuba has fallen eight percent since the beginning of the year, due to the greater hurdles put in place by Washington. Visitors from the United States often fly to Cuba through a third country, and Cuban authorities refrain from stamping their passports on their way in and out. In 2002, of the 80,000 non-Cuban US citizens who visited the island, only around half had permission from Washington, according to analysts. A Travel and Leisure magazine survey among its US readers in 2003 found that Cuba was the favourite destination in the Caribbean. (IPS, 28/6/04)

July 13: Cuba's government is reasserting central control of the tourism industry, whose spectacular growth symbolized the communist-run island's market reforms of the 1990s, industry sources said. As part of the move, the government is removing dozens of executives who presided over a boom that turned the industry into Cuba's most-important economic sector and generator of hard currency. The Tourism Ministry has begun merging operations of four big state-owned tourism companies that control 30,000 hotel rooms, industry sources said. One executive of a foreign firm in a joint tourism venture with Cuba expressed displeasure, but said business remained strong. "We are not happy, but have adopted a wait-and-see attitude. We are being kept completely in the dark," said the executive, who spoke on condition of anonymity. The restructuring comes amid a drive by the ruling Communist Party to reverse modest market-oriented reforms that Fidel Castro's government adopted after the collapse of the Soviet Union plunged Cuba into economic crisis more than a decade ago. (Reuters, 13/7/04)

July 15: Tourism in Cuba has increased by a massive 12% in the first three months of 2004, according to statements given by the Cuban Deputy Minister of Tourism Oscar González. González spoke at the II National Congress of Conference, Event and Incentive Vacation Organizers that concluded in Havana, where he also noted that the tourist arrival per day rate had also increased significantly. (Radio Habana Cuba, 15/7/04)

July 28: A new marina has begun operations on the western tip of Cuba in the province of Pinar del Río. The Gaviota Los Morros de Piedra provides services for boats passing through the area of the Guanahacabibes Peninsula, known for the conservation of its landscape and the beauty of its seabeds. (Radio Habana Cuba, 28/7/04)

August 27: Interests in Cuba as a tourist destination continue to grow, this time with Chinese vacationers. This was evident during a meeting at the Cuban embassy in Beijing, with the participation of some 40 tour agency representatives and the Chinese press specialized in tourism. Omar Pereira, in charge of Consular Affairs at the Cuban diplomatic mission in the Chinese capital, said that the island's tourism industry was increasing. He noted that Cuba plans to welcome a record number of visitors this year - over two million. (Radio Habana Cuba, 27/8/04)

August 30: Cuba enjoyed almost an 11 percent increase in tourist visits during the busiest part of its high season, government officials said. The island this summer also broke its one-day record for hotel guests accommodated, with 44,415 on August 10 compared to 2003's one-day total of 40,026, the financial weekly Opciones reported. Jardines del Rey, Holguin, Varadero and the city of Havana remain the favorite haunts of tourists who last year hailed largely from Canada, the United Kingdom, Spain and Italy, the publication said. Cuba has some 40,000 rooms distributed among 273 hotels, 60 percent of which are in the four- and five-star categories. The government expects to reach its goal of receiving more than 2 million tourists this year. (EFE, 30/8/04)

September 30: Two hotels are closing in Havana, after the Cuban government announced a programme to ensure power supplies during the country's worst energy crisis in a decade. Hotel Riviera and Neptuno are closing temporarily as part of the severe energy plan adopted by Cuban authorities. The surprising decision is the first one in the tourism sector, after the government announced the austerity plan. (*La Jornada*, 30/9/04)

October 1: A major Cuban government hotel chain temporarily closed at least 16 hotels across the island under measures to combat severe problems in the country's electrical system. The hotels will reopen in November, said Maria de los Angeles Font, lawyer for the Hotel Riviera, one among four hotels affected in the capital. "We are one of the highest consumers (of energy)," Font said in a telephone interview. "To not affect other sectors, this hotel is closing down." Guests were being moved to other hotels. The other Havana hotels that closed are the Neptuno, St. John's and Villa Los Pinos, according to information sent to travel operators by the Gran Caribe hotel chain. In Varadero, the Puntarena, Villa Cuba, Laurel-Tortuga and Cabañas del Sol hotels are closed for the month. A half-dozen other hotels in Varadero will operate at limited capacity. Hotels in Cayo Largo del Sur, Las Tunas, Trinidad and Santiago de Cuba are also affected, according to the information. (*Canadian Press*, 4/10/04)

November 12: According to the Cuban daily *Granma*, the first 145 Turkish tourists ever to visit the island arrived in Cuba aboard the maiden flight of a new Turkish Airlines' charter service between Istanbul and Havana. (*AFP*, 12/11/04)

December 1: Cuba has become the second major tourist destination for Canadian vacationers during the second quarter of this year, according to the Canadian Office of Statistics. Tourists from Canada preferred Cuba over Mexico and other vacation destinations. The Office of Statistics reports that from April to June, 143,000 Canadians visited the Caribbean island, where they stayed for an average 8.9 nights. This accounted for an 88.4 percent increase in contrast to the same period last year. (*Radio Habana Cuba*, 1/12/04)

December 5: Cuba is hoping that Bulgarian tour operators will begin generating tourist flows to their country. The news was known upon the return of Rumen Petkov, representative of the Bulgarian Socialists Party, from Cuba. Petkov pointed out that the Cuban authorities are also expecting that Bulgarian businessmen will join the management of Cuban tourism spots. Cuba's Tourism Ministry has declared special interest in ship construction and sea trade. Interest has also been shown in the field of energy and construction. (*Sofia News Agency*,

5/12/04)

December 6: Sandals Resorts International will manage the brand new five-star

Princesa Del Mar hotel in Varadero, Cuba, bringing to three the number of resorts now being run by the all-inclusive chain in the Caribbean island. The 434-suite hotel came under Sandals management after Sandals and Gaviota, one of Cuba's largest and well-respected hotel companies, signed the management contract. "We are excited about this new development," said Sandals director Dr Jeffrey Pyne. "Our travel partners, particularly in Europe, the UK and Canada, have given tremendous support to our business in Cuba and we are thrilled to be able to include such a spectacular resort in our Cuban operations. We are looking forward with great enthusiasm to welcoming our guests to this special world-class facility." (*Radio Habana Cuba*, 6/12/04)

December 26: Cuba's tourism minister said that 2 million people visited the Caribbean island so far this year, achieving a long sought after goal despite US efforts to undermine the country's main foreign exchange earner. "This year the US government increased the unjust blockade imposed on our country and pledged to affect the unstoppable development of our industry," Tourism Minister Manuel Marrero said. "These 2 million visitors represent an 8 percent increase over last year and are one more demonstration that Cuba is not alone," he added. Tourism and related activities earned revenues of \$2.1 billion in 2003 and those earnings increased 15 percent this year, Economy and Planning Minister Jose Luis Rodriguez said earlier in the week. "The tourism industry accounted for 4 percent of foreign exchange earnings in 1990 and 41 percent this year," Marrero said. Last year, about 1.9 million foreigners visited Cuba. Canadians top the list of tourists, followed by Europeans, primarily from Italy, France, Germany and Spain. (*Reuters, AP*, 26/12/04)

TRANSPORTATION

March 22: The total number of buses making up Havana's mass transit fleet shrank from 543 in 2002 -- when there were already too few to meet demand -- to 524 last year. The fleet serves a total population of 2.2 million, and local authorities are trying to cover the shortage by reorganising routes and schedules to make better use of the available vehicles. In this Caribbean island nation of 11.2 million, a total of 900 mass transportation vehicles serve the cities, 183 serve suburban areas, and 1,036 cover the inter-urban routes, according to official figures. Although the statistics show that buses continue to form the backbone of the mass transit system, the number of passengers they carry fell 13.3 percent from 2002 to 2003, mainly due to fuel shortages. In 2002, buses picked up an average of 78.33 passengers along their routes, which dropped to 75.92 in 2003. (*IPS*, 22/3/04)