

FOCAL SUMMARY OF NEWS ITEMS REPORTED ON CUBA January-December 2005

This resource is a compilation of news items on Cuba listed in FOCAL's monthly Chronicle on Cuba throughout 2005

ECONOMY

AGRICULTURE AND LIVESTOCK

March 7: Cuba's coffee harvest was reported all but over with output estimated down more than 10 percent at less than 180,000 60-kg bags, based on local media and source reports. Eastern Cuba, home to 85 percent of the crop, is in the grips of its worst drought in close to a century. The remainder of the crop and the best beans, mainly for export to Japan, are grown in central Cuba, where output was similar to last year. "The drought did us in. This was the worst year anyone can remember," Manuel Payes, a coffee farmer in eastern Santiago de Cuba's mountains, said in an interview. Eastern Guantanamo and Santiago provinces account for around 66 percent of the crop and both reported the harvest came in well below expectations. "No one around here is even talking about this year's coffee harvest," said a mid-level government functionary in eastern Guantanamo province, asking his name not be used. Reuters estimated the 2003/2004 crop at around 200,000 60-kg bags, one of the lowest in 50 years. (*Reuters*, 7/3/05)

March 31: The Canadian Minister of Agriculture and Agri-Food, Andy Mitchell, announced, after meeting with Cuban Minister of Agriculture, Alfredo Jordán Morales, that Cuba has approved Canada as a source of live cattle. This follows Cuba's decision to re-open its border to a wide range of beef and beef products from Canadian cattle of any age, as well as petfood that does not contain ruminant meat or bone meal. Canadian exporters will now have access to Cuba for shipments of live cattle, goats and sheep, meat from these animals, as well as bovine semen and embryos. The Canadian Food Inspection Agency has worked closely with Cuban authorities for a number of months to re-open this market to live cattle and beef from Canada. (*Wuta International*, 31/4/05)

June 27: Cuba's largest citrus orchard reported final tonnage would be 425,000 tonnes of grapefruit and oranges, 75,000 tonnes less than expected due to dry weather, official radio said. "Despite irrigation difficulties, Matanzas citrus workers have collected 400,000 tonnes (...) with 25,000 tonnes of oranges still to be harvested before the season ends," official Radio Reloj said. Matanza's state-run Jagüey Grande orchard, just east of Havana, accounts for around 50 percent of Cuba's citrus crop and 70 to 80 percent of all citrus-related exports. A prolonged drought in central and eastern Cuba began spreading west this year, before June rainfall eased the situation in the area. The orchard produced 435,000 tonnes during the 2003/2004 season and planned to produce 500,000 tonnes this season. Citrus products are the country's second agricultural export after tobacco, earning around \$100 million. Fresh fruit and concentrate go mainly to Europe (*Reuters*, 27/6/05)

August 17: Cuba increased its food imports to approximately \$1,700 million USD this year to compensate for frequent setbacks in national production. The increase of imports in this sector coincides with difficulties in agro-food production caused by the intense drought that still affects the eastern provinces of the country. (*IPS*, 17/8/05)

August 31: Cuba's coffee harvest got underway with output from the hurricane-damaged crop forecast at less than last year's estimated 180,000 60-kg bags, based on comments from industry sources and state-run media reports. The Agriculture Ministry regularly refuses to comment on the harvest, and the government and state-run media rarely report the total crop, though provincial information is more frequently available. A rare July hurricane, Dennis, passed near coffee growing areas on the eastern part of the island, and then slammed into the ripening crop in central Cuba "Santiago de Cuba's coffee harvest got underway this week with the crop damaged by drought and then Dennis," state-run television reported. Santiago is one of four eastern provinces which account for more than 80 percent of the crop. (*Reuters*, 31/8/05)

September 12: A herd of 20,142 oxen is expected to guarantee the agricultural works in the Cuban province of Las Tunas, in the wake of the acute crisis of agricultural machinery that faces this territory, reported the local press. According to the provincial deputy-delegate of agriculture in Las Tunas, Eng. Alexis Velázquez, in the province only 20 percent of tractors are operational, which is a "serious challenge" for those responsible of organizing, executing and ensuring food production. (*El Nuevo Herald*, 13/9/05)

December 20: Based on assessments from the Ministry of Agriculture, the Productive Activity Committee of the Cuban Parliament reported that production of secondary meat products (from sheep, goat and rabbit) were down for 2005, in general due to inefficient management. Among the problems cited in this industry were a lack of training of primary producers along with shortages of veterinary products like antibiotics and others. Further deficiencies noted were repeated failures to meet contractual production levels, a delay in payments for products received and a failure to pick up animals in the agreed timeframe. Parliamentary representatives said that this industry should be targeted for growth. They noted that it could become an important source of employment and bring about a more efficient use of available farm land, while increasing the availability of meat for the public and forming a live reserve of protein for emergency situations such as in times of war. (*Granma*, 21/12/05)

CENTRALIZATION

(See also, Corruption, Domestic Affairs/ Social Issues)

June 19: Communist authorities in Havana have shut down hundreds of private entrepreneurs in a drive to reorganize the tiny private sector and ensure the businesses obey the law, the capital's official weekly said. "The process has included personal interviews, the checking of the skills of the self-employed and the study of where raw materials come from (...) up to now the licenses of 2,000 have been revoked," the weekly *Tribuna de La Habana* said. The process will conclude at the end of the month and take place every two years, Odalys Gonzalez, a regional labor ministry director, told the newspaper. The government has repeatedly complained about growing inequality associated with self-employment. A private worker can earn more in a day than the US\$12 (euro10) than the average state worker makes in a month. Officials also say private workers often compete with the government or steal state goods. (*Reuters*, *AP*, 19/6/05)

November 9: The Cuban government has launched a campaign against produce traders at the country's only private markets as part of a larger effort to rein in capitalist tendencies. Police and inspectors raided markets in Havana this week, shutting them down while they checked papers and fined and arrested some individuals. Similar measures in the provinces over the past few weeks have left markets bare and long lines at state markets for whatever produce and meat were available. The government strictly controls farm production but allows some sales on the open market after farmers meet state quotas. Farmers and cooperatives are expected to transport and sell their products without relying on middlemen, whom the government labels parasites. "In general the people are not happy since the most visible result is there are less products, longer lines, and prices have not declined," a professor in Central Camaguey, where the drive began a few weeks ago, said in a telephone interview, adding that attempts to increase supplies at state markets had changed little. (*Reuters*, 10/11/05)

November 29: A sting operation against pedicab drivers in the municipality Old Havana resulted in confiscated pedicabs, fines, arrests and deportations to different provinces. One hundred and fifty detainees were taken to a police station on Dragones street. (*Cubanet*, 29/11/05)

COLLABORATION AGREEMENTS

January 12: A Guatemalan newspaper has described as "a remarkable example of cooperation" facilities for the training of new doctors provided by the Cuban government at the Havana based Latin-American School of Medicine. Over 500 Guatemalan young people are currently studying medicine on the island, says the Siglo 21 editorial. The newspaper underscores that the doctors will serve the Guatemalan population for at least six years. (*Radio Habana Cuba*, 12/1/05)

February 7: Cuba and Indonesia explored the possibility of mounting a cooperation program, mainly in the field of health, during an encounter on the issue held at the Dharmais National Cancer Center in Jakarta, the Indonesian capital. Attending the meeting were important representatives in health care in Jakarta, and from the Cuban pharmaceutical industry, as well as Cuban ambassador Miguel Angel Ramirez. (*Radio Habana Cuba*, 7/2/05)

May 30: Cuban medical brigades that arrived in Honduras to help out in the aftermath of Hurricane Mitch are to leave the country following a decision made by the local government. In statements to the press, Honduran Health Minister Merlin Fernandez said that the departure of the Cuban doctors was a decision taken by a tripartite commission, made up by the Medical Association, the government and the School of Medicine. The minister said that the presence of some 120 Cuban doctors who provide free services in the 18 departments that comprise Honduras represent expenses of 14m lempiras (900,000 dollars) for the government every year. "Obviously, we will not abandon the communities; we will seek mechanisms to generate more resources so that Honduran doctors can replace them," said the minister. Alberto Gonzalez Polanco, Cuban ambassador in Tegucigalpa, said that the Honduran Foreign Affairs Ministry still had not informed him of the decision. (*Notimex*, 30/5/05)

September 14: Approximately 250,000 Cubans from different fields took part in cooperation activities in other countries from 1963 to 2004. That figure will increase this year with the 37,000 professionals who presently work in 108 nations. The Vice-Minister for Foreign

Investment and Economic Cooperation (MINVEC), Ricardo Guerrero, said that at present 24,824 collaborators on health represent 70.4 % of the 37,000 professionals and technicians who offer their services in countries of Latin America, the Caribbean, North America, Africa, Europe and Asia. (*AFP*, 14/9/05)

December 10: In almost two months members of the Cuban Henry Reeve Medical Brigade attended more than 442,000 patients affected by Hurricane Stan in Guatemala. Dr. Daniel Posada, second head of that International Contingent reported that the Cuban doctors saved 1,360 lives, after the arrival in Havana of the last two groups of doctors working in that country. (*Granma*, 11/12/05)

December 11: On his return to Argentina after meeting with Fidel Castro, Santa Fe Governor Jorge Obeid expressed satisfaction with his visit to Cuba and said it was a successful mission. "To be precise, we acquired vaccines to prevent meningitis, while Cuban teachers have been working in the northern region of the province for six months in an adult literacy program called "Yo Sí Puedo" (Yes, I can), he said to the press. The governor reported that this program has been so successful that the first 500 diplomas will be granted to people that have already learned how to read and write, and now they will join the formal adult education system. (*Prensa Latina*, 12/12/05)

December 27: Cuban diplomats in Mexico City said that Cuba's "Yo sí puedo" (I can do it) literacy program has taught more than 266,000 Mexicans from ten federal states to read and write. Sponsored by Cuban specialists, the method, also called Alfa-TV, is taught by 10,500 volunteers, mostly junior high school graduates who teach illiterate adults to read and write in seven-week courses. The project has been carried out in the states of Michoacán, Oaxaca, Tabasco, Puebla, Guerrero, State of Mexico, Veracruz, San Luis Potosí, Nayarit and the Federal District. (*Prensa Latina*, 27/12/05)

CORRUPTION

(See also, Centralization, Domestic Affairs/ Social Issues)

February 10: Cuban Attorney General Juan Escalona Reguera believes that "(Cubans) are currently at the most crucial and difficult stage" of the nation-wide campaign against criminal activities. During a working visit to Santiago de Cuba, Escalona pointed that "(...) progress has been made; numerous irregularities and instances of economic transgressions have been exposed (...). We cannot say it's anything to be alarmed about, (...) but obviously things have to change." (*Radio y Diario Monitor*, 10/2/05)

February 18: Fidel Castro has warned the state-run pharmaceutical industry that he intends to crack down on illegal sales of medication, and pointed a finger at those in charge of producing and distributing legal drugs. Castro addressed the issue in his speech at a National Health Workers' Union congress to which the foreign press was not admitted but which was broadcast on state television. "You cannot have people selling medication on street corners. It is a shameless act on the part of anyone who does it and even more so on the part of anyone who tolerates it," he emphasized. The medications are obviously "stolen from either pharmacies or factories," he said, and those who cooperate in that activity must be "arrested and tried." Castro warned everyone linked to the pharmaceutical industry, from Public Health Ministry officials to pharmacy clerks, that if the practice continues "we will proceed to directly

take over the (nation's) 2,000 pharmacies," which are already state run. Castro said he trusted "one warning will be enough." (*EFE*, 18/2/05)

March 9: A dozen leading members of the Young Communist League (UJC) were arrested on corruption charges. They were accused of buying large quantities of domestic appliances to foreign companies based in Cuba and of receiving benefits from the purchases; also of using official cars for private affairs. They were all involved in the so-called "Battle of Ideas" and had control over large amounts of financial and material resources. Among those arrested was the former President of the University Students Federation and member of UJC's National Executive, Alejandro Pérez. Also arrested was Eduardo Vázquez, a member of UJC and a close aide to former UJC Secretary General, Otto Rivero. Rivero was under investigation by State Security as well, but has been released. (*El Nuevo Herald*, 9/3/05)

March 17: Fidel Castro spoke against corruption, reminding citizens the socialist state was reining in control and promising it would respond to basic needs of the population. Reflecting continuing reports of an economic strengthening and the weakening of the US dollar on the island, Castro said the Cuban peso would strengthen today from 27 to 25 to the dollar. The increase -- a 7 percent gain by the peso -- is the first since 2001. "With this measure, we move in the strategic direction of strengthening the national currency and continue to boost the extraordinary confidence of our population," Castro told a large audience of Communist Party leaders, military and Interior Ministry officials and members of the federation of Cuban women. "The currency of a Third-World country, a blockaded country, begins its upward journey and will go, in a consistent manner, as far as it's necessary," said Castro, 78. ". . . The fate of the empire's currency is to devalue; the fate of the currency of Cuba, the blockaded country, the currency of the revolution, is to gain in value." During much of the nearly three-hour address, aired live on Cuban television and radio, Castro stressed a need to rid the country of the black market, saying illegal sales compromised a system meant to benefit all Cubans. (*AP*, 18/3/05)

March 29: According to the official newspaper "Sierra Maestra", more than 15 km of electrical and telephone cables were stolen from the Cuban Telecommunications Company (ETECSA) and the Cuban Railway Company (FC) in Santiago de Cuba last year. The paper notes that in 2004 there were 147 cases of cable theft, 35 of which took place in Santiago, with a total of 15,675 metres stolen. According to the columnist, the Cuban Railway Company has had to bring circulating trains to a halt or cancel the departures of others because communication between stations has been cut due to the theft of the railroad service's phone cables. (*Cubanet*, 29/3/05)

June 7: According to the official daily *Granma*, nearly 300 people have been charged with prescription and over-the-counter drug black-marketeering offences so far this year. The report added that, in the last five months, Cuban police have launched 309 raids against the illegal trafficking of pharmaceuticals, averaging two per day and resulting in criminal charges against 468 individuals. (*La Jornada, Granma*, 7/6/05)

June 27: An illegal operation for the production and sale of pharmaceuticals, working out of a government-owned laboratory and involving a network made up of some 40 individuals, including executives, technicians and a chief of security, was uncovered in Cuba. The weekly "Trabajadores" reported that 43 people received punishment ranging from facing criminal charges to workplace disciplinary action. (*Notimex*, 27/6/05)

July 4: The Ministry of Public Health (MINSAP) and the National Assembly of the People's Power signed an agreement aimed at curtailing the clandestine market of prescription drugs by authorizing government district representatives ("delegados") in areas where pharmacies are located to oversee control of prescription drugs in short supply. Representatives of the People's Power now have the right to go through invoices, according to the official media. (*Cubamet*, 4/7/05)

July 5: The Cuban Communist Party has asked its members to up their "combative spirit" in the face of different types of problems, such as corruption, according to the official daily *Granma*. "Increased foresight capacity and unyielding attitude are required to stem mismanagement, lift members' combative spirit and solidify revolutionary ethics, which are incompatible with theft, double standards and other expressions of corruption", informed the paper. *Granma* offered a summary of the party's meeting of the municipal committee of Plaza de la Revolución, one of 169 similar meetings taking place throughout the island since May 28 and due to conclude in early September. Without providing any details, the daily referred to incidents of corruption at a public company, a hotel, a cigar factory and technical school. (*AFP*, 5/7/05)

July 6: The Attorney General's Office uncovered at least 16,000 offences in state enterprises after conducting more than 1,740 audits in the last three years, indicated the Office's Audit Director, Caridad Sabó Herrera. In a report by the official daily *Granma*, Sabó Herrera said that the most common illegalities are unauthorized sales by employees and a surge of illicit agreements between companies and individuals. (*Notimex*, 6/7/05)

October 16: Hundreds of young people took control of Havana's gas stations that accept dollar-pegged pesos in a drive apparently led by Fidel Castro to eliminate pilfering at the pump. Clad in black T-shirts, they were busy pumping gas, managing state credit cards and jotting down everything from car license plates to how much gas people bought and whether it was with cash or credit. "They arrived by surprise and sent all the attendants home at full pay for 45 days," a cashier told the press, asking that her name not be used. "They plan to compare data with the previous 45 days and see how much gas is pumped, how much gas state companies really use. In short, how much is being stolen," she said. The young people said they were part of a special force of social workers developed by Castro in recent years to tap into youthful enthusiasm for revolutionary ideals and combat socialist bureaucracy. Although the social workers have been instructed to manage the pumps and help customers, their inexperience has caused delays at some of the busiest gas stations in the city. "It's unbelievable. I've been here at this service station for more than half an hour and they still haven't helped me because these boys don't know anything about how to sell gas," one irritated Havana driver commented while he waited in line to fill up. The measure comes amid widely circulating reports over the past few weeks about a possible 10 percent fuel price hike. (*Reuters, EFE*, 16,17/10/05)

October 16: The Cuban Ministry of Finance and Prices and that of Audit and Control will carry out a "special" audit of 20 % of state companies on the island. The audit aims to address "indiscipline, illegalities and cases of corruption", said an article in *Tribuna de la Havana*. (*AFP*, 17/10/05)

November 14: The Cuban government has embarked on a new anti-corruption drive, a campaign that includes searches and seizures at farmers' markets and investigations into

wrongdoing in the housing sector. Just one month after an anti-corruption drive targeting Havana's gas stations, including the temporary replacement of gas station attendants with thousands of young social workers, the government has launched an effort to tackle fraud in other basic areas of the island's economy. Inspections carried out in recent days in some of Havana's main "agromercados," or government-licensed farmers' markets, revealed serious infractions and prompted authorities to seize 170 tons of goods and impound 36 trucks whose cargo had been sold to intermediaries in the vicinity of private markets, officials said. Havana Mayor Juan Contino told local media that the government-run markets were short on supplies in recent months due to climatic conditions, while in the private farmers markets "food was offered at exorbitant prices," offered by people who "do not comply with their deliveries to the government (...) and sell their wares to the private markets." The battle against corruption, said Contino, will go beyond the markets and also include areas such as housing. He said authorities would investigate irregularities in rentals, theft of construction materials and unauthorized construction. During a meeting on strategies for combating corruption over the weekend, Contino also said authorities would monitor illegal sales on public roads and "all criminal activity that disturbs citizens' tranquility." (*Reuters, Dominican Today*, 14,15/11/05)

November 14: Farmer's markets experienced an abrupt drop in the supply of products after a police operation was launched in Havana's "agromercados". The offensive immediately led to an abrupt drop in the supply of products in the city's farmers markets, which cannot be compensated for by the limited quantities sold in state-run shops at fixed prices. According to Cuban law, small farmers and cooperatives can only sell their products on the open market after they have fulfilled the quota that they are required to sell to the state. (*IPS*, 18/11/05)

November 17: Fidel Castro has mobilized an army of young Cubans on a crusade to stamp out rampant theft hobbling Cuba's state-run economy and shore up its communist society. "In this battle against vice, nobody will be spared," Castro warned in a speech to Havana University students. "Either we defeat all these deviations and make our revolution strong, or we die," the 79-year-old leader said. Castro railed against Cuba's "new rich" spawned by reforms that allowed limited private enterprise a decade ago after the demise of the Soviet Union plunged the island of 11 million into deep economic crisis. He vowed to eliminate differences that emerged in Cuba's officially egalitarian society between those who have access to hard currency -- mainly cash remittances from relatives in Miami -- and those who do not and struggle to make ends meet. Current targets of his wrath are owners of small restaurants allowed to seat no more than 12 people, private taxis who drive gas-guzzling vintage 1950s American cars, and gas pump attendants accused of pocketing millions of dollars. "I'm not theorizing. We are acting. We are marching toward a total renewal of our society," he said. "The work of these young people will put an end to a lot of vices, pilfering and sources of dishonest money for the new rich," he said. Castro said hard currency stores could be targeted next in the drive to stop stolen goods and also subsidized medicines being sold on the black market. He indicated that Cuba might revalue its currency again, a step taken in April that reduced the purchasing power of Cubans who receive cash from relatives the United States. (*EFE, Reuters*, 17,18/11/05)

November 17: The Cuban government has launched a wide-reaching anti-corruption campaign that is aimed at curbing diversion of funds, theft and abuse of power in state-owned companies and businesses. Specialists consulted concur that the shortage of products and services available through legal channels and the high prices for goods sold in both Cuban pesos and hard currency serve to encourage theft and illegal businesses. In addition, wages

are often extremely low. A survey conducted in Havana at the start of the decade found that an average family of four would require seven times the average salary - which is roughly 260 pesos, equivalent to 10 dollars a month - to meet their basic needs. (*IPS*, 18/11/05)

November 30: Cuban lawyer Niurka Brito, who was fired from his job after denouncing a case of corruption, asked Cuban authorities to mediate in her case. "Right now (Fidel) Castro is heading a big national campaign against corruption (...) I ask myself how is it that they are calling the population to fight against corruption and they haven't done anything in my case?", Brito told the press. The Cuban lawyer worked as trade director at the Dairy Products Metropolitan Enterprise (Empresa Metropolitana de Productos Lácteos), where she was fired after denouncing five members of its staff in court for the theft of 34 tons of powder milk, dairies, and other products. Brito, 38, said that she has requested from several Cuban officials to mediate in her situation, but hasn't received any answer. She also sent a letter to UN Secretary General Koffi Annan denouncing her current circumstances. (*AFP*, 30/11/05)

December 1: The fight against corruption launched by Fidel Castro includes other "social evils" like illegal access to satellite television. Since the beginning of October, the Cuban government has conducted numerous operations in the provinces of Havana and the City of Havana to dismantle networks of users with unauthorised access to foreign television channels by means of parabolic antennas. Dubbed "Operation Spider", the police raid started in neighbourhoods south of Havana province and has been extended to the capital's municipalities of Old and Central Havana. (*El Nuevo Herald*, 1/12/05)

December 6: Fidel Castro said more than half the gasoline in the country has been stolen in recent years but young people were now taking control of the fuel distribution system. Castro began mobilizing thousands of young people in October to fight corruption, pilfering and waste in what he described as a do-or-die struggle to save his 46-year-old revolution. The cash-strapped Communist-run country imports more than half its fuel and food. Young social workers and university students first took control of Havana's gas stations, which accept dollar-pegged pesos, and as of December were manning close to 600 of them nation-wide, as well as 1,450 pumps managed by state entities, refineries and fuel trucks, Castro said. The Cuban economy is more than 90 percent state-run and the fuel distribution system completely in state hands. Castro, in a televised speech, said gas station receipts had increased by more than \$100,000 a day, more than twice the previous level, and most ministry pumps would be closed. "Diesel sales are up 20 percent, the cheapest gas 184 percent, regular gas 88 percent and special 142 percent," Castro said, at a ceremony marking six years since the successful fight began for the return of ship-wreck victim Elian Gonzalez from the United States to his father in Cuba. (*Reuters*, 6/12/05)

ENERGY

(See also, Foreign Investments and Trade, Domestic Affairs/ Social Issues, Foreign Affairs, Canada, Venezuela)

Oil and Other Resources

January 8: Iran and Cuba reached an agreement on a project to repair, maintain and renovate Cuba's power industry. The Iranian ambassador to Havana, Ahmad Edrisian, visiting Yadira Garcia, Cuban Minister of Basic Industries, evaluated cooperation ties between the two countries. (*MNA*, 8/1/05)

January 11: An innovative project entitled, the "Oil Logistics Platform" will be extended throughout Cuba in an effort to optimize the nation's oil reception and distribution network. A study headed by Dr. Roberto Gonzalez of the Carlos Rafael Rodriguez University in Cienfuegos, was first used in a pilot project in the central Cuban province. (*Radio Habana Cuba*, 11/1/05)

January 25: Consumers were taken aback by a new hike in the price of diesel fuel, which in less than 8 months has gone from .45¢ per liter before May 2004 to .55¢, and now .75¢. There have been no reports in the local media regarding the new increase, and Oro Negro and Cubapetróleo gas station operators said that they were given little notice before the price rise went into effect. They explained that the measure applies to the general public and private enterprises, which pay in cash; government enterprises and institutions will not be affected. (*EFE*, 25/1/05)

January 27: Brazil's state oil giant Petrobras, now boosting energy co-operation in Cuba, could team up with Canada's Sherritt International Corp. or Spain's Repsol as it moves to explore two new prospecting zones off Cuba, the Brazilian ambassador in Havana said. After passing on two zones earlier selected for it to explore in 2002, "Petrobras is waiting to find out its [new] designated zones to carry out deep-water offshore prospecting," ambassador Tilden Santiago said. "We don't know yet if we are going to do it with the Spaniards [Repsol], the Canadians [Sherritt] or alone," he added. (*National Post*, 31/1/05)

January 31: Cuba and China signed a contract in Havana providing for the Asian giant's participation in extracting oil from a deposit off the island's north shore, the press reported. The deal is between Cubapetroleos and the Chinese oil company Sinopec, said the official daily newspaper Granma. In December, Fidel Castro announced discovery of oil at a site offshore from Santa Cruz del Norte, some 55 kilometers (33 miles) east of Havana. The deposit is believed to hold some 100 million barrels of "light" crude, or the equivalent of 14 million tons. (*EFE, Prensa Latina*, 31/1/05)

February 8: China's oil giants began cultivating their virgin soil in Cuba. China Petroleum & Chemical Corporation (Sinopec), as the first comer, has inked a contract with Cuba Oil Company (Cubapetroleo) to jointly exploit oil in the Caribbean country. Under the terms of their contract, the two sides will join forces to prospect and exploit a potential oil-producing region. Chinese experts believe it is a significant beginning of the cooperation between China and Cuba in the petroleum industry. (*SinoCast*, 8/2/05)

March 22: Chinese oil drilling equipment has begun arriving in Cuba as state-run Cubapetroleo (Cupet) and its foreign partners prepare to significantly increase drilling along the northwest coast, industry sources said. "Four service units and a small rig have arrived and we are waiting for more," said a Cuban oil service manager, asking his name not be used. There are currently five rigs operating along the northwest heavy oil belt, an 80-mile (128-km) stretch of coast in Havana and Matanzas provinces from whence come all of Cuba's 70,000 to 80,000 barrels per day of heavy crude at 8 API to 18 API and with a high sulfur content. The poor-quality oil is burned in modified power plants and factories. Cuba imports a similar amount of oil and derivatives, with preferential financing from Venezuela. Canadian companies Sherritt International (S.TO) and Pebercan Inc. (PBC.TO), in conjunction with Cupet, account for 60 percent of the output, plus 2 million cubic meters of natural gas per day. (*Reuters*, 22/3/05)

March 29: Montreal based PEBERCAN Inc. announced that a new well in the Northern coast of Cuba, SEBORUCO 9, was successfully completed. This new well was drilled to optimize the drainage of the eastern part of the field. First tests show a good potential for this well with production ranging from 1200 to 1500 barrels per day. PEBERCAN Inc. is involved in the exploration, development and operation of oil reserves in Cuba. Its mining domain includes five concessions covering 6,055 km². (*CNW Group, 29/3/05*)

April 6: The operator of China's second-largest Shengli oilfield is stepping up overseas exploration, spending more on such ventures this year as the world's No. 2 oil user grapples with falling reserves, officials said. Shengli Oilfield Administration Bureau, a unit of state-run Sinopec Group, will spend about \$40 million drilling for oil and gas in Cuba, Iran and central Asia in 2005, company officials said. "This will be the heaviest spending in a year and we expect the pace to continue in the next few years," a Shengli executive told the press. Shengli, which is among the first Chinese companies to venture abroad, will sink a total of eight wildcat and appraisal wells this year, four in Kazakhstan, two in Iran, and one each in Cuba and Kyrgyzstan. (*Reuters, 6/4/05*)

April 19: Cuba has gradually increased oil consumption to 173,000 barrels per day, thanks to rising imports despite high prices, according to preliminary figures from the country's National Statistics Office. The NSO reported local production last year declined to 68,000 bpd, the same level as in 2002, after increasing slightly in 2003. Petroleum and derivative imports increased from 84,000 bpd in 2002 to 98,000 bpd in 2003 and 105,000 bpd last year, the NSO said. Canadian companies Sherritt International (S.TO) and Pebercan Inc. (PBC.TO), in conjunction with state-run Cubapetroleo (Cupet), account for 60 percent of the output, plus 2 million cubic meters of natural gas per day. (*Reuters, 19/4/05*)

April 26: Venezuela's state-run company Petr leos de Venezuela, or PDVSA, will open an office in Cuba during a meeting aimed at boosting trade between the two Caribbean nations, the Venezuelan government news agency reported. The PDVSA office will be located in Havana, according to the Bolivarian News Agency. Hoping to further deepen economic relations, an estimated 400 Venezuelan business people will begin exhibiting their goods during a four-day trade fair in Havana. (*AP, BNAmericas.com, 26/4/05*)

April 27: Venezuela's government-controlled Banco Industrial de Venezuela and the state oil company Petroleos Venezolanos were opening offices in Havana -- moves that could help the growing bilateral trade. Venezuela has increased oil shipments to Cuba to 80,000-90,000 barrels a day and will make Havana the headquarters for its Caribbean energy operations, Venezuelan Oil Minister Rafael Ramirez said. Venezuela's state oil company, Petroleos de Venezuela (PDVSA), will open an office in Havana when President Hugo Chavez visits Cuba to strengthen a growing political and economic alliance. Ramirez said PDVSA is now looking beyond oil supplies to the building of storage and tanker terminal facilities in Cuba, and exploring joint ventures to refine petroleum for distribution to other Caribbean islands. An agreement to build a lubricants plant in Cuba will be signed, and Brazil's state oil company, Petrobras (PETR4.SA) (PBR.N), has been invited to join the venture, he said. Brazilian diplomats said no agreement has been reached with Petrobras in ongoing talks on the lubricants project. Venezuela, the world's fifth-largest oil exporter, is also studying involvement in the completion of the Soviet-built refinery in Cienfuegos, Cuba, to process Venezuelan crude for distribution in the Caribbean. Another refinery project under study by

PDVSA would be in Matanzas, Cuba's main tanker port, he said. (*La Jornada, AP, Reuters, 27/4/05*)

April 28: Venezuelan state oil giant Petroleos de Venezuela SA will prospect for, pump and refine oil from Cuba's Gulf of Mexico economic zones, the company announced. The announcement came as Venezuelan President Hugo Chavez paid a visit to Cuba to bolster the countries' economic co-operation, and open a PDVSA office in Cuba. Spain's Repsol YPF SA also has been prospecting off Cuba. PDVSA will work with Cuba "in prospecting and production [on new wells located in territorial waters] as well as in refining and marketing," PDVSA said. In January, Brazilian ambassador Tilden Santiago said Brazil's state oil giant Petrobras SA, also now boosting energy co-operation in Cuba, could team up with Canada's Sherritt International Corp. or Repsol as it moves to explore two new prospecting zones off Cuba. Cuba is paying for the estimated \$1 billion a year oil bill with medical and educational services. Officials said 30,000 Cuban doctors and medical personnel are working in Venezuela. (*The Globe and Mail, Reuters, 28/4/05*)

May 4: Canadian mining and energy company Sherritt International posted first quarter operating profits from its oil and gas business in Cuba of Cdn\$21.1mn (US\$16.9mn), up 21.3% from Cdn\$17.4mn in the first quarter of 2004 (1Q04), the company said in its 2005 first quarter earnings statement. Revenues rose to Cdn\$49.7mn from Cdn\$47.6mn in 1Q04 due to higher realized prices, partly offset by lower production volumes. The average price in Cuba rose to US\$28.40/b in the quarter from US\$24.21 in 1Q04. Sherritt's net oil sales in Cuba fell to 17,523b/d from 19,964b/d in 1Q04 and first quarter gross operated Cuban oil production fell 9.13% to 39,219b/d from 43,157b/d in 1Q04. This figure excludes production from Santa Cruz on block 7 because the field has not yet been declared commercial. Following on from promising initial results from the Santa Cruz exploration well in December, 2004 [that tested at a rate of 1,300b/d], Sherritt has begun drilling two appraisal wells in this field," the statement said. "If initial results are borne out, commercialization of the field is anticipated around the end of the year." Four drilling rigs were active during the quarter, drilling a total of seven development wells and one exploratory well. Sherritt sells all heavy oil produced in Cuba to Cuban government agencies, generally at selling prices based on 79-83% of the Gulf Coast fuel oil no. 6 reference price. The impact of higher fuel oil prices was partially reduced by the strength of the Canadian dollar. (*BNAmericas, 4/5/05*)

May 9: The 6th International symposium over the use of hydrogen as fuel was inaugurated at the National Hotel in Havana. Experts from different countries will debate the contribution of this fuel to the development of a Cuban sustainable electro-energetic system. The production of hydrogen in the country is low because it is mainly used as refrigerant in thermoelectric plants. It is very valuable to be able to broaden and update the knowledge about new technologies, according to Antonio Valdés of the organizing committee. Cuba will host for the first time in Latin America a meeting of this type, including experts from 25 countries mainly from developing nations. (*Prensa Latina, 9/5/05*)

May 31: Spanish-Argentine oil and energy company Repsol YPF said that it will spend more than 21.1 billion euros (\$26.1 billion) as part of a five-year global investment plan, with particular emphasis on exploration and production. The company said some 11.4 billion euros (\$14.1 billion) will go specifically to exploration and production under its 2005-2009 strategic plan. Chairman Antoni Brufau said exploration and development projects will spearhead the

company's growth in the next five years beyond its traditional markets of Argentina, Brazil and Bolivia. Brufau also said Repsol will continue exploring for oil in Cuba. (*AP*, 31/5/05)

June 2: Cuban-Canadian joint venture ENERGAS will increase electric power generation with natural gas this year, starting with important investments in the west of Cuba, it was announced. Specialists estimate that ENERGAS will exceed 300 MW/h by the end of November 2005, and has the fringe benefit of preventing 100 tons of sulphur being released into the atmosphere daily. ENERGAS is a joint venture comprised of Cuban Unión Eléctrica and Cuba Petróleo, and Canadian Sheritt, and has national recognition by the Cuban Science, Technology and Environment Ministry. It commenced operations at the end of 1998, and was the first initiative to produce cheaper electric power, and foster the aspiration to generate all electric power in the country from national crude oil, now at 90 percent. (*Prensa Latina*, 2/6/05)

June 2: The Canadian conglomerate Sherritt International reported \$16.9 million in revenues for its oil and natural gas operations in Cuba during the first quarter of 2005. The report, posted on the website of the Cuban Ministry of the Basic Industry, states that this figure represents a 21.3% increase in company revenues. Sherritt is planning to step up production by early 2006, when drill sites currently being assessed in Santa Cruz, north of Havana, become fully operational. (*EFECOM*, 2/6/05)

June 3: Spanish oil-prospecting company Repsol YPF resumed subsurface sounding in Cuban waters, following a failed attempt last year. With a new joint-venture deal that entitles it to 40% of all revenues and puts it at the helm of the drilling rig, the company is planning to pick up where it left off. Other shareholders in the joint-venture will be Chinese state-owned CNOOC, with a 30% stake, and Norwegian Norsk Hydro, with the remaining 30%. (*Notimex*, 3/6/05)

August 28: The Caribbean Oil and Natural Gas Corporation (ONGC) said it has begun negotiations with the Cuban government for oil exploration in that country. ONGC Videsh Ltd, the overseas arm of ONGC is in talks with the Cuban government for oil exploration in that country," ONGC chairman Subir Raha told reporters. (*Indian Express*, 29/8/05)

August 29: Cuba purchased 21 generators from a factory in Denmark's northern Jutland, Danish regional newspapers reported. To meet growing energy needs, Cuba acquired 21 generators worth approximately \$26.7 million from MAN B&W Diesel in Frederikshavn. The unusually large order represents more than 20 percent of a year's production of motors at the factory. The generators, which will be used in six new power stations in Cuba, will all be delivered in 2006. The first shipment will be delivered in January. The two sides negotiated the order over the past six months; final confirmation of the order was signed by Fidel Castro. (*Danmarks Radio, Energy Watch*, 29,31/8/05)

September 6: The overseas arm of India's state-owned Oil and Natural Gas Corp. has successfully bid on two blocks in Cuba's potentially rich Gulf of Mexico waters, a company executive said. "We are very interested and simply waiting for the final signing before beginning work," the senior executive from ONGC Videsh Ltd. said, asking that his name not be used. He was in Cuba as part of a delegation led by India's junior foreign minister, Rao Inderjit Singh. High oil prices and the international scramble to buy up potential resources has increased interest in Cuba's largely unexplored Gulf of Mexico waters, a Cuban industry source

said. He said contracts for the blocks would be signed with India in September and other blocks would go to another Asian country's state-run oil company soon. (*Reuters*, 6/9/05)

September 20: Indian ONGC Videsh Ltd, the overseas arm of state-owned Oil and Natural Gas Corp, has acquired a 30 per cent stake in seven oil and gas blocks in Cuba, which hold more than 4 billion barrels of oil reserves. Spain's Repsol-YPF is the operator of some of the blocks and the remaining is with Norway's Norsk Hydro. "OVL has entered into an agreement with Repsol-YPF of Spain to acquire 30 per cent participating interest in deepwater exploration blocks in Cuba," a company press release said in New Delhi. (*India Business*, 20/9/05)

November 24: PetroChina Great Wall Drilling Co., Ltd. and Petroleum Company of Cuba held a ceremony for signing two drilling service contracts on November 3, 2005. It is the second-time cooperation between Great Wall Drilling Co., Ltd. and Petroleum Company of Cuba after the signing of a one-year petroleum service agreement on one 1500HP drilling rig and one 2000HP rig on April 8 this year. The contract signed this time includes three 2000HP drilling rigs. The contract has a period of one year and a value of over US\$24 million. The project will be launched in January 2006. (*China Chemical Reporter*, 24/11/05)

December 22: Cuba's combined oil and natural gas production fell by 3.7% in 2005, following a similar decline in 2004, the country's Economy and Planning Minister said. Minister José Luis Rodríguez said oil production fell and gas output increased over last year's reported 22.8 million barrels of oil (62,300 b/d) and 24.9 billion cubic feet of gas, without providing further details. "While gas output increased, crude declined (...) due to problems such as drilling delays and hurricanes," Rodríguez said in a year-end speech to parliament, adding that drilling would increase in 2006 in hopes of upping production. Cuba imports at least 92,000 b/d of oil and derivatives in exchange for medical and other services from Venezuela. Canadian companies Sherritt International and Pebercan, in cooperation with Cupet, account for around 60% of domestic output. Spanish oil company Repsol YPF has signed a contract to look for lighter oil in the deep waters off Cuba's coast in partnership with ONGC of India and Norsk Hydro. ONGC also has two separate deepwater blocks and Sherritt four. Sinopec of China signed an agreement earlier this year to jointly produce heavy oil with Cupet in westernmost Pinar del Río province, with drilling expected to begin in 2006. (*The Oil Daily*, 27/12/05)

Electricity crisis

January 3: According to a Cuban official, power supply indicators in Cuba will behave "more favorably" in 2005. "It will be hard work but, by the end of the year, we should be ready to restore power generation back to normal levels," said Basic Industry Vice-minister Pedro Abigantús. The official, who is also Director for Power Generation in the National Power Company, added that equipment breakdowns due to lack of maintenance have caused an electric power deficit problem that remains unsolved. (*EFE*, 4/1/05)

April 21: Dealing with rising oil prices, Fidel Castro has made a call not to waste electricity. The Cuban leader recalled that 20 percent of the electricity generated in the country is lost in transmission and distribution. Hundreds of millions of dollars are wasted on energy because of problems in the systems used to take the electricity to the final consumer. The country needs to take short-term measures to cope with this problem. Cuba has already purchased modern equipment for the manufacturing of wire and the necessary raw material to produce insulation. "We will carry out an intense work on this regard and a total revision of existing

networks," Fidel Castro said. Castro announced the purchase of a huge number of energy saving light bulbs and fluorescent lamps to substitute incandescent light bulbs units. (*Prensa Latina*, 22/4/05)

May 20: The problems with the electrical service that have been affecting Cuba in recent days are due to damages in thermoelectric units in the country, according to an Electric Union note. "Serious damage has been affecting the electrical service, with stoppages of generating plants when important maintenance works were being carried out," according to the brief report that did not refer to the power stations damaged. The text asserts the situation will improve in the next days. (*Prensa Latina*, 20/5/05)

June 2: The blackouts that have affected Havana and other parts of Cuba were caused by breakdowns in power plants and damage to transmission lines, the state electric utility said. For several days, blackouts lasting up to six hours have plagued Havana and some areas in Matanzas and other provinces during both daylight hours and at night. The damage was caused by the severe weather that has affected different parts of the island, the utility said. The current blackouts are similar to those experienced at the end of last year, when there were outages lasting an average of 10 hours a day after a major breakdown at the Antonio Guiteras plant. (*EFE*, 2/6/05)

June 7: Cuba is experiencing a shortage of electricity, with blackouts this summer expected to average six hours daily, despite Fidel Castro's pledge to improve the nation's power supply. Recent severe weather caused breakdowns in power plants and damage to transmission lines that affected Havana and other parts of Cuba for several days, state-owned Electric Union of Cuba, or UE, said this month. UE also warned that blackouts could last on average six hours daily. "I do not truly believe that we are going to recover -- even with the capital maintenance that we are carrying out," said Yadira Garcia, Cuban minister of basic industry, late last month. "These plants date back to the 1980s and 1970s. We are still having problems financing the maintenance". "The technology for these plants, some of which are Soviet and Czech, is really no longer manufactured by the factories that produced certain parts," the minister said. The blackouts are similar to those experienced at the end of 2004, when outages lasted an average of 10 hours daily. Cuban Basic Industry Minister Marcos Portal was dismissed after those outages. (*UPI*, 7/6/05)

June 21: Persistent electricity shortages, which last year cost a government minister his job and forced enterprises to curtail working hours or close altogether, augur an even-hotter-than-usual summer for this Caribbean island nation. Power outages increased in May due to breakdowns in supply lines and several power plants, though not to the level of last year, when blackouts lasted an average of 10 hours a day. Though the official press regularly publishes lists of scheduled outages - some as long as seven hours - in different urban areas, reality fails to conform to the notices, and blackouts often take the population by surprise. The blackouts not only strike private homes, but also businesses, shops and some health centers, which are in the dark for hours. The Cuban Electric Union says service should improve in the latter half of the year, as plants are repaired and 17,000 kilometers (10,500 miles) of cable and 43,000 lampposts are replaced or restored. Even if the power supply were stabilized, it could not meet the island's growing demand, especially in the summer, when electricity consumption goes up 15-20 percent, experts say. (*EFE*, 21/6/05)

June 26: Repairs are taking longer than expected at Cuba's Felton thermoelectric plant - the country's largest - and the resulting widespread blackouts are inconveniencing residents in Havana and at other locations on the Communist-ruled island. The oil-powered plant, located in the eastern province of Holguin, is undergoing major repairs to one of its power generation units with the aim of achieving greater efficiency in the consumption of petroleum, the official AIN news agency reported. Initially, authorities had planned for the repairs to the steam generation mechanism to take about 60 days, but once the operation was under way other problems were found in the electric generator, forcing more complicated repairs to be undertaken and the time required for the task to be extended. Engineer Eric Kinzan, one of the Felton chiefs, said that the repairs will finally be done about mid-July, and the plant will be operating at full capacity and can then be reintegrated into the National Electricity Generation System. For several weeks, the blackouts have been gradually getting longer and now amount to five or six hours per day - or night - in the capital and the central province of Matanzas. (EFE, 26/6/05)

July 5: After two months of almost daily blackouts, Cuban authorities announced that the trouble would drag on for weeks -- at least until the end of July -- in the middle of Cuba's sweltering summer. "There is still a great deal of risk; there are a lot of limitations and there are still warning signs we can identify at all (power-generating) plants," Basic Industry Minister Yadira García said on state television. García, a member of the Cuban Communist Party's politburo, last October replaced then minister Marcos Portal amid a prolonged energy crisis that Fidel Castro said revealed that the national power system was "weak." (AFP, 5/7/05)

July 11: Fidel Castro announced that all Cuban cities will soon receive power generators to help address energy challenges facing the island. The power generators are necessary in peak electric hours, said Castro, speaking on a TV news-commentary program spotlighting damage to the nation's energy producing capacity inflicted by the recent passage of hurricane Dennis. Castro noted that the power equipment is of high quality, automated and must be used only in "the most urgent circumstances" and in an "organized way". (AIN, 11/7/05)

July 18: The Cuban power system, brought down by powerful hurricane Dennis, was reconnected after 15 days of intense work, local TV informed. The power plant increased its generation capacity to 300 megawatts. (Prensa Latina, 18/7/05)

July 26: Cuba stopped importing incandescent light bulbs, according to a Foreign Trade Ministry (MINCEX) regulation published in the Official Gazette. The MINCEX resolution 190 of 2005 says that "in order to contribute to Cuba's energy/saving policy, it is considered sensible to cancel imports" of these products. They are "incandescent lamps and tubes, except ultra-violet or infrared rays, others of lower electricity consumption or equal to 200 watts that use an over-100-volt tension." On April 21, Fidel Castro publicly announced the official decision to eliminate incandescent light bulbs in Cuba to replace them with others of lower power consumption. (Prensa Latina, 26/7/05)

July 26: Fidel Castro said his government was revolutionizing Cuba's aging electrical system, asking a nation weary of recent breakdowns to be patient while his government works to fix the problems. "We will overcome. Have a little bit of faith," the Cuban leader said in an address of nearly four hours marking the 52nd anniversary of his revolution. (AP, AIN, 27/7/05)

August 4: Hard-pressed Cubans already suffering through frequent and long interruptions in the flow of electricity saw the problem worsen when Antonio Guiteras, one of the nation's largest plants, broke down. In a communique, state-owned Union Electrica explained that the pipeline feeding fuel into the plant's boiler was damaged. Problems in the power network are prompting blackouts of up to 10 hours a day in Havana and other cities around the country. (*EFE*, 4/8/05)

August 8: The number one unit of the Cuban thermoelectric plant "Lidio Ramón Pérez" in the northeastern town of Felton, Holguín, is now stabilized and assimilated into the national grid. Block 1 was incorporated to the national grid, but had to be withdrawn for adjustments to be made, and was incorporated again. The reincorporation of this power plant represents an improvement in the generation capacity of electric power for the country, because of its capacity to supply 500 Mw with its two blocks. (*Prensa Latina*, 8/8/05)

September 1: Fidel Castro highlighted the importance of saving fuel, in moments in which oil prices are still increasing in the international market. Castro spoke during the 5th ordinary session period of the 6th legislature of the National Assembly of People's Power (Parliament). He pointed out in his intervention that no one in the world is sure oil prices will be reduced in any way. "Few countries will be able to pay if oil reaches 150 dollars a barrel," he added. "Maybe US and Europe may buy it, but the Third World countries would only have the chance to devour one to each other." He said that Cuba is not one of the countries with a worse situation, and compared the island with other nations with lower economic resources, such as Haiti. (*Prensa Latina*, 1/9/05)

September 9: The OPEC Fund for International Development signed a US\$10 million loan agreement with Cuba to co-finance the modernization and expansion of the electricity network in Havana. The aim of the project is to improve the quality and efficiency of service delivery, with a view to boosting the country's socio-economic development. Under the project, Havana's high voltage transmission system and medium and low-voltage distribution network will be fully rehabilitated through the repair and construction of substations and power lines. Other works will include the installation of lightning protector cables and modernization of the underground networks in Havana's historic district. Meters, power lines and other equipment connecting the distribution network to approximately 435,000 households, as well as major industrial and commercial premises, will be completely upgraded. Public safety will be enhanced by installing new street-lights and repairing existing ones. (*OPEC Fund for International Development Press Release*, 11/9/05)

September 11: Iran will export electrical equipment worth five million dollars to Cuba. The agreement to export the equipment is in its final stages. The Export Development Bank of Iran (EDBI) is to finance the contract. (*MNA*, 11/9/05)

September 21: Preliminary reports said that Hurricane Rita severely affected the electricity service in the western Cuban provinces of Matanzas, Havana, and the City of Havana. Over 157 electric lines, out of 515, were damaged, as well as water and gas services. International flights were suspended, and schools were closed. Over 230,000 persons were evacuated. No deaths were reported. (*A/N*, 21/8/05)

September 28: Korean Hyundai Heavy Industries Co., the world's largest shipbuilder, said it has won a US\$330 million order for electric power generators from Cuba. "Hyundai Heavy is to

deliver 244 packaged power generators with a combined capacity of 510 megawatts to Cuban authorities in charge of electricity by the end of 2007," a Hyundai official said. (*Yonhap News*, 28/9/05)

September 28: Cuba continues to be plagued by an energy crisis and blackouts, despite major investments to modernize a service that now extends to nearly 96 percent of the country's 11.2 million inhabitants. An increase in domestic production and an agreement with Venezuela to import oil under highly favorable terms have brought an end to the severe shortages of the mid-1990s, which led to an abrupt plunge in Cuba's power-generation capacity. Nevertheless, the National Electric Power System (SEN) is still not able to maintain a stable supply of electricity, due to repeated breakdowns in its main thermoelectric power stations. (*IPS*, 28/9/05)

October 17: The maintenance activities at one of the main electricity generating stations in Cuba that have led to long power blackouts in some parts of the country will continue for some more days, the government said. After a summer marked by frequent and lengthy blackouts, Cubans got a respite in September, but the blackouts have been reinstated for several hours each day in various cities, including Havana. The Cuban Electrical Union attributed the new outages to supply limitations at the Antonio Guiteras electricity plant, one of the country's most important power stations, which is undergoing maintenance. (*EFE*, 17/10/05)

November 3: Repeated equipment failure in two key power plants in Cuba is the cause of increased power outages affecting the population, announced the Electrical Union, the national power company. With one of the thermoelectric power plants undergoing maintenance and generators unexpectedly going off-line at the Felton plant, "power supply to the population is being affected significantly," representatives from the Union told the press. (*EFE*, 3/11/05)

November 23: A decree signed by Fidel Castro increased the cost of electricity for small consumers from 20 to 30 cents of a Cuban peso (\$0.01) per kilowatt-hour (kwh). Cubans who consume more than 300 kwh a month will see their rate rise from 30 *centavos* (cents) to 1.30 pesos (\$0.06) next month. "The lack of concern about electrical consumption is evident in our country due to the very low rates," the decree published in the ruling Communist Party newspaper *Granma* said. Power outages are frequent in Cuba whose thermoelectric generators built decades ago are obsolete and do not produce enough electricity to meet demand at peak consumption. Castro warned that rates would have to go up in a speech in which he attacked private businesses, such as family restaurants, for benefiting from subsidized electricity and using up too much power. Foreign companies, which pay a higher rate and will not be affected by the new increase, praised the move as realistic. "It's a step in the right direction, to get people who can afford it to pay for electricity, as opposed to everybody not having any," said a foreign company executive. "They cannot afford to subsidize everybody, and the fact is that everybody was getting very little electricity," she said. (*CNN*, 23/11/05)

November 30: South Korean Hyundai Heavy Industries Co., the world's largest shipbuilder, said it has clinched a US\$ 130 million order from Cuba to install diesel power generators on the island. Hyundai said it plans to complete installation of diesel power generators across the nation by the end of 2007 to meet the dispersed generation plan of the Cuban government. (*Yonhap*, 30/11/05)

December 2: Fidel Castro recognized the critical situation of the country's power generation network and promised that the service would improve soon with the operation of generators and the application of conservation measures. The government plans to make up for the shortfalls of power plants with the installation of hundreds of electrical generators in the whole country. In reference to the rationing card, Castro said that there is still no date for its elimination. (*EFE*, 2/12/05)

December 28: Cuba will complete, by mid-2006, the installation of 80 percent of new generation capacities, a modern system backed up by emergency plants in vital locations, all of them with much more fuel-saving equipment. This achievement will quadruple power generation making all provinces independent by connecting thousands of synchronized generators. This network is designed to eliminate interruptions due to generation deficit. The old power plants will be replaced by modern combined-cycle plants, which will use gas derived from oil production. Fidel Castro said that the whole project will save the country nearly \$1 billion in convertible currency, compared to current costs of production. (*Prensa Latina*, 28/12/05)

FOREIGN INVESTMENT AND TRADE

(See also Foreign Affairs)

Africa

Algeria

December 6: Algeria's delegation at the 13th Session of the Intergovernmental Mixed Commission in Havana will signed cooperation agreements with the Cuban Transport Ministry and the Civil Aeronautics Institute. Cuba's Foreign Trade Minister Raúl de la Nuez and Algerian Health, Population and Hospital Reform Minister Amar Tou head the event. They analyzed sectors like trade, health, sports, hydraulic resources, culture, fisheries, and sea and air transportation. (*Prensa Latina*, 6/12/05)

Angola

May 2: A co-operation protocol in the fields of infrastructures, sporting equipment and training of trainers, coaches, referees and umpires was signed in Luanda between the Angolan Youth and Sports Ministry and Cuba's National Institute for Sports, Physical Education and Recreation. According to a communiqué, the agreement was inked by Angola's deputy Minister of Sports, Albino da Conceição Jose, and Cuba's first vice chairman for Sports, Julio Cristiano Molina. (*AllAfrica.Com*, 2/5/05)

Mozambique

May 25: Officials from Cuba and Mozambique ratified in Havana their decision to broaden cooperation after signing a protocol during the 15th Session of the Joint Commission for the Economic and Scientific Technical Collaboration. Cuban Minister of Foreign Investment and Economic Cooperation, Marta Lomas, and her Mozambique counterpart, Alcinda A. de Abreu reiterated their interest in extending the ties to new areas like fishing, radio, television and tourism. (*A/N*, 26/5/05)

South Africa

September 28: South African Foreign Affairs Minister Nkosazana Dlamini-Zuma held bilateral political discussions with her Cuban counterpart, Felipe Perez Roque, in Havana, the foreign affairs department said. Dlamini-Zuma is in Cuba leading a senior South African government delegation to the 4th Session of the Joint South Africa-Cuba Bilateral Commission on economic, scientific, technical and business cooperation, a statement read. The South African delegation includes South Africa's ambassador to Cuba, Thenjiwe Mtintso, the Directors-General of Health, Public Works and Social Development, and high ranking foreign affairs officials. (*South African Press Association*, 28/9/05)

Arab countries

Algeria

January 19: Collaboration in shipbuilding, technical assistance, economic cooperation, and scientific research are included in agreements signed in Havana by the Algerian and Cuban Fishing Industry Ministries. The agreements were signed by Algerian minister, Smail Mimourne, and Alfredo López, from Cuba. According to the signed documents, the island will pass on its experiences in agriculture and shipbuilding, a priority development policy for that northern African country. (*Prensa Latina*, 19/1/05)

Iran

(See also Energy/ Oil and other resources; and Foreign Affairs/ Arab Countries/ Iran)

January 8: Iran and Cuba reached an agreement on a project to repair, maintain and renovate Cuba's power industry. The Iranian ambassador to Havana, Ahmad Edrisian, visiting Yadira Garcia, Cuban Minister of Basic Industries, evaluated cooperation ties between the two countries. (*MNA*, 8/1/05)

January 18: Iran's ambassador to Cuba said his country will increase ties to the Communist dictatorship 90 miles from Florida by extending some 20 million in euro credit. Plans for more scientific collaboration were announced by Ahmad Edrian, Iran's ambassador to Cuba. They include plans by Cuba to help build a plant in Iran to produce vaccines and medicines. (*World Net Daily*, 18/1/05)

January 18: Iran Minister of Agriculture Jihad Mahmud Hojjati, heading a high-ranking economic delegation, arrived in Havana to attend the 10th Joint Economic Commission session and represent the government in a number of economic cooperation agreements. The Iran-Cuba Economic Commission is jointly chaired by Hojjati and Ricardo Cabrisas, Cuban Minister of Government. (*IRNA*, 18/1/05)

January 20: Cuba and the Islamic Republic of Iran signed in Havana a memorandum of understanding that comprises the main elements agreed upon during the 10th Session of the Intergovernmental Joint Commission. The document encompasses three main aspects, namely the implementation of a €20 million line of credit to the island; collaboration in food production on land no longer in use by the sugar industry; and the procurement of supplies and equipment necessary to offset the impact of the drought affecting Cuba. In addition,

production of Cuban vaccines will begin in Iran and further cooperation in the field of biotechnology is being contemplated. (*Granma*, 20/1/05)

May 31: Cuban Minister of State Ricardo Cabrisas expressed in Havana his country's readiness to cooperate with Iran in the World Trade Organization. In a meeting with Iran's Ambassador to Cuba Ahmad Edrissian, the Cuban minister said Cuba is ready to hold consultations with Iran now that Iran's call to join the WTO has been accepted. Cuba received the WTO membership on April 20, 1995. Cabrisas, who is Cuban head of Iran-Cuba Joint Economic Commission, expressed satisfaction with the growing trend of economic relations between the two countries, particularly bilateral cooperation in the fields of industry, water, electricity and sugar cane. (*IRNA*, 31/5/05)

September 11: Iran will export electrical equipment worth five million dollars to Cuba. The agreement to export the equipment is in its final stages. The Export Development Bank of Iran (EDBI) is to finance the contract. (*MNA*, 11/9/05)

Asia

China

(See also, Energy and Nickel; and Foreign Affairs/ Asia/ China)

January 13: Chinese and Cuban aviation department held talks in Beijing in a bid to further promote bilateral aviation communications as well as strengthen cooperation in technology, investment and personnel training. China has already started preparatory work on forming aviation links with Cuba, said Yang Yuanyuan, director of the General Administration of Civil Aviation of China (CAAC). China and Cuba signed an aviation agreement last year. Airlines from both countries planned to open routes via a third destination. Air China and China Eastern Airlines already signed aviation agreements with Cuban Airlines. And China Southern Airlines will follow suit next month. (*Xinhua*, 13/1/05)

January 24: Cuba will import Chinese locomotives for public and freight transportation in late 2005, *Granma* daily reported. The Cuban Transport Ministry's General Importing Company will purchase these trains as part of the agreements signed between Havana and Beijing at the end of 2004. The introduction of these modern locomotives will improve railroad transportation, which was seriously affected during the 90's after the disintegration of the Soviet Union. Cuba was the sixth in the world to have railroad transportation. (*Cuba XP*, 24/1/05)

January 25: The local media informed that the protracted drought affecting Cuba since 2003 -- the worst in 74 years -- has cost the country \$834 million pesos in economic losses so far. That figure is equivalent to the same amount in US dollars, according to the official rate of exchange applied in Cuba. The official *Granma* daily said that, due to the lack of precipitation, tens of thousands of cattle heads have perished and some 700,000 people regularly receive their water supply via tank truck deliveries. Current water reservoir levels are 2,108 million cubic meters below December 2003 levels and, out of a total of 235 active reservoirs, 118 remain less than 25% full. (*EFE*, 25/1/05)

January 31: Cuba and China signed a contract in Havana providing for the Asian giant's participation in extracting oil from a deposit off the island's north shore, the press reported.

The deal is between Cubapetroleos and the Chinese oil company Sinopec, said the official daily newspaper Granma. In December, Fidel Castro announced discovery of oil at a site offshore from Santa Cruz del Norte, some 55 kilometers (33 miles) east of Havana. The deposit is believed to hold some 100 million barrels of "light" crude, or the equivalent of 14 million tons. (*EFE, Prensa Latina, 31/1/05*)

February 8: China's oil giants began cultivating their virgin soil in Cuba. China Petroleum & Chemical Corporation (Sinopec), as the first comer, has inked a contract with Cuba Oil Company (Cubapetroleo) to jointly exploit oil in the Caribbean country. Under the terms of their contract, the two sides will join forces to prospect and exploit a potential oil-producing region. Chinese experts believe it is a significant beginning of the cooperation between China and Cuba in the petroleum industry. (*SinoCast, 8/2/05*)

March 11: China and Cuba held the XVII session of their Joint Commission where they reviewed the main issues of their bilateral agenda, said sources of the Chinese Trade Ministry (Mofcom). "During the meeting both governments examined their bilateral trade exchanges which include Cuban crude sugar and nickel and Chinese beans, television sets, hi-tech and light industry products, and textiles. (*EFE, 11/3/05*)

March 18: Cuban government minister Ricardo Cabrisas and Chinese Deputy Foreign Minister Zhou Wenzhong, have reiterated their commitment to expand bilateral relations. In a meeting in Beijing, the two government officials expressed satisfaction over the results of the China-Cuba Intergovernmental Commission for Economic and Commercial Relations. During Cabrisas' visit to China, he met with a Chinese business executives who are economically and commercially linked with Cuba. He also met with the presidents of the SINOPEC and CNPC oil companies. (*Radio Habana Cuba, 18/3/05*)

March 22: Chinese oil drilling equipment has begun arriving in Cuba as state-run Cubapetroleo (Cupet) and its foreign partners prepare to significantly increase drilling along the northwest coast, industry sources said. "Four service units and a small rig have arrived and we are waiting for more," said a Cuban oil service manager, asking his name not be used. There are currently five rigs operating along the northwest heavy oil belt, an 80-mile (128-km) stretch of coast in Havana and Matanzas provinces from whence come all of Cuba's 70,000 to 80,000 barrels per day of heavy crude at 8 API to 18 API and with a high sulfur content. The poor-quality oil is burned in modified power plants and factories. Cuba imports a similar amount of oil and derivatives, with preferential financing from Venezuela. Canadian companies Sherritt International (S.TO) and Pebercan Inc. (PBC.TO), in conjunction with Cupet, account for 60 percent of the output, plus 2 million cubic meters of natural gas per day. (*Reuters, 22/3/05*)

April 6: The operator of China's second-largest Shengli oilfield is stepping up overseas exploration, spending more on such ventures this year as the world's No. 2 oil user grapples with falling reserves, officials said. Shengli Oilfield Administration Bureau, a unit of state-run Sinopec Group, will spend about \$40 million drilling for oil and gas in Cuba, Iran and central Asia in 2005, company officials said. "This will be the heaviest spending in a year and we expect the pace to continue in the next few years," a Shengli executive told the press. Shengli, which is among the first Chinese companies to venture abroad, will sink a total of eight wildcat and appraisal wells this year, four in Kazakhstan, two in Iran, and one each in Cuba and Kyrgyzstan. (*Reuters, 6/4/05*)

May 1: A special ceremony was organized in Zhengzhou, capital of central China's Henan Province, to mark the delivery of 400 buses for export to Cuba. It is considered the biggest bus export deal for a Chinese auto maker. The export deal, worth 240 million yuan (about 28.92 million US dollars), included 200 complete buses and the other 200 CKD (completely knocked down) bus parts, said Tang Yuxiang, President of Yutong Group, the exported bus maker that is based in Zhengzhou, the provincial capital. Yutong Group will also build an after-sale service in Cuba later, according to Tang. (*Xinhua*, 1/5/05)

July 5: A true quality smoke is now available on the shelves in Shanghai's first Cuban cigar shop. "We would like all cigar lovers to treat this like a home. To spend time and trade cigar knowledge," said manager Jeffrey Yu. Other "Casa del Habano" stores are already open in Guangzhou, Shenzhen and Beijing. (*China Daily*, 22/7/05)

September 9: State-owned China Minmetals Corp. expects to form a joint venture in Cuba, investing up to \$600 million to exploit the world's third largest reserves of nickel, a Hong Kong newspaper reported. The South China Morning Post quoted Zhou Zhongshu, president of China's largest metals trader, as saying the project was expected to come on stream by 2007 or 2008. Last November, Minmetals signed a memorandum of understanding to start up the Las Camariocas nickel project in Cuba, which it said should produce 68,000 tonnes of ferro-nickel annually. Cubaniquel of Cuba would own 51 percent of the plant and Minmetals 49 percent. (*Reuters*, 9/9/05)

September 26: A plant to produce humanized monoclonal antibodies to treat neck and head cancer, developed by Cuban scientists, opened in Beijing. The Chinese-Cuban Biotech Pharmaceutical Company will produce and commercialize hR-3 antibody, obtained by scientists of Cuba's Center of Molecular Immunology (CIM). The hR-3 has Cuban and Chinese medical registry plus patents issued in Canada, the US, China and various European countries. (*Prensa Latina*, 26/9/05)

September 27: Prior to the 45th anniversary of the establishment of official ties, China and Cuba are stepping up cooperation in all fields. This is the prevailing sentiment after four and a half decades of relations in politics, economy, trade, science and technology, in spite of historic and cultural differences in the construction of socialism according to their respective national realities. Cuban ambassador to Beijing Alberto Rodríguez Arufe lauded the excellent bilateral visits by top-level leaders, as well as both nations' contacts to exchange ideas, opinions and experiences. (*Prensa Latina*, 27/9/05)

October 6: The Chinese-Cuban Biotech Pharmaceutical Co. opened its Beijing factory on the 45th anniversary of diplomatic relations between the two socialist countries. According to the Cuban newspaper "Ahora", this facility will produce a monoclonal antibody to treat neck and head cancer. The German drug maker Oncoscience is also interested in this medicine. Two days before the Beijing plant was opened, a vaccine factory using Cuban technology started up in China's northeastern Jilin province. (*London Guardian*, 6/10/05)

October 18: A bus manufacturer in central China's Henan Province will export 630 buses to Cuba, the largest deal in the country's bus industry of the year, according to the company's spokesman. The deal, involving 430 end products and assembly parts for another 200 buses, is worth nearly 50 million US dollars and will be delivered to the end user, Astro Bus, by January 2006, said the spokesman with Zhengzhou Yutong Bus Co. Ltd., which is located in

Zhengzhou, the province's capital. The spokesman said the company was awarded the new contract because Astro Bus had been satisfied with Yutong buses delivered under an earlier agreement signed in April, which involved 400 buses. Both deals were reached with the help of the Beijing Branch of China National Aero-technology Import and Export Corporation. (*Xinhua*, 18/10/05)

November 5: China is eager to increase its trading and cooperative relations with Cuba in all areas, Vice President of the Chinese Trade Promotion Council Zhang Nei said at the 23rd International Havana Trade Fair (FIHAV 2005). Nine Chinese enterprises were showcasing products, including electronics, informatics and telecoms equipment, computers, chemicals, electrical appliances and toys, at FIHAV 2005. Speaking at the China Day festival within the FIHAV 2005 framework, Cuban Minister of Foreign Trade Raul de la Nuez said that two-way trade between the two countries has so far this year increased by 48 percent over 2004. (*VNA*, 5/11/05)

December 12: A working group for biotechnological cooperation between China and Cuba examined the possibilities of bilateral collaboration in Beijing. Representatives of the two countries began revising the work of each party in this field, to define common interest areas and joint projects. The meeting responds to a memorandum signed between China and Cuba in November 2004, when Chinese President Hu Jintao officially visited Cuba. This taskforce was created to strengthen institutional cooperation, foster collaboration in biotechnology, and study the establishment of joint ventures and research projects, among other activities. (*Prensa Latina*, 12/12/05)

December 20: China granted Cuba a line of credit worth 50 million yuans, about US\$6.2 million, as part of an agreement signed during a visit by a senior Chinese Communist Party official, Cuba's state-run press reported. The line of credit will be used to buy "general materials" from China and carry out several economic projects, the island's domestic news agency AIN reported. The official, Luo Gan, is a member of China's ruling Politburo Standing Committee and he was meeting with several top Cuban officials including Parliament Speaker Ricardo Alarcón and Vice President Carlos Lage. (*Businessweek Online*, 21/12/05)

December 28: Cuban Government Minister Ricardo Cabrisas closed a ten-day visit to China. Cabrisas said economic and commercial relations with China substantially increased in 2005 and would continue to augment in 2006, as the Asian nation is practically present in all sectors of the Cuban economy. Cabrisas was in Beijing as the head of Cuba's delegation to the 18th Inter-Government Commission for Economic and Commercial Relations. (*Prensa Latina*, 28/12/05)

India

September 6: The overseas arm of India's state-owned Oil and Natural Gas Corp. has successfully bid on two blocks in Cuba's potentially rich Gulf of Mexico waters, a company executive said. "We are very interested and simply waiting for the final signing before beginning work," the senior executive from ONGC Videsh Ltd. said, asking that his name not be used. He was in Cuba as part of a delegation led by India's junior foreign minister, Rao Inderjit Singh. High oil prices and the international scramble to buy up potential resources has increased interest in Cuba's largely unexplored Gulf of Mexico waters, a Cuban industry source

said. He said contracts for the blocks would be signed with India in September and other blocks would go to another Asian country's state-run oil company soon. (*Reuters*, 6/9/05)

Indonesia

August 8: Cuba and Indonesia have reportedly signed a bilateral co-operation agreement to develop and manufacture the Cuban monoclonal antibody known as 1E10, a vaccine expected to be highly effective against cancer, according to Cuban news agency Prensa Latina. The 1E10 monoclonal antibody, which is currently produced by the Cuban Centre of Molecular Immunology (CIM), recognizes antigens in human melanoma and breast tumors and subsequently inhibits tumor growth, in addition to reducing metastatic lung disease. (*Global Insight Daily Analysis*, 8/8/05)

September 8: Indonesia and Cuba discussed their bilateral relations particularly in the economic and trade sectors in a meeting of the 4th Indonesia-Cuba joint commission in Jakarta. The working groups of the two delegations in the first day of the meeting agreed to enhance direct trade between the two countries. Indonesia-Cuba trade in 2004 reached over USD1.3 million, which included Indonesian exports to Cuba worth US\$1,375,370 and imports from that country worth US\$2,352. The balance of trade between the two countries is in Indonesia's favour with a surplus of US\$1,373,018. The obstacles often faced in enhancing the bilateral trade include the high transportation cost because of the great distance between the two countries, and the lack of direct shipping routes and corresponding banks. (*ANTARA News*, 8/9/05)

Malaysia

March 26: Malaysia and Cuba agreed to foster their bilateral ties in all spheres, it was reported after winding up the 2nd Session of the Joint Inter-governmental Meeting held during four days in Putrajaya city. Malaysian Foreign Minister Hamid Albar and Cuban Informatics and Communication Minister Ignacio Gonzalez Planas were in charge of the negotiations. The document reflects possibilities of cooperation between both nations, including information and technology of communications, biotechnology, health, agriculture, fishing, investments, trade, transportation, education and culture, among others. (*Prensa Latina*, 26/3/05)

April 25: Malaysia agreed to allow Cuba to use Malaysians for clinical trials of vaccines in a bid to boost cooperation in the pharmaceutical sector between the two countries. The deal was reached between visiting Cuban Defense Minister Raul Castro, the younger brother and designated successor of Fidel Castro, and Malaysian Deputy Prime Minister Najib Razak. It involves procurement, manufacturing and research of vaccines and pharmaceutical products, Najib said. Cuba's strength is in production of pharmaceuticals and vaccines, having developed a cheaper vaccine to treat childhood meningitis in 2003. (*AP*, 25/4/05)

May 1: Prawn and shrimp breeders will be able to breathe easy soon with a biotech product that could make their fry resistant to diseases such as the dreaded white-spot virus. And no one is more thrilled than prawn farm owner Hashnoel Murshim Hashim, the first in Malaysia to try Acuabio 1, a growth stimulator agent developed by a Cuban biotechnology research centre. Initial results during test trials have shown that the product increased productivity by 100 per cent. (*New Straits.Com*, 1/5/05)

North Korea

June 10: Despite its sugar industry currently being in dire straits, Cuba shipped 400 tons of sugar out to North Korea by way of contribution to a United Nations World Food Program (WFP) relief effort in that country. The sugar will be used to improve the diet of 6 million people in that nation, said Rosa Inés Antolin, WFP representative on the island. (*AP*, 10/6/05)

September 13: South Korea's main trade promotion agency said it has set up an office in Cuba, paving the way for more local companies to advance into the major trade hub of the Caribbean area. The trade office opened in Havana, with which South Korea has no formal diplomatic relations, the Korea Trade-Investment Promotion Agency (KOTRA) said. "South Korean companies have high interest in Cuba, as it is a strong economy with outstanding expertise in medical, information technology and biotechnology industries," Hong Ki-hwa, the president of KOTRA, said at a launching ceremony held in Havana. (*Yonhap*, 13/9/05)

September 23: North Korea's Supreme People's Assembly vice president, Yang Hyong Sop, praised the fulfillment of the agreements signed between Cuba and Korea. During a meeting in Havana with Cuba's minister for foreign investment and economic collaboration, Marta Lomas, the Korean leader expressed his interest in strengthening mutual relations in the agricultural and public health sectors. (*A/N*, 23/9/05)

November 4: The governments of Cuba and North Korea signed in Havana a Protocol of Commercial Exchange, during the 24th meeting of the Intergovernmental Committee for Economic, Scientific and Technical Consultation between the two countries. Cooperation between the DPRK and Cuba encompasses the sectors of agriculture, sports, education, transport, oil, energy conservation, commerce, as well as scientific and technological exchange. (*AFP*, 7/11/05)

Vietnam

March 28: Vietnam said it will sell 100,000 tonnes of better-quality 15 percent broken rice to Cuba this year as part of a government deal originally for 425,000 tonnes of 25 percent broken rice. Vietnam maintains a close relationship with fellow communist Cuba, but the sale of the better quality grain is also part of a rice export strategy aimed at raising turnover to \$1 billion this year from \$941 million in 2004. Cuba made the change recently to take the better quality grain as part of the deal which allows deferred payment in 540 days, an official of the Vietnam Food Association said. "Shipment for this lot of 15 percent broken rice will take place later this year," the official told the press. (*Reuters*, 28/3/05)

April 9: Truong Tan Sang, the top economic official of the Communist Party of Viet Nam (CPV), arrived in Cuba to promote bilateral cooperation. Sang, who is head of the CPV Central Committee's Economic Commission, discussed with Juan Carlos Robinson, a Politburo member of the Communist Party of Cuba Central Committee, actions to promote economic, commercial, scientific and technical cooperation between Viet Nam and Cuba. Sang and his entourage are scheduled to hold working sessions with leaders of the Party, Government, the Ministries of Sugar, Tourism, and Health, and the Central Bank of Cuba. (*VNA*, 10/4/05)

September 28: The 23rd session of the Viet Nam-Cuba intergovernmental committee for economic, scientific and technological cooperative was convened in Havana, Cuba. The

Vietnamese delegation was led by Nguyen Hong Quan, Minister of Construction and President of the Viet Nam-Cuba subcommittee; and the Cuban delegation was led by Marta Lomas Morales, Minister of Foreign Investment and Economic Cooperation and President of the Cuba-Viet Nam subcommittee. The two sides informed each other of the socio-economic development in their respecting countries. (*VNA*, 29/9/05)

Canada

(See also, Foreign Affairs/ Canada)

Energy

March 4: Canadian resource company Sherritt International (S.TO) and Cuba signed an agreement in Havana to increase nickel plus cobalt production and refining, state media said. "This expansion will allow production at the Pedro Sotto Alba plant to increase by 16,000 tonnes per year," an official communique said. Fidel Castro and Sherritt International President Ian Delaney were on hand for the signing. The plant, in Moa, eastern Holguin province, is a joint venture with state-owned Cubaniquel and currently produces 34,000 tonnes per year. The statement said the \$450 million expansion project would be completed in 30 months and included retooling a joint venture refinery in Canada to handle the increased output, and mining rights that would supply the Moa plant for 25 years. (*Reuters, Granma*, 4/3/05)

March 29: Montreal based PEBERCAN Inc. announced that a new well in the Northern coast of Cuba, SEBORUCO 9, was successfully completed. This new well was drilled to optimize the drainage of the eastern part of the field. First tests show a good potential for this well with production ranging from 1200 to 1500 barrels per day. PEBERCAN Inc. is involved in the exploration, development and operation of oil reserves in Cuba. Its mining domain includes five concessions covering 6,055 km². (*CNW Group*, 29/3/05)

April 19: Cuba has gradually increased oil consumption to 173,000 barrels per day, thanks to rising imports despite high prices, according to preliminary figures from the country's National Statistics Office. The NSO reported local production last year declined to 68,000 bpd, the same level as in 2002, after increasing slightly in 2003. Petroleum and derivative imports increased from 84,000 bpd in 2002 to 98,000 bpd in 2003 and 105,000 bpd last year, the NSO said. Canadian companies Sherritt International (S.TO) and Pebercan Inc. (PBC.TO), in conjunction with state-run Cubapetroleo (Cupet), account for 60 percent of the output, plus 2 million cubic meters of natural gas per day. (*Reuters*, 19/4/05)

May 4: Canadian mining and energy company Sherritt International posted first quarter operating profits from its oil and gas business in Cuba of Cdn\$21.1mn (US\$16.9mn), up 21.3% from Cdn\$17.4mn in the first quarter of 2004 (1Q04), the company said in its 2005 first quarter earnings statement. Revenues rose to Cdn\$49.7mn from Cdn\$47.6mn in 1Q04 due to higher realized prices, partly offset by lower production volumes. The average price in Cuba rose to US\$28.40/b in the quarter from US\$24.21 in 1Q04. Sherritt's net oil sales in Cuba fell to 17,523b/d from 19,964b/d in 1Q04 and first quarter gross operated Cuban oil production fell 9.13% to 39,219b/d from 43,157b/d in 1Q04. This figure excludes production from Santa Cruz on block 7 because the field has not yet been declared commercial. Following on from promising initial results from the Santa Cruz exploration well in December, 2004 [that tested at a rate of 1,300b/d], Sherritt has begun drilling two appraisal wells in this field," the

statement said. "If initial results are borne out, commercialization of the field is anticipated around the end of the year." Four drilling rigs were active during the quarter, drilling a total of seven development wells and one exploratory well. Sherritt sells all heavy oil produced in Cuba to Cuban government agencies, generally at selling prices based on 79-83% of the Gulf Coast fuel oil no. 6 reference price. The impact of higher fuel oil prices was partially reduced by the strength of the Canadian dollar. (*BNAmericas*, 4/5/05)

June 2: Cuban-Canadian joint venture ENERGAS will increase electric power generation with natural gas this year, starting with important investments in the west of Cuba, it was announced. Specialists estimate that ENERGAS will exceed 300 MW/h by the end of November 2005, and has the fringe benefit of preventing 100 tons of sulphur being released into the atmosphere daily. ENERGAS is a joint venture comprised of Cuban Unión Eléctrica and Cuba Petróleo, and Canadian Sherritt, and has national recognition by the Cuban Science, Technology and Environment Ministry. It commenced operations at the end of 1998, and was the first initiative to produce cheaper electric power, and foster the aspiration to generate all electric power in the country from national crude oil, now at 90 percent. (*Prensa Latina*, 2/6/05)

June 2: The Canadian conglomerate Sherritt International reported \$16.9 million in revenues for its oil and natural gas operations in Cuba during the first quarter of 2005. The report, posted on the website of the Cuban Ministry of the Basic Industry, states that this figure represents a 21.3% increase in company revenues. Sherritt is planning to step up production by early 2006, when drill sites currently being assessed in Santa Cruz, north of Havana, become fully operational. (*EFECOM*, 2/6/05)

General

March 31: The Canadian Minister of Agriculture and Agri-Food, Andy Mitchell, announced, after meeting with Cuban Minister of Agriculture, Alfredo Jordán Morales, that Cuba has approved Canada as a source of live cattle. This follows Cuba's decision to re-open its border to a wide range of beef and beef products from Canadian cattle of any age, as well as petfood that does not contain ruminant meat or bone meal. Canadian exporters will now have access to Cuba for shipments of live cattle, goats and sheep, meat from these animals, as well as bovine semen and embryos. The Canadian Food Inspection Agency has worked closely with Cuban authorities for a number of months to re-open this market to live cattle and beef from Canada. (*Wuta International*, 31/4/05)

June 16: Canada is Cuba's third-largest trading partner, with about \$900 million in two-way exchange in 2004, behind only Venezuela and Spain. Canadian firms manage to do business with Cuba in the shadow of restrictive US policy. Carpets, computer hardware and newsprint are some of the household items crammed into large containers and loaded onto one of four cargo ships that leave the port of Halifax on a non-stop Atlantic voyage to Havana each month. "Cuba needs a lot of products," said Bill Shatner, a sales representative for the Cuban-based shipping company Melfi Container Lines. "It's not an easy market to deal with, but it's been busy." (*Embassy Magazine Canada*, 16/6/05)

July 12: Leisure Canada Inc. announced the signing of surface extension rights for the Company's Monte Barreto property in Havana. The extension letter was signed by Carlos Lage Davila, vice-president of Cuba. Located in the heart of Havana's affluent business district, the

400,000 square foot Monte Barreto project is the last significant piece of undeveloped waterfront property in the Cuban capital. Phase One of the 800-room Monte Barreto five-star all-suites hotel will be built to capitalize on increasing business travel to Cuba as well as high-end tourism to Havana. The Company currently has the rights to develop 4,200 hotels rooms, timeshare condominiums and two PGA championship golf courses in Cuba. (*Market News Publishing*, 12/7/05)

August 3: Sherritt International Corp., whose interests range from metal mining to energy, in properties from Canada to Cuba and Asia, says its second-quarter profits rose \$1.7-million to \$56-million. "Sherritt's financial results for 2005 will likely continue to be positively affected by relatively robust nickel, cobalt, coal and oil prices and by continuing high levels of global demand for its products," the company said in a release. The oil and gas division is expecting a modest increase in production for the rest of 2005 as a result of higher drilling activity. (*The Globe & Mail*, 3/8/05)

September 15: Cuba and Canada signed a memorandum of understanding (MoU) for cooperation in the sector of agriculture, the Cuban embassy to Canada said. Under the agreement Canadian agriculture companies will develop common projects with the Cuban state-run food importer Alimport and other Cuban agriculture companies. A delegation from Cuba, led by the president of Alimport, Pedro Alvarez, visited. It is not clear so far if Cuba will buy foods from Canada in the immediate future. The Memorandum was signed by the Cuban ambassador to Canada, Ernesto A. Sentí, and the Canadian ambassador to Cuba, Alexandra Bugailiskis. (*EFE, Latin American News Digest*, 15/9/05)

September 19: A major swine breeding company from Prince Edward Island, Canada, has secured an export contract with Cuba. York Point Farms Inc. is the major supplier for a genetic upgrade of the Cuban swine industry and will install a nucleus and multiplier pyramid system. Company President Donald MacDonald said the contract will see 15,500 females and 500 males shipped to the Caribbean country. While Prince Edward Island will be the primary supplier, there will also be animals provided by breeders from Ontario via Donaldson International Livestock Ltd. and Quebec via Comtois International Export Inc. MacDonald said the deal with Cuba is the largest single breeding stock order in Canadian history with a value over \$5 million. (*AgriSuccess Express*, 19/9/05)

October 21: Export Assistance Canada, in cooperation with the Chamber of Commerce of Cuba, is organizing a Canadian trade mission to Havana, in the tourism industry sector from December 11 – 15, 2005. During that trade mission, participating Canadian companies will have the opportunity to personally meet the main Cuban hotel chains, such as Hoteles Melia, Grupo Cubanacan, Grupo Gaviota; and personally meet the Cuban officials from departments related with the tourism sector. (*West Can Cuba Press Release*, 21/10/05)

November 2: Canada signed an agreement with Cuba calling for the sale of 100,000 metric tons of Canadian Western Red Spring Wheat during the 2005-2006 (August-July) crop year, according to the Canadian Wheat Board (CWB). This represents the largest amount of Canadian wheat sold to Cuba since 1990-1991 and is the first since 1997, the CWB said. Valued at approximately C\$20 million, the deal is three times the most recent five-year average of CWB wheat sales to Cuba (about 37,000 tons). During the 2004-2005 season, Canada sold 77,000 tons of wheat to Cuba. (*Dow Jones*, 2/11/05)

November 2: Hurricanes helped flatten third-quarter profits at Sherritt International Corp., but the company was also hit by lower prices for nickel and cobalt, which together account for nearly half of its sales. Sherritt reported a profit of \$23.1-million or 13 cents a share for the three months ended September 30, compared with \$35.2-million or 20 cents for the same period in 2004. Sales from its metal division fell to \$83.8-million from \$100.9-million. Sherritt said its oil and gas, mining and power operations in Cuba were affected by hurricanes. (*Globe & Mail*, 3/11/05)

December 8: Cuba's Centresoft Corp. and Cimex Corp. have partnered with Sentai Software Corp. of Edmonton and Indcom Trading Co. of Orleans, Ontario, to create an international software consortium called CubaSoft Solutions Inc. CubaSoft is recruiting Cuban Information Technology (IT) talent to work on projects for the Canadian companies and is also developing domestic IT projects. While baby steps are a necessary part of the learning process, industry insiders are confident that Cuba has what it takes to develop a critical mass and knowledge base that will position the island as an attractive option for IT outsourcing contracts — particularly for software development in the medical, financial, biotech and education fields. (*Globe & Mail*, 8/12/05)

Nickel

March 4: Cuba has signed an agreement with Canadian company Sherritt International, aimed at expanding their joint venture in the nickel industry, official sources reported. According to a press release published in Granma daily, the agreement was signed in the Cuban capital in the presence of Fidel Castro and Ian Delaney, the president of the Canadian firm. The agreement is aimed at implementing a program to extend production by the Pedro Soto Alba firm, located in Moa, (in the eastern part of Cuba) and at a nickel refinery located in the North American country. The project requires financing of around \$450 million, which Sherritt International and Cuba will equally fund. The press release announced that Pedro Soto Alba's production would increase to 16,000 tons of cobalt nickel as a result of this initiative. (*Radio Habana Cuba*, 4/5/05)

June 30: The Che Guevara nickel refinery in Moa, Holguín province, has begun mining a new field, replacing a previous one, Yagrumaje, that had been depleted after 20 years in use. Industry sources say this will guarantee the necessary raw material to obtain nickel plus cobalt at the Che Guevara refinery, which has a capacity of 30,000 tons a year. To exploit this field, the enterprise has introduced new equipment and will comply with strict environmental norms for the conservation of the site. This follows an agreement between the Cuban government and Canada's Sherritt International to expand their joint venture, which includes the Pedro Soto Alba nickel processing plant in Moa and the refinery in Fort Saskatchewan, Alberta. The 50-50 venture, valued at \$450 million, foresees expansion of the Pedro Soto Alba plant to 16,000 tons a year, an increase of almost half its original capacity. (*Cuba News*, June 2005)

August 22: Cuba will modernize its nickel plants in an effort to double yearly production, said sources in the sector. The authorities are planning to step up production from 76,900 tons to 120,000 tons per year, indicated the business weekly *Opciones*. The "René Ramos Latour" plant, in Nicaro, is the oldest of the three existing facilities - it was built 62 years ago - and at present delivers 12,400 tons per year. The "Ernesto Che Guevara" and "Comandante Pedro Soto Alba," newer facilities built in 1994 in Moa under the terms of a Cuba-Canada joint venture, produce approximately 31,500 and 33,000 tons per year respectively. (*AFP*, 22/8/05)

September 12: Moa Nickel, a nickel and cobalt mining partnership in Cuba between Metals Enterprise and Sherritt International Corp, will spend \$450 million to expand laterite nickel mining capacity by 16,000 tonnes per year (tpy) by the first quarter of 2008. The brownfield project at Moa in Cuba will yield an additional 16,000 tpy of nickel and cobalt capacity, with the proportion breaking down roughly into a 10:1 ratio of nickel and cobalt, Peter Cordingley, manager of technology at Sherritt, told MB's 4th International Nickel, Stainless & Special Steel Forum in Bilbao, Spain. The laterite mine produced 32,000 tonnes of nickel and cobalt in 2004 and is on track to produce the same volume in 2005. "We have the advantage that we are investing in an area where we have significant reserves and know the ore characteristics very well," said Cordingley. "This enables us to have a rapid start-up and ramp-up process, as we will be adding parallel technology that is already in use in our current laterite mine." (*Metal Bulletin News*, 12/9/05)

November 14: Cuban nickel output is right on track, despite technical problems and heavy rains in the Moa mining region of western Cuba, the director of Cuba's state-run nickel company said. Communist Cuba aims to produce 76,000 tonnes of unrefined nickel and cobalt this year, up from 72,000 tonnes in 2004. "Thanks to the workers' efforts, we have reached 99 percent fulfillment of the production plan," the *Trabajadores* weekly newspaper reported Cubaniquel director Ricardo Gonzalez saying. The Pedro Sotto Alba plant, which is operated by a joint venture with Canada's Sherritt International, has produced 300 tonnes more than planned, Gonzalez told workers at a meeting in Moa marking the day of the geologist. A conveyor system supplying ore to the older Rene Ramos Latour plant in Nicaro will be completed before the end of the year, he said. The conveyor belt will allow output to increase from 10,000 to 17,000 tonnes a year. New boilers will improve production at the Che Guevara plant in Punta Gorda, he said. (*Reuters*, 14/11/05)

Tourism

October 6: Cuban Foreign Affairs Minister Felipe Perez Roque told an Economic Club of Toronto that 600,000 Canadians will visit Cuba this year, a number that is increasing by 20 per cent annually, out of a total tourist trade of 2.3 million visitors. But while there has been investment by some Canadian resource companies -- notably Sherritt International Corp., as well as offshore oil explorer Pebercan Inc. -- Canadian corporations are "absent" from the development of Cuban tourist facilities. The country is adding 3,000 to 5,000 hotel rooms a year "and it is, I think, a sector of our economy in which Canadian companies are not working today," the minister said. The Cuban economy, after shrinking 35 per cent in four years during the early '90s following the collapse of the Soviet Union, has been growing at about 4.5 per cent annually in recent years, and the government hopes for expansion of seven to eight per cent this year, Perez Roque said. (*The Canadian Press*, 6/10/05)

Caribbean

Belize

May 11: The Cuba-Belize Joint Commission concluded in Havana with the signing of a final declaration including bilateral cooperation in different sectors. Cuban Foreign Investment Minister Marta Lomas and Belize Development Minister Assad Shoman presided over the meetings. Cuba and Belize analyzed cooperation in health care, education, culture and transport and agreed to set up a program for the next two years. At least 105 Cuban

collaborators, most health personnel, are currently working in Belize, while 197 young people from that country are studying in Havana, including 123 studying medicine, according to the Cuban minister. (*Prensa Latina*, 11/5/05)

Trinidad and Tobago

November 29: The Trinidad business sector plans to dominate the Cuban market while an embargo restricts US businesses from conducting any business in and with Cuba, with a few exceptions. Minister in the Ministry of Trade in Trinidad, Diane Seukeran in a statement says the idea that Cuba is a security threat to the region because of its communist ideology, as being sometimes touted by the United States, is no reason for Trinidad and Tobago not to increase trade with Cuba. The Minister's views follows the passing of a Bill in the Trinidad Parliament which allows for trade and economic co-operation agreement between Caricom and Cuba. Trinidad and Tobago from January to August this year has exported TT\$83 million in goods and services, while importing TT\$599,600 in goods and services from the communist state. (*Caribbean Net News*, 29/11/05)

Europe

Andorra

March 12: Andorra's Foreign Minister Juli Minoves and Cuba's Foreign Minister Felipe Ramon Perez discussed opportunities for strengthening the economic relations between the two countries. The ministers discussed possible education cooperation, as well as tourism and economic cooperation. Andorra and Cuba examined possibilities of enhancing the bilateral trade. High-quality Cuban tobacco, which currently represents 2.0 pct of the Andorran tobacco imports, could increase its share in imports. Andorra will popularise Cuba as a tourist destination among its local citizens. (*Andorran News Digest*, 12/3/05)

Belarus

November 3: Cuba is interested in intensifying supplies of the Belarusian trucks, construction materials and equipment, household appliances, clothes, footwear and foodstuffs from Belarus. A Belarusian delegation headed by Minsk mayor Mikhail Pavlov is on a visit in Havana to discuss its plans to increase the import from Belarus and to open an assembly production of the Belarusian tractors in Cuba. (*The National Center of Legal Information of the Republic of Belarus*, 3/11/05)

Bulgaria

January 20: According to a press release from its Media Relations Office, the Bulgarian government has given the stamp of approval to a direct cooperation agreement with Cuba in the areas of telecommunications, postal communications and information technology. This bilateral cooperative effort will seek to establish realistic market principles that can be applied to all modes of communication and information services, promote the use of the latest information and communications technology, as well as contribute to building the information society. (*EFECOM*, 20/1/05)

Great Britain

March 1: Cuba's music industry unveiled a new venture to plug into London's cigar and cocktails scene and show it has more to offer than the veterans of Buena Vista Social Club. Cuba's main state-owned label EGREM said top musicians will play at a festival to be sponsored in May in London by Havana Holdings Ltd, owners of the Floridita bar, cigar lounge and restaurant. The up-market version of Hemingway's favorite daiquiri bar in Havana opened in London's Soho in October, offering premium Cuban cigars and rum cocktails, food by the prestigious Conran Group of restaurateurs and live Cuban music and dancing on the site of the legendary Marquee Club. (*Reuters*, 1/3/05)

Russia

January 1: Cuba offered new special economic projects to Russia, the Cuban ambassador to Moscow, Jorge Martinez said. He said the car industry and modernization of railroads were the most promising areas for such projects. In 2004, Cuban-Russian trade witnessed noticeable increase, Ambassador Martinez said, adding: "Cuba and Russia could set up a business council that might help propel our economic cooperation". "Russian private businesses might also play a greater role in our trade," he said on the future prospects. "Investment in tourism and hotel business might become a major sphere of cooperation in the future". (*ITAR-TASS*, 1/1/05)

January 19: Cuba and Russia seek to promote aeronautical cooperation as indicated by a recent visit to Moscow by President of the Cuba Civil Aeronautics Institute (IACC) Rogelio Acevedo. Acevedo met with heads of the Federal Agency of Civil Aviation of Russia during the visit, Cuban newspaper reports said. Both parties discussed agreements on personnel training, modernization of the Cuban fleet, hydrometeorological research and environmental monitoring. (*Xinhua*, 19/1/05)

April 23: Russia and Cuba wound up talks in Moscow during the 6th Inter-Governmental Commission for Economic, Commercial and Scientific-Technical Cooperation. Cuba expressed an interest in purchasing fertilizers, metals, pharmaceutical products, spare parts and Russia is interested in participating in the modernization of energy facilities. (*Radio Habana Cuba*, 23/4/05)

May 30: Cuban businessmen have increased cooperation with Russian businessmen in different spheres due to mutually advantageous basis, Alejandro Musteller, Chairman of the Cuban part of the Business Council Russia-Cuba said. He addressed a meeting of businessmen of the two countries, which was attended by representatives of the Cuban government. "The bilateral Business Council was created just at the moment when relations between Cuba and Russia are strengthening on the whole," Musteller stressed. According to Musteller, serious progress has been achieved in the work of the Russian-Cuban Inter-Governmental Commission in the field of economic cooperation. (*ITAR TASS*, 31/5/05)

November 10: Cuba has expressed readiness to buy five new airliners from Russia in the next two years. This is a result of the recent bilateral recent talks held in Havana, where the sides agreed on the purchase of two Il-96-300 aircraft, two Tu-204-100 liners and one Tu-204C transport plane. (*Novosti*, 10/11/05)

December 16: A syndicate of Russian state-owned banks signed a deal with Cuban airline Aviaimport to provide a \$94 million 10-year loan for the purchase of two long-range Russian Ilyushin-96-300 passenger planes. Following the signing, Roseximbank Chairman Nikolai

Gavrilov called the deal a "historic event," as it was the first time Russian commercial banks have provided long-term credit for the purchase of Russian high-tech production. According to the agreement, the price of the two planes is \$110 million, 15% of which Cuba has already paid and the other 85% of which will be financed by the loan. (*Novosti*, 16/12/05)

Serbia and Montenegro

November 9: The governments of Cuba and Serbia and Montenegro inked an agreement of collaboration aimed at promoting tourist travel. The Cuban minister of Tourism, Manuel Marrero, said that this agreement would enable a valuable exchange of experience. (*EFE*, 9/11/05)

Spain

(See also, Foreign Affairs/ Europe/ Spain)

May 31: Spanish-Argentine oil and energy company Repsol YPF said that it will spend more than 21.1 billion euros (\$26.1 billion) as part of a five-year global investment plan, with particular emphasis on exploration and production. The company said some 11.4 billion euros (\$14.1 billion) will go specifically to exploration and production under its 2005-2009 strategic plan. Chairman Antoni Brufau said exploration and development projects will spearhead the company's growth in the next five years beyond its traditional markets of Argentina, Brazil and Bolivia. Brufau also said Repsol will continue exploring for oil in Cuba. (*AP*, 31/5/05)

June 3: Spanish oil-prospecting company Repsol YPF resumed subsurface sounding in Cuban waters, following a failed attempt last year. With a new joint-venture deal that entitles it to 40% of all revenues and puts it at the helm of the drilling rig, the company is planning to pick up where it left off. Other shareholders in the joint-venture will be Chinese state-owned CNOOC, with a 30% stake, and Norwegian Norsk Hydro, with the remaining 30%. (*Notimex*, 3/6/05)

June 13: The latest economic report from the Spanish Commercial Office in Havana stresses that the current situation of the Cuban economy "has a noticeable impact on the numerous Spanish firms with stakes on the island" and "many of them have seen a drop in their sales or are having difficulties getting paid." About a dozen Spanish companies received an official communication informing that their operating licenses would not be renewed. (*Marca*, 13/6/05)

November 2: Spanish businessmen are asking the Cuban and Spanish authorities to increase efforts to continue to expand investment in the island. The president of the Higher Council of Spanish Chambers of Commerce and the Association of Spanish Businessmen in Cuba (AEEC), which comprises 170 companies with interests in the island, requested "efforts" to increase Spanish participation at the Havana International Trade Show, FIHAV. (*El País*, 11/2/05)

Turkey

March 28: Cuban Minister for Foreign Trade Raul de la Nuez is in Ankara, Turkey, heading the Sixth Joint Commission on Economic Cooperation. The island's delegation to the Cuban-Turkish talks is comprised of the Deputy Transportation Minister Roberto Ricardo Marrero, officials of the Foreign Investment and Economic Cooperation Ministry, representatives from

the iron and steel industry and members of the Agricultural and Tourism ministries. (*Radio Habana Cuba*, 28/3/05)

Latin America

Argentina

July 22: The National Bank of Argentina (BNA) and Cuba's food import company (Alimport) have signed an agreement to launch a collateral credit fund, marking an important step in trade cooperation between the two countries. Under the deal, the two sides will implement their commitments on bilateral trade signed in 2004 to bring their two-way trade value to 200 million USD a year. The agreement also allows Cuba to transmit revenues from selling pharmaceutical products and medical technology to a collateral mortgage fund branch opened at the Argentina Bank for Investment and Foreign Trade. The Cuban side will use the fund to buy food from Argentina. (*VNA*, 22/7/05)

Brazil

May 9: The northeastern Brazilian state of Ceara will focus on bilateral trade with Cuba, it was reported. Ten Cuban entrepreneurs will take part in a workshop with the participation of 30 Ceara-based companies. Trade relations between Cuba and the state of Ceara were limited and the workshop is intended to change this situation. According to Brazilian Development, Industry and Trade Ministry, the exports of Ceara to Cuba totalled \$558,810 in 2004. Between January and March 2005, the Ceara state exports to Cuba stood at the modest \$24,770, accounting for the modest 0.01 pct of the total Ceara state exports in the period. Representatives of Cuban drug, cement, sugar and ethanol and agricultural industries, as well as software, hotel, fish and footwear producers will participate in the workshop. According to the Development, Industry and Trade Ministry, in the first quarter of 2005, the Ceara exports to Cuba were limited to footwear, while in 2004, exports to Cuba were more diversified, including household appliances, juices, and other leather products. There is no statistical data about Cuban exports to Ceara for 2004 and 2005. (*Latin American News Digest*, 10/5/05)

May 11: The Brazilian northeastern state of Rio Grande do Norte targets to strengthen trade relations with Cuba with the aim to boost exports to that country. According to the government of Rio Grande do Norte, the state's exports to Cuba might reach \$11.9 mln per year. Cuban ambassador Pedro Nuñez Mosquera, formerly Cuban Foreign Affairs Vice Minister, took part in the 92nd edition of Foreign Trade Meeting (Encomex) which started in Mossoro, Rio Grande do Norte. The delegation of the Cuban ambassador is comprised by representatives of four sugar and ethanol producing companies, and firms from the drug and fertilisers segments. Rio Grande do Norte presently exports to Cuba products for hotels, footwear, furniture, ready-to-wear clothes and fish. The total Brazilian exports to Cuba jumped by 90 pct year-on-year to \$193 mln in 2004. (*Latin American News Digest*, 11/5/05)

Ecuador

July 7: Ecuador's Deputy Foreign Minister Marcelo Fernandez travelled to Cuba to explore ways to enhance bilateral cooperation between the two Latin American countries. Fernandez will participate at the Sixth Cuba-Ecuador Joint Intergovernmental Commission for Bilateral Economic and Scientific Cooperation underway in Havana. This will be the first joint

commission to be held by authorities of the two nations after the dismissal of former Ecuadorian President Lucio Gutierrez last April. (*A/IN*, 6/7/05)

Mexico

January 5: Mexican entrepreneurs have reduced their investments in Cuba due to a lack of knowledge of the island's productive sectors and because of fear of US policies that seek to impede the trade relationship with Havana, said Valentín Díez Morodo, president of the Mexican Foreign Trade, Investment and Technology Council (COMCE). "I think there is an entrepreneurial sector breakdown, due to not knowing, fear and a lack of initiative to intensify contacts with Cuba," he said. Among the top countries investing in Cuba in recent years, Mexico does not appear on the UN organization's statistics. Many Mexican companies do not invest in Cuba "due to (...) their presence in other countries that are not necessarily friends of Cuba," Díez said, in reference to the Helms-Burton Act in the US, that considers sanctioning companies that maintain trade relations with Cuba. "Mexican companies, instead of introducing their products directly, must triangulate in order to avoid a problem," he added. (*El Economista*, 5/1/05)

February 17: The management of the trade financing bank Bancomext reported 66% of the total US\$480mil arrears portfolio refers to a US\$320mil credit to collect from Cuba. Negotiations have been suspended after a political divergence in 2004. Bancomext hopes to collect at least US\$50mil in amortizations during 2005. (*El Financiero*, 17/2/05)

February 21: This year Mexico could recover US\$50 million in debt that Cuba owes the the National Foreign Trade Bank (Bancomext), once an international court decides when it can gain access to this money, said Salvador Rojas Aburto, assistant director general of Finances at Bancomext. Rojas Aburto said that Mexican officials were trying to arrange talks with their Cuban counterparts to "sit down at the table and find a way out." In 2002 the Council of Ministers of Cuba issued a decree suspending the payment of the debt to Bancomext. At that time the debt was US\$218 million, but there are another five loans and together they add up to around US\$325 million. (*El Universal*, 22/2/05)

November 3: Trade exchange between Mexico and Cuba has grown rapidly with a total value of 200 million USD for the first six months of this year, 27 million USD more than last year, said the Mexican ambassador to Cuba. Speaking to reporters at the inaugural ceremony of the 23rd Havana Trade Fair (FIHAV 2005), the Mexican ambassador said 2004 was the most difficult time for the two sides to increase bilateral trade. The import-export turnover reached only 173 million USD, a 60 percent decline in comparison with the average figure of 1990s. (*VNA*, 3/11/05)

Paraguay

December 3: Cuba's deputy foreign minister, Rafael Daussá Céspedes stressed the need to boost trade between Paraguay and Cuba, as it stands at a very low level. He said that his country could buy Paraguayan foodstuffs and that Cubans are prepared to export medical, pharmaceutical, biotechnological and other products to Paraguay. He said that he offered to send medical brigades to Paraguay and thanked Paraguay for condemning the US blockade. Fidel Castro has again invited his Paraguayan counterpart Nicanor Duarte Frutos to visit the island, Deputy Foreign Minister Daussá reported. He said that Foreign Minister Leila Rachid

and Deputy Foreign Minister Giménez Franco are likely to travel to Havana in 2006. (*ABC Color*, 4/12/05)

Uruguay

March 2: The leftist Uruguayan government has taken steps for a rapprochement with Cuba by signing a draft agreement with Fidel Castro's government to increase trade. The Uruguayan President Tabaré Vázquez and the foreign ministers of the two countries signed an accord to exchange Uruguayan agricultural products and services in return for Cuban pharmaceutical products and medical technology. (*Reuters*, 2/3/05)

November 28: The Uruguayan-Cuban bilateral commission began a working session, attended by representatives from both nations' Foreign Affairs Ministries. This is the first time that both nations' official delegations meet since the re-establishment of diplomatic relations on March 1, 2005. Uruguayan exports to the island stepped up 30 percent in these eight months, and Cuba's sales to this nation increased. (*Prensa Latina*, 28/11/05)

Venezuela

(See also, Foreign Affairs/ Venezuela)

January 30: Venezuela has signed an agreement with Cuba to ship coal to fuel the Caribbean island's nickel industry and to receive Cuban nickel in return to produce stainless steel, President Hugo Chavez said. In comments broadcast in Caracas by state television, the Venezuelan president said the exchange formed part of a growing political and economic alliance between his oil-rich country and communist-ruled Cuba. He reached agreement on the deal with Fidel Castro during a visit to Havana in December. "The nickel is in Cuba and the coal is in Venezuela (...) this is the way to integrate our economies," Chavez told a news conference from the southern Brazilian city of Porto Alegre. He said a Brazilian company would help mine the coal in Venezuela and part of this would be delivered to Cuba. "This coal will be used in Cuba as fuel to produce the necessary energy - which the Cubans don't have - to exploit one of the biggest reserves of nickel in the world, which is in Cuba," Chavez said. "We're going to bring the nickel to Venezuela, so that, combining it with steel, we can make stainless steel, which Venezuela doesn't produce because it doesn't have the nickel," he added. (*Reuters*, 30/1/05)

February 12: Cuba's communist state was rising from the ashes of its post-Soviet economic crash with greater control over its economy and help from China and Venezuela, Fidel Castro said. "The state is rising again like the phoenix," Castro said in an almost six-hour speech to economists at an anti-globalization conference. For two years Cuba has been steadily centralizing control again over state companies, scaling back the autonomy allowed during the crisis that followed the collapse of the Soviet Union. It has also introduced foreign exchange controls, eliminated the dollar as legal tender, increased regulation of foreign companies and curbed private enterprise in a return to a classic command economy that is 90 percent state-owned. The centralization of state company operations would save Cuba between \$500 million (R3.05 billion) and \$1 billion, Castro said. He complained that previously 3 000 managers had authority to buy and sell, or run up hard currency debt. China's state-owned Minmetals Corporation signed an agreement in November to invest \$500 million in a joint venture that aims to produce 68 000 tons of ferronickel a year. Castro called China the "new engine" of economic growth. Cuba's tourism industry, the island's top foreign currency earner that

brought in \$2 billion last year, has cut its costs to between 60c and 80c per dollar of gross income. Castro thanked Venezuela's president Hugo Chavez, his closest foreign ally, for assistance in shipping vital supplies of Venezuelan oil, officially 53 000 barrels a day, on preferential terms. (*Business Report & Independent Online, Reuters, 14/2/05*)

February 16: Cuba's Centro de Biofísica Médica (CBM) [Center for Medical Bio-physics] exported to Venezuela a first lot of 26 out of 100 Angiodin PD-300, an equipment to develop vascular research. The equipment, widely used in Cuba's health care network of vascular hemodynamic labs, is a noninvasive device designed for the early detection and diagnosis of peripheral vascular ailments. Its acquisition improves Venezuela's sanitary system, especially its Barrio Adentro campaign implemented by medical and paramedical personnel. (*Prensa Latina, 16/2/05*)

February 23: According to the Gaceta Oficial (Official Gazette), the Cuban government implemented exemptions on import duties and revenue taxes for Venezuelan transport companies operating in Cuba. Two resolutions from the Ministry of Prices and Finances declare Venezuelan air and maritime transport companies bringing goods to the island exempt from "payment of tonnage or revenue taxes." A third resolution, co-signed with the Ministry of Foreign Trade, lifts all "customs duties on imports originating from the Bolivarian Republic of Venezuela." (*AFP, 23/2/05*)

April 19: The governments of Venezuela and Cuba are setting aside \$200 million each to provide export credits to increase bilateral trade between the two Caribbean allies, Venezuelan President Hugo Chavez said. Left-winger Chavez announced the export scheme during a meeting in Caracas of business executives from both countries. Venezuelan manufacturers planned to increase exports to the Caribbean island of products like cocoa, sardines, clothes, shoes and condensed milk, Chavez said. "Both governments have decided to set aside \$200 million each to support exports," he told the meeting, which was attended by Cuba's Internal Trade Minister Barbara Castillo. The Venezuelan export credits would be channeled through state banks, he added. Chavez, who said he would attend a trade meeting in Havana next week, also announced a plan to create a Venezuelan-Cuban joint venture to study alternative sources of energy. (*Reuters, 19/4/05*)

April 20: Trade between Venezuela and Cuba could reach as much as \$1 billion by the end of this year, Venezuelan President Hugo Chavez said. "This year we could reach US\$1 billion in trade with Cuba," Chavez said in a televised speech during a visit by Chilean President Ricardo Lagos. There's a bad rumor that Fidel doesn't pay. That's not true. Fidel does pay," said Chavez, one of Castro's closest political allies. The Venezuelan leader met with Cuban business representatives earlier this week and plans to visit the Caribbean island next week for a meeting to boost business between the two Latin American nations. (*AP, 20/4/05*)

April 26: Venezuela's state-run company Petróleos de Venezuela, or PDVSA, will open an office in Cuba during a meeting aimed at boosting trade between the two Caribbean nations, the Venezuelan government news agency reported. The PDVSA office will be located in Havana, according to the Bolivarian News Agency. Hoping to further deepen economic relations, an estimated 400 Venezuelan business people will begin exhibiting their goods during a four-day trade fair in Havana. (*AP, BNAméricas.com, 26/4/05*)

April 27: Venezuela's government-controlled Banco Industrial de Venezuela and the state oil company Petroleos Venezolanos were opening offices in Havana -- moves that could help the growing bilateral trade. Venezuela has increased oil shipments to Cuba to 80,000-90,000 barrels a day and will make Havana the headquarters for its Caribbean energy operations, Venezuelan Oil Minister Rafael Ramirez said. Venezuela's state oil company, Petroleos de Venezuela (PDVSA), will open an office in Havana when President Hugo Chavez visits Cuba to strengthen a growing political and economic alliance. Ramirez said PDVSA is now looking beyond oil supplies to the building of storage and tanker terminal facilities in Cuba, and exploring joint ventures to refine petroleum for distribution to other Caribbean islands. An agreement to build a lubricants plant in Cuba will be signed, and Brazil's state oil company, Petrobras (PETR4.SA) (PBR.N), has been invited to join the venture, he said. Brazilian diplomats said no agreement has been reached with Petrobras in ongoing talks on the lubricants project. Venezuela, the world's fifth-largest oil exporter, is also studying involvement in the completion of the Soviet-built refinery in Cienfuegos, Cuba, to process Venezuelan crude for distribution in the Caribbean. Another refinery project under study by PDVSA would be in Matanzas, Cuba's main tanker port, he said. (*La Jornada, AP, Reuters, 27/4/05*)

April 28: Venezuelan state oil giant Petroleos de Venezuela SA will prospect for, pump and refine oil from Cuba's Gulf of Mexico economic zones, the company announced. The announcement came as Venezuelan President Hugo Chavez paid a visit to Cuba to bolster the countries' economic co-operation, and open a PDVSA office in Cuba. Spain's Repsol YPF SA also has been prospecting off Cuba. PDVSA will work with Cuba "in prospecting and production [on new wells located in territorial waters] as well as in refining and marketing," PDVSA said. In January, Brazilian ambassador Tilden Santiago said Brazil's state oil giant Petrobras SA, also now boosting energy co-operation in Cuba, could team up with Canada's Sherritt International Corp. or Repsol as it moves to explore two new prospecting zones off Cuba. Cuba is paying for the estimated \$1 billion a year oil bill with medical and educational services. Officials said 30,000 Cuban doctors and medical personnel are working in Venezuela. (*The Globe and Mail, Reuters, 28/4/05*)

April 28: With an eye toward boosting bilateral commerce, the Banco Industrial de Venezuela opened a branch in the Cuban capital with some \$400 million allocated for joint trade operations on non-petroleum products. Cuba is hoping to buy all sorts of consumer goods from Venezuela, everything from canned sardines to chocolate, clothing, furniture, electric appliances and more, all of which will be sold at subsidized prices at a chain of stores that is to open on the island. Banco Industrial de Venezuela chief Luis Quiaro told the press that the new office will operate under a special license, the first that Cuba has granted to a foreign bank, which will allow it to receive and authorize loans and financing. To explore the possibilities of the Cuban market, more than 200 firms are attending the 1st Venezuelan Products Trade Fair. Cuban ministers and their visiting Venezuelan counterparts also signed a range of future cooperation accords in the areas of nickel production, transportation and agriculture, among others. Chávez said the cooperation agreements with Cuba were "one more step (...) toward Latin American integration, but not under the instructions of Washington." (*Sun Sentinel, EFE, Reuters, 29/4/05*)

May 4: Venezuela and Cuba have agreed to start a joint shipyard in Venezuela, the Venezuelan government said. The shipyard was among a series of agreements signed between the countries during a visit to Havana by President Hugo Chavez, the Infrastructure Ministry

said in a statement. The shipyard is to be built in the western Venezuelan state of Zulia. It is to be for repairing naval ships and the construction of small navy ships, Venezuela's Infrastructure Minister Ramon Carrizalez Rengifo said in the statement. Venezuela announced that the 53,000 barrels of oil it began selling to Cuba on preferential terms in 2000 had now risen to up to 90,000 barrels daily. Cuba agreed to increase the number of its doctors in Venezuela to 30,000 by year's end. It will also help train 40,000 new Venezuelan doctors. (*AP*, 4/5/05)

May 4: The Cuban Ministry of Commerce informed that Cuba will purchase from Venezuela \$28.5 million USD worth of food products, including canned sardines, crackers, pudding, marmalade and chocolate drinks, as well as work apparel. (*AP*, 5/5/05)

May 12: The Cuban and Venezuelan governments will organize a construction company to reduce the deficit of housing in both nations and in Latin America. The initiative is part of the integration agreements to boost the Bolivarian Alternative for the Americas (ALBA). The US\$100 mn corporate capital will be sourced from the ALBA International Fund, with the contribution of the member countries. Under the agreement, Cuba will provide machinery and equipment, while Venezuela will provide capital, as published by *El Universal* newspaper. (*Latin American News Digest*, 11/5/05)

May 12: Venezuelan business persons are expected to sign an agreement with Cuba that surpasses 8m US dollars. Light Industry & Trade Ministry said the contracts the Cubans will sign are for chocolate drinks, fruit juices, condensed milk, plastic bags and iron-tubed furniture, among other products. The 8m dollars will be added to 28m dollars agreed to in bilateral trade talks that took place in Havana. The Cubans will pay 1.9m dollars for the chocolates drinks deal and 1.4 for fruit justices, while 5m dollars will go for kitchen utensils, plastics and artisan products pending a positive green light from Cuban trade officials regarding which Venezuelan products to grants contracts to. (*BBC*, 12/5/05)

May 12: The state-run Bolivarian News Agency informed that Venezuelans vacationing in Cuba would soon be allowed to pay in Bolívares without any impact on the rate of exchange as pertaining to the US dollar. According to the President of the Banco Industrial de Venezuela (BIV), Luis Quiaro, a project to that effect is currently at an advanced stage and will shortly be submitted for the approval of Finance Minister Nelson Merentes and other Venezuelan finance authorities. (*Encuentro en la Red*, 12/5/05)

June 14: The Cuban government will spend at least \$412 million on products made in Venezuela under a trade agreement signed between the two nations, according to terms of the deal published in the Venezuelan press. Cuba will purchase foodstuffs including canned sardines, gelatin and condensed milk, as well as work clothes and boots "for an initial sum of \$412 million," according to the Official Gazette, a government publication listing the details of recently approved diplomatic deals and legislation. The Venezuelan goods exported to the communist-led island will be "exonerated of all taxes" and "given preferential treatment within the policy of economic and social development" in Cuba, the Gazette reported. (*Dow Jones International*, 14/6/05)

June 23: Venezuela, with 22 production and trade companies, is the widest represented country in the 13 th Caribbean International Fair (ExpoCaribe) running in Santiago de Cuba. Marcial García, president of the Corporación Industrial de Venezuela, said that such a wide

Venezuelan exhibition in ExpoCaribe implies an effort of his country to increase trade with Cuba, which reached 1,500 million dollars in 2004. (*AFP*, 23/6/05)

June 29: Fidel Castro, Venezuelan leader Hugo Chávez and top officials from 14 other Caribbean countries met for talks on a Venezuelan plan to sell fuel more cheaply to the region as world oil prices remained at near record highs. Most of the delegations were expected to sign an accord to set up a cooperative program for Venezuela to distribute fuel across the region on preferential terms. Castro called the plan an important step toward greater solidarity, "the only method of survival for our countries" as oil prices continue to rise. The initiative, called Petrocaribe, would extend and improve special financing arrangements under past oil deals and use an expanded fleet of Venezuelan tankers to deliver fuel directly to bypass costly intermediaries, Chávez said. (*AP*, 29/6/05)

July 15: Venezuela approved \$20 million in funding for an electricity project in Havana. The "Banco de Desarrollo Económico y Social de Venezuela" (Bandes) announced in a communiqué that the project would cost \$93 million and the Organization of Petroleum Exporting Countries (OPEC) is cofinancing it. No further details on the project were provided. (*El Nuevo Herald*, 15/7/05)

August 27: A Cuba-Venezuela joint-venture will finance the construction of a shipyard on the shores of the Venezuelan lake of (west) Maracaibo, for repairs of the fleet operated by state-owned Oils of Venezuela (PDVSA). Irwin Marcano, public relations director of the National Institute of Investments (INC), told the press that the initial capital will be \$6 million USD, 51 % contributed by Venezuela and the rest by Cuba. (*AFP*, 27/8/05)

September 2: The Industrial Bank of Venezuela in Cuba will provide \$87 million in financing for the purchase of Venezuelan products and inputs, mostly for the construction and petrochemical industries. The manager of the Bank, Gerardo Reyes, said that the Cuban Ministry of Construction would receive \$10 million for the purchase of ceramics, tiles, and bathroom fittings for the homes devastated by hurricane Emily. (*El Universal*, 2/9/05)

September 9: Cuba will not take advantage of Venezuelan credit facilities designed for the member nations of Petrocaribe, but instead decided to continue with the Integral Agreement of Cooperation that was signed for the first time in 2000 and due for renewal next October. (*El Universal*, 9/9/05)

September 16: Venezuelans are flocking to Havana by the planeload for free eye operations under a medical program funded by their country that is helping Cuba pay for oil imports and keep its socialist economy afloat. More than 70,000 Venezuelans have been operated on for cataracts and other eye ailments this year and the goal is 150,000 by the end of 2005, a Cuban health official said. On Aug. 20, a record 1,648 eye operations at some 20 hospitals were performed in one day, the health official said. Hotels and educational campuses have been taken over to house Venezuelan patients who get free air travel to Cuba, lodging and food while they are in Havana, courtesy of the Venezuelan state. They are driven around in new buses from China, often escorted by police on motorcycles. The VIP treatment underscores the priority President Fidel Castro has given to a program that is paying for vital shipments of 90,000 barrels a day of Venezuelan oil and gasoline, which represents an energy bill that exceeds \$1.5 billion a year at today's high prices. (*Reuters*, 16/9/05)

September 20: Venezuela could soon provide working capital to companies that have signed deals with the Cuban government but need funds to increase production, a Venezuelan minister said. In another step to help the Cuban government meet its needs for various goods, Venezuela will create special programs if necessary so local companies can supply Cuba's demand, Edmee Betancourt, minister of light industries and trade told reporters. Betancourt said the specifics of such a financing initiative are still being worked on. So far, companies have failed to sell enough goods and services to the island nation, Betancourt said, and added that she hopes a Venezuela-Cuba business roundtable this week will help increase trade between both nations. (*Dow Jones*, 20/9/05)

September 22: Venezuelan businesses signed deals to sell US\$36.7 million worth of goods to Cuba that will include exports of shoes, underwear, artificial leather and industrial products to the communist country. More than 280 companies, cooperatives and other commercial organizations participated in the government-sponsored forum aimed at boosting trade between the two countries. "The businesses were satisfied, they were given financial advice and they will be accompanied through the whole process so that they can respond to Cuban demand," said Venezuelan minister of light industries Edmee Betancourt in a statement following the forum. The businesses signed letters of intent worth US\$36.7 million dollars in deals, but that sum does not include other agreements signed earlier whose value has not yet been calculated, the statement said. (*AP*, 22/9/05)

September 24: Venezuela and China are considering projects to alleviate the serious problems of public and freight transport in Cuba. During the IX International Fair of Transport (FIT-2005), dedicated to China and Venezuela, representatives of the sector discussed projects of future cooperation and business opportunities. The Asian delegation showed interest in the reconstruction and modernization of Cuban ports and in railway transport. Luis Vásquez, technical superintendent of the marine division of Petróleos de Venezuela S. A. (PDVSA), affirmed that his company will help with "the transport of hydrocarbons to Cuba and to all the countries that are signatories" of the Bolivarian Alternative for the Americas (ALBA). (*AFP*, 24/9/05)

October 5: Caracas and Havana plan to conduct cooperation projects in 25 areas in the course of 2006, representatives of both governments said at the closing of the sixth Joint Commission on the Cuba-Venezuela Agreement. The parties signed a joint declaration listing the projects, which principally involve the areas of health, education, agriculture, mining and culture. The declaration was signed by Venezuelan Energy and Oil Minister Rafael Ramirez and Cuban Foreign Investment Minister Marta Lomas and conforms to the policies laid out in the 2000 Cuba-Venezuela Agreement. Cuban Vice President Carlos Lage was present at the last session, at the head of a delegation of 46 high-ranking officials, including seven ministers. Closing ceremonies were led by Venezuelan President Hugo Chavez. (*EFE*, 6/10/05)

October 26: During a press conference in Caracas, Cuban Ambassador Germán Sánchez said that over 26,000 Cuban health professionals work in 40 countries around the world. "Only in Venezuela there are 20,000 doctors and other health related professionals as part of those 26,000", Sánchez said. According to ONE, Cuban National Statistics Organization, in 2004 the island had 69, 713 doctors. (*AFP*, 26/10/05)

October 27: The air route between Barcelona, in Venezuela, and Havana, aimed at transporting 700 Venezuelan patients to Cuba daily, was opened and will take two hours and forty minutes. Pointing out that before patients had to go to Caracas, Anzoátegui Governor Tarek William said that departure from Barcelona, 248 miles from Caracas, would also make it easier for patients from the nearer Caribbean islands to receive medical treatment in Cuba in

the future. The treatment of patients in Cuba and the new airport are part of the Bolivarian Alternative for the Americas, that aims to strengthen Latin American and Caribbean integration. (*Prensa Latina*, 27/10/05)

October 31: Venezuela has become Cuba's top trading partner, selling the Caribbean island \$1.4 billion in oil and other goods annually, Cuba's government said. Trading has increased amid strengthening political ties between the two countries under the leadership of presidents Hugo Chavez of Venezuela and Fidel Castro of Cuba, who also share a close friendship. Cuba is now buying \$1.1 billion worth of Venezuelan oil annually along with another \$300 million in food, construction materials, and other products, Foreign Commerce Minister Raul de la Nuez said on the first day of the island's annual trade fair. De la Nuez predicted trade between the two nations could reach \$2 billion annually by the end of 2006. "At this moment (Venezuela) indisputably is Cuba's top trading partner," he said. (*AP*, 1/11/05)

November 4: Venezuela hopes to double business with Cuba to \$4 billion (euro 3.4 billion) next year, including investments in housing projects and two Cuban oil refineries, said a commerce official attending an annual trade fair on the island. The South American country is already Cuba's top trading partner with \$1.4 billion in commerce annually -- the vast majority in exports of Venezuelan petroleum. But Roger Figueroa, Venezuela's vice foreign commerce minister, told the press that his country plans to invest at least \$2 billion more for the new projects with Cuba, and that annual commerce could reach another \$2 billion by year's end. The \$2 billion in investments includes \$1 billion to construct housing in both countries, and the rest for the operation of oil refineries in the southern region of Cienfuegos and the northern coast of Matanzas, he said. (*AP*, 4/11/05)

November 7: Cuba's trade volume reached 7.5 billion dollars last year, with Venezuela heading Cuba's list of most important commercial partners, a Cuban official said. The communist-ruled island's imports were worth more than 5.6 billion dollars, with exports of 1.9 billion, leaving Cuba with a foreign trade deficit of 3.8 billion dollars, according to Deputy Foreign Trade Minister Antonio Luis Carricarte. Carricarte told the Cuban weekly *Opciones* that this year Cuban foreign trade grew 22 percent. "Exports tend to go down primarily because of decreased sales of sugar and its by products," the deputy minister said. "In addition, world prices for nickel have slumped. However, our exports of tobacco and non-traditional items have gone up." Meanwhile, imports including fuel, food, metals, chemicals and industrial equipment went up 34 percent, Carricarte said. The list of Cuba's main trade partners is led by Venezuela, whose share of trade reached 22 percent. It is followed by China (10 percent), Spain and Canada (both 8 percent), the Netherlands (7 percent), the United States (5 percent), Brazil (4 percent) and Vietnam, Italy and Japan (3 percent each). (*Reuters, AFP*, 7/11/05)

November 27: For the first time in nearly a generation, Cuba's moribund economy is showing signs of life because of a new program financed by Venezuelan President Hugo Chavez to provide residents across Latin America and the Caribbean free eye surgery. Called *Mision Milagro*, or *Miracle Mission*, the campaign has provided more than 122,000 cataract and other eye operations this year to patients from Venezuela to Jamaica to Bolivia. It is part of a major shift in the Cuban economy away from traditional foreign investment and mainstream tourism to a web of favorable agreements with Venezuela, an oil-rich nation that now is Cuba's closest ally. Though neither country has released official numbers, economists and diplomats believe Cuba could be earning \$1 billion a year from eye operations and other medical treatment provided to foreigners under Venezuelan-financed programs such as *Mision Milagro*. The

revenue is used to cover the cost of receiving 98,000 barrels of discounted Venezuelan oil daily, essentially canceling what traditionally has been Cuba's largest import bill and its greatest drain on hard currency resources. "This is an excellent business for Cuba," said Pedro Monreal, an economist at the University of Havana. "This is like striking gold." While Monreal argues that the Venezuelan assistance gives Cuba its first opportunity in years to develop economically, others say hitching Cuba's economic wagon to Venezuela risks repeating the mistake Castro made by aligning himself with the Soviet bloc after he took power in 1959. (*Chicago Tribune*, 27/11/05)

Trade Fairs

February 4: Entrepreneurs from Italy, Spain and South Korea and about 70 foreign companies are attending the EXPOCAM 2005 trade fair in Camagüey, one of the eastern Cuban provinces. The fair, sponsored by the Republic of Cuba's Chamber of Commerce and supported by the Ministries of Foreign Trade and Investment and Foreign Collaboration, exhibits consumer goods, machineries, equipments, technologies and raw materials. (*Prensa Latina*, 4/2/05)

February 11: Aficionados of Cuba's famous hand-rolled cigars will be able to puff away without fear of running afoul of new anti-smoking laws during the island's annual cigar festival, organizers said. Cuba's tobacco exporting company Habanos S.A. announced its 7th International Habano Festival. The gala cigar fiesta, which will take place in Havana February 21 - 25, is expecting record-breaking attendance of nearly a thousand participants from 52 countries. Canadian Jazz musician, Jane Burnnet, is one of the Festival attractions since this year the traditional Distributors Dinner, called "a Cool Night in Hot Havana", will be dedicated to Canada. The 7th Habano Festival will again function as a trade fair offering scientific lectures and debates, contests, visits to tobacco plantations and factories, tasting sessions and master classes in hand-rolling cigars. (*AP, Radio Habana Cuba*, 11/2/05)

February 21: Nearly one thousand participants from 52 countries are attending the 7th International Habano Festival. This year the event is focusing on the Partagas brand on its 160th anniversary, one of the most prestigious brands of Habanos. The Festival's agenda includes a trade fair, scientific debates, sommeliers contest, visits to tobacco plantations and factories, tasting sessions, master classes on rolling cigars and more. (*Prensa Latina*, 21/2/05)

February 25: Hundreds of cigar lovers, including British actor Jeremy Irons, wrapped up an international cigar festival with an extravagant gala dinner featuring flamenco dancing and sleek acrobatic performances. Elaborate humidors signed by Fidel Castro were auctioned off at the event. Expert Bjorn Ericsson, from The Fummoik bar in London Claridges Hotel, ranked first in the fourth Habanosommelier contest where competitors must show their abilities in selecting, cutting and lighting a Cuban cigar. He was followed by Cuban Orlen Guerra, from Old Havana Palacio de O'Farrill Hotel. French Laigle Xauiu, from Le Forum Bar, in Paris, ranked third. Regarding the Commercial Fair, Cuban Edel Quintero was recognized as Best Amateur Cigar Maker, and the Chateau du Tariquet, from France, was the most crowded stand. The annual festival brought together nearly 1,000 cigar connoisseurs from more than 50 countries this year. Participants visited tobacco plantations and factories and attended cocktail parties. (*AP, Prensa Latina*, 25/2/05)

March 5: Representatives from over 400 firms from 10 countries are scheduled to participate in the 10th International Food Fair to be held in Havana from March 8 to 12. According to Humberto Cabezas, president of the event's organizing committee, the Expocuba exhibition hall will host business executives and producers from Argentina, Brazil, Canada, Spain, France, Italy, Mexico, Switzerland, Chile and Cuba. For the first time, Valencia's Institute of Foreign Trade from Spain will attend the event, exchanging samples of products with Cuba, and will sign import-export agreements with Cuban companies. (*Radio Habana Cuba*, 5/3/05)

April 19: Pharmaceutical and medical equipment companies from 29 countries, including the United States, are exhibiting their products in Havana at the XII International "Health for All" Fair. Among the 91 exhibitors are American Medrad, which produces medical equipment and Navarreta Group-Wotham Laboratories, a producer of clinical, biological and pharmaceutical products. (*EFE*, 19/4/05)

May 10: Cuba's 25th International Tourism Fair kicked off in Havana with the participation of travel authorities and businessmen from 37 countries seeking to diversify their product and improve their quality. Cuban Tourism Minister Manuel Marrero gave the welcoming address to more than 1,200 participants, among them the heads of France's and Venezuela's tourism authorities, Leon Bertrand and Wilmar Castro, respectively. Marrero said that in 2004, for the first time in history, Cuba received more than two million tourists, adding that Havana expects to welcome 2.3 million visitors this year. He said that tourist arrivals increased 8 percent during the first quarter compared with the same period in 2004. Canada, Germany, Great Britain, Spain, France, Italy, Argentina and Mexico all have sent big delegations to the fair, organizers said. (*EFE*, 10/5/05)

June 19: The 13th Expo Caribe International Trade Fair kicked off in the Heredia Convention Center of Santiago de Cuba. Over 70 national exhibitors will be showing their products and services, representing the ministries of Agriculture, Light and Basic Industry, Culture, Health, Higher Education, Fishing, Tourism, Iron and Steel, Transportation and Hydraulic Resources, among others. Various foreign firms will also be present, from Italy, the Dominican Republic, Venezuela, and Spain among others. (*Radio Habana Cuba*, 20/6/05)

September 22: The International Transport Fair (FIT 2005) was inaugurated at Havana's EXPOCUBA exhibition center, attended by over 30 representatives from several countries. According to Transport Deputy Ministers Inocencio Alejandro García and Raquel Fundora, the fair is dedicated this year to Latvia and Venezuela, both of which will have leading roles in the exhibition along with China. (*Prensa Latina*, 22/9/05)

October 31: Businesspeople from 42 nations gathered at the 23rd International Havana Fair (FIHAV 2005). FIHAV is the biggest Cuban commercial commodities exchange, headquartered at Expocuba's exhibition site. More than 1,800 national and foreign firms will exhibit their products and technologies. The Fair's inaugural day honored the delegations of Spain and Canada. It will also honor the national days of Venezuela, Mexico, France, Brazil, Germany and the Peoples Republic of China. (*Prensa Latina*, 31/10/05)

GENERAL INDICATORS AND BUDGET

External Debt

February 26: A Russian delegation traveled to Cuba in hopes of reactivating economic and political ties between the two countries ahead of bilateral talks in Moscow, state media reported. Grigori Elkin, head of Russia's Federal Agency of Technical Standardization and Metrology, led a delegation to Havana. He met with Cuban Foreign Minister Felipe Perez Roque and Minister of Government Ricardo Cabrisas, the government's weekly business newspaper Opciones reported. Elkin told the press that Cuba's debt to Russia featured high during talks at Cuban ministries and departments. "We hope that the question of restructuring of this debt will soon be solved. This will open the way for signing new credit agreements," Elkin explained. Cubans are traveling to Moscow in March for a meeting of the Joint Inter-Government Russia-Cuba Commission. Cuba is most interested in prompting exchange with Russia in the automotive, transportation, biotechnology, aviation and tourism industries, Opciones reported. Officials from the island's sugar ministry said they also want to strengthen trade with Russia. Exchange programs covering a wide variety of services increased by 23 percent in 2004 compared to the previous year, Opciones said, citing foreign trade ministry figures. Russia also moved up a notch on the list of countries with commercial ties with Cuba - - moving from tenth to ninth -- and is fifth for Cuban exports, said the newspaper. The Caribbean island exports sugar to Russia as well as vaccines and other products from its advanced biotechnology industry. (*AP, ITAR TASS, 28/2/05*)

April 14: Cuba has kept its foreign debt in check in recent years despite serious financial difficulties and a weaker dollar, according to a government report. The hard currency debt, based on preliminary figures, was \$12 billion last year, compared with \$11.3 billion in 2003 and \$10.9 billion in 2002, based on preliminary Central Bank figures, the report said. Cuba reports its foreign debt in dollars, but two-thirds is held in yen, euros and other currencies that have appreciated significantly against the US currency over the last two years. The report said official bilateral debt was up significantly at \$6.25 billion, compared with \$5.65 billion in 2003, due mainly to an increase to borrowing from foreign governments. Cuba's debt to suppliers was up \$100 million at \$2.16 billion, while debt to private financial institutions was reported virtually unchanged at \$3.56 billion. Some 80 percent of the debt was principal and 20 percent overdue interest. (*Reuters, 14/4/05*)

April 15: For a decade, capitalist Russia has sought to rebuild ties with Cuba. "We have good political and diplomatic relations. What is failing is trade," Russian Embassy counselor Eugenio Gliok said in an interview. Bilateral trade amounted to little more than \$200 million last year, a far cry from the billions of dollars in subsidized commerce -- mainly sugar-for-oil barter at preferential prices -- that benefited Cuba until 1991, when the collapse of the Soviet Union plunged the island into deep economic crisis. Cuba wants to buy Russian goods, such as new Ilyushin planes to renew its aging airline fleet including a last generation IL-96 for use by Fidel Castro, but the cash-strapped nation's debts have been a hurdle to signing deals. Moscow claims Havana owes 20.8 billion transferable rubles, or \$23 billion. Havana does not recognize this debt and has presented a counter claim of \$40 billion in damages caused by the demise of the Soviet Union, such as unfinished work on a nuclear power plant, an oil refinery and a nickel facility. "The problem is very complicated. Russia has forgiven many Third World debts. Talks are under way to resolve this but no agreement has been reached with Cuba," Gliok said. Cuba has also run up post-Soviet debt and is in arrears on a credit line opened in 1993 to pay for imports from Russia. Gliok said the new debt has become a problem for Russian companies trying to do more business with Cuba. "The state can no longer tell companies to do business with Cuba. The Soviet command economy no longer exists," the diplomat said. Russia is still a big consumer of Cuban raw sugar, and bought 1.5 million tons last year but did

so through traders on world commodity markets with no government involvement. (*Reuters*, 15/4/05)

General

February 12: Cuba's communist state was rising from the ashes of its post-Soviet economic crash with greater control over its economy and help from China and Venezuela, Fidel Castro said. "The state is rising again like the phoenix," Castro said in an almost six-hour speech to economists at an anti-globalization conference. For two years Cuba has been steadily centralizing control again over state companies, scaling back the autonomy allowed during the crisis that followed the collapse of the Soviet Union. It has also introduced foreign exchange controls, eliminated the dollar as legal tender, increased regulation of foreign companies and curbed private enterprise in a return to a classic command economy that is 90 percent state-owned. The centralization of state company operations would save Cuba between \$500 million (R3.05 billion) and \$1 billion, Castro said. He complained that previously 3 000 managers had authority to buy and sell, or run up hard currency debt. China's state-owned Minmetals Corporation signed an agreement in November to invest \$500 million in a joint venture that aims to produce 68 000 tons of ferronickel a year. Castro called China the "new engine" of economic growth. Cuba's tourism industry, the island's top foreign currency earner that brought in \$2 billion last year, has cut its costs to between 60c and 80c per dollar of gross income. Castro thanked Venezuela's president Hugo Chavez, his closest foreign ally, for assistance in shipping vital supplies of Venezuelan oil, officially 53 000 barrels a day, on preferential terms. (*Business Report & Independent Online, Reuters*, 14/2/05)

February 16: Fidel Castro said that the Cuban economy has climbed out of its decade-old economic slump, but it's unclear whether new subsidies from Venezuela and China will be enough to improve the quality of life for those in the island's increasingly state-controlled economy. Critics say that while Cubans are better off now than during the "special period" of the early 1990s, daily life remains a struggle. "I do not see real economic recovery," said Mark Thornton, a senior research fellow at the Alabama-based Ludwig von Mises Institute, which defends the market economy. "Basically, the reason Fidel is optimistic is that (...) he's now found two new sugar daddies: Venezuela and China." In Cuba, the government provides free education and health care, heavily subsidized utilities and transportation and a food ration. The island doesn't have the kind of wretched poverty seen in South American mountain villages or Central American urban slums. But the monthly food ration lasts most Cuban families less than two weeks, and state salaries averaging less than \$15 a month barely begin to cover the high prices of everything from canned food to toilet paper. Cuban officials estimate some 60 percent of Cubans have access to additional income, primarily through remittances sent from relatives and friends abroad or jobs in tourism that bring in tips and bonuses. The remaining 40 percent get by on their wits alone. (*The New York Times*, 17/2/05)

March 24: Speaking to an audience of Communist Party and government leaders for the third time this month, Fidel Castro described a gradual economic recovery following Cuba's post-Soviet crisis in the 1990s. He focused on the need to reduce electrical consumption and offered energy-saving tips for homemakers along with pledges to decrease power blackouts. At least two prominent billboards have sprouted in Havana in recent weeks showing a smiling Castro next to the words, "We are doing well." But some diplomats and experts question the strength of the economy and said Castro's measures may have more to do with shoring up political support than improving Cubans' living standards. One diplomat noted that prices at

hard-currency stores where many Cubans buy consumer goods were raised last year by 10 percent to 30 percent, more than wiping out any gains to Cubans from the currency revaluations. (*Sun Sentinel, Chicago Tribune, 25/3/05*)

March 28: During a recent visit to the eastern province of Bayamo, Cuban Economy and Planning Minister Jose Luis Rodriguez stated that the island is going through an extraordinary moment with huge possibilities of economic and social advancement in 2005. When addressing the 13th ordinary session of the Provincial Assembly of Granma province, Rodriguez stated that the nation will advance with hard work and an efficient use of resources. A strengthening of the national currency, a projected increase in electric generation and domestic oil production, as well as improved transportation and agriculture were included in the promising news recently announced by Fidel Castro. (*Radio Habana Cuba, 28/3/05*)

May 11: Cuban Economy and Planning Minister Jose Luis Rodriguez stressed that the national economy is gradually recovering. The minister said Cuba's relationship with other countries is bringing about favorable perspectives, like the latest agreements with China and Vietnam. Rodriguez also highlighted the new step toward western hemispheric integration in an agreement with Venezuela through the Bolivarian Alternative for the Americas, in contrast to the US-sponsored Free Trade Area of the Americas. (*Prensa Latina, 11/5/05*)

May 26: Cuban economic growth is expected to accelerate in 2005 to 5%, fuelled by new international accords and the development of oil and mineral resources, a United Nations study says. "The 2005 economic outlook is moderately optimistic based on a new economic policy, agreements with Venezuela and China, the discovery of new oil deposits and increased nickel production," the UN Economic Commission on Latin America and the Caribbean (ECLAC) said, in a 48-page study on the island for 2004-2005. The study said the Cuban economy grew 3% in 2004, a figure below the 5% figure announced by Cuba, which uses a different methodology to calculate gross domestic product figures. The source said that UN economists used mainly preliminary data provided by the Cuban government to recently draw up the study, which was undated. (*National Post, 26/5/05*)

May 31: Western companies welcomed in Cuba as heroes a decade ago for bucking the US embargo are packing up and leaving as the Communist government rolls back market reforms and squeezes out intermediaries. Embittered by the change in attitude, small and medium-sized foreign businesses complained this week that they no longer feel welcome and are worried they would not recover money owed to them by Cuban partners. The Spanish dairy firm Penasanta SA announced this month that its \$8.5 million milk venture had failed due to the economic climate in Cuba, a view expressed by many other businessmen. "They always tried to get the most money, machinery and knowledge they could out of us while giving little in return. They owe us millions, but we are leaving mainly because of their attitude, the way they treated us," a major European company that is pulling out after 10 years said. Western embassies report increasing complaints from their nationals whose businesses were liquidated without any guarantee they would be compensated. "Cuban partners say they will pay back investments and money owed for operating costs from future profits, but it is doubtful the companies will even exist in the future," said the commercial attache at a European embassy. Companies have the option of going to arbitration, but many feel they would be wasting time and money because the government would ignore the rulings anyway. Cuba reported that the number of joint ventures had dwindled to 313 at the end of 2004, down from 412 in 2002. Another 67 will be closed this year, according to a MINVEC source. (*Reuters, 31/5/05*)

June 7: It has been more than a decade since Cuba opened its door to foreign businesses. Now many investors -- mainly European -- who took the plunge are being asked to leave. Only half the homes rented to expatriates by the state's real-estate monopoly are now occupied, and at the Havana International School enrollment is down about a third from two years ago and falling. On average, one joint venture and two smaller cooperative production ventures have closed each week since 2002, when there were 700 in the country. "I would not be surprised if in the end there are only around 50 joint ventures in the country and just a handful of cooperative production agreements," said an employee at the Cuban Foreign Investment and Economic Cooperation Ministry. Cuba is now interested in partnering only with well-known companies in strategic sectors of the economy, said Marta Lomas, foreign investment and economic cooperation minister. European investors whose joint ventures are liquidating complain of endless haggling with state companies and ministry officials over how and when their share of investments will be paid, and the often millions of dollars they are owed for financing operating costs. (*Financial Times*, 7/6/05)

June 20: Cuba's Foreign Trade Minister Raúl de la Nuez has announced that, despite US hostility, climactic adversity and the high prices of fuel, Cuban trade has surpassed the seven billion dollar level of 1991. Speaking at the opening of the XIII International Fair of the Caribbean in Santiago de Cuba, the minister explained that notwithstanding cut-backs necessitated by the crisis, imports grew 20 percent in 2004, while exports increased 38 percent, both in relation to the previous period, Granma daily reported. (*Prensa Latina*, 20/6/05)

July 22: Cuba expects to cut its unemployment rate of 1,9% in half through professional development courses financed by the State, said the official daily Granma. "The objective this year is to continue creating jobs in order to cut current low unemployment rates in half", said the newspaper. (*La República*, 22/7/05)

July 26: The Cuban economy will grow around 9 percent this year due to increased centralization and alliances with Venezuela and China, Fidel Castro announced in an upbeat address. "During the first half, the economy grew 7.3 percent and the estimate is for around 9 percent growth this year," Castro said during a marathon speech marking the 52nd anniversary of the start of his revolution. According to the UN Economic Commission on Latin America and the Caribbean (ECLAC), the Cuban economy grew about 3 percent in 2004, below the 5 percent growth announced by Cuba, which uses its own methodology to calculate gross domestic product. (*Reuters*, 26/7/05)

November 7: Cuba's trade volume reached 7.5 billion dollars last year, with Venezuela heading Cuba's list of most important commercial partners, a Cuban official said. The communist-ruled island's imports were worth more than 5.6 billion dollars, with exports of 1.9 billion, leaving Cuba with a foreign trade deficit of 3.8 billion dollars, according to Deputy Foreign Trade Minister Antonio Luis Carricarte. Carricarte told the Cuban weekly Opciones that this year Cuban foreign trade grew 22 percent. "Exports tend to go down primarily because of decreased sales of sugar and its by products," the deputy minister said. "In addition, world prices for nickel have slumped. However, our exports of tobacco and non-traditional items have gone up." Meanwhile, imports including fuel, food, metals, chemicals and industrial equipment went up 34 percent, Carricarte said. The list of Cuba's main trade partners is led by Venezuela, whose share of trade reached 22 percent. It is followed by China (10 percent), Spain and Canada (both 8 percent), the Netherlands (7 percent), the United States (5

percent), Brazil (4 percent) and Vietnam, Italy and Japan (3 percent each). (*Reuters, AFP, 7/11/05*)

November 23: A week after announcing a government campaign against stealing and "skimming" by workers in the state-run economy, Fidel Castro decreed hikes in wages, pensions and electricity rates. The wage hike - the third this year - will bring the average worker's monthly salary to about 16 dollars, up two dollars from the previous rate. Wages are extremely low in Cuba, with the average worker earning in a month what a plumber in the United States makes in a half-hour. "A wage system has been established based on the principle of socialist distribution," said a note from the Labor Ministry accompanying the decree. The note described that system as: "From each according to his abilities, to each according to his work," which is a modification of the classic Marxist paradigm of "From each according to his abilities, to each according to his need." The ministry note said the system was "aimed at making the salary the main material stimulus that the worker receives for his contribution to society." The raise in pensions for some 1.2 million retirees brings their monthly stipend to about \$6.80 from the previous \$6. (*EFE, 23/11/05*)

November 24: Cuba's economic growth may surpass nine percent in 2005, said Economy Minister Jose Luis Rodriguez, identifying tourism, international medical assistance, technology and computers as the island's key income sources. He explained that 2005 has involved significant economic changes, such as centralizing hard currency management to develop programs to meet domestic priorities. One of the major factors attributable to the country's economic growth this year is the export of services, particularly medical services, he said. According to the minister, Cuba has set a target of welcoming 2.3 million foreign tourists this year, with earnings of more than 2 billion USD. The nickel, cigar and rum industries are the country's hard currency-earning sectors, with strong growth. However, the sugar industry, once the economy's spearhead sector in the 1980s, has been in recession due to droughts and the sugar yield in the 2004-05 crop just stood at 1.3 million tones, the lowest since 1960. (*VNA, 24/11/05*)

November 25: The UN Economic Commission for Latin America and the Caribbean (CEPAL) has recognized Cuba as among regional countries which direct most of their GDP to social spending. According to CEPAL calculations, Cuba, along with Argentina, Brazil, Costa Rica and Uruguay, devotes more than 18 percent of its GDP to social spending, while Ecuador, El Salvador, Guatemala and the Dominican Republic allocate less than 7.5 percent. Cuba devotes 80 percent of her budget to health, education, sports and culture. (*Prensa Latina, 25/11/05*)

November 28: Cuba temporarily cut prices on selected food and other products at state-run hard currency stores as part of a campaign to make goods more accessible to Cubans of lesser means. The temporary markdown added to good news for government workers who recently received pay raises. It covers all stores selling goods in a currency known as "the convertible Cuban peso" until December 9, according to a government announcement published by state media. A survey of some stores found that prices on some, but not all products had been marked down by 10 to 20 percent, including canned and other packaged goods. A bottle of cooking oil was marked down from 2.20 (\$2.37US or euro2) to 1.95 (\$2.10US or euro1.80) convertible Cuban pesos. The vast majority of consumer products in Cuba are sold in these stores, all of which are run by the communist government, in convertible Cuban pesos. The convertible peso replaced the US dollar as a major form of currency during the island last year. (*AP, 28/11/05*)

December 14: Cuba has scrapped the standard method used to measure economic activity and replaced it with its own formula that substantially boosts the value of its economy and performance, while making a statistical comparison with other countries practically impossible. Fidel Castro, who has announced that the economy is growing at more than 9 per cent, insists the standard method was designed for capitalist societies and Cuba's "socially sustainable GDP" formula better measures progress in his socialist land where no value is assigned to readily available social services and wages are low due to subsidized utilities and some basic products. Last year, Havana first reported growth based exclusively on its formula as 5 percent, while the UN Economic Commission on Latin America and the Caribbean (ECLAC) said the GDP was up 3 per cent and estimated 5 per cent growth this year based on the traditional formula. ECLAC officials have held at least two rounds of talks with the Cuban economy ministry seeking clarification on GDP and expressing concern that the UN body will no longer be able to include Cuba in regional tables and comparative analysis. Cuban authorities have said that the island's GDP grew 11, 8 percent based on exports. Meanwhile, ECLAC's executive secretary, José Luis Machinea, said that this Cuban method "is being analyzed by ECLAC". "For the moment, Cuba has not been included in the regional annual rate growth", warned the UN institution. (*Financial Times, EFE, 14/12/05*)

December 20: Parliamentary committees brought to a close a series of meetings prior to the December 22 Sixth Ordinary Session of the National Assembly. With another annual unemployment rate below two percent, the Cuban economy this year boosts a new achievement, more than 5 million citizens received wage increases in 2005. Alfredo Morales Cartaya, the minister of Labor and Social Security, announced the figure, which corresponds to increases made across the board in salaries, retirement benefits and social assistance, and added that the public can expect more raises in the near future. The minister, addressing the Economic Affairs Parliamentary Committee, specified that future wage increases will be made in correspondence to earnings made through productivity increases and worker discipline as well as from revenues derived from resource management initiatives. (*Granma, 21/12/05*)

December 22: Cuba announced it had turned a corner in its recovery from severe financial crisis, reporting 11.8 percent growth in 2005 using its own method for calculating gross domestic product. Addressing the communist nation's lawmakers as Fidel Castro looked on, Economics Minister José Luis Rodríguez said the Caribbean nation had fully recovered from the 1990s, when austerity measures were adopted to survive the economic crisis caused by the Soviet Union's collapse. "This could be considered the highest in revolutionary history," Rodríguez said of the growth figure, referring to the 47-year-long administration of Castro. The economics minister also projected economic growth of 10 percent for 2006. Rodríguez said the biggest income earners for Cuba this year were tourism, nickel, and the exportation of services -- especially doctors and other medical workers hired by other countries such as Venezuela to provide free care to poor people. Cuba's methodology for calculating economic growth, adopted in recent years, takes into account the country's vast social safety net and subsidized services. That differing methodology makes Cuba's growth figures difficult to compare with that of other countries, prompting the United Nation's Economic Commission for Latin America and the Caribbean (ECLAC) to omit the island's numbers from its report for this year. (*The New York Times, 22/12/05*)

December 22: Cuba's economic growth of 11.8 percent this year is based in the exportation of services, among other incomes. Cuba began bartering medical and other services for 90,000 bpd of Venezuelan oil this year and the South American country also began paying

Cuba for additional medical and other services, for a total value estimated at close to \$3 billion by local economists. "The biggest change is that Venezuela began this year paying for 25,000 doctors working there, 8,000 sports trainers and others, and for more than 150,000 eye operations carried out in Cuba," said a foreign banker based in Havana. "That is \$3 billion odd of new revenues over a total gross domestic product of 35 billion, or 8,5 percent of the increase," he said. (*Reuters*, 22/12/05)

December 24: The Cuban parliament late at night approved a 33.3 billion peso budget for 2006, a huge 32 percent increase over this year's spending of 25.3 billion pesos and evidence that authorities are confident a 15-year crisis is over. "Our public finances are in good health despite the genocidal imperialist blockade, hurricanes and drought and higher oil prices," Finance Minister Georgina Barreiro said on introducing the budget. Barreiro said next year's budget deficit would be 3.4 percent of the gross domestic product, based on expected revenues of 31.5 billion pesos, a 35 percent increase over 2005, when the deficit came in at 4.2 percent of GDP. Barreiro said increased spending was largely earmarked for defense, social services, wages and pensions, emergency reserves and a doubling of investments to 6.4 billion pesos. Increased revenues would come with economic growth, more efficiency, higher utility rates and the sale of more appliances and food to the population, Barreiro added. (*Reuters*, 25/12/05)

December 27: Foreign Trade Minister Raúl de la Nuez said services account for 50 per cent of Cuba's export income. At a ceremony marking the 45th anniversary of this ministry, de la Nuez highlighted the launching of new biotechnology products, which are able to generate more than 200 million dollars. They have become alternatives in the competitive world market for staple products like nickel, rum, tobacco, sugar derivatives and iron-and-steel, the minister said. De la Nuez especially noted that 51 per cent of Cuba's exchange is centered in Latin America, namely Venezuela, plus Europe, Africa, the Pacific and Asia, being China its second commercial partner. (*Prensa Latina*, 27/12/05)

NATIONAL AND FOREIGN CURRENCY/ BANK REGULATIONS

February 17: Cuba's central bank has begun prohibiting most foreign exchange transactions without its prior approval as of this week, in a move businessmen fretted could tie the economy up in knots. Businesses must prepare weekly budgets for prior approval and companies and banks cannot accept payments or deposits unless they have central bank authorization, according to guidelines implementing an earlier decree. Water, electricity and other utilities must go through the same process every three months, and any new suppliers must first be approved at the highest level. "There is no doubt some dubious practices have been squashed and a more rigorous business climate imposed," a mid-level employee of Cimex, the largest foreign exchange-priced retailer in the country, said of the guidelines. But the head of a Cuban company that upgrades production facilities predicted the new rules would be revamped. "It appears the measure will hamper our work (...) The mechanism we must use is too complicated to function in an agile and dynamic manner," he said. (*Reuters*, 17/2/05)

February 22: As part of the framework for a return to centralized controls of hard currency expenditures, new operational restrictions for Cuban business enterprises have been introduced by the Cuban government. According to a new resolution by the Cuban Central Bank (BCC), Cuban enterprises can no longer issue checks in excess of \$5,000 convertible

pesos (a Cuban currency on a par with the US dollar) without prior authorization from the "Committee for Approval of Convertible Currency Expenditures." The resolution, signed by BCC President Francisco Soberón, prohibits the endorsement of checks for payment to third parties and reminds that only bank account check deposits are allowed. This resolution complements another approved last December that compels Cuban enterprises to deposit all their revenues in convertible currency into a single BCC account. (*EFE*, 22/2/05)

March 17: Fidel Castro announced a 7 percent revaluation of Cuba's currency, which will make the Cuban peso slightly stronger against the US dollar. In 1989, the peso was valued at 7-to-1 against the dollar. Five years later it tumbled to 95 pesos to the dollar, said Carmelo Mesa-Lago, a leading Cuba expert and professor emeritus of economics at the University of Pittsburgh. "Really a reduction from 27 to 25 is not a big deal because [the Cuban peso] has essentially been fluctuating two or three points [in recent years]," Mesa-Lago said. "This is sort of symbolic." In the early 1990s, when Cuba's economy crashed, Castro was forced to implement modest reforms, from legalizing limited self-employment to luring foreign investors and tourists. But as the economy has gradually recovered, many reforms have been turned back. Mesa-Lago said Castro feels emboldened because he is backed by his close ally, Venezuelan President Hugo Chavez. "He's depending on Chavez and the question is how long can he continue doing this?" Mesa-Lago said. (*Sun Sentinel*, 18/3/05)

March 18: As a result of a Central Bank of Cuba decision, one CUC (equivalent to one US dollar) now fetches 24 regular Cuban pesos, as compared to 26 at the previous rate, while it now costs 25 Cuban pesos instead of 27 to buy one CUC. "The fact that the dollar costs less doesn't mean that people are going to have more money. We've had the same amount of business here today as any other day, with no more sales than usual," a cashier in a store that sells goods in hard currency -- formerly US dollars, then CUC -- told the press. (*IPS*, 18/3/05)

March 20: The purchase of Cuban convertible pesos with Cuban pesos quadrupled on the island after a recent measure which increased the value of the Cuban peso by 7% against the US dollar, according to preliminary figures. The Vice-President of the Central Bank of Cuba (BCC), Mercedes López, told the press that the new exchange rate "received immediate support from the population". (*EFECOM*, 20/3/05)

March 24: Fidel Castro announced the second revaluation of the island's currency in as many weeks, increasing the value of the Cuban convertible peso by 8 percent against the US dollar. The revaluation will strengthen the convertible peso to 92 cents to the dollar, though the local currency is worthless outside Cuba. Castro also said a fixed exchange rate for both sales and purchases of the convertible peso would be implemented on April 9. The revaluation follows last week's 7 percent increase in the value of the Cuban peso, from 27 to 25 to the US dollar. "We are defending our resources, our economy," Castro told an audience of Communist Party leaders, government officials, military and members of various other state-sponsored organizations. Economists expected the new measure will lead Cubans to sell off more dollars, adding to the government's improved liquidity. "We know what we are doing and we have faith in what we are doing. We've entered a new era." "If they want mercenaries, let them have to pay more," Castro said, referring to dissidents who receive dollars from American supporters. (*AP, Reuters*, 25/3/05)

March 25: Cubans who supplement their meagre state salaries and pensions with cash from relatives abroad will bear the brunt of a new banking decree, which is likely to boost the government's hard currency reserves while skimming profits from remittances, analysts said. "They're losing 17 cents for each dollar they change into a convertible peso," Mesa-Lago said. "These measures are geared to get more hard currency for the Cuban government, which they desperately need. It's also a symbolic political statement to say that while the dollar is devaluating [Cuban] currency is appreciating." About 60 percent of Cubans have access to hard currency from remittances. Most of the money comes from Cuban Americans. Estimates on the amount sent annually vary widely from about \$400 million to more than \$1 billion. (*Sun Sentinel*, 26/3/05)

March 26: The revaluation of the Cuban convertible peso (CUC) to the dollar and other foreign currencies, recently announced by Fidel Castro, benefits the population, Francisco Soberon, president of Cuba's Central Bank, explained. The measure is linked to last October's decision to stop the circulation of the dollar in the country, fix a 10 percent surcharge on its change, and the recent revaluation of the Cuban peso, Soberon stated in the daily radio-TV broadcast "Mesa Redonda". The three decisions are part of the Cuban State's coherent policy, "in accord with the interests of the population and objectives of the Revolution," he indicated, highlighting Fidel Castro's statement that the new move represents monetary independence for the island. (*Prensa Latina*, 26/3/05)

March 29: Cuba's central bank chief said that the country's economy registered its first surplus in a decade in 2004 and expects another surplus this year as the communist government reasserts economic control after dumping the US dollar and strengthening its own national currency. Central Bank President Francisco Soberon told the press that high international prices for the nickel the island produces and an improvement in tourism contributed to creation of the first surplus since 1994. "We have to keep an eye on the price of petroleum," Soberon allowed, saying that higher crude costs would affect the Cuban economy, "but we are optimistic" about another surplus in 2005. Soberon declined to quantify Cuba's surplus, saying that and other numbers such as reserve figures were confidential information that could be used against the island by the US government and other enemies of Cuba. He also expressed optimism about recent moves to strengthen both the Cuban peso and the convertible Cuban peso. Soberon said those most likely to be affected by the latest measures are Cubans who receive US dollar remittances from relatives in the US. "It will all depend upon what their family abroad does," the bank chief said. "If their relatives increase what they send, it won't affect them. It really isn't that much more they have to send." Soberon said the measure would affect foreign entities operating on the island, such as embassies and international firms, requiring them to pay 8 percent more on many monthly bills, most of which are now charged in convertible Cuban pesos. (*AP*, 29/3/05)

March 31: During a live broadcast on Cuban TV, Fidel Castro referred to a concern that the weaker dollar could reduce family remittances. Castro said that it is the Bush administration that is punishing Cuban-Americans with its restrictions on the amount of money they can send relatives on the island. He noted that the sovereign Cuban decision will affect the so-called "dissidents" who receive money from Washington to undermine the Revolution, but not those people who live by working and enjoy the guarantee of a decent existence from the State. "The money belongs to the people, the monetary system belongs to the people," he added, pointing out that a further strengthening of the local currency could be in the works. (*Radio Habana Cuba*, 31/3/05)

April 5: Cuba's recent strengthening of its currency is designed to close the gap in the purchasing power of those who earn only pesos and those who receive US dollars from abroad, analysts say. But the peso's revaluation makes no economic sense because the communist-ruled island's economy is not strong enough to back up the 7-8 percent increase in the value of its currency, the experts added. A study released recently by Carmelo Mesa-Lago, one of the top US experts on Cuba's economy, called the currency changes "a symbolic, political decision geared to the outside world and (...) Cubans who only have pesos." The report was released at the University of Miami's Institute for Cuban and Cuban-American Studies. "The most important facet of what's going on here is that the basis Castro is using to trumpet these successes is solely the generosity of others" such as Venezuela and China, said John Kavulich, who monitors Cuba's economy. "How is that a sustainable economic policy and how can they be proud of that rationale?" (*The Miami Herald*, 5/4/05)

April 9: Cubans awoke to a fresh revaluation of the "convertible peso," the second in less than a month. In recent days, many Cubans rushed to exchange their foreign currency before an 8 percent hike in the value of the convertible peso, until now on a par with the dollar, went into effect. In order to serve the flood of people wanting to exchange their foreign currency, primarily dollars, for CUCs or "chavitos," as the convertible pesos are known, Cuban banks were open until 9 p.m. the day before, Cuba's Central Bank said in the official press. Bank accounts consisting of US dollars, both previously existing ones and those opened until April 9, won't be affected, Castro said in a special telecast on March 24. (*EFE*, 9/4/05)

April 15: Cuba, severely squeezed for hard currency since the fall of the Soviet Union, managed to boost its foreign reserves by \$1.48 billion in 2004 as it achieved its first current account surplus since 1993, according to a government report. The boost of nearly \$1.5 billion, all in hard currency, last year dwarfed the net \$107 million rise shown by central bank figures for the 1993-2003 period, when Cuba had been plunged into economic crisis by the loss of support from Moscow. The leap in hard currency on hand appears to provide a cushion as the Communist-ruled nation faces challenges including a stiffer US trade embargo and a rise in the world prices of its leading import items, food and oil. Cuba's central bank keeps its total reserve figures secret to hide information from its archenemy the United States, which has enforced sanctions against the Caribbean island since 1962. Last year Cuba achieved its first current account surplus since 1993, of \$176 million, and posted a \$1 billion increase in its capital account, the government report, parts of which was seen by the press, said. (*Reuters*, 15/4/05)

April 17: Fidel Castro reiterated his government's will of revaluating again the Cuban convertible peso that was recently revaluated by 8 percent. "We have revaluated our currency, we will keep on revaluating it, and nobody will stop that", Castro said to the press after voting in municipal elections. (*EFE*, 17/4/05)

May 5: Fidel Castro made an appeal to have rationality prevail in whatever economic steps are taken on the island. In a national radio and television address, Castro said that "the Revolution has demonstrated it knows how to act speedily", but this time not only it knows how to do things speedily, but it knows how to do it with much higher quality, he noted. Castro made emphasis on the carefulness with which work will be done in the distribution of products, raw materials, consumer goods and other commodities purchased in Venezuela and worth 412 million dollars. He insisted on the need that the hard currency stores keep their

prices, so that the current rising trend of the Cuban peso purchasing power is kept, a goal that will not be achieved in a matter of days, he cautioned. (*A/N*, 5/5/05)

November 26: The president of the Central Bank, Francisco Soberón, affirmed that in the course of the last year, US dollar bank accounts held by the population decreased by 57 %, while National Peso and Convertible Peso accounts grew by 35 % and more than three-fold respectively. Delivering the closing remarks at the Congress of Economists and Book-keepers of Cuba, Soberón added that there has been a substantial reduction in the country's US dollar cash intake. "While in the past the US dollar accounted for more than 80 % of the nation's foreign revenues, today it only represents about 30 %, with other currencies such as the Euro, the Canadian dollar and the pound sterling now taking its place." (*AFP*, 26/11/05)

NATURAL DISASTERS AND THE ENVIRONMENT

(See also, Domestic Affairs/ Social Issues)

January 5: Conservation measures taken in Cuba saved close to 15,000 acres of land from biological damage and water erosion while protecting one of the most important water sources in the country, according to AIN News Agency. Conservation programs were implemented in communities surrounding the island's northeast Toa river basin - considered a major nucleus of Caribbean biodiversity. Measures included the application of organic fertilizers obtained from earthworm cultivation and crop wastes applied to soil to improve its physical and chemical properties as well as its fertility. (*Radio Habana Cuba*, 5/1/05)

January 5: Sustained growth of forests in the eastern province of Camaguey, received a setback last year due to the intense drought affecting Cuba's largest province. AIN news agency released preliminary Forest Service figures which revealed that last year 2,584 hectares of land were reforested, meeting just 40 percent of the plan. Delayed and short duration of spring rains cut into the time available for tree planting. A subsequent lack of humidity caused heavy losses in new plantations. Camaguey currently possesses 21.8 percent of forested territory forested, an equivalent of 340 thousand hectares. (*Radio Habana Cuba*, 5/1/05)

January 25: The local media informed that the protracted drought affecting Cuba since 2003 -- the worst in 74 years -- has cost the country \$834 million pesos in economic losses so far. That figure is equivalent to the same amount in US dollars, according to the official rate of exchange applied in Cuba. The official *Granma* daily said that, due to the lack of precipitation, tens of thousands of cattle heads have perished and some 700,000 people regularly receive their water supply via tank truck deliveries. Current water reservoir levels are 2,108 million cubic meters below December 2003 levels and, out of a total of 235 active reservoirs, 118 remain less than 25% full. (*EFE*, 25/1/05)

February 10: Cuba is concerned about possible forest fires because of a serious drought which has extended for months. Forest Rangers said the critical period of possible forest fires will be extended to June 30 due to the long dry spell. Under normal conditions this period concludes on April 30, but poor rainfall over the last three years has caused experts to extend the season and maximize measures to prevent disasters. "Cuban forests are facing a serious situation, since dry leaves and grass can combust anytime. This condition can whip a small flame into a fierce fire," said Manuel Lama Gómez, chief of the Forest Warden Department. Analysts say the average temperature in Cuba has increased 0.5 Celsius degrees because of

climate changes and other environmental problems caused by global warming. (*Prensa Latina*, 10/2/05)

February 15: Hundreds of thousands of Cubans are suffering the consequences of the severe drought that has been punishing the island since 2003 and is expected to last at least through April. According to the government, over the past year and a half, the drought has cost Cuba more than \$800 million, killed tens of thousands of heads of cattle and inflicted water shortages on upwards of 700,000 people. The most complicated situation occurs in the eastern part of the island, where rainfall between May 2003 and October 2002 totaled less than 70 percent of the historical average. The effects of the prolonged drought have spread from east to west down the length of the island. Authorities are trying to dig new wells, build new aqueducts and distribute water on cistern trucks as quickly as possible. (*EFE*, 15/2/05)

February 16: Participants in the 4th International Workshop on Rural Environment in the New Millennium: Challenges and Perspectives in Cuba are debating on how to use rural environment for economic purposes. Experts are trying to find alternatives to lessen the deep crises in the world's rural zones caused by soil erosion and deforestation. The forum includes participants from Germany, Spain, the United States, Mexico, Brazil, Nicaragua, Venezuela and Colombia. Cuban experts presented a paper on the successes achieved in rural areas like the Turquino-Manati development project in eastern Cuba. (*Prensa Latina*, 16/2/05)

February 21: Cuba started an action plan to fight the deficient water supply caused by an intense drought that has been affecting the island for several years. Jorge Luis Aspiolea, president of the National Hydraulic Resources Institute, explained the country has invested more than \$20 million on public works in the last months to improve the situation. Aspiolea said that action plans and government measures will aim to face the possibility that 2005 may be another dry year. The official said Cubans will be forced to improve the custom of saving water and make the best use of their intelligence and initiatives to protect this precious resource. (*Prensa Latina*, 21/2/05)

February 21: Cuba urged its citizens to cut back on water use, announcing that new measures will be necessary to fight a long-lasting dry spell. Jorge Aspiolea, president of Cuba's National Institute of Hydraulic Resources, told Granma that the government has invested more than \$25 million (Canadian dollars) in recent months to improve water infrastructure. But he also said it was crucial for the general population to start conserving water immediately. Of 235 reservoirs across the island, 114 contain less than 25 per cent of their capacity, Aspiolea said. Forty-one of those 114 have dried up and are out of use. Eastern provinces are the most severely affected, as reservoirs in Camaguey are only 14 per cent full, and those in Las Tunas, Ciego de Avila, Sancti Spiritus and Granma contain less than 30 per cent, he said. Only Pinar del Rio, Cienfuegos and Isla de la Juventud are at 50 per cent capacity, he said. Havana, the island's most populated city, is among the places that will be most affected by the water shortage, the newspaper said. (*Canadian Press*, *AP*, *Granma*, *Prensa Latina*, 21/2/05)

March 2: In a report, the UN Food and Agriculture Organization (FAO) calls for urgent help to deal with crises stemming from wars and natural disasters. The report warns of potential future threats in four countries: Botswana, Cuba, Ecuador and Peru, due to meteorological conditions. (*El País*, 2/3/05)

March 4: More than 150,000 pink flamingos (*Phoenicopterus ruber ruber*), also known as Caribbean flamingos, gather the Máximo-Camagüey wetland, in northern Camagüey province, 500 km southeast of Havana. They arrive from other points on this and other islands of the Caribbean, and from Mexico's Yucatán Peninsula. The pink flamingo management plan of the government's National Flora and Fauna Protection Agency is "exquisite" in the opinion of Mayra González, director of the province's environmental department. "Twenty years ago we had no idea what was happening in the marsh. Nobody knew. Now it is the best protected area that we have in terms of implementing management plans," she said. In 2002, the Máximo-Camagüey marsh was added to the list of internationally important wetlands of the Ramsar Convention. The Cuban wetland covers 22,000 hectares and serves as a resting area for migratory birds flying to and from North, Central and South America. (*IPS* , 4/3/05)

March 11: Cuba's worst drought in a century has left one in six Cubans without running water and will get worse, a Cuban official warned, calling on the nation to save water. The prolonged drought has hurt the Caribbean island's sugar and rice production and led to the slaughter of hundreds of thousands of head of cattle in the parched eastern provinces of Las Tunas, Camagüey and Holguín. "It is the worst drought our country has faced since 1901," Aymee Aguirre, vice president of the National Water Resources Institute, said in statements published by the ruling Communist Party newspaper Granma. The situation has deteriorated since January, when officials reported that 700,000 people were collecting water in buckets from tanker trucks. Losses to agriculture had exceeded \$830 million, they said. (*Reuters*, 11/3/05)

March 24: Lack of rainfall, waste, leaks, saving measures and efficient use of water were discussed during a meeting of Cuban officials from the largest water consumers companies in Havana. According to Prensa Latina News Agency, Havana receives 723 liters per capita every day while a great amount is unnecessarily wasted and the local government has decided to step in with some new measures. These include reorganizing the water supply hours, installation of lock valves to ration water in factories, schools and hospitals and alleviate demand in residential areas. (*Radio Habana Cuba*, 24/3/05)

April 21: A huge fire that scorched more than 2,600 hectares (6,419 acres) of forests in the mountains of the eastern Cuban province of Cienfuegos is under control, the AIN news agency reported. One section of the fire, covering 1,090 hectares (2,691 acres), affected the communities of La Sierrita, Cafetal and Vegas del Cafe, while the other, near Lake Habanabilla, burned some 1,560 hectares (3,851 acres). Forest rangers and workers from nearby agricultural centers, backed by aircraft, worked to put out the blaze. This was the first fire to break out in the mountainous Escambray region, in Cienfuegos, an area rich in plant and animal life. (*EFE*, 21/4/05)

June 1: Barometers in Havana rose to a record high of 36.5 degrees centigrade that suffocated Cuba's capital, but the city got a relief from a downpour that flooded some areas in the downtown. The much needed rain was welcomed by Havana residents who have been feeling the effects of a long drought that has hit the island in the past months. (*Prensa Latina*, 1/6/05)

June 6: The eastern city of Holguín is recognized for its positive results in preserving the ecosystem. The reduction of contaminants, the recovery of its soils and the increased wooded areas are among the achievements of the province which led the Cuban authorities to select it to commemorate World Environment Day. (*Radio Habana Cuba*, 6/6/05)

June 9: Arlene, the first cyclone of the 2005 season, brushed the western tip of Cuba on its way northwards bringing more benefits than harm to the drought-stricken Caribbean country. No human casualties have been reported. The tropical storm, with winds up to 75 kilometers/hour, brought much needed rain to the island, which Cubans have seen as a blessing for their dried lands. (*Prensa Latina*, 9/6/05)

June 15: Although only 18 are exclusive to Cuba, 177 species of butterflies can be found on the island. A group of those endemic to Cuba can be found in the province of Camagüey, which includes the Hazel Phoebis (*Phoebis avellaneda*) butterfly, named in honor to the Cuban writer Gertrudis Gomez de Avellaneda. The "Major General Agramonte" Provincial Museum has one of the widest collections of these insects, consisting of more than 1,500 exotic national specimens. (*A/N*, 15/6/05)

June 22: Over the last decade, hurricanes have cost Cuba an estimated 4.5 billion dollars in losses, according to figures from the United Nations Development Program (UNDP). The damage caused by the passage of Hurricane Michelle in November 2001 alone was calculated at close to one billion dollars. Razed crops, uprooted trees, houses left in ruins, flooded streets and cuts in basic services like electrical power and water, sometimes lasting days, form part of the bleak aftermath once the storm has passed and it is time to appraise the damages. The poor physical condition of many homes makes it necessary to evacuate thousands of families who could otherwise be killed by crumbling buildings. (*IPS*, 22/6/05)

June 27: Cuba is carrying out hydraulic works of over 160 million dollars as an emergency solution against the persistent drought affecting the country for a year and a half, Trabajadores weekly informed. The president of the National Water Resources Institute (INRH), Jorge Luis Aspiolea, said these are highly expensive investments with priority for the most affected zones, adding the Cuban government is seeking other responses to cope with this problem. Rains in the past three weeks have brought some relief to the drought-stricken island, but still not enough to cover all the needs. (*Prensa Latina*, 27/6/05)

June 27: Cuba is presenting in Havana a national campaign on city management, sponsored by the UN Human Settlements Program (HABITAT). With the title "For a Better City and Safer Environment," the aim of the event is to improve people's living standard, their houses, city participation and local development. Cienfuegos, Holguin, Bayamo and Santiago de Cuba are the Cuban cities chosen for the international initiative. A HABITAT promotional gathering coincides with the beginning of the 5th World Meeting on Sustainable Cities Programs and Local Agenda 21, under the auspices of the UN Environment Program and Cuban Institute for Physical Planning. (*Prensa Latina*, 27/6/05)

July 2: Cubans across the island practiced emergency drills for hurricanes and other natural disasters, part of a two-day activity called Meteor Exercise 2005, local media reported. The drills, organized by the Cuban government and local social groups, focused on hurricanes but also reacted to potential earthquakes, fires or toxic leaks. Authorities gathered, on the first day of the exercise, to coordinate plans, focusing on evacuation strategies to avoid loss of human life and ways to diminish economic damage to buildings and infrastructure. (*AP*, 3/7/05)

July 2: As part of a program for the protection of river-based ecosystems, the Guantánamo-Guaso river basin has been restored by planting hundreds of trees along the banks of the

river. The initiative, sponsored by various Cuban institutions, includes reforestation, soil protection and environmental education. The program aids the recovery of the southern coastal area in the easternmost province of the island. It is a 1,752-square kilometer area of semi-desert caused by high sun radiation levels and evaporation, exacerbated by a shortage of rain. (*Radio Habana Cuba*, 2/7/05)

July 4: Experts from 30 countries are attending the 5th International Convention on Environment and Development in Havana's International Conference Center. With participants from Latin America, Spain, Italy and Portugal, the event will address issues like water basin management, coastal eco-systems, protected areas, environmental education and more. US participants were denied visas to attend. Parallel events include the 4th Congress on Protected Areas, 5th Congress on Environmental Education for Sustainable Development, 1st Congress of Environmental Management for Business, Tourism and Environment and the International Symposium on Management of Hydrographic Basins and Resources. (*Prensa Latina*, 4/7/05)

July 5: Soil erosion and deforestation are the top environmental problems facing Cuba, according to an official speaking at an international environmental conference in Havana. In opening remarks, the island's vice minister for the environment, José Díaz Duque, said repeated abuse and mismanagement of the land has led to serious erosion throughout Cuba. He also pointed out that when Christopher Columbus came to America in 1492, forests covered 95% of the island. Today, it's less than 25% covered, he said. Contamination, loss of biological diversity and a limited water supply due to an ongoing drought are also plaguing the Caribbean island, he said. (*AP*, 5/7/05)

July 8: Fires in Cuba are increasing, putting biodiversity on the island at risk. According to Colonel Manuel Lamas, of the Forest Ranger's Office, in the 1960s there was an average of 158 forest fires a year, in contrast with 367 fires already reported in 2005, destroying 12,037 hectares. (*AP*, 8/7/05)

July 8: Hurricane Dennis tore down power and telephone networks in central Sancti Spiritu and Matanzas provinces. The 170-kilometer per hour gales damaged radio communication towers and power networks in Sancti Spiritus, vice-president of the provincial government Fidel Perez Luzbel said to the press. (*A/N*, 8/7/05)

July 8: Hurricane Dennis bore down on the US Gulf Coast after slamming Cuba, sweeping away coastal homes and sending waves crashing over Havana's seawall. "It's arrived, with all its diabolical force," Fidel Castro said on state television. He said 10 people died in southeastern Cuba, including one child who fell into roiling waters as the mother tried to cross an old bridge. As the storm passed east of Havana, waves of up to 10 feet crashed over the city's Malecon seawall. Fierce gusts of wind tore huge chunks of concrete off dilapidated colonial buildings and shattered glass globes from antique street lamps in the city's old section. Downed trees and utility poles littered roads. Most of the damage in and around Havana and nearby beach towns appeared limited to uprooted trees and ripped lampposts and highway signs. Cuban television showed Defense Minister Raul Castro, the president's brother, touring storm-damaged areas along the southeast coast. Dozens of humble wooden homes in sparsely populated rural areas had been reduced to mounds of kindling. Corrugated metal roofs had been ripped off and twisted by the roaring winds, before being scattered across the countryside. A wooden sugar mill was missing its roof and parts of its sides. (*AP*, 9/7/05)

July 9: Fidel Castro praised the organization, discipline and commitment of the Cuban people as they faced Hurricane Dennis, which hit the island hard from east to west, causing 10 dead and considerable material damage. "We are optimistic about solving our problems," stressed Fidel Castro who congratulated the authorities, grassroots organizations and the population in general for their attitude in the face of the destructive hurricane. He also assessed the benefit Dennis could have brought to the drought-stricken island in term of feeding reservoirs and dams up. As he spoke on TV, vicepresident Carlos Lage toured several of the hardest hit areas in Cienfuegos Province, where Dennis made its landfall, and in Matanzas. (*Prensa Latina*, 9/7/05)

July 10: Cuba continued recovery efforts in the wake of Hurricane Dennis, which killed at least 10 people and caused extensive damage across the island. Granma, Sancti Spiritus and Cienfuegos, in the central and eastern sections of the island, were among the provinces most affected by the storm. Santiago de Cuba, in eastern Cuba, also suffered damage, especially Baconao, a UN World Biosphere Reserve, which lost an estimated 80 percent of its species. The tourist city of Trinidad, on the south-central coast, was hit hard by the storm, especially its coastal sector. Some 70 percent of the houses in the coastal town of Casilda, a few kilometers from Trinidad, were damaged by the powerful winds from Dennis and the storm surge caused by the hurricane. In Camagüey province, in Cuba's agricultural heartland, Dennis damaged or destroyed more than 2,191 homes. In Havana, some 1,828 houses were damaged by the storm, including 30 that collapsed. Most of the structural damage in the capital region occurred in Regla, Habana del Este, Marianao and Cotorro. In Aguada, a small city off Cuba's central highway, 6,000 homes were damaged and another 400 were demolished, Orlando Díaz, a local Communist Party official, said. Díaz said 666 people in the city remained in shelters and another 5,722 were living in the homes of relatives and friends. One fourth of the city's 46 schools were damaged as well as a sugar mill, Díaz said. (*EFE, Sun Sentinel*, 10/7/05)

July 11: Hurricane Dennis killed at least 16 people in Cuba, damaged or destroyed 15,000 homes and caused an estimated \$1.4 billion in property damage when it pummeled the island, Fidel Castro said in an hours-long speech. Castro said that one and a half million citizens were evacuated and that if Dennis had directly hit Havana, the damage would have accounted for more than three billion dollars. He said the hurricane totally wiped out 100 hectares of crops, while 11,000 hectares planted with banana were lost and almost the entire citrus fruit harvest in central Matanzas perished. More than seven tons of mango fruit were also destroyed. Castro said that over 73,000 birds died, with severe damage sustained by the ecological system, particularly in Central Cienfuegos and eastern Granma province. In this last province, 6,536 coconut trees were torn down, and 20,000 hectares of forests were damaged. Most of the houses at the historical place of La Comandancia, in La Plata, Sierra Maestra, were destroyed. The citrus industry in central Cuba was devastated, he added. During his long speech by national TV and radio, Fidel Castro said that 21 hotels were severely damaged. Roads and railroads were severely damaged as well as 160 health facilities and 96 sports centers and 69 cultural institutions. Castro said that nearly 300,000 tons of foods in stock were damaged by hurricane Dennis. Over 73,000 chickens were lost. (*AIN, EFE, La Jornada, Prensa Latina, Granma*, 12/7/05)

July 11: Fidel Castro stressed the need to save water currently being lost in an inefficient network of pipelines. Castro said that nearly 60 percent of the water being pumped is lost and that investment is needed to increase water efficiency. During the Round Table, a TV and radio

broadcast, on the damage inflicted by hurricane Dennis, Fidel Castro spoke with Victor Gaute, the first secretary of the Communist Party of the central province of Matanzas. Gaute explained that the province received 320 millimeters of rainfall over a 24-hour period – twice the amount it usually receives throughout the entire month of July. That situation has put authorities and experts on watch for possible flooding. The Communist Party leader said crucial sectors are beginning to recover, such as the Cuban Canadian Energas power plant, which helps provide gas and water to the municipality of Varadero, Cuba's largest tourist resort. (*A/N*, 11/7/05)

July 13: Cuban telecommunications are on the mend after winds from hurricane Dennis snapped cables, toppled telephone poles and wreaked other damage in that sector. A notice from Cuba's Telecommunications Company (ETECSA) said many localities from the provinces of Sancti Spiritus, Granma, Villa Clara and Matanzas have already been connected to long distance service. In eastern Santiago de Cuba some progress has been made. A total of 4,031 telephones had their service interrupted in Cienfuegos. Havana province and the capital were patching together local networks, but around 7 000 phones are still out of order. (*Prensa Latina*, 13/7/05)

July 25: A programme for planting trees in yards and courtyards has become popular in drought-stricken eastern Cuba, as part of the effort to fight soil degradation and erosion. "Reforestation is the only hope for the future," said Teodosio Hernández, who heads a programme to plant fruit and lumber trees in the semi-arid southern coastal area of the eastern province of Guantánamo, 1,000 km from Havana. Planting trees is combined with the cultivation of crops like sweet potatoes and beans, both of which are staples among rural residents in the region. The project, which got underway in 2003 on state-owned and private land in nine farming communities, awakened greater interest than was expected, and the tree nursery will be expanded so that seedlings can be made available to anyone interested in planting trees in their yards. Ministry of Agriculture studies indicate that 12 percent of all agricultural land in Cuba is desertified to some degree, a proportion that will rise to 15 percent by 2015. (*IPS*, 25/7/05)

August 4: Sponsored by the UN, a Cuban team of researchers has begun the first stage of an urban environmental study in the provinces of Santa Clara, Cienfuegos and Holguín. The study, previously carried out in the city of Havana, investigates such areas as environmental hygiene, water, and biodiversity along with economic, social, historical and population factors. The investigation, structured in three stages, includes a public survey in order to validate results and come up with possible solutions to problems encountered. The end goal of the study is to achieve healthier living conditions and more sustainable urban development with the cooperation of local organizations, state institutions and local populations. (*A/N*, 4/8/05)

August 28: Heavy rains and waves from Hurricane Katrina forced evacuations in western Cuba as the massive storm swept northward toward the southern United States, according to local reports. Telephone lines and power transmission were knocked out in many areas in the west hit by the storm and around 8,000 people were evacuated from flood-threatened areas in Pinar del Rio province as Katrina passed to the north. The coastal city of Surgidero de Batabano south of Havana was 90 percent under water, according to Cuban television reports. (*AFP*, 29/8/05)

September 4: A total of 367 fires have damaged some 12,000 hectares (30,000 acres) of Cuban forests so far this year, resulting in losses estimated at some \$14 million, the official daily Juventud Rebelde reported. Specialists from the Cuban forest protection service quoted by the paper said that 90 percent of the fires started due to negligence or human error. (*EFE*, 4/9/05)

September 19: Cuban authorities prepared to evacuate thousands of people in advance of the arrival of Tropical Storm Rita, which was expected to become a hurricane before reaching the island. Cuban authorities have put evacuation plans into action to remove residents and tourists from areas near sea level along the island's northern coast, as well as from zones prone to flooding. In the areas at risk from the storm, workers are clearing drains, sewers and terraces, removing debris and securing doors, windows, roofs and fresh water supplies. Also, warehouses and businesses are stocking up on food and basic materials. (*EFE*, 19/9/05)

October 18: Hurricane Wilma, the 12th hefty storm of the Caribbean storm season, doused Cuba with heavy rainfall, prompting the evacuation of thousands of people from the eastern section of the island. Flooding had occurred in the provinces of Guantánamo, Santiago de Cuba and Granma, where landslides were also reported. About 200 buildings have been damaged, the reports said. (*Monsters and Critics. Com*, 18/10/05)

October 20: Hurricane Wilma has prompted the evacuation of thousands of Cubans across the island. Civil defense officials said by midday more than 370,000 people had been sent to safer places, most in the island's west closer to the storm, and the island is prepared to evacuate up to 500,000 people. Although most evacuees stay at friends' homes, 20 percent rely on state-run shelters, which are staffed by doctors and cooks and stocked with medicine and food. Residents from La Coloma and all 5,125 residents of Surgidero de Batabano, in the south of western provinces of Pinar del Río and Havana, were being evacuated, said Hedilberto Lugo, a local civil defense official. Commercial flights between Havana and Cancun, Mexico, and between Havana and Nueva Gerona, in the Cuban southern Isle of Pines were canceled. (*CNN, EFE, AP, Sun Sentinel*, 21/10/05)

October 23: Fidel Castro appeared on a television program to calm Cubans anticipating increased winds and flooding as hurricane Wilma passed overhead en route to southwestern Florida. Castro praised the island's efficiency in hurricane preparation, saying that despite scarce resources, Cuba has become internationally recognized as "a model country that protects the lives of its citizens." He also offered Cuban doctors to Mexico to help the neighboring nation recover from the natural disaster. (*The New York Times*, 24/10/05)

October 24: Massive waves churned by Hurricane Wilma crashed into Cuba's capital city, flooding a coastal highway and seeping into nearby neighborhoods of old, crumbling buildings. Rescuers in inflatable rafts and amphibious vehicles pulled nearly 250 people from flooded homes. The ocean spread up to four blocks inland, inundating streets and buildings with water up to three feet deep. The extent of damage in Cuba's north was not immediately known. Red Cross workers said several people had suffered cuts as they scrambled through water and debris, but there were no immediate reports of storm-related deaths. State-run broadcasts said the flooding in Havana was the most extensive in three decades, outdoing even a memorable 1993 storm that inundated large swaths of the city. (*The New York Times, AP, CNN, Sun Sentinel*, 24, 25/10/05)

October 24: The outer bands of hurricane Wilma drenched western Cuba and flooded evacuated communities along the island's southern coast after the hurricane clobbered Mexico's Yucatan Peninsula. Basement apartments were submerged. The government in recent days evacuated more than 625,000 people, particularly in the island's west. Guanimar, a small fishing village of wooden houses due south of Havana, was totally under water, with floodwaters as high as 3 feet in some places. The community frequently floods during hurricanes and its several hundred residents were evacuated as a precaution. (*The New York Times, AP, CNN, Sun Sentinel, 24, 25/10/05*)

October 25: Army General Raul Castro Ruz, Second Secretary of the Communist Party of Cuba (PCC) and minister of the Cuban Revolutionary Armed Forces (FAR), congratulated the people of the province of Pinar del Rio for their efforts in preventing any loss of life and minimizing economic damages during the passing of Hurricane Wilma. In a telephone conversation with Maria del Carmen Concepcion, first secretary of the provincial PCC, the FAR minister spoke highly of the discipline and organization in which the people of Pinar del Rio confronted the hurricane. (*Granma, 26/10/05*)

October 31: Rains associated with Hurricane Wilma benefited drought-stricken Cuba, filling reservoirs to 76 percent of capacity, the state-run Trabajadores newspaper reported. The hurricane did not make landfall on the island, but rains from its outer bands pounded eastern and western Cuba for several days as the storm made its journey through the Caribbean before shooting into the Gulf of Mexico. Conversely, the rains have been too much for the island's coffee crop. Recent storms caused many coffee beans to ripen too quickly, prompting workers to scramble to pick the beans before they go bad. Students and teachers have been sent to help in Maisi and Yateras, the principal coffee-growing regions of Guantanamo Province, Trabajadores reported. (*AP, 1/11/05*)

November 17: Almost 1,000 species of the endemic flora of Cuba, about a third of the existing total in the country, face extinction, according to census data released by news agency Prensa Latina. The research findings were presented by specialists from the Botanical Garden of Cienfuegos, the oldest herbarium in the country, during a scientific workshop organized on the occasion of the 105 th anniversary of its foundation. (*AFP, 17/11/05*)

November 29: Losses from Hurricane Wilma surpassed \$704 million in Cuba, the government announced, for the first time offering a damage estimate on the devastating storm that flooded Havana before taking a swipe at South Florida in October. Granma, Cuba's Communist Party daily newspaper, said the storm cost \$704.2 million, including seven days of lost productivity in the days before and after the storm. After several days of preparations and evacuations, the hurricane hit Cuba on October 23, causing an unprecedented storm surge in the capital, leaving many blocks in waist-high water. More than 7,500 homes were damaged, 446 of them destroyed, the paper said. The tobacco industry in the western Pinar del Rio province lost some 2,000 storage facilities and 54,000 seed boxes. Although the paper did not offer details, it said the fishing, wood, honey, transportation and construction industries suffered either directly or indirectly. (*The Miami Herald, 29/11/05*)

NICKEL

(See also, Foreign Investments and Trade)

January 30: Venezuela has signed an agreement with Cuba to ship coal to fuel the Caribbean island's nickel industry and to receive Cuban nickel in return to produce stainless steel, President Hugo Chavez said. In comments broadcast in Caracas by state television, the Venezuelan president said the exchange formed part of a growing political and economic alliance between his oil-rich country and communist-ruled Cuba. He reached agreement on the deal with Fidel Castro during a visit to Havana in December. "The nickel is in Cuba and the coal is in Venezuela (...) this is the way to integrate our economies," Chavez told a news conference from the southern Brazilian city of Porto Alegre. He said a Brazilian company would help mine the coal in Venezuela and part of this would be delivered to Cuba. "This coal will be used in Cuba as fuel to produce the necessary energy - which the Cubans don't have - to exploit one of the biggest reserves of nickel in the world, which is in Cuba," Chavez said. "We're going to bring the nickel to Venezuela, so that, combining it with steel, we can make stainless steel, which Venezuela doesn't produce because it doesn't have the nickel," he added. (*Reuters*, 30/1/05)

March 4: Canadian resource company Sherritt International (S.TO) and Cuba signed an agreement in Havana to increase nickel plus cobalt production and refining, state media said. "This expansion will allow production at the Pedro Sotillo Alba plant to increase by 16,000 tonnes per year," an official communique said. Fidel Castro and Sherritt International President Ian Delaney were on hand for the signing. The plant, in Moa, eastern Holguin province, is a joint venture with state-owned Cubaniquel and currently produces 34,000 tonnes per year. The statement said the \$450 million expansion project would be completed in 30 months and included retooling a joint venture refinery in Canada to handle the increased output, and mining rights that would supply the Moa plant for 25 years. (*Reuters, Granma*, 4/3/05)

March 4: Cuba has signed an agreement with Canadian company Sherritt International, aimed at expanding their joint venture in the nickel industry, official sources reported. According to a press release published in Granma daily, the agreement was signed in the Cuban capital in the presence of Fidel Castro and Ian Delaney, the president of the Canadian firm. The agreement is aimed at implementing a program to extend production by the Pedro Sotillo Alba firm, located in Moa, (in the eastern part of Cuba) and at a nickel refinery located in the North American country. The project requires financing of around \$450 million, which Sherritt International and Cuba will equally fund. The press release announced that Pedro Sotillo Alba's production would increase to 16,000 tons of cobalt nickel as a result of this initiative. (*Radio Habana Cuba*, 4/5/05)

April 21: Cuba's 2004 production of unrefined nickel plus cobalt was actually little changed from 2003's level, despite a government report four months ago that said output increased substantially, industry and government officials said. Economy and Planning Minister Jose Luis Rodriguez said in December that 2004 output rose 7.5 percent over 2003's production of 71,700 tonnes. "The initial report (on 2004 production) was a bit optimistic, more the plan than the reality. Preliminary data now show there was little change in production last year," a mid-level government official told the press. The official said 2004 output was around 72,000 tonnes of mainly nickel sinter and sulfides, with plans to reach 77,000 tonnes this year. Unrefined nickel plus cobalt had consolidated its position as Cuba's largest export over sugar even before high prices led to an estimated \$800 million to \$1 billion in revenue last year. (*Reuters*, 21/4/05)

June 30: The Che Guevara nickel refinery in Moa, Holguín province, has begun mining a new field, replacing a previous one, Yagrumaje, that had been depleted after 20 years in use. Industry sources say this will guarantee the necessary raw material to obtain nickel plus cobalt at the Che Guevara refinery, which has a capacity of 30,000 tons a year. To exploit this field, the enterprise has introduced new equipment and will comply with strict environmental norms for the conservation of the site. This follows an agreement between the Cuban government and Canada's Sherritt International to expand their joint venture, which includes the Pedro Sotto Alba nickel processing plant in Moa and the refinery in Fort Saskatchewan, Alberta. The 50-50 venture, valued at \$450 million, foresees expansion of the Pedro Sotto Alba plant to 16,000 tons a year, an increase of almost half its original capacity. (*Cuba News*, June 2005)

August 22: Cuba will modernize its nickel plants in an effort to double yearly production, said sources in the sector. The authorities are planning to step up production from 76,900 tons to 120,000 tons per year, indicated the business weekly *Opciones*. The "René Ramos Latour" plant, in Nicaro, is the oldest of the three existing facilities - it was built 62 years ago - and at present delivers 12,400 tons per year. The "Ernesto Che Guevara" and "Comandante Pedro Sotto Alba," newer facilities built in 1994 in Moa under the terms of a Cuba-Canada joint venture, produce approximately 31,500 and 33,000 tons per year respectively. (*AFP*, 22/8/05)

September 9: State-owned China Minmetals Corp. expects to form a joint venture in Cuba, investing up to \$600 million to exploit the world's third largest reserves of nickel, a Hong Kong newspaper reported. The South China Morning Post quoted Zhou Zhongshu, president of China's largest metals trader, as saying the project was expected to come on stream by 2007 or 2008. Last November, Minmetals signed a memorandum of understanding to start up the Las Camariocas nickel project in Cuba, which it said should produce 68,000 tonnes of ferro-nickel annually. Cubaniquel of Cuba would own 51 percent of the plant and Minmetals 49 percent. (*Reuters*, 9/9/05)

September 12: Moa Nickel, a nickel and cobalt mining partnership in Cuba between Metals Enterprise and Sherritt International Corp, will spend \$450 million to expand laterite nickel mining capacity by 16,000 tonnes per year (tpy) by the first quarter of 2008. The brownfield project at Moa in Cuba will yield an additional 16,000 tpy of nickel and cobalt capacity, with the proportion breaking down roughly into a 10:1 ratio of nickel and cobalt, Peter Cordingley, manager of technology at Sherritt, told MB's 4th International Nickel, Stainless & Special Steel Forum in Bilbao, Spain. The laterite mine produced 32,000 tonnes of nickel and cobalt in 2004 and is on track to produce the same volume in 2005. "We have the advantage that we are investing in an area where we have significant reserves and know the ore characteristics very well," said Cordingley. "This enables us to have a rapid start-up and ramp-up process, as we will be adding parallel technology that is already in use in our current laterite mine." (*Metal Bulletin News*, 12/9/05)

October 19: Cuba has begun prospecting for new deposits of nickel in the northeastern part of the island. "The prospecting will guarantee future supplies to the three processing plants located in (the municipalities) of Moa and Nicaro", in the province of Holguín, said Rafael Pérez, principal specialist of the Geominera Oriente Company. Pérez did not disclose the number of deposits being prospected for. In two years Cuba foresees to increase nickel production from 75,000 tons to 121,000 tons, with Canadian and Chinese investments. (*AFP*, 19/10/05)

November 14: Cuban nickel output is right on track, despite technical problems and heavy rains in the Moa mining region of western Cuba, the director of Cuba's state-run nickel company said. Communist Cuba aims to produce 76,000 tonnes of unrefined nickel and cobalt this year, up from 72,000 tonnes in 2004. "Thanks to the workers' efforts, we have reached 99 percent fulfillment of the production plan," the *Trabajadores* weekly newspaper reported Cubaniquel director Ricardo Gonzalez saying. The Pedro Sotto Alba plant, which is operated by a joint venture with Canada's Sherritt International, has produced 300 tonnes more than planned, Gonzalez told workers at a meeting in Moa marking the day of the geologist. A conveyor system supplying ore to the older Rene Ramos Latour plant in Nicaro will be completed before the end of the year, he said. The conveyor belt will allow output to increase from 10,000 to 17,000 tonnes a year. New boilers will improve production at the Che Guevara plant in Punta Gorda, he said. (*Reuters*, 14/11/05)

REGIONAL INTEGRATION

March 2: Uruguay's new foreign minister, Reinaldo Gargano, said in Montevideo that the Cuban government had requested to formally join the Southern Common Market (MERCOSUR) and that the Uruguayan government would analyze its position on the matter. (*AFP*, 2/3/05)

March 4: Legal advisors informed Uruguay's new foreign minister, Reinaldo Gargano, that Cuba could not become a member of the Southern Common Market (MERCOSUR), according to statements from the Minister himself. The Minister did not comment on whether the reason had to do with the democratic clause of a protocol signed by the members of MERCOSUR in July 1998 in Ushuaia, Argentina. (*El País*, 4/3/05)

March 10: The eventual accession of Cuba as an associate or full member of the South American trade bloc Mercosur divided the current members of the bloc. Mercosur is comprised of Argentina, Brazil, Uruguay and Paraguay as full members. The Foreign Affairs Minister of Cuba, Felipe Perez Roque, who led the Cuban delegation to Uruguay to attend the inauguration of Tabaré Vázquez, reiterated the interest of Cuba to sign various agreements with Mercosur and eventually to become member of it in the future. The Foreign Affairs Minister of Uruguay Reinaldo Gargano accepted the idea. Yet, the regulations of Mercosur impede the accession of a country that does not respect the democratic system and principles, the legal advisors of Gargano said. The so-called "democratic clause" is not valid if the country's goal is to become only an associate member of the bloc, the legal advisors of the minister added. Marco Aurelio Garcia, a special advisor on foreign relations of Brazil, said that a country of Mercosur should not make such decisions on its own. It is the whole bloc which should consider this issue and this should happen under the interim presidency of Paraguay, Garcia added. (*Latin American News Digest*, 10/3/05)

June 20: The MERCOSUR member countries agreed to begin negotiations to sign a free trade accord with Cuba within the framework of the Latin American Integration Association (ALADI). The initiative was mentioned in a joint declaration signed by the presidents of Argentina, Brazil, Paraguay and Uruguay. (*Reuters*, 20/6/05)

December 3: Cuba wants to sign an economic complementary accord with Mercosur, Cuba's deputy foreign minister, Rafael Daussá Céspedes, said in Asunción during a news conference after signing two formal agreements with his Paraguayan counterpart Emilio Giménez Franco. Daussá explained that his country does not want to be a member of Mercosur and criticized

the previous Uruguayan government (Jorge Batlle's) for creating difficulties during the negotiation of the economic complementary accord. "Those difficulties do not exist at the moment, and I think that there is a consensus of sorts about making the accord multilateral," he added. (*ABC Color*, 4/12/05)

SUGAR

January 7: Cuba predicted a smaller sugar harvest this year because of drought, one year after the island's harvest was down by a third. The harvest for the 2004-2005 season in Cuba is expected to be just four months long, beginning in January and ending in April. Cuban sugar harvests usually begin in November or December and stretch into May or even June -- a possible maximum of eight months. Sugar Ministry official Oscar Almazán del Olmo blamed droughts for the expected smaller harvest, the Communist Party daily *Granma* reported. He said the drought would depress sugar production in Thailand and India as well. (*The New York Times*, 8/1/05)

February 9: Cuba, traditionally a sugar exporter, is expected to import more low-grade white sugar this year after this week's 7,000 tonnes from Colombia, industry sources said. "I expect the imports to continue as the industry goal is to export the maximum amount of raw sugar possible, given this year's low production," one industry insider said. A Cuban economist said the country needed to import to cover minimum internal demand. "The domestic market for whites includes around 9,000 tonnes per month through the ration system to the population. Then there is the food processing industry and tourism industry," he said. The worst drought in 64 years devastated this year's crop, with local analysts forecasting output at no more than 1.8 million tonnes of raw sugar, compared with the previous harvest's 2.53 million tonnes. (*Reuters*, 9/2/05)

February 9: Cuba has fixed a few export shipments of new crop sugar for the Black Sea and the Baltic, and further modest shipments of Colombian white sugar to Cuba are expected soon, brokers said. "There was a bigger volume of (export) shipments last year," one broker, who asked not to be identified, told *Reuters*, quoting Cuba-Black Sea freight steady at around \$50 a tonne. Brokers estimated that some 25,000-28,000 tonnes of Cuban sugar exports had been fixed so far this season. (*Reuters*, 9/2/05)

March 2: Cuba's worst drought in many years will cut Cuban sugar exports to Russia, and Brazil will scoop up most of the lost Cuban business, trade sources said. The Caribbean island, a traditional sugar exporter to Russia, the world's biggest raw sugar importer, is facing its worst prolonged dry spell in 64 years. Cuban analysts forecast 2004/05 output at no more than 1.8 million tonnes of raw sugar, down from the previous harvest's 2.53 million. Some experts believe output from the harvest, which began in December and ends in May, will be as low as 1.5 million tonnes. "Cuba will supply less to everybody than last year," one trade source said. "Brazil is the alternative." (*Reuters*, 2/3/05)

March 6: A shortage of sugar cane and industrial breakdown, rather than drought, are the main causes of poor yields of the sugar harvest, said an official with the Cuban Sugar Ministry (Minaz). The head of the Institutional Communications Department at Minaz, Oscar Almazán, explained to the local press that breakdowns are the main cause of time wasted during production which together with the decline in sugar cane crops are among the main factors that limit the use of the industrial capacity to the fullest. (*EFE*, 6/3/05)

March 8: Fidel Castro said that this year's sugar crop would weigh in at no more than 1.7 million tonnes of raw sugar, and perhaps less, the lowest level since 1909. "It is possible this year's harvest will not reach 1.7 million tonnes, no, perhaps 1.5 million tonnes," Castro said in a televised speech marking international women's day. Castro blamed "the worst drought in our history" for the disastrous harvest. Cuba produced 2.52 million tonnes of raw sugar last year. Castro also said Cuba is and will always be economically and militarily indestructible, thanks to "the social programs carried out by the Revolution for the benefit of its people" In his five-hours-speech Castro reiterated his optimism with the country's economic future. (*Reuters, Prensa Latina, 8/3/05*)

March 11: Cuba's sugar minister said the worst drought in a century has not just ravaged this year's sugar crop, but was killing cane scheduled for cutting in 2006, official radio reported over the weekend. "During the current drought we have witnessed something never recorded in our history, the loss of cane plants, not just lower agricultural yields, and for us that is extraordinary," Sugar Minister Ulises Rosales del Toro said. Rosales, speaking to local sugar reporters, said the industry had gone through three droughts in the last 50 years, losing on average 25 percent to 30 percent of estimated output, but the decline this year had been "violent." "Next year could be almost as bad, even if the drought ends in May with the rainy season," a local sugar expert close to the sugar ministry, said. "The damage to next year's crop is already serious. The ministry is purchasing millions of dollars more fertilizer than in recent years in hopes of improving the situation," he said. (*Reuters, 14/3/05*)

March 17: Fidel Castro said that the sugar industry— which traditionally had been the first industry in Cuba— "is today the ruin" of the island's economy due to its high fuel consumption. "The price of sugar has increased a little, but I know this country will never again depend on sugar to survive. That was the case in times of slavery and when this country was full of semi-illiterates, 30% were complete illiterates, and many were unemployed and they worked like animals", said Castro. During a speech to Cuban leaders, Castro reminded participants that sugar production this year will not exceed 1.5 million tonnes— the worst in a century. (*EFE, 17/3/05*)

March 29: Unusually hot and dry weather is robbing Cuba of what little sugar cane it has, as the worst harvest in a century enters its final month, official sources said. Cuba planned to produce 1.5 million tonnes of raw sugar from January into May, the lowest since 1909, but that goal now appears out of reach. "The drought continues and is getting worse. The amount of raw material for milling continues to decompose and turn bitter," Cuba's top sugar reporter and virtual voice of the Sugar Ministry, Juan Varela, said. Temperatures of over 100 degrees fahrenheit (38 C) were reported in eastern, and parts of central, Cuba. Local experts said the heat reduced cane sugar content and combined with a lack of humidity could turn it into something like vinegar, rendering it useless. (*Reuters, 29/3/05*)

April 20: The worst Cuban sugar harvest in a century is nearing its conclusion, with output not expected at much more than 1.3 million tonnes of raw sugar, barely half of last year's output, industry sources said this week. "We were just over a million tonnes when the month began, at 1.2 million last week, and should end milling in early May at a little over 1.3 million tonnes," an industry insider said, asking his name not be used. Cuba produced 2.52 million tonnes of raw sugar last year. A prolonged drought affecting much of the Caribbean island was viewed by local experts as the main reason for the close to 50 percent drop in output this year. But they added neglect of the state-run industry since the collapse of the Soviet Union

denied it a guaranteed market at subsidized prices just as output peaked at 8 million tonnes, was also to blame. "Since the early 1990s there has been little fertilizer and other inputs to cultivate plantations," a Havana University professor who specializes in agriculture said. "Once privileged agricultural and industrial workers have seen their living standards deteriorate markedly and at the same time faced harsher working conditions," the academic added. (*Reuters*, 20/1/05)

April 25: Cuba, facing its worst sugar harvest in a century, will import more sugar this year in order to have enough to meet its export contracts, local experts and industry sources said. Cuba has imported around 10,000 tonnes of low-quality whites each month so far this year, mainly from Colombia, according to international media reports. Local experts speculated imports would continue at least at a similar tonnage through the end of the year. "This year's export plan was 900,000 tonnes of raw sugar based on a minimum 1.5 million tonnes output, a tight fit anyway, but now it is clear we will come in around 200,000 tonnes short of our target," an industry insider said. "I think we have little choice but to keep importing, at least at the present rate. We are even importing alcohol," he said. Cuba traditionally exports all but 700,000 tonnes of the crop, mainly to Russia and China, but has imported sugar in the past to meet export commitments when production has fallen short of expectations. The always hermetic sugar ministry has not commented since January on the harvest. (*Reuters*, 25/4/05)

May 3: Colombia has sold 35,000 tonnes of white sugar to Cuba this year, a practice that may become more common as production on the Caribbean island falls, Colombia's sugar producers association said. "It is not clear at this time if we are going to send more sugar to Cuba or not," Ricardo Villaveces, president of Asocana, Colombia's sugar cane producer association, told the press. "But their production is going down, so it may become more common for Cuba to buy sugar from abroad," he said. This year's sales to Cuba were made by CIAMSA, a trading company owned by Colombian sugar producers. (*Reuters*, 3/5/05)

May 30: Cuba has ended the worst sugar harvest in a century with output down more than 40 percent from the previous harvest at around 1.3 million tonnes, sources close to the industry said over the weekend. "Only one of 13 sugar-producing provinces, Villa Clara, met its plan," a local expert said, adding one or two mills could still be open somewhere in the country, but for all intents and purposes the season was over. Drought slowed planting last year and destroyed some freshly seeded plantations. The always hermetic sugar ministry has not commented since January on the harvest. Local experts said general neglect of the state-run industry was the underlying reason for its precipitous decline from a peak of 8 million tonnes when the Soviet Union guaranteed a market at subsidized prices. (*Reuters*, 30/5/05)

June 7: Cuba has begun a top-level review of its once-powerful sugar industry after a 2002 restructuring failed to halt its decline and improve efficiency, industry sources and foreign traders said. The Communist-run Caribbean country shut down 71 of 156 mills and relegated 60 percent of sugar cane plantation lands to other uses in the 2002 restructuring. Twenty-three of the remaining mills remained closed this season, and cane output was less than 30 tonnes per hectare due mainly to drought conditions. Local experts said many of the mills would remain closed next year as output would still fall well short of 2 million tonnes, compared with 2.52 million tonnes in 2003. They said general neglect of the state-run industry was the underlying reason for its precipitous decline. The industry once employed 400,000 workers and two million of the country's 11 million residents depended on it, most living in the countryside. Some 200,000 workers have been laid-off in recent years, with the government

paying their salaries while they are retrained mainly for agriculture-related jobs. (*Reuters*, 7/6/05)

June 28: Cuba has begun preparing sugar workers for mill closings in the wake of this year's record-low crop and the prospect that next year's will be more or less the same. Estimated output of 1.3 million tons of raw sugar was the lowest since 1908 and has forced the country to import sugar to meet contracts and cover its 700,000-ton domestic consumption commitment. Juan Varela Perez, Cuba's top sugar reporter who often speaks for the Sugar Ministry, confirmed to Reuters that a top-level review of the industry was underway and that some mills would close down. "Another group of mills will cease operations so that in the coming harvest the most efficient and economically justifiable operate," Varela said. "The mills that are closed will be transformed into agricultural companies or ranches and the land freed from cane production will be planted with other crops or used as pasture." The government hasn't commented directly on the harvest and future plans, but Fidel Castro called the industry the country's ruin earlier this year. (*Reuters*, 28/6/05)

July 6: Cuba plans to close at least 40 of 85 sugar mills and take 33 percent of plantations out of production, industry and trade sources said, in the second major downsizing of the industry since 2002. "Ministry employees were told at least 40 mills were closing, with the resulting elimination of around 75,000 jobs up and down the line," a local expert said. "But the decision may not be final as many technicians believe it would be a strategic error to close so many mills and are appealing the decision," he said. The downsizing comes in the wake of this year's record-low crop and the prospect that next year's will be more or less the same. "They plan to wind up with between 40 and 45 mills, though for now many will not be dismantled," said a foreign trader, saying he had reviewed the restructuring plan. Industry insiders said only around 50 mills opened this year during the January to May milling season. The government has not commented directly on the harvest and future plans. (*Reuters*, 6/7/05)

August 5: Cuba's sugar output is headed for another disastrous year due to drought and neglect, farmers told the press during a tour of the key sugar-producing provinces of Ciego de Avila, Camaguey and Las Tunas. "There is no cane" or "the sugar industry is a disaster" was just about all anyone had to say about the coming crop due for harvesting from January into May. This year's estimated output of 1.3 million tonnes of raw sugar was the lowest since 1908 and has forced the country to import sugar from Colombia to meet contracts and cover its 700,000 tonne domestic consumption. "The plantations that appear in good shape are only cultivated near the roads so bosses passing by think everything is fine. Go into the plantations a ways and you will see something else," he said. "The problem is these plantations have no real owners except for the state. No one cares," the tractor driver added with a wizard smirk, refusing to give his name. The government has not commented directly on the harvest and future plans, but Castro called the industry the country's ruin earlier this year. (*Reuters*, 5/8/05)

August 8: Old sugar mills in Cuba are being refurbished in order to allow for the processing of other agro-food products. In the province of Holguín, to the east of Cuba, six of the old sugar mills are being converted into corn silos and mills. Others, like the "Urbano Noris," also in Holguín, will scale down their sugar cane-processing capabilities, reallocating some areas for seed storage. (*EFEAGRO*, 8/8/05)

September 7: Cuba plans to shut down more sugar mills and replace them with food processing facilities, the Sugar Ministry said, in the first official confirmation many mills would be closed. "This period, through 2007, includes the closing for the next harvest of another group of mills that will be temporarily preserved," the Communist party daily Granma said, reporting on a meeting between ministry officials and workers. Warehouses and workshops will be put to other uses and "more than 100 factories to produce pastas, chocolate, candy, process soy beans and corn will replace mills," Granma said. The downsizing comes in the wake of this year's estimated 1.3 million tonne crop of raw sugar, the lowest since 1908, and the prospect that next year's will be more or less the same. Cuba is importing sugar from Colombia to meet contracts and cover its 700,000-tonne domestic consumption. In 2002, 71 sugar mills were closed. (*Reuters*, 7/9/05)

September 9: Over 300,000 hectares of cane will be replaced with other cultivation in the second stage of the restructuring process undertaken by the Cuban Ministry of Sugar (MINAZ). The lands will be sown with vegetables, seasonings, fruits and timber-yielding trees to strengthen production for the domestic market and reforestation in the country. Through the information provision and discussion process lead by the MINAZ, farmers and agronomists learned that transport, health services, and food provision will continue under the charge of this Ministry. (*Prensa Latina*, 9/9/05)

November 16: Confronted with record levels of sugar production on the world market, the Cuban Ministry of Sugar is involved in the diversification of that industry. The office is concentrating its efforts on "Operation Alvaro Reynoso" – converting old sugar mills and factories into more than 240 new facilities for the production of a wide range of food items. Work is going on in the building of huge silos that will be used for the storage of grains and cereals. The ministry will also control grain mills and plants that will be dedicated to pasta production, cocoa processing and roasting sunflower seeds. Several of these conversion operations involve close working relationships and coordination between the sugar and the food industry ministries. The Minister of sugar reported that following the prolonged drought that caused a significant decline in past sugarcane harvests, the latest production estimates for September showed an increase of 3.8 tons per hectare due to the effects of recent rainfall. "Though still at a weak level of output, it is certainly a positive indicator," the official noted. One of the objectives of "Operation Alvaro Reynoso" is to produce enough sugarcane to assure sugar for national consumption and sufficient surplus to honor foreign trade commitments, the minister explained to the participants in a seminar organized by that industry's labor union. (*Granma*, 16/11/05)

TELECOMMUNICATIONS

January 28: Cuba is taking firm steps to move into the era of digital television, notwithstanding its economic limitations and technical backwardness. Such innovation requires changes more important than moving from black-and-white to colour, because it is about achieving far superior image and sound quality, in addition to options such as mobile reception, interactivity and multimedia services which are so up-to-date nowadays with the Internet. In 2003 and 2004 the most relevant events occurred in Cuba's attempts to launch digital television: the creation of two new channels with completely digitized studios and national coverage. (*BBC*, 28/1/05)

May 9: The 11th International Conference on Computer Science 2005 began at the Havana International Conference Center for the promotion and marketing of information technologies. Twelve simultaneous conferences will take place, such as the 11th International Conference on Computer Science applied to Education, the 5th Conference of Computer Science applied to Health Care and the 2nd Conference on Digital Journalism. Other events include the 11th International Computer Science, Communications and Industrial Automation Fair. The events will have the participation of experts from 20 countries. (*Prensa Latina*, 9/5/05)

May 17: Cuba will gradually switch to the open-source Linux operating system for its state computers, eliminating its exclusive use of Microsoft Windows, the government daily *Juventud Rebelde* reported. Roberto del Puerto, director of the state office of information technology, told the daily that Cuba already has about 1,500 computers using the Linux system, a free operating system whose technical data is open for public viewing. Del Puerto said his office was working on a legal framework that would allow the replacement of the Windows system. Windows is used on about 90 percent of the world's personal computers. (*AFP*, 17/5/05)

August 23: Three new additions bring to 87 the total number of radio broadcasting stations operating in Cuba, a cultural medium that was introduced in the island 83 years ago. According to experts, the figure is high for a population of 11.2 million inhabitants, and of particular social relevance, as newspaper and magazine editions have decreased dramatically since the onset of the economic crisis in 1990. (*AFP*, 23/8/05)

August 31: Cuba's state television programming can now be seen by 18.2 million viewers outside of the country, a top government broadcasting official told lawmakers in comments published in *Granma*. The Cuban Communist Party newspaper said Ernesto López, president of the Cuban Institute of Radio and Television, told a parliamentary commission the number was more than double that of last year, when *Cubavision Internacional* had about 8 million viewers abroad. *Cubavision Internacional*, Cuba's pro-government station offering news and other programming tailored for an international audience, can now be seen in 20 Latin American nations, as well as in Europe, López said. The institute president said that *Radio Habana Cuba*, the government's shortwave radio operation, "has fulfilled a relevant informative and ideological-political function" through transmissions abroad in nine languages. (*AP*, 31/8/05)

August 31: Managing Director of Cuban Telecommunications Enterprise (ETECSA), Jose Antonio Fernandez, said that 89.6 percent of Cuban telephone lines would become digital in 2005. In his briefing to a special session of a Commission of the National Assembly of People's Power in Havana, Fernandez said that Cuba continues developing public telephone service by increasing payphones from 6,820 in 1994 to 34,125 by the end of the first half of 2005. (*Prensa Latina*, 31/8/05)

November 11: Cuba's computer technology policy gives priority to the social uses of information technology and telecommunications, while excluding private access to tools like the Internet. "As we are able to afford them, new areas will open up," the Cuban minister of Information Technology and Communications, Ignacio González Planas, assured the press at an Internet forum organized by the foreign ministry. González Planas did not, however, clarify whether those "new areas" would include the possibility of access by Cuban citizens to the Internet from personal accounts on their home computers. According to official information, there were 335,000 computers in Cuba at the end of June this year, or 2.98 computers per 100 inhabitants. But only 13 out of every 1,000 Cubans had access to the Internet in 2004.

González Planas stated that economic conditions in Cuba prevent mass access to the Internet, and therefore the government has elected to make such resources available for social use, through collective centres, e-mail and web-surfing rooms, schools, universities and computer youth clubs. "This is definitely more effective and more citizens can have access than if, for example, we installed connections in a few homes, which only a small élite could afford and would use up a large part of our band-width," said González Planas. However, the e-mail and web-surfing rooms are few and far between, and are mainly located in the tourist hotels. Furthermore, they only accept convertible pesos (local currency equivalent to the US dollar), and they do not always admit Cuban citizens. (*IPS* , 11/11/05)

November 13: During negotiations prior to the Information Society Summit in Tunisia, Cuba will pursue allowing advantages of the Information Society to be universalized, official sources declared. Cuba's Vice Minister of Information Technology and Communications Jorge Luis Perdomo told journalists that, "the digital divide between rich and developing countries can only be ascended with the concepts of social justice, people's involvement, equity and solidarity as basic principles. Cuba has always defended the idea that the massive use of ICT is not a purpose, but rather a powerful instrument to achieve development, Perdomo stressed. For this reason it is necessary to establish a fair international economic order based on real participation of all peoples, to adopt decisions for their well-being and future, he said. (*Prensa Latina*, 14/11/05)

November 17: Reporters Without Borders marked the World Summit on the Information Society by presenting Cuba among 15 countries that are "enemies of the Internet" and pointing to a dozen others whose attitude to it is worrying. "President Fidel Castro's regime has long been good at tapping phones and these days is just as skilled when it comes to the Internet", RWB said. "The Chinese model of expanding the Internet while keeping control of it is too costly, so the regime has simply put the Internet out of reach for virtually the entire population". "Being online in Cuba is a rare privilege and requires special permission from the ruling Communist Party. When a user does manage to get connected, often illegally, it is only to a highly-censored version of the Internet", the report said. (*RWB, Press Release*, 18/11/05)

November 28: Cuban born Oscar Visiedo says that when he helped bring the Internet to Cuba in 1992, he faced three daunting obstacles: the US economic embargo, technological shortcomings and ominous state security. Thirteen years later, steep prices and strict government controls largely keep ordinary Cubans from the World Wide Web, while the island's authorities still blame the embargo as the reason the country stalled on the information highway. So, even while the Internet boomed in Cuba - the government alone has at least 200 sites - usage remains among the lowest in the Western Hemisphere, and the hurdles remain unchanged. "There is a fear - a fear that is practically pathological - of access to information," said Visiedo, who worked at the government office that introduced Cuba to the Internet, back when nobody there knew what it was. Visiedo currently lives in Miami. While Cuba boasts that it has computers in every school, a UN Human Development Report says nine of every 1,000 Cubans are Internet users, compared with 288 in Costa Rica and 44 in Honduras. Even Haiti, with 500,000 Internet users, has a higher rate. (*The Miami Herald*, 28/11/05)

TOBACCO

June 21: Habanos SA, the world's leading company in the commercialization of premium cigars, recently has opened its first franchised store, La Casa del Habano, in Shanghai. The latest Shanghai store is its fourth outlet in China. The new store will sell about 20 Cuban cigar brands and more than 30 kinds of cigar products, according to the related report. Habanos SA had set up its first cigar store La Casa del Habano in Chinese mainland in Guangzhou in September 2003. (*Business Daily News*, 21/6/05)

August 2: The Austrian cigar company Tabaccoland and Cuba's Habanos S.A., signed a contract for the direct sale of Cuban cigars in Austria. A Habanos source said a Swiss intermediary used to supply Tabaccoland with the brands Cohiba, Montecristo, Bolivar and Romeo y Julieta but was unable to meet the growing demand. This new contract includes the introduction of new brands to diversify supplies. Tabaccoland is a branch of the monopoly Austria Tabak. Since 2001 this company has shared the distribution of 450 tobacco products along with the British group Galleher. (*Prensa Latina*, 2/8/05)

September 6: Cuba remains the leader in the international market for hand-rolled cigars, continuing to export more than 100 million of the smokes annually despite a drought in recent years, a top tobacco company executive was quoted as saying. The number cited by Oscar Basulto, president of the Cuban-Spanish firm that markets the island's cigars abroad, was made in a report to Cuba's parliament, and carried by the government's business weekly *Opciones*. (*Canadian Press*, 6/9/05)

TOURISM

January 9: Tourism to Cuba increased eight per cent in 2004 compared to 2003, with Canadians topping the list of visitors, followed by Europeans primarily from Italy, France, Germany and Spain. The rise occurred despite new US restrictions sharply cutting back on how many Americans visit the island. More than two million tourists visited the Caribbean island, the largest number ever, Tourism Minister Manuel Marrero announced. Last year, about 1.9 million foreigners visited Cuba. Marrero told reporters tourism now represents 41 per cent of Cuba's foreign exchange income - a leap from just four per cent in 1990. (*National Post*, 9/1/05)

January 11: The number of Japanese tourists traveling to Cuba, which dropped sharply in the aftermath of the September 11, 2001 terrorist attacks on the United States, has started to recover due partly to the popularity of Cuban music, the country's ambassador to Japan said. Cuba had some 6,000 Japanese tourists in 2004, up more than 10 percent over the previous year, and the number is expected to rise further to surpass 7,000 in 2005, Ambassador Orlando Hernandez said in an interview with the press. (*Kyodo News*, 11/1/05)

January 17: More than 2 million foreign tourists visited Cuba last year, a record number that cements the hospitality and recreation industry as the Communist nation's most important earner of hard currency. According to official figures, the number of visitors represents a 15 percent increase in money spent here in comparison with 2003. The just over \$2 billion that visitors left on the island doubles the amount of estimated remittances sent home by emigrants and exiles, the nation's second-biggest source of foreign exchange. Cuba hosted a record 2,048,572 tourists last year. About 1.9 million had visited in 2003. (*EFE*, 17/1/05)

February 12: Spanish hotel chain Occidental will shortly open a hotel in Cuba, it was reported. The five-star hotel will be named Occidental Royal Hideaway Ensenachos and will be in Ensenachos, on the Cuban northern coast. The hotel will be one hour away from the airport of the central Cuban province of Villa Clara. The luxury hotel will have a total of 497 rooms. Occidental has 80 hotels in 13 countries including Spain, the Caribbean, Morocco and Tunisia. (*Latin America News Digest*, 14/2/05)

February 21: The Cuban Ministry of Tourism (Mintur) has passed a resolution that regulates relations between the more than 100,000 Cubans who work in the tourism industry, and "foreign personnel." Employees in the sector are forbidden to accept gifts and invitations "of a personal nature," or to take part, without the authorities' permission, in meals and parties organized by foreigners. The first article of the Mintur resolution, passed in January, asks staff to limit relations with foreigners "to those that are strictly necessary." It also instructs them "to be vigilant at all times of any deed or attitude that could be harmful to the state"; and to refuse "remuneration, gifts, donations, accommodation or services that go against dignity and respect and create commitments that threaten the healthy spirit of collaboration" between the parties. The document, which consists of 10 chapters and 22 articles, likewise calls upon tourism employees to "be discrete and rational in the use and transmission of information within their reach," prohibits dealing with foreigners to obtain scholarships or invitations to travel abroad, and obliges personnel to declare, in writing to their immediate superior, all gifts received from a foreigner with whom they have work-related contact. The norms apply both inside and outside the country, and it is even recommended that negotiations between Cuban business people from the tourism sector and foreign colleagues be conducted, "whenever possible, in the presence of a witness." (*El Pais*, 21/2/05)

February 26: Cuba's Varadero beach resort set a new record of foreign visitors for a single weekend with 24,200 tourists from different parts of the world. Canada, France, Germany and the United Kingdom have been Cuba's main tourist destinations during the ongoing winter travel season. Varadero features more than 15,000 rooms scattered in 46 hotels and resorts. By the end of 2005, the 13-mile-long beach strip will add 1,517 more accommodations to its stock of hotel rooms. (*Radio Habana Cuba*, 26/2/05)

March 15: At the world's biggest tourism industry fair underway in Berlin, Cuba complained that "enemies of the revolution" seek to undermine the island's crucial hospitality sector but also boasted that such efforts fail to stem an ever-rising tide of visitors. The island's tourism sector is robust and still growing despite "smear campaigns" orchestrated by foes of the Communist regime, Cuban Deputy Tourism Minister Oscar Gonzalez told the press in the German capital. Gonzalez, head of the Cuban delegation to Berlin's huge ITB international tourism fair, said tourism "is at the center of the United States's policy against Cuba, and hurting the sector means hurting a major source of income." (*EFE*, 15/3/05)

March 21: The number of foreign tourists who visited Cuba in January 2005 rose 10.5 pct year-on-year, a report of the local Ministry of Tourism showed. The number of tourists from the Netherlands rose by 80 percentage points and the number of Spanish tourists to Cuba rose by 41 pct. The tourists from Argentina went up 26 pct and the tourists from the UK increased by 30 pct. A total 2,048,572 tourists visited Cuba in 2004. (*Italian News Digest*, 21/3/05)

May 6: The US government has been trying to keep cruise ships out of Cuba for years. Now Cuba's government is telling the ships to stay away as well. Fidel Castro said last week that Cuba had discovered that the cruise ships weren't the sort of tourism it wanted. "Floating hotels come, floating restaurants, floating theaters, floating diversions visit countries to leave their trash, their empty cans and papers for a few miserable cents," Castro said. "We have told [fellow Caribbean states] that Cuba will not accept cruise ships," Castro said. He did not say whether the measure had taken effect. Cruise ships have been visiting Havana periodically until late last month. (*Orlando Sentinel*, 8/5/05)

May 9: Cuba and Russia have good potential to develop bilateral ties in various areas, Fidel Castro said in Havana, when meeting a delegation of the Russian State Duma headed by the first deputy chairperson, Lyubov Sliska. "In the course of a 90-minute conversation we discussed many interesting topics and shared opinions on the prospects for future cooperation," Sliska told the press. Castro spoke in favour of continuing "a close dialogue with Russia, for developing bilateral economic ties and raising their effectiveness", she said. During the meeting, Castro named several concrete projects that could be implemented within the framework of Cuban-Russian cooperation. (*ITAR-TASS*, 9/5/05)

May 10: The Cuban authorities expressed interest in attracting more Chinese tourists to visit the Caribbean island, as the 25th International Tourism Fair of Cuba opened in Havana. Cuban Tourism Minister Manuel Marrero stressed that the number of Asian vacationers, especially from China and Japan, is on the increase. China and Cuba signed a memorandum of understanding in 2003, allowing Chinese travel groups to visit the Caribbean country. (*Xinhua*, 10/5/05)

May 12: Sol Meliá Cuba Sales and Marketing Director Gabriel Díaz informed that the Spanish hotel chain hosted 227,796 visitors out of 721,818 tourists that traveled to Cuba in the first quarter of 2005, which translates into 31.58% of all tourist arrivals on record between January and March. The main tourist markets that contributed to these results include Canada, Germany, the United Kingdom, Spain, Italy, France, Russia and Argentina. (*Europa Press*, 12/5/05)

May 15: Cuba welcomed its one-millionth visitor of 2005, staying on track to hit the target of 2.3 million tourists set for this year, Tourism Minister Manuel Marrero said. Tourism authorities are trying to expand the tourism market by providing more diverse offerings and improving service, officials said. During the January-April period, tourist arrivals rose 8 percent, compared to the same period last year, according to the Tourism Ministry. Nearly 2.05 million tourists visited Cuba last year, the highest number ever, generating about \$2 billion in gross revenues. Canada remains the top source of visitors to the island, followed by Italy, Britain, Spain, Germany and France. The number of visitors from Scandinavia, the Netherlands, Argentina and Chile is growing rapidly, tourism officials said. (*EFE*, 15/5/05)

May 28: A London-based journal, the Travel Trade Gazette (UK & Ireland), has announced that the forthcoming inauguration of an air line between Gatwick airport, outside the British capital, and Havana should increase the flow of tourists from the United Kingdom to Cuba. According to the journal, officials linked to British tourism in London have stated that the new route with Virgin Atlantic will operate from mid July onward. It was also revealed that the head of Cuban tourist concerns in London, Mario Dorta, has stressed that the twice-weekly flight will

bring about an increase of about ten per cent in the number of British holidaymakers traveling to Cuba. (*World Data Service*, 28/5/05)

June 17: French hotel group Accor SA has taken over management of Cuba's Riviera and Capri hotels, two notorious haunts of the Mafia in pre-revolutionary Havana, according to the company's representative. "We are very excited. Our imaginations are already hard at work. We can do many things with these two classic establishments and their nightclubs," Accor executive Eric Pyre said. Ginger Rogers was flown to Havana as a star attraction when Mafia boss Meyer Lansky opened the Riviera and its domed casino on Havana's waterfront in 1957. The Capri, which will get a \$15 million overhaul, was run for the mob by American actor George Raft until Fidel Castro swept into power in a 1959 revolution that sent the gangsters running. Accor's move is the latest indication of renewed investor confidence in the Communist-run country's leisure sector after last year's replacement of the tourism minister and other top officials created uncertainty. (*CNN*, 17/6/05)

June 26: Mexican carrier Magnicharters started offering direct flights from Monterey to the main tourist destinations in Cuba, airline management said. "Magnicharters launched the first direct flights to Cuba with Cayo and Varadero the principal destinations," the airline's marketing chief, Rafael Carpio Blanco, told the press. (*EFE*, 26/6/05)

June 27: Virgin Atlantic launched an inaugural flight to Havana for its regular, twice-a-week service from London's Gatwick Airport beginning in July. British billionaire and Virgin Express Holdings PLC chief Richard Branson stuck Cuban and UK flags out of a small hole in the airplane as it rolled up on the Havana runway. "I think there are billions of people who'd like to come to Cuba," he told reporters at the airport. "I think (our venture) will be enormously successful. We'll make it so." (*CNN*, 27/6/05)

August 11: The Cuban government ended a contract with the company administering the island's cruise terminals following remarks by Fidel Castro that cruise ships exploit small Caribbean countries and were no longer welcome in Cuba. A Council of State resolution signed on August 2 and published in the Official Gazette ended a seven-year relationship with the Italian company Silares Terminales del Caribe, which operated in Cuba as a mixed-enterprise business with the island's CUBANCO S.A. Silares will no longer administer docking operations, and ownership of all equipment and infrastructure will revert back to the state, the resolution said. The resolution didn't say whether cruise ships would be able to come to Cuba in the future under different arrangements. The tourism ministry was contacted by the press but made no comment. (*AP*, 11/8/05)

September 4: Cuba's second-most famous revolutionary, Ernesto "Che" Guevara, has become the stuff of packaged tourist tours, a popular draw for an island that in the past decade has begun to transform itself into a tropical vacation mecca. About 800 visitors each day make the trek to the city of Santa Clara, about 150 miles east of Havana to visit a museum and memorial dedicated to the Argentine who fought alongside Fidel Castro in Cuba's 1958-59 revolution. The remains of Guevara, who died in 1967 while attempting to foment a revolution in Bolivia, are interred at the site. Parked tour buses line a tree-shaded plaza fronting the sprawling complex, which sits high atop a hill on the outskirts of the city. (*The Atlanta Journal*, 4/9/05)

September 6: Cuban Tourism Minister, Manuel Marrero Cruz, left for Spain to attend the 5th Conference on the sector opening in the city of Zamora, Spain. The meeting is the prelude of the upcoming 15th Iberian American Summit. Some 13 ministers of tourism and official delegations from the 22 countries are taking part in the meeting. (*A/N*, 6/9/05)

October 3: Chilean Representatives of travel agencies and tour operators received first-hand information about Cuba's tourist offers. The presentation, sponsored by Havanatur, was a good opportunity to promote the establishments the group Occidental Hotels and Resorts runs in the Caribbean island. According to sources from the tourist sector, more than 12,000 Chilean tourists have spent their vacations in Cuba this year. (*Dominican Today*, 3/10/05)

October 6: Cuban Foreign Affairs Minister Felipe Perez Roque told an Economic Club of Toronto that 600,000 Canadians will visit Cuba this year, a number that is increasing by 20 per cent annually, out of a total tourist trade of 2.3 million visitors. But while there has been investment by some Canadian resource companies -- notably Sherritt International Corp., as well as offshore oil explorer Pebercan Inc. -- Canadian corporations are "absent" from the development of Cuban tourist facilities. The country is adding 3,000 to 5,000 hotel rooms a year "and it is, I think, a sector of our economy in which Canadian companies are not working today," the minister said. The Cuban economy, after shrinking 35 per cent in four years during the early '90s following the collapse of the Soviet Union, has been growing at about 4.5 per cent annually in recent years, and the government hopes for expansion of seven to eight per cent this year, Perez Roque said. (*The Canadian Press*, 6/10/05)

October 26: High season for tourism may come early this year for Cuba, as travelers originally bound for Mexico's Yucatan Peninsula change their plans due to Hurricane Wilma's destructive assault on resort cities like Cancun. Damages to Cuba's own tourism industry from the storm were minimal, and tourism officials are evaluating travel agency requests for hundreds of rooms for tourists moving their destination from Mexico to Cuba, Tourism Minister Manuel Marrero said. "Cuba's tourism infrastructure resisted the strength of this hurricane -- the damage is insignificant," Marrero told a news conference in Havana's historic Hotel Nacional. The ocean smashed in windows and doors of seafront hotels, but of 14 hotels in the city that were evacuated ahead of the storm, Marrero said only three remained out of operation. Repairs on the three hotels, as well as tourist cabañas on the northern key of Cayo Levisa, would be made in upcoming weeks. The tourism ministry also suffered damages after the waves pummeled through the building's ground floor, shattering windows and tearing down doors. Of the 35,000 tourists in Cuba as Wilma approached, just under 1,750 were evacuated, Marrero said. The tourism minister also reported that three male tourists from Germany, the Netherlands, and Italy were killed in a car accident over the weekend on the highway between Havana and Trinidad, a colonial city in southern Cuba. "They had a car accident, which is being investigated," he said. "But it had nothing to do with the hurricane." (*AP*, 26/10/05)

November 20: Cuba welcomed its two millionth visitor, 40 days earlier than last year. The news was made public by Cuban Tourism Minister Manuel Marrero Cruz, at an event held at the Varadero International Hotel in Playa Azul, which is celebrating its 55 th anniversary. The minister said that, despite this year's adverse weather conditions, so far this year tourism is up 12 percent from last year, counting for 87 percent of this year's 2.3 million target. The tourism minister indicated that these numbers are due to a significant increase of tourists from Canada, the United Kingdom, Spain and Mexico, as well as from newer markets such as the

Netherlands, Portugal, Brazil, Argentina and the Nordic countries. Marrero Cruz said that this winter's tourist season will see a seven percent increase in flights to Cuba, compared to last winter, with 100 airlines in 40 cities worldwide offering direct flights to Cuba, as well as four new hotels offering a total of 1,921 rooms. (*Granma*, 21/11/05)

November 22: Progressive Arch, a group of moderate opposition organizations, called upon the government of Fidel Castro to implement reforms to eradicate corruption in the country. "Fighting such wide-spread and deep-rooted corruption will be no easy endeavor either under the current government or the next" and the only way to succeed is by implementing reforms that root out the underlying causes, said Progressive Arch spokesman Manuel Cuesta Morúa. (*AFP*, 22/11/05)

TRANSPORTATION

February 16: Official sources have admitted that scuffles on public buses, rocks being hurled at the vehicles and fraud in fare collection are some of the many ills affecting the public transit system in Cuba. The Director of the Provincial Public Transit Enterprise, Jorge Luis León, told the daily *Juventud Rebelde* that the problems besetting the state-run public transit system have experienced a turn for the worse in the last few months. He added that efforts to deal with the situation have been implemented with government and police support, and quick response teams are currently in place at all bus terminals. (*Notimex, Juventud Rebelde*, 16/17/2/05)

July 4: The Cuban Transport Ministry is applying an intensive program to improve transportation by repairing equipment and making new investments, Transport Minister Carlos Manuel Pazos asserted. Manuel Pazos made the remark in a meeting with deputies belonging to the Parliament Services Commission. (*Prensa Latina*, 4/7/05)

October 11: The number of buses operating in Havana has dropped 75 per cent in the last 17 years— from 2,700 to barely 700—, creating a public transport crisis which Cuban authorities blame on the US embargo. The total number of buses in service can only carry 600,000 passengers a day, in a city of 2.3 million inhabitants, according to a report by the Cuban Ministry of Transport. (*AFP*, 11/10/05)

October 18: A bus manufacturer in central China's Henan Province will export 630 buses to Cuba, the largest deal in the country's bus industry of the year, according to the company's spokesman. The deal, involving 430 end products and assembly parts for another 200 buses, is worth nearly 50 million US dollars and will be delivered to the end user, Astro Bus, by January 2006, said the spokesman with Zhengzhou Yutong Bus Co. Ltd., which is located in Zhengzhou, the province's capital. The spokesman said the company was awarded the new contract because Astro Bus had been satisfied with Yutong buses delivered under an earlier agreement signed in April, which involved 400 buses. Both deals were reached with the help of the Beijing Branch of China National Aero-technology Import and Export Corporation. (*Xinhua*, 18/10/05)

December 5: A batch of 80 buses China built for Cuba is ready for shipment to the Caribbean island to be used in inter-provincial public transportation. Buses kept at the port city of Tianjin are part of a two-way deal under which China's Yutong firm will provide Cuba with 600 altogether. Also, twelve Chinese locomotives, the first the Asian country has exported to Latin

America, are en route to Cuba, the official daily Granma said. (*Prensa Latina, Globe & Mail*, 5/12/05)