

**FOCAL's SUMMARY OF NEWS ITEMS  
REPORTED ON CUBA  
January-December 2006**

*This resource is a compilation of news items on Cuba listed in FOCAL's monthly  
Chronicle on Cuba throughout 2006*

## **ECONOMY**

### **AGRICULTURE AND LIVESTOCK**

**January 5:** Cuban Defense Minister Raul Castro said it was necessary to exploit more land near urban areas for agricultural production, provide incentives for these farmers and balance out the prices of these farm products. The brother of Cuban leader, Fidel Castro, said during a meeting with the largest urban agricultural producers that, considering the fact that 75 percent of the Cuban people live in cities, it makes sense for food to be grown on land in and around those urban areas, the Granma official daily reported. The urban-area harvest of vegetables, herbs and spices in 2005, including urban farms, intensive gardens, plots of land and family gardens, totaled 4.1 million tons, according to official figures. (*EFE*, 5/1/06)

**March 7:** Cuban authorities in eastern Santiago de Cuba province have implemented a series of initiatives to boost bee honey production. According to experts, the plans include increasing the number of beehives and transferring them to places where there are lots of flowers to counter last year's drop in production. In 2005, Hurricane Dennis affected plantations of a plant species known as "bejuco indio", which contributes 68 percent of the bee honey collected in the province. (*Periódico 26*, 7/3/06)

**March 13:** The Cuban coffee harvest experienced a 25% decline as compared to the previous cycle, which translates into fewer than 140,000 60 kg bags, according to Reuters estimates based on Cuban media reports and other local sources. Reuters had projected the 2004-2005 harvest to be in the neighborhood of 180,000 60 kg bags, one of the lowest-yielding crops in the last 50 years. According to local radio broadcasts, production in the areas east of Santiago de Cuba, which account for one third of the crop, fell by 50% after being hit by hurricane Dennis in July in its path through the coffee-growing regions of the easternmost provinces of the island. (*Reuters*, 13/3/06)

**March 23:** Fiagro 2006, the 11th International Livestock Trade Fair, began in Havana, with the participation of over 20 foreign companies from ten countries. Exhibitors from the US, Spain, Holland, Israel, Germany and Canada are among participants in the event, which will be taking place in the outskirts of Cuba's capital. (*Prensa Latina*, 23/3/06)

**May 4:** All 105 farmers belonging to the "Emilio Herriman" co-operative of credit and services, in Granma, mainly rice producers, announced the loss of more than 58 wagons' worth of rice due to the decision made by the sector's leadership to stop the rice harvest in the province, causing the grain to over-ripen and, consequently the loss of this year's crop. In an open letter, the signatories denounced a number of violations that have been taking place in Granma, which have prompted many to consider selling their land. Issues such as a delay in excess of three months in the payment of the crops on the part of the state, as well as an outstanding debt of approximately 17 million pesos to the local farmers were brought to the fore. Furthermore, arbitrary adjustments in the prices of the product have caused some of the affected farmers to give up on this year's crop. (*Cubanet*, 4/5/06)

**June 1:** In 2005, Cuba exported 120 tons of organic coffee to Japan and the European Union, in spite of the intense drought that affects the east of the island, said Pascual Caro, head of the ecological project of the Ministry of Agriculture. Caro, an agriculturist at the Central Station for Research on Coffee and Cocoa of the Ministry, added that Cuba started selling organic coffee in 2002, which is at present grown by around 1,500 farmers on about 4,500 hectares. (*AFP*, 1/6/06)

**July 4:** Experts from the UN Food and Agriculture Organization (FAO) acknowledged Cuba's willingness to improve the quality of its people's life. The prestigious world organization has implemented a project in Cuba, aimed at raising quality of life, reducing environmental aggression, fostering sustainable agriculture and assuring a constant production of food. The FAO training program includes talks, conferences, videos and workshops in workplaces or homes of Cuban farmers. (*Prensa Latina*, 4/7/06)

**July 5:** Cuban Defence Minister Raul Castro said it was necessary to exploit more land near urban areas for agricultural production, provide incentives for these farmers and balance out the prices of these farm products. During a meeting with the largest producers, Raul Castro said that he was considering the fact that 75 percent of the Cuban people live in cities, and it makes sense for food to be grown on land in and around those urban areas, the Granma official daily reported. The urban-area harvest of vegetables, herbs and spices in 2005, including urban farms, intensive gardens, plots of land and family gardens, total 4.1 million tons, according to official figures. (*EFE*, 5/7/06)

**July 18:** The Cuban Ministry of Food Industries will invest more than 10 million USD to expand soy milk production to more than one million liters per day. The technical director of the Dairy Industry Association, Kenya Silvera, told the media that six soy milk plants are expected to open and begin production this year in Havana, Villa Clara, Ciego de Avila and Pinar del Río. Soy milk is currently produced in all Cuban provinces and this year production will be in the neighbourhood of 250 thousand tons. (*ANSA*, 19/7/06)

**July 18:** Scientists in Guantanamo, eastern Cuba, are implementing a project for sustainable food production with efficient handling of natural and human resources. The project, known as Demonstrative Sustainable and Agro-Ecological Production Models in Rural Areas with Adverse Environmental Conditions, is co-sponsored by the UN Development Program. The project also involves Venezuela, Mexico and Colombia. Cuba is represented by the Ministry of Science, Technology and Environment Centro de Gerencia de Proyectos. Guantanamo is a geographic and climatic paradox in Cuba, as it is the most humid region, contains the driest and

most arid region, the Sagua-Baracoa mountain range, and has been severely affected by erosion and salinity in the south. (*Prensa Latina*, 18/7/06)

**August 21:** Cuba is optimistic that better weather, improved organization and higher prices will bring a recovery in coffee production from last season's record-low crop, industry sources and local media said. Coffee picking is gradually getting underway in Cuba's eastern mountains, where 85 percent of the crop is grown. "If there isn't a hurricane again this year, we are going to harvest coffee for real," a farmer in the mountains near Santiago de Cuba said in a telephone interview. "We have had perfect weather, a lot of rain but not too much. I'm going to pick three times what I did last year," he said, asking not to be named. There was similar optimism in Guantanamo province, last year's top producer, accounting for 70 percent of 2005 exports. (*Reuters*, 21/8/06)

**August 19:** Cuba's largest citrus orchard expects output at near capacity of 600,000 tonnes of oranges and grapefruit during the 2006-2007 harvest, following a difficult prior season due to a hurricane and drought, official radio reported. Radio Rebelde said the 23,000 hectares state-run Jaguey Grande orchard, the largest contiguous planting of citrus trees in the world, "at this moment has a yield of 25 tonnes per hectare, the highest in the country," for an estimated final output of 575,000 tonnes by the time picking ends in June. Output at the orchard in western Matanzas province fell by at least 50 percent last season when Hurricane Dennis in early July downed the ripening grapefruit and also damaged orange groves. (*Reuters*, 21/8/06)

**September 8:** The first coffee beans of the 2006-2007 harvest in Cuba's Holguin Province have already been gathered in the municipality of Sagua de Tanamo, one of the largest producers in Cuba. The recently initiated season will have a workforce of about 7,000 harvesters, who will collect nearly 70 percent of the total crop in the territory, forth among all coffee growers on the island. The current estimate of production in the province is for 360,000 buckets, most of this to be harvested in the municipalities of Sagua de Tanamo and Mayari. The greatest production of coffee in Holguin comes from independent small farmers, who hold around 60 percent of the estates. (*Ahora*, 8/9/06)

**October 9:** The increase of family vegetable gardens, popular organoponics and other tasks have added to urban agriculture over 139,960 plots of land to contribute to feeding the population. Now, nearly 76 percent of Cubans live in cities and towns, and the fostering of this method is more and more popular. More than 4 million tons of agricultural products were produced in these parcels using organic gardening methods. (*Prensa Latina*, 9/10/06)

**November 13:** The 1,541 Basic Units of Cooperative Production (UBPC) that exist in Cuba, formed by workers on state lands, are under "general reorganization". Thirteen years after their creation, only 44% are profitable, reported the official weekly "Bohemia". The debt that credit co-operatives currently carry to start their activities will be forgiven in 2007. In Cuba's centralized economy the Co-operatives of Agricultural Production (union of small farmers' lands), with 721,000 hectares; the Co-operatives of Credit and Services (financial association and for collective use of machinery), with 858,000 hectares, and the independent small farmers who hold approximately 420,000 hectares coexist. The remaining 5.5 million hectares of farmland are in the hands of government companies. (*AFP*, 13/11/06)

**November 23:** Cuba hopes to take advantage of improved weather to increase rice output and reduce record imports in the coming years, state-run Radio Reloj reported. "This year the state sector will harvest 61,000 tonnes of rice and the popular movement 141,000," the report said, similar to 2005. Cuba has nine large provincial state farms with a capacity of 250,000 tonnes and has been developing municipal level farm and cooperative rice production, the so-called popular movement, with technical assistance from China and Vietnam. "According to government plans output should tripple by 2015 (...) unless there is an intense drought," the report concluded. Rice is the Caribbean island's main staple with its 11.25 million residents and 2 million tourists consuming around 1 million tonnes annually, according to the government, of which 500,000 tonnes is rationed to the population at subsidized prices. (*Reuters*, 23/11/06)

**December 29:** Cuban First Vice President Raul Castro presided over the annual meeting of the Agricultural Ministry, where officials presented a report on the most important outcomes in urban agriculture in the year 2006. Castro claimed for a higher efficiency in this sector, and said "we cannot be satisfied with results in agriculture until vegetables are abundant throughout all the provinces with prices available to every Cuban". The officials in the sector highlighted the work and accomplishments in the provinces of Pinar del Rio, Havana, Cienfuegos, Matanzas and Granma – while communicating to urban agricultural representatives from the provinces Sancti Spiritus, Las Tunas and Guantanamo the need to achieve better results. Castro was critical of the performance of the Sugar Ministry, which should have finished planting 1, 295 hectares of vegetables on lands dedicated to sugar cane, as part of the restructure of this industry. Only 46% of this task was accomplished. (*AIN, AFP*, 29/12/06)

## BIOTECHNOLOGY

**January 18:** A Cuban Health Care Ministry report announces that the biotechnology industry, as well as vaccine and health care service exports to other countries, will soon become the main revenue sources for this country. The report maintains that medical exports are about to exceed the US\$1,800 million generated annually by the tourist industry, until now the principal source of foreign currency for this nation. (*BBC*, 18/1/06)

**February 13:** The success of biotechnology research in Cuba is the main pull-factor for a Swiss delegation arriving in the country for a one-week official visit. Leading the delegation is the State Secretary for Education and Research, Charles Kleiber, the highest-ranking Swiss government representative to travel to Cuba on official business. "There are very few relations in the field of science and we think that it's the moment now to strengthen our cooperation," Kleiber, who was previously in Cuba in 2002, told the press. He said the aim of the trip was to see where Cuban science was at the moment, mainly in the field of biotechnology. (*SwissInfo*, 13/2/06)

**February 24:** A Swiss delegation has recently visited Cuba in order to learn from the country's biotechnology sector, which is one of the most advanced in the developing world. Switzerland has scant relations with Cuba in the field of science and is looking to strengthen co-operation in this area. Cuba currently exports biotechnology products to 50 countries in the world, mainly in Latin America and

Asia, and overseas sales total around US\$300mn per year. Cuba is one of the top three drug exporting nations in Latin America. (*Emerging Markets Daily News*, 24/2/06)

**April 8:** Cuba will supply several types of vaccines to Vietnam for the immunization of its population, following a contract the two countries signed in the framework of the 16th Vietnam International Fair -EXPO 2006. The agreement was signed by the vice chairwoman of the Hanoi Pharmaceutical Company (Hapharco), Nguyen Thi Minh Tu, and the Asian sales manager of Cuba's Heber Biotec S.A., Mai Thao. It includes the supply of anti-hepatitis B vaccines, and the new synthetic vaccine against the *Haemophilus influenzae* type B, which is known to cause a sort of meningitis, and other diseases. (*Granma*, 8/4/06)

**April 17:** Cuba and India make a powerful force leading world biotechnology, asserted P.Chidambaram, finance minister of the Asian nation, during the opening of a modern institution for the production of humanized monoclonal antibodies h-R3. The official highlighted the importance of both nations' integration in the biotechnological field strengthened by the creation of the joint enterprise Biocon Biopharmaceutical, in charge of producing and commercializing the product. Doctors Agustin Lage, director of the Cuban Center of Molecular Immunology and Kiran Mazumder, Biocon president, chaired the opening ceremony. (*Prensa Latina*, 17/4/06)

**May 8:** A team of Cuban experts which is in Ghana to assist in the eradication of malaria through the use of Biolarvicides called on the Minister of Health, Major Courage Quashigah (rtd). The team from the Labiofam Grupo Empresarial, a biological research and technological enterprise in Havana, Cuba, specializes in the production of vaccines for plants, animals and humans. Led by Mr Felix Quintanar Pulido, Vice President of Labiofam, they would explore the possibility of constructing a Labiofam plant, conduct a feasibility study and visit most endemic areas during their one-week stay. The Cuban experts would meet Ghanaian stakeholders, have a roadmap and sign a Memorandum of Understanding for the implementation of the project. (*ANDnetwork*, 8/5/06)

**October 23:** A seed "biofactory" with technology transferred by Cuba and an annual output capacity of five million seedlings was inaugurated at a scientific park in Colombia. The plant was officially inaugurated by the governor of the department of Antioquia, Aníbal Gaviria, who praised it as the "most advanced in Latin America." (*EFE*, 23/10/06)

**November 2:** Biotechnology has become one of Cuba's top ten exports with revenues of more than \$200 million a year, according to sector sources. The vice-president of the organizing committee of "Biotechnology Havana 2006", Gerardo Guillén, pointed out that "the health benefits are much more important than the money these exports may generate". (*EFEAGRO*, 2/11/06)

**November 14:** The Biotechnology Havana 2006 convention got underway at the Havana Convention Center with specialists from more than 40 countries and an inauguration address by Dr. Luis Herrera, director of the Cuban Center for Genetic Engineering and Biotechnology (CIGB). The eminent Cuban scientists told participants that the national biotechnology sector now has 38 products of proven effectiveness and quality that have been registered and are being sold in more than

45 countries, making a significant impact in the lives of people around the world. (*Granma*, 14/11/06)

**November 14:** During the Congress on Biotechnology Havana 2006 that took place in the Cuban capital, the 1988 German Nobel Prizewinner for Chemistry, Robert Huber, expressed interest in maintaining an active relationship with the island, in order to promote scientific and business opportunities in the development of medicines to treat autoimmune diseases. The Congress, which has generated a lot of expectations in the scientific community as it is attended by over 600 delegates from at least 40 countries, has been a window on Cuba's efforts in research and development in the field of tropical and autoimmune diseases. (*Global Insight*, 14/11/06)

**December 1:** Cuba has launched full-tilt into the vaccine industry to compete on the international market with its products, some of which are unique. Cuban scientists are devoting themselves to investigating therapeutic products against cancer, malaria and cholera, diseases that ravage the people of poor nations. However, the first destination of every new pharmaceutical is the Cuban market and the national hospital network. Medical sources indicated that eight of the 13 vaccines included in the national immunization program are produced locally. "Half of our research projects deal with vaccines, which are financially unattractive to the big pharmaceutical companies," Carlos Borroto, deputy director of the Genetic Engineering and Biotechnology Research Center (CIGB), told the press. The "West Havana Scientific Pole" is made up of the CIGB, the Finlay Institute for Serum and Vaccines, the Center of Molecular Immunology, the National Center for Scientific Research and the National Biopreparations Center. The Pole institutions cooperate among them, and each project usually involves more than one unit. (*IPS*, 1/12/06)

## CENTRALIZATION

**April 5:** Cuba narrowed opportunities for foreign investment in 2005, closing down nearly two businesses per week and approving just seven new joint ventures, government sources said. The reduction was part of a general trend toward increased centralization and control of the more than 90 percent state-run economy after a liberalizing period in the 1990s following the demise of former benefactor the Soviet Union. In 2004, the communist-run country shut down four businesses per week and approved less than 10 new joint ventures, but overall the numbers are down in 2005. "There were 258 joint ventures and 115 cooperative production contracts at the close of 2005, compared with 313 and 133 respectively the previous year," said a mid-level official, who had read the Ministry of Foreign Investment and Economic Cooperation's annual report. Cuba's most important ventures in telecommunications, nickel, energy, tobacco, beverages, tourism and construction have weathered the increased regulation, while smaller ones in the mechanical, light and food processing industries, for example, have done less well, the sources said. "Spain, Italy and Canada account for more than 50 percent of direct foreign investment, but these days we are prioritizing China and Venezuela," according to a Cuban economist who spoke on condition of anonymity. "All, except one of last year's ventures were signed with China and Venezuela and the trend will continue," she said. (*Reuters*, 5/4/06)

**May 24:** Despite recent moves by the Communist government against other sectors of the island's small "self-employed" community, vendors of used books around one of this capital's most emblematic plazas are betting on staying put, saying their presence adds cultural cachet to the historic downtown. Starting in the 1990s, the independent book dealers or street vendors proliferated on the island, especially in Havana, after being granted licenses to operate on their own, rather than working for the state. The booksellers set up their wares in the park in the center of the Plaza de Armas, now also known as "La Plaza de los Libros" (Plaza of the Books). (*EFE*, 24/5/06)

**April 24:** Cubans who made a better-than-average living selling crafts to foreign tourists at stalls along Havana's famed Malecon seaside boulevard are wondering about their future after being obliged by the government to pack up and move to a more out-of-the-way building. For years, tourists and other seekers of craft goods have visited the most popular markets in Havana, most of which are located in areas frequented by foreign visitors, such as Old Havana, the area around the cathedral and the Malecon in the El Vedado neighborhood. Cuban authorities, however, moved the vendors from the Malecon to an old department store in downtown Havana, putting them in one of the most populous neighborhoods of the Cuban capital. A cooperative of 193 self-employed workers, who pay for state licenses to sell their crafts, is trying to adapt to the new space provided by the Domestic Trade Ministry, but the drastic drop in sales has created uncertainty about their futures. "Our sales have been affected tremendously," Vicente Portilla, who sells figurines and wooden items, said, adding that what was needed was "a marketing campaign so that tourists know that we are here." "I haven't sold anything today. At the market, on a day like today, I would have already sold 15, 20 or more convertible pesos," Portilla said. One convertible peso is equal to \$1.08US. (*EFE*, 25/4/06)

**July 10:** In a move away from the foreign investment-friendly environment it had created and to re-centralize national economic controls, the Cuban government is rapidly breaking its ties with joint-venture companies formed with Spanish capital that had managed to settle in the island during the last decade. Two major Spanish multinational investors, Acciona Infraestructuras, S.A. and Zell Chemie SL have launched lawsuits against the Cuban government this year, invoking the Agreement of Reciprocal Promotion and Protection of Investments (APRI). (*El Nuevo Herald*, 10/7/06)

**July 20:** The foreign capital in Cuban companies continued decreasing in 2005, under a reorganization of the country's economy, a report of the Centre for Studies of the Cuban Economy said. A total 258 companies with foreign capital operated in Cuba in 2005, compared to 404 companies with foreign capital in 2002. The contracts for production cooperation decreased to 103 in 2005 from 441 in 2003, the report showed. Spain leads with 77 associations with Cuban companies, followed by Canada with 41 and Italy with 40. Most of the companies operate in the industry sector, mainly mining and crude oil, tourism, and later communications and construction. The retransformation of the free trade areas in Cuba into areas for logistic development, introduced in 2004, led to the dissolution of over 330 businesses between 1990 and 2005. (*Latin America News Digest*, 20/7/06)

**August 17:** Long held in check by Fidel Castro, Cuban entrepreneurs ranging from plumbers to pizza makers hope to enjoy some slack while his brother Raul is in charge. But the self-employed tradesmen and owners of family businesses in the communist-run country do not expect Cuba's economy to embrace the private sector

overnight. "Paladares," family restaurants that can only seat 12 people at a time, and bed-and-breakfast inns still face multiple restrictions, heavy taxes and a constant threat of losing their licenses even though they have been allowed for more than a decade. "Raul could continue opening up the economy. We want less state control," said Gilberto, a book seller in central Havana, displaying a photo of Fidel Castro prominently on his stall. Raul Castro supported economic reforms in the early 1990s and is said to favor a Chinese path. As defense minister, he introduced Western management practices in the armed forces, which now run Cuba's most efficient and profitable companies. "They say Raul is more open. The truth is nobody knows what is going to happen here," said the owner of a paladar in the converted garage of a house who asked not to be named. The numbers of self-employed have declined since peaking at 209,606 in January 1996, shrinking to 166,700 at the end of 2004, according to official figures. (*Reuters*, 17/8/06)

## CORRUPTION

**January 6:** A gross misappropriation of state funds by local government officials was uncovered in the Cuban province of Holguín, in the easternmost end of Cuba. The fraud case involved the forgery of official documents that allowed those implicated to steal over 6 million Cuban Pesos, roughly US\$300 thousand. According to *Juventud Rebelde*, the official newspaper that first ran the story, the scam was carried out more than two years ago by managers of the state-run Municipal City Maintenance Company of Holguín, "who made several bogus purchases of ornamental trees, only to appropriate of the funds." (*World Data Service*, 6/1/06)

**February 25:** The number of crimes in Cuba's state economy increased in 2005 due to lack of control by State agencies. During an annual general meeting of the Ministry of Domestic Trade it was reported that in 2005 there were "45 more crimes than in the previous year", for which no figures were given, raising the losses to 6.5 million pesos (\$260,000 dollars). In 2005, 890 audits were conducted of companies under this department, "and more than half of the audited entities were assessed as poor or inadequate in terms of economic control", according to newspaper *Juventud Rebelde*. (*AFP*, 27/2/06)

**March 2:** Communist Cuba, whose state-controlled press generally refrains from pursuing the traditional Western journalistic task of exposing corruption, is pushing in official media a campaign against what has been denounced by Fidel Castro as burgeoning illicit enrichment by pilferers large and small. Leading the way has been *Granma*, the organ of the Cuban Communist Party, whose recent series about the agricultural sector uncovered sharp practices that end up hurting consumers. "The incorrect marketing of (farm) products is a breeding ground for the flowering of undesirable factors, such as the middleman who buys and pays instantly, as well as the diversion of resources and discontent among the rural masses," the newspaper said. *Juventud Rebelde*, the other big official daily, is also looking at corruption. The denunciations in the press are part of what has become a crusade led by Fidel Castro against the skimming, siphoning and stealing of property, almost all of which is in practice the patrimony of the state under the 47-year-old Communist regime. The battle has been joined by Cuba's plethora of government-directed "popular" organizations and by Cuba's Workers Central (CTC), the only legally recognized labor federation on the island. (*EFE*, 2/3/06)

**March 7:** In the course of the last three years, the district attorney's office confiscated illegally obtained property, including vehicles and houses, in the framework of a campaign led by Fidel Castro to eradicate the so-called "nouveau riches". According to the official newspaper Granma, "37 % (of the cases) were self-employed workers, mainly landlords who breached the terms of their permits (...) and others who engage in this type of activity without authorization." Without quoting percentages, the newspaper identified other means of acquiring illegal wealth including the misappropriation of State resources by members of its workforce and the unauthorized husbandry of animals for self-sustenance or the theft of feed to raise those animals. (*AP*, 7/3/06)

**March 13:** Cuban authorities are trying to improve their auditing techniques to augment their chances of detecting skimming and other forms of corruption. As the monthly Cuban magazine Bohemia reported in its latest issue, in some cases poor accounting procedures have contributed to "weaving nets of disguise" around public firms who then acquire a false image of "efficiency." Auditing and Control Minister Lina Pedraza acknowledged to the magazine the deficiencies in current controls and the need for auditors to change their "mentality" to detect the crimes. "We're asking (...) questions (about) how to make audits more useful, how to prevent a firm from getting audited two or three times a year and apparently being fine and then (having) the bomb explode," she said. As an example of the limitations to current audits, Bohemia discussed the case of the Matanzas Pharmacy and Optical Company, located 100 kilometers (62 miles) east of Havana, from which almost 4,000 liters (1,056 gallons) of methyl alcohol were diverted in November 2002. (*EFE*, 13/3/06)

**March 16:** The anti-corruption drive that has become the new warhorse of the 47-year-old Communist regime turned its sights on the public health sector, with the official newspaper saying the theft and clandestine sale of medicines is contributing to their shortages. The newspaper Granma said that "unscrupulous elements" were "taking advantage of a lack of order and lapse of vigilance" over the medications and profiting from illegal sales of remedies. The daily gave details of a police operation carried out on February 16, in which government authorities seized a large quantity of stolen medicines and arrested three suspects. Granma said the medicine-skimming case "is cause for reflection by directors and workers at laboratories, pharmacies, warehouses, polyclinics and hospitals." (*EFE*, 16/3/06)

**March 22:** Cuba's ruling Communist Party has sent thousands of its members, including retirees turned into detectives, to track corruption that Defense Minister Raul Castro warns is spreading like a "deadly cancer," government sources said. Fidel Castro's younger brother, in a video making the rounds of the country's leadership, says 6,000 party cadre and 2,000 retired members working in pairs have discovered "the situation is far worse than we imagined." Raul Castro, 74, number two in Cuba's political hierarchy and constitutionally in line to succeed his 79-year-old brother if he were to retire or become incapacitated, heads the party's Commission against Corruption and Illegalities set up three years ago. "The deadly cancer has metastasized from our knees up to here," Raul Castro, pointing to his chest, told national-level leaders and administrators in a recent meeting, according to sources who had seen the videotape. Castro singled out the East Havana municipal wholesale food company as an example of how managers and their government superiors appear to be "blind" to the diversion of resources to the black market. Despite 14 visits by ministry officials, 21 inspections and an audit, it took a pair of party retirees to discover 2,000 tonnes of products were missing, the younger Castro said. "How can you explain that a couple of retirees are able to discover in a

week grave problems that were not detected by management in the same companies, nor by their superiors, during months and years," Castro asked. Attorney General Juan Escalona reported 5,800 cases of economic crimes in 2000, including embezzlement, theft and bribery. But the current anti-corruption campaign led by Raul Castro is the most serious since he and his brother swept to power in a 1959 revolution. (*Reuters*, 22/3/06)

**April 3:** Workplaces across Cuba are characterized by "disorder" and many of their employees can be described as slackers, according to the results of an investigation that appeared in the official daily *Granma* as part of an anti-corruption drive. The daily wrote that "irregularities in the opening and closing schedules, delays in services and not creating the (proper) conditions before opening an establishment" occur repeatedly at workplaces and the public is suffering "mistreatment stemming from labor indiscipline." *Granma* said that there are establishments that do not open at the proper hour or that do so but are not ready to begin serving clients or customers. In addition, many workers leave their jobs during the day to do personal tasks and some workplaces interrupt their service to the public to hold meetings and other gatherings. The paper said that last September inspections were performed at 3,500 state-owned workplaces nationwide which found that 76 percent of the sites were "deficient" in their administrative activities. (*EFE*, 3/4/06)

**April 6:** A government ban on the transportation of pigs has increased the price of pork in eastern Cuba. The ban was imposed in an attempt to stop the sale of pork in private markets in Camaguey. Since then, the shortage of pork has caused the price to reach a record 25 pesos a pound. Pork is not available at government stores where it is covered by a ration book. (*Cubanet*, 6/4/06)

**April 9:** They sink their boats in the shallows by night, hiding them in watery nooks to evade authorities. By day, the shrimp fishermen lean inside shady doorframes, wiggling their index fingers as cars pass -- a signal that discreetly advertises their illegal catch. "If they caught me hunting shrimp, they'd leave me like a chicken without feathers," said the fidgety fisherman who asked not to be identified. It is against the law to sell shrimp privately in communist Cuba, and he risks steep fines if detected. Fishermen like him are among those feeling the deepest pain from an ongoing government campaign to tighten the screws on the Cuban economy. Tagged "recentralization," the move began in 2003, clamping down on private enterprise and the black market, and raising state salaries and pension payments. Castro contends the economic clampdown will refresh socialist ideals, punish pilferers and combat US trade sanctions. Detractors say the program is meant to bring every aspect of Cuban life under government control, battening the hatches ahead of an eventual leadership change. What's clear is that hardship remains. Economic snapshots from different walks of life suggest that most Cubans struggle to make ends meet despite government pay hikes, while the island's small entrepreneurial sector feels the reforms snapping at its heels. (*Sun Sentinel*, 9/4/06)

**May 25:** The director and the assistant director of the Security and Protection Agency at José Martí international airport remain under arrest at Villa Marista, head office of the Department of State Security, under suspicion of embezzlement and repeated theft. Roberto A. Fernández Rodríguez and Liván Tápanes, the director and assistant director, respectively, of the company in charge of airport security, are accused of having stolen 18 thousand dollars, a Lada vehicle, 90 tires, several mattresses and other articles. (*Cuba Verdad*, 25/5/06)

**May 30:** Cuban customs officials seized nearly 25,000 boxes of contraband cigars last year in efforts to decrease smuggling of the world-famous stogies, the island's domestic news agency AIN reported. Travelers to Cuba can leave the island with 23 cigars without receipts, but for any amount above that, they must have proof of purchase from cigar stores approved by Habanos S.A., Cuba's cigar marketing firm. Cigars are one of the island's most important exports, worth about \$340 million annually. But the prestige of Cuban cigars and a rise in tourism in recent years have combined to increase the black market for the product, prompting customs agents to tighten their controls. Eighty percent of the cigar contraband is discovered at Havana's Jose Marti International airport, often found on people traveling to Panama or Mexico, customs official Colonel Pedro Pupo told AIN. Officials seize the rest at airports in Santiago de Cuba, Varadero and Holguin, he said. (*AP*, 30/5/06)

**June 21:** Cuba has sentenced a leading member of the Communist Party to 12 years in prison for corruption in what the country's only legal political organization said was proof no one stands above the law. The conviction of the highest-ranking party member in over a decade came amid a nationwide anti-corruption drive that has used young people, retired party members and others to fight rampant theft that has hobbled Cuba's state-run economy. A Political Bureau communique said party leader Juan Carlos Robinson was tried and found guilty of "continuous influence peddling". Robinson was expelled from the Political Bureau, the party's highest body, in April. His trial was not publicized. (*Reuters, Globe & Mail, BBC, AP*, 21/6/06)

**June 29:** Thousands of professors and students from the University of Havana will be participating in the control and distribution of fuel in the island's capital. "We were called to participate in a task for the Revolution on a voluntary basis", a professor said. According to a student who talked with the press, professors and students will be working on trucks distributing fuel, controlling sales and the route of vehicles. All educational activities have been suspended until next September. (*AFP*, 29/6/06)

**July 6:** More than 1.3 million Cuban students will be mobilized this summer to undertake tasks linked to a drive against corruption and the so-called energy revolution promoted by Fidel Castro. "The organization is aiming to make this its most important mobilization yet," said the first secretary of the Young Communist League, Julio Martínez. Students from universities, as well as from middle and elementary schools "will participate along with social workers in approximately 20 special tasks chosen by the revolution within the framework of an on-going campaign to fight illegal activities, corruption and promote energy-saving." (*AFP*, 6/7/06)

**July 12:** The Committees for the Defense of the Revolution (CDRs), widely regarded as the "eyes and ears of the Cuban revolution," initiated a "neighborhood watch" exercise that includes a mobilization against corruption and illegal activities. Miguel Marrero, a member of the National Secretariat of the CDRs in charge of neighborhood watch oversight, told local media outlets that the exercise entails implementing measures against corruption and illegal activities in residential areas as well as the business sector. (*EFE*, 12/7/06)

**October 1:** More than half of state-run enterprises inspected in the Cuban capital this year have cheated their customers, the Communist Youth newspaper *Juventud Rebelde* reported. Officials making spot inspections found that nearly 11,700 of the 22,700 businesses checked through August were selling their products at a higher price than advertised or delivering lesser quantities than required, a local director of inspection told the newspaper. Among the worst offenders are farm markets,

restaurants and bakeries, the director said. Reporters at the newspaper did their own investigation, describing state cafes where beer mugs weren't filled to the brim and taxi drivers charged more than the metered fare. The two-page spread on the pervasive cheating came four days after Cuba's acting President Raul Castro urged workers to crack down on corruption and stealing from the state in a speech to the island's communist labor union. "Some state services are being used for personal gain by insensible people who change the prices and norms of the products, deceitfully passing the limit between state-run and private," the report in the state-controlled newspaper said. (*AP, BBC, 1/10/06*)

**October 22:** Cuba has begun debating how to correct rampant theft and inefficiency in state-run services, from pouring beer to shining shoes, that could signal a step toward economic reform under acting President Raul Castro. In a scathing three-part series on graft in shops and bars entitled *The Big Old Swindle*, the Communist Youth newspaper *Juventud Rebelde* said a team of university experts will investigate ways to improve services. "The current irregularities in the country's services, in the midst of the search for a better economic model, has meant Cuba still does not have a retail and services sector that satisfies people's expectations," the newspaper said. Cuba's economy, modeled on Soviet communism that ultimately failed, is overwhelmingly state-controlled. The state provides supplies and sets serving amounts and prices for everything from a cup of coffee and ham sandwich to watch repairs and shoe shining. "The theory that came from the Soviet Union was skewed," economist Luis Marcelo Yera of the National Economic Research Institute told *Juventud Rebelde*. He advocated giving workers more power to decide the running of state enterprises. Yera was one of a number of academics quoted in the paper who stated systemic problems, including over centralization, hampered economic development and could not be dealt with simply by more regulation and discipline. "We live in a society with many distortions; that's why many things have to be guaranteed through cohesion and control, but not everything can be accomplished that way," Ernesto Molina, from Cuba's top school for international relations, told the paper. "We need a scientific plan to organize society politically and economically so it works better," he said. (*Reuters, 23/10/06*)

**October 25:** In the wake of an unusual investigation by Cuban state journalists into public employees who regularly cheat customers, Havana has announced an even more surprising response: a study of what's wrong with the entire system. But the study won't be all. New rules aimed at cracking down on widespread fraud at state businesses will take effect January 2, the Communist Party newspaper *Granma* reported. Together, the two announcements appear to hint at what some experts say could be a significant change in policy in the wake of Fidel Castro's surrender of power - an acknowledgement that perhaps the root cause of Cuba's workplace fraud is a flaw with its socialist system. This week's announcements came on the heels of a three-part series in the Communist youth newspaper, *Juventud Rebelde*. In a remarkably unusual piece of journalism for Cuba's state-controlled media, reporters went undercover to restaurants, taxis and shoe repair shops to show how customers were routinely cheated. Beer mugs were not filled to the top, sandwiches were light on ham, taxi fares were too high and repair shops charged more than state-set prices. While the October 1 article did not stress the meager wages that often drive Cubans to pilfer from their state employers, it quoted workers as saying it was unfair to judge them when the government failed to provide the supplies needed to conduct business. (*McClatchy Newspapers, 25/10/06*)

**November 6:** The 2006 Corruption Perceptions Index (CPI), launched by Transparency International (TI), points to a strong correlation between corruption and poverty, with a concentration of impoverished states at the bottom of the ranking. Countries with a significant worsening in perceived levels of corruption include: Brazil, Cuba, Israel, Jordan, Laos, Seychelles, Trinidad and Tobago, Tunisia and the United States. Countries with a significant improvement in perceived levels of corruption include: Algeria, Czech Republic, India, Japan, Latvia, Lebanon, Mauritius, Paraguay, Slovenia, Turkey, Turkmenistan and Uruguay. (*AP*, 6/11/06)

**November 8:** Eleven executives from CIMEX, Cuba's main holding company, received sentences ranging from 4 to 20 years in jail for "fraud and corruption", in a case connected to a Spanish company, reported the official weekly "Bohemia". According to the story, the situation began in 2001 and was reported in 2003 by the Spanish manager of Provimar. The trial took place in November 2005 and the sentences were confirmed recently, after a process of appeal. (*AFP*, 8/11/06)

**November 13:** Cuban authorities have intensified the campaign against corruption launched in 2005 by Fidel Castro and pursued by younger brother Raul Castro since becoming the island's "provisional" president in July. The official daily Granma published news of a new case of fuel theft from a state-run company that operates heavy machinery, along with specifics of the punishment being meted out to those responsible. Bohemia magazine also reported that 11 people, some of them directors of the giant state holding company CIMEX, were sentenced to between four and 20 years for fraud and corruption. Such reports by the official media - independent news outlets are not tolerated - have made irregularities like these a constant part of the daily news since November 17, 2005. (*EFE*, 10/11/06)

## ENERGY

### Energy Revolution

**January 2:** Fidel Castro heralded 2006 as the "year of the energy revolution", although he has yet to provide details of his energy revolution. Several pointers have been given, including an increase in exploration for and production of crude oil. Spanish-Argentinian oil company Repsol YPF has said that it intended to make another effort in 2006 to make a commercial find in Cuban territorial deep waters. A year ago, Canadian companies Sherritt and Pebercan reported the discovery of a 100-mil bbl deposit of crude oil in shallow waters off northern Cuba. Sherritt is responsible for much of Cuba's current 67,000 b/d production of crude--all of it very heavy--which is about four times what the country produced a decade ago but well short of consumption of about 211,000 b/d, much of it now supplied by Venezuela. Other elements that Castro has indicated would be part of his energy revolution are the closing of power plants that date from the Soviet era and construction of new ones to run on gas produced in association with crude oil. Punitive tariffs are also to be imposed on large volume domestic consumers of electricity so as to cut back sharply on demand in an effort to eliminate the blackouts that have plagued Cubans for years and whose increased frequency led in 2004 to very rare--if limited--outbreaks of public protest. (*Platts Commodity News*, 2/1/06)

**January 17:** Fidel Castro unveiled a network of small power generators in Pinar del Rio province, the first step in a vast plan to overhaul Cuba's inadequate electricity system and end chronic outages. "The new system has been installed (...) Pinar del Rio will not have power outages again," Castro said in a speech in the capital of the western-most province, the first to be equipped. The new strategy is part of an ambitious plan that also calls for replacing millions of inefficient electric stoves, refrigerators and other household appliances, some of them made in the United States and in use since before Castro's 1959 revolution. Cuba has bought generators from Spain's Grupo Guascor for 100 million euros (\$120 million). It has contracted 4,158 generators with a combined capacity of 712 megawatts, Castro said. Last year it ordered 344 diesel generators from Hyundai Heavy Industries Co., South Korea's largest shipbuilder, in two contracts worth \$460 million for delivery by the end of 2007. In another effort to save energy, Cuba's communist government raised heavily subsidized electricity rates by as much as 333 percent in December. (*Reuters*, 17/1/06)

**January 19:** A blackout that paralyzed most of Havana for barely 24 hours, made Fidel Castro cancel a TV broadcast where he was supposed to talk about the electricity crisis that the island has been experiencing since last year. Two days before, the Cuban leader announced an "energy revolution" in Cuba at the inauguration of the first emergency power generation project in Pinar del Rio. Cuban official media published a brief note explaining the cancellation of Castro's attendance to the official TV program "The Round Table". (*AFP, La Jornada*, 19/1/06)

**January 20:** Fidel Castro underscored the value of the energy revolution underway in Cuba during the official TV show "The Round Table". In an address broadcast on nationwide radio and television, the Cuban leader gave a detailed explanation of the government's strategy to increase power generation efficiency while steadily reducing the costs. "Thermoelectric plants are prehistoric," he said. As an example he cited the difficulties that surrounded the construction and start-up of the Antonio Guiteras plant located in the western province of Matanzas. The plant costs approximately 100 million dollars a year to keep operating. Castro recalled the serious failures at the huge power plant during 2004, noting that it went off the power grid 22 times. Castro reassured the people that by May 1, all Cuban families that receive electricity services—over 95 percent of the population—will no longer use kerosene or liquid gas to cook. "We will keep that promise," said Castro. (*Periódico 26*, 20/1/06)

**January 21:** Fidel Castro called on Cubans to conserve electricity as part of his government's new program to cut energy spending by \$1 billion a year. Castro took to the airwaves for a second consecutive day, using a roundtable television show to discuss the island's energy situation. "We cannot falter in this. At this time, the main task is to save energy," Castro said. During his more than four-hour appearance on national television, the Cuban leader said his "energy revolution" program, slated to take effect May 1, would focus on replacing old generators at power plants and introducing more energy-efficient domestic appliances in Cuba. Castro also discussed the blackout that paralyzed most of Havana, barely 24 hours after he inaugurated the first emergency power generation project in Pinar del Rio, where he announced plans for an "intensive research project and the development of the use of wind and solar power." The government's new energy plan envisions a 60 percent increase in the Cuban thermo-electric power system's 2.94 million kilowatts per hour of generating capacity. Most of the island's electricity is currently generated with

obsolete technology that had been provided by the former Soviet Union. (AFP, 22/1/06)

**February 3:** Cuban Basic Industry Minister Yadira Garcia toured Havana Province to check on the national energy program. In visits to San Nicolas de Bari, Nueva Paz, Madruga and Santa Cruz del Norte municipalities Garcia voiced satisfaction with the quality of the power generators installed there. The new sets will contribute 280 mw to the National Energy System, the minister was quoted as saying by Granma daily. (Prensa Latina, 3/2/06)

**February 14:** Over 88,000 house electrical-system protectors will be installed in the eastern city of Camagüey, in the first half of 2006, as part of the Cuban project to optimize power. The protectors will be used to replace the faulty or inappropriate switches between the public electric supply and houses, according to local-electric-company officials. This measure is part of the Energy Revolution that Cuba is developing and includes the change of switches with an amperage capacity under 32, they said. The program to increase energy efficiency in Cuba also includes installation of thousands of emergency generators connected to the national system, devoted to eradicate power outages due to generation shortage. (Prensa Latina, 14/2/06)

**March 8:** While speaking at the 15th anniversary of the Central Computer and Electronics Palace, Fidel Castro asserted that the island is on solid bases in different fields. "Our people will be surprised about the speed of the Energy Revolution and the economic resources it will provide," Fidel said, noting that energy generation grows at 80,000 kw per week and the battle against power shortages is succeeding. The program, emerging from serious energy problems in 2004, has been constantly analyzed, along with the experience of dealing with hurricanes, and has enabled acquisition of safer and more efficient generators, which are strategically combined with engines. (Prensa Latina, 8/3/06)

**March 14:** The Haier Corporation Industrial Park in China's port city of Shandong, was the site of a ceremony marking the shipment of the first batch of home refrigerators that Cuba has contracted to buy from that nation. The initial purchase is for 300,000 refrigerators of the highest quality, distributed as three different models, and bought as part of the National Energy Saving Program that Cuba is implementing. The delivery ceremony was attended by Cuban Minister of Government Ricardo Cabrisas, and Commander of the Revolution Ramiro Valdes Menendez, President of the Electronics Group of Cuba. Also attending were Cuban Ambassador to China Alberto Rodriguez Arufe, business persons and officials of the Cuban diplomatic mission in Beijing. (Granma, 15/3/06)

**March 25:** New power plants are being installed in Havana to save energy, cut costs and ease chronic summer blackouts, Cuba's state news agency said. Officials from Cuba's Basic Industries Ministry said the new generators will help ensure "optimum quality" in electrical service for the capital's 11.2 million residents, Prensa Latina reported. Havana has historically suffered from outages when demand rises in the hot summer months. The plants are part of the government's Energy Revolution, a nationwide program aimed at ending blackouts by May 1. Cuba has contracted to buy 4,158 of the generators, more than 3,000 of which have already been installed. They form a key part of a plan to replace the island's huge thermoelectric plants -- which consume huge amounts of petroleum -- with smaller, more cost-efficient energy facilities. (AP, Xinhua, 25/3/06)

**April 4:** Cuba is racing to install thousands of container-sized diesel generators across the island to avoid another situation like the one last summer when widespread blackouts fanned popular unrest. Fidel Castro has taken personal responsibility for what he calls an "energy revolution" prompted by widespread complaints about the failings of Cuba's obsolete power plants. His supporters say the first-of-its-kind energy plan is a stroke of audacious genius. His critics see it as a desperate blunder. The generators are being grouped in clusters and connected to the electrical grid so they can feed the national system or operate independently in all 14 provinces. Around \$800 million has been spent so far to import generators, mainly from Spain, Germany and South Korea. Castro has promised to put an end to the frequent outages that Cubans have had to live with since the collapse of Soviet communism plunged their country into economic crisis. He has also vowed to provide every Cuban home with new electrical appliances from China that use less power, from stoves and fans to refrigerators, in many cases replacing inefficient US-made products dating back to the 1950s. (*Reuters*, 4/4/06)

**May 6:** Fidel Castro handed over the keys of vehicles to two electrical workers representing 101 technicians from Havana's electricity works. The new Chinese-manufactured motor vehicles will be used in the upgrading of the national electric grid. This was the first consignment of specialized vehicles which will replace the old fleet of gas guzzling Zil 130 and 131, GAZ and KAMAZ trucks. The Cuban leader explained that though the primary purpose of the vehicles was to conserve electrical power, the new more efficient vehicles will also contribute to fuel savings. Castro described these improvements as being vital for humanity, at a time when the planet is burning 84 million barrels of oil daily —with the United States squandering 22 million of that sum— while potential and proven world reserves have begun to shrink. (*Granma*, 5/5/06)

**June 4:** Fidel Castro said that socialism means rationality, as well as the opportunity to do things efficiently and he called for the application of that concept in all production and service activities. Castro presided over a third session of a meeting of provincial and municipal government officials, which took place at Havana's Convention Hall. Fidel referred to ongoing efforts in the country aimed at saving energy and improving the people's quality of life. Castro said that by making use of efficient work the country can save much of the electricity it is currently consuming, which would translate into noticeable saving, bearing in mind the high price of oil at the world market. Fidel stressed the positive results of the meeting, in which local government officials exchanged views on the advancement of the national energy program or Cuban Energy Revolution, the fight against dengue, the progress of urban agriculture and the commercialization of agricultural products at local marketplaces, as well as the advancement of national social programs undertaken by the Cuban revolution under the so called Battle of Ideas. (*ACN*, 5/6/06)

**June 13:** Cuba has declared an end to the daily blackouts that have wreaked havoc on peoples' lives and the economy since the collapse of former-benefactor the Soviet Union in 1991. In the latest sign Cuba is recovering from a long economic crisis, Basic Industry Minister Yadira Garcia told parliament a \$US1-billion program to link hundreds of large generators to the energy grid meant there was 1000 megawatts more power available for the summer when demand peaks. "In less than eight months conditions have been created that guarantee that there will be no blackouts in our country due to a lack of generating capacity," the minister said in her report published by the official media. (*Reuters*, 13/6/06)

**June 27:** A blackout of about two hours affected areas in the municipalities of Diez de Octubre and San Miguel del Padrón, in Havana. The reasons for it are not currently known. Similar power cuts were reported in the municipality of Arroyo Naranjo, which indicates that the new energy plan promoted by Fidel Castro from generators does not seem to be a definitive solution. (*Cubamet*, 27/6/06)

**July 26:** Fidel Castro inaugurated the country's largest new power-generator system in the eastern province of Holguin. The initiative --connected to the national grid-- is part of the ongoing National Energy Program aimed at boosting the efficient use of fuels. The power generation facility will contribute over 200,000 kilowatts, nearly the same output as one of the units of the thermoelectric plant operating in that Cuban territory. The mounting and testing of the project took only five months. (*ACN*, 27/7/06)

**July 30:** Cuban authorities are cracking down on people who fail to pay for electric service and break other utility rules in Havana, where more than 800 violations have been registered so far this year, the press reported. Cuba's state-owned power company has deployed 192 inspectors across the capital to uncover fraud by electric customers, the weekly *Tribuna de La Habana* said. Among the violations being targeted are the unauthorized resetting of electric meters and other tactics to avoid paying electricity bills. Violators face penalties ranging from service cutoffs to fines and even jail time if convicted of a repeat offence. State-owned power company OBE said payments for service in Havana have not been matching consumption, drawing the attention of company personnel. Company officials estimated that fraud in 2006 was running at three times the rate last year. (*EFE*, 30/7/06)

**August 24:** According to the Cuban electrical company, there was an interruption in the high tension line that links the province of Matanzas with the power station located in Havana. The incident provoked a power outage that blacked out Havana City and Pinar del Rio and a large portion of Havana Province. The reestablishment of electricity in the western provinces took place in four hours. Power service has been markedly improved in 2006 compared to previous years before a new energy saving and generation plan was put in place. (*Periodico 26*, 25/8/06)

**August 29:** Eighteen-wheelers stacked with hundreds of Chinese-made Haier fridges stopping door-to-door in the remote Cuban countryside and on city streets have been as common a sight as Cuban military transports. An estimated 300,000 households, in a country of 11 million people, are replacing aging appliances -- all in the name of an effort to lower the country's total energy use. The replacements are mandatory, and many people have had to take out loans from government banks to pay for the new appliances. "Don't think that because we're in a socialist regime that the fridges are free," said a religious leader in a coastal city. "Actually, they're quite expensive. I'm paying the equivalent of \$286. My wife and I make about \$25 a month. So, like most people, we're financing it over a 10-year period at 10 percent interest." The government in March bought 300,000 of the energy-efficient fridges from China under a deal to assemble them in a Cuban plant. Late last year, one million color televisions were bought under the same plan and, soon, so will air-conditioners and electric stoves, rice cookers and fans. For now, the five-foot-tall Haiers have made their appearances in some homes where, mostly because of endemic poverty, there may have not been new appliances in half a century. (*The Miami Herald*, 29/8/06)

**October 18:** After three years of remaining on a summer daylight savings time schedule, Cuba's National Electrical Union decided to go back to its normal schedule during this month of October. On October 28 going into October 29, watches should be set back one hour returning to the normal schedule, which in Cuba is known as the winter schedule. Due to electricity generation shortages, it was decided to maintain the summer daylight savings schedule for three years; however, the country is now in a position to produce all the energy it needs, which is why it was decided to go back to the regular schedule. (*Prensa Latina*, 18/10/06)

**November 27:** Power cuts have increased in several sectors of the City of Havana, reported an official of the provincial Electric Company. The official said that the interruptions were due to breakdowns in the electrical lines. The most affected municipalities have been Plaza de la Revolución, Cerro and 10 de Octubre. (*Cubamet*, 27/11/06)

## Oil and other resources

**January 6:** Venezuela plans to keep oil sales to Cuba steady at roughly 90,000 barrels a day this year because the island has discovered petroleum of its own, Venezuela's oil minister said. "We expect to keep that level of sales unchanged given that Cuba is discovering more oil and that's a good thing," Oil Minister Rafael Ramirez said. Venezuela, the world's fifth largest oil exporter, increased oil sales to communist-led Cuba to 90,000 barrels a day last year, up from roughly 53,000 barrels during previous years. (*Business Week*, 6/1/06)

**February 15:** Completed down to 3 465 metres in the west part of Bloc 7, the Tarara 100 well, operated by Pebercan, was successfully production-tested. The oil quality is similar to that of the Santa Cruz find which is significantly better than Canasi and Seboruco. The well has found a new shallow field different from the conventional objective of Veloz carbonates. The company is running long-term production and pressure tests to assess the extent and quality of this new potential field, which is at the limit of the available seismic data. Depending on the results of these tests, an evaluation program will be prepared to develop this new oil reservoir. However, pending the result of the current surveys and tests, there is still nothing to confirm that the productive structure revealed can have a significant impact on the company's reserves. (*Pebercan Press Release*, 15/2/06)

**March 21:** Havana feels that Russia could take part in the exploration and development of oil-bearing fields located in the island's economic zone in the Gulf of Mexico, the Cuban Deputy Minister of Foreign Affairs, Eumelio Caballero, announced in Moscow. At the end of his negotiations with the Russian authorities in Moscow, Caballero said that "a favorable climate has been created for possible Russian investments" in the island and added that Cuba "is experiencing an economic boom." (*EFECOM*, 21/3/06)

**March 29:** Fidel Castro received the Latin American Energy Organization (OLADE) Executive Secretary Alvaro Rios, who is visiting local power generation centers and other energy related facilities in western Cuba. Castro and Rios, on his first visit to the island nation, discussed the global energy situation and the Latin American and the Caribbean panorama. The statesman explained to the OLADE leader the national energy revolution afoot that guarantees a rational and efficient consumption of fuels, enables a planned and diversified policy of energy production plus a considerable

saving of financial resources to use them in other sectors and social programs. Rios hailed Cuban projects and expressed interest in sharing these experiences with other regional nations. (*Prensa Latina*, 30/3/06)

**April 11:** Venezuela and Cuba will invest \$800 million to \$1 billion to start up an unfinished Soviet-era refinery on the island, the Venezuelan ambassador to Cuba, Adan Chavez, said. "The aim is to completely reactivate the Cienfuegos refinery," the envoy, an older brother of Venezuelan President Hugo Chavez, said at a news conference. The initial investment will be approximately between \$800 million and \$1 billion in shared costs, he said. Venezuelan state oil company PDVSA formed a joint venture with Cuba to revamp the unused refinery on the shore of Cienfuegos Bay in south-central Cuba, and signed an agreement guaranteeing Venezuelan feedstock of 70,000 barrels per day. (*AFP, Houston Chronicle*, 11/4/06)

**April 15:** In Cuba, windmills have spread rapidly over the past century, mainly in the central province of Camaguey and in the eastern portion of the island. It has been estimated that currently there are 7,000 windmills operating across the island, used mostly to pump water for cattle and agriculture activities. Their efficient use has special importance today, considering that experts estimate that a single windmill used for pumping water can save a half ton of diesel fuel annually. But power generation capacity through the transformation of wind power into electricity has not yet been fully exploited on the island. Currently Cuba is promoting the use of windmills for that purpose. In this respect, studies to measure the intensity and frequencies of the winds that blow over different parts of the island are being finalized. (*Periódico 26*, 15/4/06)

**April 17:** Cuba is able to start exporting hydrocarbons to the Caribbean countries, under the agreement for the establishment of a joint oil refining company PDV-Cupet SA with Venezuela's state-owned oil giant Petroleos de Venezuela (PDVSA), the Venezuelan press reported on April 17, 2006. Cuba's state-owned monopoly Cuba Petroleo and PDVSA established at the beginning of April 2006 PDV-Cupet S.A. in which Cuba holds the majority stake. The project will revive Cuba's refinery Cienfuegos which was paralysed in 1991. PDV-Cupet will receive some 150,000 barrels of crude oil per day (bpd). The company has the opportunity to export fuels mainly to the Caribbean countries. The agreement for the establishment of PDV-Cupet SA was signed by Fidel Castro and Venezuelan Energy and Petroleum Minister and PDVSA President, Rafael Ramirez. (*Latin America News Digest*, 17/4/06)

**April 17:** Venezuela's plans to refurbish an idled Soviet-era refinery in Cuba represent a lost investment for this oil-rich South American nation, a former president of the state-run oil company said. The Cuban government and state oil company Petroleos de Venezuela SA, or PDVSA, announced an agreement for PDVSA to invest US\$83 million (euro69 million) to rehabilitate the facility in the southern coastal city of Cienfuegos to refine, store and distribute crude oil. But former PDVSA president Guaicaipuro Lameda criticized the deal, saying the refinery is too old to run profitably and too many of its Russian-made parts would have to be replaced. "Making an investment to make that refinery function doesn't permit recovering the investment," said Lameda, who resigned in 2002 and quickly became one of the government's most outspoken critics. Lameda accused Venezuelan President Hugo Chavez of investing in the aging refinery as a means of giving economic support to his close ally, Fidel Castro. (*AP*, 17/4/06)

**April 19:** The state corporation Oils of Venezuela S.A. (PDVSA) expects to cut the shipments of crude oil to Cuba when the Cuban refinery of Cienfuegos starts operating, said the president of the company and minister of Energy, Rafael Ramírez. Ramírez supported PDVSA's decision to take part in the reopening of the Cienfuegos refinery pointing out that a study by an international company revealed that an investment of \$83 million dollars by the Venezuelan government in the Cuban plant would yield a return of 28 %. (AP, 20/4/06)

**April 26:** Iran and Cuba have signed an agreement wherein the Islamic republic will help Havana modernize its oil industry. The deal, signed by Iran's Agricultural Jihad Minister Mohammad Eskandari and Cuba State Minister Ricardo Cabrisas, in Tehran, came as part of an economic cooperation agreement at the end of Iran-Cuba joint 11th Economic, Scientific and Technical Cooperation Commission. Among other things, the two sides agreed to cooperate in building and modernizing refineries and in oil exploration activities. Cabrisas called the meeting a "success." (UPI, 26/4/06)

**May 9:** Cuba has struck a deal with Spanish, Norwegian and Indian oil companies to drill in the mile-deep (1.6-km) waters of the Gulf of Mexico, industry sources and diplomats said. The possibility of striking oil in Cuban waters just 90 miles (120 km) off US shores at a time of soaring fuel prices and rising global demand has set off a political debate over whether US companies, sidelined by American sanctions, should be allowed to explore there. Contracts will be signed May 23 in Havana between Spanish major Repsol YPF, Norway's Norsk Hydro and ONGC Videsh Ltd, the overseas arm of India's state-owned Oil and Natural Gas Corp., they said. Drilling will most likely not begin until 2008 due to a tight market for deep-sea exploration rigs as the world's search for oil intensifies under pressure from the high prices, one industry official said. Repsol found good-quality light oil in Cuba's economic exclusion zone of the Gulf of Mexico in 2004, but not in commercially viable quantities. (Reuters, 9/5/06)

**May 9:** Cuba successfully drilled a sloped well more than five kilometers in length from the coast out to sea and proclaimed it a commercial success as it will produce 200 tons of crude oil daily. The Canadian company Sherrit Oil and Gas International and the state-owned oil company Cuba Oil concluded the joint venture's largest project to date, announced Granma newspaper. (AP, 9/5/06)

**May 13:** Venezuelan Petroleos de Venezuela, or PDVSA, has joined the hunt for oil in Cuba that has already attracted companies from Canada, Europe, China and India to the communist-ruled island, the government in Havana said. In a statement published in the internet edition of the Communist Party daily Granma, the Cuban government said that state-owned PDVSA had signed an accord with its counterpart, Cuba Petroleo, or Cupet, for exploration and production "in the short and medium term". PDVSA is already heavily involved in downstream activities in Cuba. The government statement said the new accord followed a two-day meeting in Havana of senior PDVSA and Cupet officials. (Platts Commodity News, 14/5/06)

**May 22:** Venezuela's crude sales to Fidel Castro's Cuba stand at 98,000 barrels a day, the Venezuelan oil minister said. "They stand at 98,000 b/d and they should remain there this year," Oil Minister Rafael Ramirez told reporters. The figure is slightly higher than the 90,000 barrels a day announced in early January, and an indication that Venezuela's economic ties with the island nation continue to strengthen. Oil sales to Cuba increased to 90,000 b/d last year, sometimes reaching

92,000 b/d in some months, according to government estimates. (*Dow Jones*, 23/5/06)

**May 23:** Spanish oil company Repsol YPF teamed up with Norway's Norsk Hydro and India's ONGC Videsh to explore six offshore blocks in Cuban waters where good-quality oil was found two years ago, the companies said. The prospect of finding commercial quantities of oil in Cuban waters of the Gulf of Mexico at a time of soaring prices has set off a political debate over whether US companies, sidelined by American sanctions against Cuba, should be allowed to explore there. Under the deal signed with Cuba's state-owned Cuba Petroleo (Cupet), operator Repsol will have a 40-percent share in the project, while Norsk Hydro and ONGC Videsh will each have 30 percent. Exploration plans include 1,158 square miles (3,000 sq km) of three-dimensional seismic studies to be completed in June, said Egil Gloppen, Hydro Oil & Energy international business development director. But drilling is not expected to begin until 2008 due to a tight market for deep-water exploration rigs as the world's search for oil intensifies to take advantage of tight demand and high prices for crude. (*Reuters*, 23/5/06)

**June 4:** Angola's Oil Minister Desiderio Costa, expressed in Havana the possibility of the Southern African country to cooperate with Cuba in the field of oil. The Angolan official, who expressed this intent in the ambit of a working visit he carried to the Latin American country, stressed that Angola has conditions to cooperate with Cuba in this area. "We are willing to share our experience in the field of oil acquired during the past 30 years. Angola is Sub-Saharan Africa's second biggest oil producer after Nigeria. (*Angola Press*, 4/6/06)

**June 7:** Venezuela has agreed to share technology with Cuba for oil exploration, production and refining, Venezuela's state oil company said. Intevep, the research arm of state-run Petroleos de Venezuela SA, signed the agreement, which includes projects to increase Cuban oil production, improve the quality of its fuels and optimize its refineries, a company statement said. Intevep will work with Cuba's Ceinpet petroleum research center. (*AP*, 7/6/06)

**July 15:** Every square meter of Cuba receives 5 kilowatt-hour of solar energy per day, equivalent to half a kilogram of fuel every 24 hours and uniformly spread throughout the island. Emir Madruga, manager of ECOSOL, state-run enterprise in charge of making and installing solar systems, considers energy from the sun a fundamental strategic element for sustained development. In an interview published by Granma International weekly, the specialist said the country has been able to solve numerous power needs for social and economic targets in areas isolated from the national grid. There are applications such as the photo-voltaic electrification program for family doctor offices in the mountains and isolated rural areas, with more than 400 installations up and working; mountain hospitals, boarding schools, social centers; 2,364-plus elementary schools where TV and VCR equipment was installed. (*Prensa Latina*, 15/7/06)

**July 21:** Canadian engineering graduate Dwayne Wohlgemuth discovered that unlike many underdeveloped countries, the Cuban population that goes without electricity is limited to 4.5 percent. Dwayne Wohlgemuth traveled to Cuba for an internship to immerse himself in yet another culture while working with solar electricity projects in rural communities, says The Gateway, University of Alberta website. Wohlgemuth participated in an existing six-year program, started by Cuban organizations, to install 60 solar panel systems and four medical clinics. "The first installation we

helped with, for example, was a nine kilowatt system for a high school in a remote mountainous area," Wohlgemuth explained. "A nine kilowatt system is quite huge for solar, including 90 solar panels with a total area of approximately 100 square meters. This is now the second biggest solar electricity system in Cuba." (*Prensa Latina*, 21/7/06)

**July 27:** Using its own resources, Cuba will soon start building its first eolian park in a northeastern coastal area, which is ideal to develop that alternative energy source from wind activity. Vladimir Alvarez, a specialist of the Integral Directive Board of the Eolian Project in Holguin, told the press ground movement will start in August on the Gibara coast, where six generators will be placed. That equipment will generate 5.1 megawatts, although the eolian-electrical potential in Holguin is over 500 megawatts, equivalent to the production of the generating units of Lidio Ramon Perez thermoelectric station in Felton area in the same province. Park operations will begin in early 2007, with a design to take advantage of the trade winds from the Atlantic Ocean, which reach this area perpendicularly. (*Prensa Latina*, 27/7/06)

**August 30:** Cuba is testing wind as a source of electricity at the Aeolian Demonstrative Park in Turiguano Island, Ciego de Avila province. Granma daily reported that two towers, 11,083 feet above sea level, is supplying 2,248 people with electricity produced by the north winds. Engineer Adonis Perez Lorenzo, in charge of the two turbine engines, said this first program will counterbalance rising oil prices and depletion of world oil reserves, as well as raise awareness of this renewable alternative energy source. (*Prensa Latina*, 30/8/06)

**September 10:** India's state-run oil company signed an agreement to explore Cuba's Gulf of Mexico waters for oil at a time when US companies and politicians are increasingly concerned over exploration in the area. Cuba Petroleum Director Fidel Rivero Prieto said upon signing the agreement that six foreign companies had signed for 16 of 59 blocks in Cuba's Gulf waters, two companies more than previously announced. Prieto refused to name the two other companies or which blocks they had taken due to possible US objections. "It is up to the companies to announce if they want," he said. India's Oil and Natural Gas Corp's (ONGC) overseas arm ONGC Videsh signed joint production agreements for blocks 34 and 35 covering 4,300 square kilometers (1,660 square miles). (*Reuters, Bloomberg News, The Globe and Mail*, 10/9/06)

**October 3:** Pebercan, oil company quoted as PBC in Toronto's Stock Exchange, announced an increase of 42 per cent in extraction of fuel from its north-western oil fields in Cuba this year, compared to the same period of 2005. Gross daily production at Block 7 in the Cuban north-western oil belt, approaches 21,000 barrels per day, of which 11,500 barrels is Pebercan's share, and that was before the hook up of well STC-302 which has proven successful, according to the company. Subsidiary of Sherritt International which has also signed for four blocks in Cuban waters of the Gulf of Mexico, Pebercan expects that with the two extra wells that will be drilled before year-end, it should be able to achieve the objective of 15,000 barrels per day in her share of production, a 60 per cent increase over 2005. (*Prensa Latina*, 3/10/06)

**October 6:** Venezuela's state-owned oil firm PDVSA has cut its October unleaded gasoline export flow to neighbouring Cuba due to refinery problems, oil traders and ship brokers said. In the past two weeks, PDVSA shut its 54,000 barrels per day cat cracker at El Palito refinery after an electrical outage, and its Puerto La Cruz refinery

was also experiencing operational problems. The export flow stoppage to Cuba was confirmed by a source close to PDVSA. "Venezuela will not be exporting any unleaded gasoline to Cuba in October," said a ship broker in the United States. A PDVSA official did not immediately respond to request for comment. (*Reuters*, 6/10/06)

**October 7:** The Viet Nam Oil and Gas Corporation (PetroVietnam) and the Cuba Oil Company (Cubapetroleo) signed an agreement for oil and gas cooperation. The signing ceremony was witnessed by visiting Vietnamese Minister of Industry Hoang Trung Hai and Cuba's Government Minister Ricardo Cabrisas. In a working session the two ministers dealt with the two countries' cooperation, especially in the industrial field. The two countries were cooperating in basic industries, metallurgy, light industries and the food-processing industry. (*Vneconomy*, 9/10/06)

**October 19:** Cuban chemists look for new technologies that allow efficient use of renewable energy sources, said the president of the Cuban Chemistry Society Doctor Alberto Nuñez Sellen during the 27 Latin American Chemistry Congress, underway in Havana. The challenge facing our professionals is to find ways that make the country increasing independent from oil-based fuels, with the growing use of renewable energy sources and ecologic systems that have a positive impact on the planet's environment, the expert said. In statements to the press, Doctor Nuñez said that chemistry can make its contribution to the development of the Cuban national energy program. He explained that some energy sources that can be exploited in Cuba include sun and wind energy, while the combustion of hydrogen is another challenge ahead. (*ACN*, 19/10/06)

**October 20:** Montreal-based junior Pebercan is gearing up for further development of its Santa Cruz field in Cuba's Block 7. Pebercan exploration manager Patrice Bedu said the company plans to spud three more wells this year as part of its Cuban oil programme. Santa Cruz is currently producing about 6,000 barrels per day, with output expected to reach commercial levels by the end of this year, possibly in November. Ongoing development and well drilling at the field should allow the company to take crude output to 15,000 bpd by the end of 2007, he said. Located off Cuba's northern coast between Havana and Matanzas, Block 7 holds three oil fields, including Santa Cruz, where horizontal wells on the shoreline tap deep into a stack of carbonated thrust sheets offshore. The other two fields in the block are Canasi and Seboruco. Pebercan holds a 60% stake in Canasi and 55% in Seboruco, with the two fields operated by Canadian oil producer Sherritt. (*Upstream*, 20/10/06)

**December 26:** The final stage of installing a large area of wind generators on the Isla de la Juventud in southwestern Cuba is near completion. "The alternative energy source is part of the island's Energy Revolution," explained Yadira Garcia Vera, minister of Basic Industry, during a tour of the project site. Garcia's ministry is charged with electricity generation for the island. Garcia spoke with workers in charge of erecting the 55-meter-high generators built with French technology. Unlike earlier models, these generators can be dismantled in case of an approaching hurricane. The Isla de la Juventud was selected for the project because of its continuous winds. The system hopes to generate 1,650 KW of electricity. (*Granma*, 26/12/06)

**December 26:** Energy production from natural gas originating in wells on the northwest coast of Cuba will reach 400 megawatts of power starting the first semester of 2007. The increased output is the result of investments by the ENER GAS

Company, said Engineer Alberto Villalonga, the vice general manager of the company. At the facilities, like those in nearby Varadero, gas from oil wells is extracted, cleaned and processed for use in the generation of electricity that is supplied to the nation's power grid and as raw material for gas manufacturing plants in Havana. ENER GAS is the first company on the island whose equipment was designed especially for this type of high efficiency output, cleaning 90 percent of the gas that it receives. (*Periódico 26*, 26/12/06)

**December 26:** Nickel has been Cuba's top traditional export product since 2000, and in 2005 it was once again the country's top source of foreign exchange, along with services and the biotechnology sector. However, Canadian firm Sherritt International announced an estimated shortfall of 3,000 tons at an ore-processing plant it operates in partnership with Cuba. This means that the national production target of 76,700 tons for this year, a modest increase over production in 2005, is unlikely to be met. The Cuban-Canadian joint venture Moa-Níquel (formerly Pedro Soto Alba) S.A. said in its report for the first quarter of 2006 that it would have to readjust its planned output target of 33,000 tons for 2006 downward to 30,000 tons, because of bottlenecks in the production process, apparently in the first quarter. "So far, strong prices have compensated for the decline in production," a Cuban researcher who wished to remain anonymous told the press. Total Cuban nickel production in 2005 amounted to 75,900 tons, similar to output for 2004, and a very modest increment of 1.1 percent was planned for 2006. Given the upward trend in international prices, which crossed the \$20,000-a-ton mark in 2000, the Cuban government designed an ambitious plan for a gradual increase in production. Last year, Cuba reached an agreement with Sherritt International for expanding production at the Moa-Níquel plant, and incorporating the latest technology at a Canadian cobalt-nickel refinery, financed with more than \$500 million contributed equally by both partners. The expansion of the Moa-Níquel plant was intended to increase output by 16,000 tons year, or about 50 percent, by the end of 2008. But Sherritt itself has now announced that the plans to increase Moa-Níquel's capacity will have to be reviewed, and are now forecasting staged production increases of 4,000 tons for 2008, 9,000 tons in 2009, and a further 3,000 tons by 2011. (*IPS*, 26/12/06)

**December 26:** The ferronickel factory, also to be located in Moa, is expected to produce 68,000 tons a year of iron-nickel alloy. Conceived as a joint venture, Cuba will own 51 percent of the shares and the Chinese Minmetals group the remaining 49 percent. There are plans for China to invest in a fifth processing plant, to be built close to the ore reserves at San Felipe in the eastern province of Camagüey, which would increase Cuban nickel production to 120,000 tons a year (up from its current 76,000 tons) in the future. China is to invest more than \$1 billion in the Cuban-Chinese San Felipe project, according to the agreements signed by Fidel Castro and President Hu in Havana. Without going into details, Venezuelan President Hugo Chávez said in Caracas on December 14 that Venezuela and Cuba are planning to manufacture stainless steel with Cuban nickel and Venezuelan iron. It is estimated that China absorbs half of Cuba's total nickel output, and would be capable of buying up the other 50 percent, according to experts, because China is the world's top producer of steel, and its industry is still expanding. Experts concur that until the day oil starts gushing from the underwater reserves in the Cuban zone of the Gulf of Mexico -- China is also involved in oil exploration there -- nickel is important as collateral for the loans Beijing has given Havana in recent years. China is now Cuba's second-largest trading partner, after Venezuela. Trade between Cuba and China was worth more than \$1 billion in 2006, and the Asian giant is providing the Caribbean

country with large amounts of soft credit. According to the US Geological Survey, world nickel production stood at 1.5 million tons in 2005. Russia, the United States, Canada, Australia, Norway and Cuba are the world's foremost producers of nickel, a non-ferrous metal used in a large number of industrial processes. (*IPS*, 26/12/06)

## FOREIGN INVESTMENTS AND TRADE

### Africa

#### Guinea Bissau

**June 19:** The Guinea Bissau Tourism Minister, Francisco Conduto de Pina, began an official visit to Cuba, invited by his Cuban counterpart, Manuel Marrero. Conduto de Pina told the press Cuba's experiences in tourism can contribute to related plans in his country, and highlighted Cuban collaboration in the development of education and health in his country. (*Prensa Latina*, 19/6/06)

#### Zambia

**April 18:** The 10th Session of the Cuba-Zambia Joint Commission for the Economic, Technical and Scientific Collaboration will kick off in Havana, to review bilateral cooperation in health and other sectors. According to a note from the Cuban Ministry for Foreign Investment and Economic Collaboration, the meeting will be presided over by the island's Minister Marta Lomas and Zambian Finance and Planning Minister Peter Ngandu Magande. (*Prensa Latina*, 18/4/06)

### Arab countries

#### Iran

**February 18:** Iran Export Development Bank and Cuba Foreign Bank signed an agreement to facilitate export of Iranian goods as well as engineering and technical services to Cuba. The Majlis press and news affairs department reported that the two countries' speakers of parliaments were present in the signing ceremonies. The agreement stipulates for the Iranian bank to allocate up to a 90 million dollars ceiling for credit facilities. It is estimated that Tehran-Havana trade will top 50 million dollars this year. Iran has a positive trade balance with Cuba. (*IRNA*, 19/2/06)

**March 11:** Iran and Cuba signed an agreement based on which Iran will build a cement plant in this Latin American country. In addition to the \$200m agreement concluded for building the cement production plant, Iran has also agreed to construct a power plant aimed at generating at least 500 to 1,500 megawatts of electricity in the island. Also, the Islamic Republic will supply the raw materials and chemicals needed for rubber and plastic production in Cuba, the report quoted an official at the Islamic Republic's Ministry of Industries and Mines as saying. Based on a short-term agreement Iran has undertaken to, through its tractor manufacturing plant in Venezuela, provide tractors needed by Cuba, Mohsen Shaterzadeh said in Tehran.

Trade volume between Iran and the Caribbean island state has increased from the earlier \$20m to about \$90m, he commented predicting that, "the trade volume between the two countries is expected to hit \$600m soon." (*Tehran Times*, 11/3/06)

**April 8:** Cuba's Minister Without Portfolio Ricardo Cabrisas and Minister of Transportation Carlos Manuel Pazo in separate meetings with Iran's Ambassador to Cuba Ahmad Edrisian in Havana called for expansion of bilateral ties. As the Head of the Iran-Cuba Economic Commission, Cabrisas reviewed joint achievements in the domain of trade and economy and stressed that his country is determined to bolster its economic exchanges with Iran. He hoped that given the recent visit of Majlis Speaker, Gholam-Ali Haddad Adel to Havana and those of numerous Cuban delegations to Iran in the current year, the next joint commission meeting will be more fruitful. For his part, Pazo, who is just back from his recent visit to Tehran, expressed satisfaction with the result of his trip and the growing trend of mutual ties. (*IRNA*, 8/4/06)

**April 11:** The Export Development Bank of Iran (EDBI) will finance the development of two industrial projects in Cuba, Iran's ILNA news agency said. In its bid to export technical and engineering services abroad, EDBI will finance water treatment projects and the building of water pumping stations in the Latin American country, the managing director of the bank said. The bank has undertaken to finance 85 percent of the 4.5-billion euro contracts, the director added. The funds are scheduled to be repaid in ten consecutive installments and in a five-year period, he explained. The Export Development Bank of Iran is also planning to, in the near future, finance the export of train carriages to the Caribbean state. (*IRNA*, 12/4/06)

**April 22:** The Iran-Cuba Joint Economic Commission concluded its 11th session in Tehran. The Cuban delegation was headed by Minister of State Ricardo Cabrisas, while the Iranian delegation was headed by Minister of Agriculture Jihad Mohammad Reza Eskandari. Iran's deputy ministers of industries and roads and transportation as well as several of its economic and trade officials and the Cuban ambassador to Tehran also participated in the meeting. During the meeting, the heads of the two delegations announced that the two sides held identical views on the need to expand their political and economic cooperation at the international level. (*Asia Pulse*, 24/4/06)

**July 15:** The Iranian ambassador to Havana Ahmad Edrisian met with the Cuban Minister of Light Industries to discuss matters of mutual interest. During the meeting, José Hernández Bernárdez stated he would do anything for broader cooperation with Iran. The Ministry of Light Industries of Cuba is in charge of supplying a variety of products from textile and leather products to cosmetics and toiletries and from detergents to industrial commodities. (*Tehran Times*, 15/7/06)

**August 9:** Iran and Cuba discussed avenues for bolstering bilateral cooperation in the technical and industrial fields. Cuban Minister for Basic Industries Yadira Garcia Vera, during a meeting with Iranian Ambassador to Havana Ahmad Edrisian, outlined the two countries' cooperation in the field of electricity and in the oil and cement industry in past years and expressed her country's readiness to further promote mutual cooperation in the future. Tehran and Havana have ample grounds for cooperation, Garcia said, and expressed Cuba's interest in expanding cooperation with Iran in various areas. (*IRNA*, 9/8/06)

**October 11:** Iran is planning to export 100 freight train wagons to Cuba. Exports Development Bank of Iran (EDBI) has financed 85 percent of the seven-million-euro contract on the export of 100 freight train wagons from Iran to Cuba, the local press reported in Tehran. Earlier, the bank had undertaken to finance the export of 250 freight train carriages including 100 cement carrier and 150 trailer wagons to the Latin American nation. The bank has also helped develop major projects in Cuba including the building of sewage pumping station and water treatment facilities there. Based on the report, EDBI has so far earmarked around \$200 million euros loans for development of various projects in Cuba. (*Tehran Times*, 12/10/06)

**December 16:** Iran's ambassador to Cuba discussed expansion of economic and trade ties with Cuban deputy foreign trade minister. According to Iranian Embassy in Havana, Iran's Ambassador to Cuba Ahmad Edrisyan in a meeting with Deputy Minister of Foreign Trade Pedro Luis Padroon stressed the necessity of strengthening and expanding economic cooperation in different fields. "Iranian companies are ready to attend in Cuba and participate in executing industrial plans there", the Iranian Ambassador said. The Cuban official, for his part, referred to the friendly relations between the two countries in recent years and called for enhancing the level of cooperation. He pointed out the economic and commercial ties between Iran and Cuba should be promoted further. (*IRNA*, 16/12/06)

## Syria

**September 10:** The Chamber of Commerce of the Republic of Cuba and the Federation of Syrian Chambers of Commerce have agreed to promote bilateral trade. The negotiations were held in the National Hotel of Havana, and led by Frank Abel Portela Chacón, secretary general of the Cuban Chamber of Commerce, and Bashar Nouri, secretary general of the Syrian federation. (*WDS*, 12/9/06)

## Asia

### Azerbaijan

**September 28:** Azerbaijan's Foreign Minister Elmar Maguerramm Mamediarov began his first official visit to Cuba. On arriving in Havana, Mamediarov and his delegation said they will explore potential agreements on the energetic sector. They will also sign on the creation of a joint commission for bilateral cooperation. The Baku foreign minister met with Ricardo Alarcon, president of Cuba's National Assembly, and is expected to meet with Juan Almeida, vice president of Cuba's Council of State, and Basic Industry Minister Yadira Garcia. (*Granma, Prensa Latina*, 29/9/06)

## Bangladesh

**March 29:** Cuba is interested in setting up joint venture pharmaceutical industries in Bangladesh to share its advancement in the treatment of cancer and other diseases.

This was stated by Delhi based Cuban Ambassador to Bangladesh Juan Carretero Ibanez, when he called on Prime Minister Begum Khaleda Zia at her office. The Prime Minister welcomed Cuba's eagerness and called for importing quality medicines that are being manufactured in Bangladesh. ( *Bangladesh Observer* , 31/3/06)

## China

**January 15:** China became Cuba's second-largest trading partner after Venezuela in 2005, but Chinese companies worry about collecting payment for their increasing sales of durable goods to the island, a Chinese diplomat said. A \$500-million (US) Chinese investment in Cuba's nickel industry, announced more than a year ago, is still under negotiation, China's commercial counsellor in Havana, Yang Shidi, said. China's growing influence on the Cuban economy is evident on the streets and in the shops, where Chinese goods such as toys, clothes and sports equipment have replaced imports from other countries. Spanking new air-conditioned buses made by China's Yutong Bus Co. Ltd., the first of 1,000 sold to Cuba, make a sharp contrast with the vintage American cars still motoring along Cuban streets. China is selling Cuba television sets, electric cookers, rice steamers and light bulbs. Cuba wants to buy one million Chinese refrigerators as part of its energy-saving plan to replace decades-old household appliances. Twelve diesel locomotives arrived by ship from China a week ago to upgrade Cuba's railway system. "Two-way trade has reached record levels and we hope it will continue to expand steadily," Mr. Yang said. The sales to Cuba are financed with millions of dollars in credits extended largely by the exporting companies themselves, Mr. Yang said. "China is a market economy and the companies take their own decisions and risks (...) The worry the companies have is how they will get paid for the growing sales," he said. (*Reuters*, 16/1/06)

**February 12:** Fidel Castro met with visiting Chinese State Councillor Chen Zhili, at the Chinese embassy in Havana. Castro said the rapid economic development of China has become one of the engines behind the growth of world economy. He also spoke highly of the "putting people first" governance philosophy upheld by the Chinese Communist Party and the Chinese government and the "scientific concept of development". On Cuba's domestic situation, Castro said that in view of the hiking world oil prices, his government has placed high priority on energy conservation in the country's economic work. Cuba is ready to cooperate with China in this field, he added. (*Xinhua*, 13/2/06)

**February 17:** During his address at the official ceremony of the delivery of Chinese buses to the island, Fidel Castro highly praised the importance of the collaboration with China in the field of transportation. Castro said that the deal for 800 of the 1,000 buses bought in July prove the remarkable moment Cuba is living. The Cuban leader extolled the Chinese authorities' respect during the negotiations and said that the deal to purchase buses, like the purchase of 12 locomotives last January, were calmly and consciously transacted, in accordance with the practice of meeting financial obligations without the smallest delay. He also referred to a deal with the Chinese firm Yutong for the purchase of 8,000 inter-provincial, municipal, urban, school and tourism buses. (*Prensa Latina*, 17/2/06)

**February 20:** Trade between Cuba and China is growing at a breathtaking rate, and is the most visible expression of the close ties between the two countries, which appear to have overcome past differences and reached a high point in their relations. In the space of just one year, from October 2004 to October 2005, bilateral trade

increased from 551 million dollars to 775.3 million dollars, moving the Asian giant up from fourth to second place among Cuba's trading partners. Trade with China is likely to climb quickly to the one billion dollar level, and Cuban foreign trade experts call Beijing "the most dynamic agent" in the economy of this socialist nation. Chinese exports to Cuba include domestic appliances, the machinery for manufacturing bicycles, and equipment to modernize the country's telecommunications, for a total cost of 200 million dollars. Havana in turn exports sugar, nickel, tobacco, Biorat rat poison, the medical drug interferon, high-technology medical equipment, vaccines and shellfish. So far, the two nations have entered into ten joint ventures, according to the Ministry for Cooperation and Foreign Investment. Official sources informed IPS that China has extended credit of 400 million dollars to pay for infrastructure and development exports. ( *IPS* , 20/2/06)

**February 24:** Tang Rouxin, president of SINOSURE, China's leading export and credit insurance corporation, concluded a visit to Cuba with promising results for trade between the two nations. SINOSURE is the official Chinese institution that finances the country's exports. It has growing annual operations in world trade, which exceeded 22 billion dollars in 2005. As a result of the visit by the Chinese official, a memorandum of understanding was signed between SINOSURE and Cuban authorities, which offers a financial framework to cover the dynamic growth in commerce between Cuba and the People's Republic of China. Government Minister Ricardo Cabrisas and Central Bank Minister-President Francisco Soberon signed the document on behalf of Cuba, in a ceremony that was presided over by Fidel Castro. (*Granma*, 27/2/06)

**March 7:** Cuba is turning to Chinese companies rather than western ones to modernize its crippled transportation system at a cost of more than \$1bn, continuing a trend of favouring the fellow Communist country that has made Beijing Cuba's second trading partner after Venezuela. Buses plying Cuba's highways increasingly come from the Yutong Bus Company and railway locomotives from the 7th of February works on Beijing's outskirts. Cuba's ports are being revamped with Chinese equipment, in part, to handle millions of Chinese domestic appliances that began arriving last year. Oil rigs along Cuba's northwest heavy oil belt boast Chinese flags, and this is only the beginning, Fidel Castro has said. Cuba's "maximum leader" announced in February he was negotiating personally the purchase of 8,000 buses to be partially assembled on the island. In addition, was a deal for 500 Chinese railway cars and thousands of trucks and cars. China reported 2005 bilateral trade between the two countries up to November was \$777m, up 62.5 per cent year-on-year. The increase was mainly due to \$560m in Chinese exports to Cuba, up 91 per cent. China has provided Cuba with about \$500m credit to cover the development of communications and electronics. But direct investment between the countries is only about \$100m. Plans jointly to produce nickel and cobalt have yet to materialise. (*Financial Times*, 7/3/06)

**March 9:** China will auction 200,000 tonnes of raw sugar from state reserves and another 200,000 tonnes arriving from Cuba during the first half of the year, the Ministry of Commerce said. For the Cuban sugar, the refining fee was set between 240 and 280 yuan (\$29.80 and \$34.79) a tonne. China expects to import three cargoes of Cuban sugar in April and another three in May, the document said, for a total 100,000 tonnes each month. (*Reuters*, 9/3/06)

**August 17:** The Cuban Minister of Finances Georgina Barreiro arrived in the southern Chinese city of Guangzhou on the first stop of a work visit and exchange of

experiences with the Asian nation. The minister is accompanied by the vice ministers Alejandro Gil and Jose Ely Llaguno, and will go to economic centers of Guangdong province, an important industrial center of the southern part of the country. "The objective of our stay is to strengthen ties between the Cuba Finance Minister and the China Treasury Department," Barreiro said. (*Prensa Latina*, 17/8/06)

**September 1:** Esteban Lazo, member of the Political Bureau of the Communist Party of Cuba met with the Chinese Minister of Radio, Film and Television. The two officials held talks about topics related to audiovisual matters and expressed their satisfaction with the exchange, which began with a visit by Lazo to China in July, followed by a trip by the president of the Cuban Institute of Radio and Television, Ernesto Lopez. Cooperation between the two nations in this area is expected to produce several bilateral agreements. The first step has already been implemented with the broadcasting of Chinese Television in Cuba and the Cubavision Internacional channel in China. In both cases, transmissions are aimed at tourist resorts. Wang Taihua attended the inauguration of a TV broadcasting center at a beach resort in Cayo Coco, on the Cuban northern coast. The tourist resort now offers three channels broadcasting Chinese Television in Chinese, English and French. (*Granma, AFP*, 1/9/06)

**October 17:** The 4th session of the Cuba-China Business Committee ended with the signing of an action plan for 2007, according to Cuban diplomatic sources. The session, attended by representatives from sectors like transportation, tourism, electronics, fishing and others, took place in the context of the 100th edition of the Guangdong International Fair, held in the southern city of Guangzhou, China. About 50 representatives from Cuban companies and entities and 100 Chinese businesspeople from several branches of economy and trade took part in the exchange of information and experiences. The Cuban delegation is made up of Iron and Steel Industry Minister Fernando Acosta, Cuban Business Committee Pedro Alvarez, and Cuban ambassador Carlos Miguel Pereira. (*Prensa Latina*, 17/10/06)

**October 19:** Cuba and China have agreed to launch a biotechnology venture to develop neurotechnology products in China, official Cuban media announced. Raul Morgalo, deputy chief at Cuba's Neurosciences Institute, and Xihong Wu, a representative of the University of Beijing, signed a letter of intent on the deal after two-day bilateral talks in Havana, the Cuban Communist Party newspaper Granma reported. The venture will be the third between the two countries. The first two biotech ventures produce and market products from Cuba's Molecular Immunology Center and its Biotechnology and Genetic Engineering Center. (*AFP*, 19/10/06)

## Japan

**March 22:** The Cuban Minister of Government, Ricardo Cabrisas, briefed a group of Japanese businessmen, government officials and lawmakers on the current situation of the island's economy. The performance of Cuban commerce in 2005 and its future perspectives, especially in relation with Japan, were topics that generated great interest among the participants. Mr. Cabrisas, on an official visit to Japan since March 19, held talks with deputy and former Prime Minister, Yoshiro Mori, and with Parliamentary Secretary, Takuya Hirai. (*A/N*, 22/3/06)

## Laos

**May 26:** The governments of Laos and Cuba have entered into an agreement to continue cooperation in the health care sector from 2006 to 2010. A Memorandum of Understanding (MOU) was signed in Vientiane by Mr Chaleun Yearpaoher, President of the Laos-Cuba Friendship Association and Mr Pedro Luis Hildalgo Pardo, Deputy Minister for Health in Cuba. Under the agreement, Cuba will dispatch medical and healthcare experts, including heart specialists and obstetricians to help upgrade medical personnel in Laos. (*KPL*, 26/5/06)

## Malaysia

**April 4:** The Third Joint Committee Meeting between Malaysia and Cuba will be held in Havana, from April 3-5. The ministerial-level meeting on April 5 will be co-chaired by Malaysian Foreign Minister Syed Hamid Albar and Cuban Informatics and Communications Minister Ignacio Gonzalez Planas. The JCM will provide both countries with an opportunity to review the progress in various areas of cooperation, including biotechnology, trade, agriculture, youth and sports exchange programmes, health, medicine, science and technology, education and training. The Malaysian senior officials delegation will be headed by the Foreign Ministry's Secretary-General Rastam Mohamed Isa while the Cuban side will be headed by Raul Torres Perez, Director of Asia, Middle East and Oceania of its Foreign Investment and Economic Collaboration Ministry. (*Thai News Service*, 4/4/06)

**April 6:** As co-chair of the Third Session of the Intergovernmental Commission for Bilateral Economic and Scientific-Technical Collaboration, taking place in Havana, Malaysian Foreign Minister Datuk Seri Syed Hamid Albar noted that cooperation between Malaysia and Cuba has increased to satisfactory levels, especially in the spheres of biotechnology and computer sciences. In this regard, he noted that arrangements are underway for the creation of a joint company to provide computer services, and that there has been a boost in the ties between Malaysian universities and the University of Computer Sciences in Havana. New possibilities of cooperation were also identified in the areas of trade, biotechnology, finances, investments, sports, culture, technology, oil, gas and transportation, among others, said the Malaysian foreign minister. (*Granma*, 7/4/06)

## Vietnam

**March 6:** Cuban Minister of Economic Cooperation and Foreign Investment Marta Lomas and her Kuwaiti counterpart penned an economic and technological agreement, Viet Nam's News Agency reported from Cairo. The accord stipulates that both sides will set up a joint committee under the co-chairmanship of the Kuwaiti Finance Minister and the Cuban Minister of Economic Cooperation and Foreign Investment. The committee will meet annually to discuss ways to promote bilateral cooperation between the two countries. (*A/N*, 6/3/06)

**April 5:** A Cuban delegation headed by Deputy Foreign Trade Minister Pedro Luis Padron is in Vietnam to attend the Hanoi 2006 Trade Fair. Padron said that this fair is Vietnam's most important trade event and Cuba's objective is to promote Cuban exports and increase business ties between both countries. "We will be in Vietnam with samples of the most important Cuban companies, mainly in the health sector and although there is a working relationship in this area, we want to explore new

alternatives," said the Cuban representative. The Cuban diplomat emphasized that during Expo Hanoi the third session of the Cuba-Vietnam bilateral Business Committee will be held with the objective of increasing commercial contacts. (CAN, 5/4/06)

**August 17:** Cuban Finance Minister Georgina Barreiro Fajardo concluded a visit to Vietnam, which was termed very positive for its exchange and future perspectives. "Talks took place frankly in an atmosphere of friendship and cooperation. They were always on the alert to give us all the information we need," the minister told Prensa Latina. Barreiro arrived in Hanoi on August 15, accompanied by deputy ministers Alejandro Gil and Jose Eloy Llaguno, to fulfill an intensive two-day working agenda. The aim, she said, was to learn the strategy of development of three issues: budget control, the tax system and the treasury. Vietnamese Finance Minister Vu Van Ninh welcomed the Cuban delegation, and expressed his willingness to strengthen and expand working relations. The Cuban official, Gil and Llaguno flew to the southern Chinese province of Quangdong, an important industrial zone. Then, the visitors will go to Shanghai, relevant financial center, and finally to Beijing. The aim of this visit, said the minister, is to revise aspects of the Finance and Prices Ministry and the role played in all cooperation programs we have with China. (*Prensa Latina*, 17/8/06)

**October 7:** Cuban Vice Minister for Foreign Investment and Cooperation Ramon Ripoll visited the northern province of Hung Yen to review construction projects supervised and carried out by Cuban advisors in Vietnam. Ripoll was received in the provincial office of the Cuban consulting firm Quality Courier International (QCI) whose general director Rasciel Alvarez gave detailed information on the six major road plans the entity advises in this country. Projects amount to 1,382 kilometres long, 116 of them four-lane highways with complex construction systems due to the soft ground, 410 bridges and more. (*Prensa Latina*, 7/10/06)

**November 25:** Vietnam and Cuba are ready to deepen formal cooperation after signing a memorandum of understanding for the construction of a biotechnology center with Cuban assessing in this Asian nation. The protocol was inked by Luis Herrera, general director of Havana-based Center for Genetic Engineering and Biotechnology (CIGB), and Nguyen Thu Van, general director of Company for Vaccines and Biological Production (VABIOTECH). Cuba will grant technical assistance for the designing of a center in Hanoi, and will train technical and specialized staff who will work in that institution. (*Thanhnie News*, 25/11/06)

## Canada

### Energy

**February 15:** Completed down to 3 465 metres in the west part of Bloc 7, the Tarara 100 well, operated by Pebercan, was successfully production-tested. The oil quality is similar to that of the Santa Cruz find which is significantly better than Canasi and Seboruco. The well has found a new shallow field different from the conventional objective of Veloz carbonates. The company is running long-term production and pressure tests to assess the extent and quality of this new potential field, which is at the limit of the available seismic data. Depending on the results of these tests, an evaluation program will be prepared to develop this new oil reservoir.

However, pending the result of the current surveys and tests, there is still nothing to confirm that the productive structure revealed can have a significant impact on the company's reserves. (*Pebercan Press Release, 15/2/06*)

**May 25:** Sherritt International Corp. held its annual meeting in Toronto. The bulk of Sherritt's businesses are based in Cuba, where it has nickel and cobalt mining operations, oil and gas production facilities, and an electricity-generating operation using natural gas. The importance of the Cuban assets was reflected by the fact that two ministers from the Cuban government flew to Toronto to attend the Sherritt annual meeting. (*Globe & Mail, 26/5/06*)

**October 3:** Pebercan, oil company quoted as PBC in Toronto's Stock Exchange, announced an increase of 42 per cent in extraction of fuel from its north-western oil fields in Cuba this year, compared to the same period of 2005. Gross daily production at Block 7 in the Cuban north-western oil belt, approaches 21,000 barrels per day, of which 11,500 barrels is Pebercan's share, and that was before the hook up of well STC-302 which has proven successful, according to the company. Subsidiary of Sherritt International which has also signed for four blocks in Cuban waters of the Gulf of Mexico, Pebercan expects that with the two extra wells that will be drilled before year-end, it should be able to achieve the objective of 15,000 barrels per day in her share of production, a 60 per cent increase over 2005. (*Prensa Latina, 3/10/06*)

**October 20:** Montreal-based junior Pebercan is gearing up for further development of its Santa Cruz field in Cuba's Block 7. Pebercan exploration manager Patrice Bedu said the company plans to spud three more wells this year as part of its Cuban oil programme. Santa Cruz is currently producing about 6,000 barrels per day, with output expected to reach commercial levels by the end of this year, possibly in November. Ongoing development and well drilling at the field should allow the company to take crude output to 15,000 bpd by the end of 2007, he said. Located off Cuba's northern coast between Havana and Matanzas, Block 7 holds three oil fields, including Santa Cruz, where horizontal wells on the shoreline tap deep into a stack of carbonated thrust sheets offshore. The other two fields in the block are Canasi and Seboruco. Pebercan holds a 60% stake in Canasi and 55% in Seboruco, with the two fields operated by Canadian oil producer Sherritt. (*Upstream, 20/10/06*)

**December 26:** Nickel has been Cuba's top traditional export product since 2000, and in 2005 it was once again the country's top source of foreign exchange, along with services and the biotechnology sector. However, Canadian firm Sherritt International announced an estimated shortfall of 3,000 tons at an ore-processing plant it operates in partnership with Cuba. This means that the national production target of 76,700 tons for this year, a modest increase over production in 2005, is unlikely to be met. The Cuban-Canadian joint venture Moa-Níquel (formerly Pedro Soto Alba) S.A. said in its report for the first quarter of 2006 that it would have to readjust its planned output target of 33,000 tons for 2006 downward to 30,000 tons, because of bottlenecks in the production process, apparently in the first quarter. "So far, strong prices have compensated for the decline in production," a Cuban researcher who wished to remain anonymous told the press. Total Cuban nickel production in 2005 amounted to 75,900 tons, similar to output for 2004, and a very modest increment of 1.1 percent was planned for 2006. Given the upward trend in international prices, which crossed the \$20,000-a-ton mark in 2000, the Cuban government designed an ambitious plan for a gradual increase in production. Last year, Cuba reached an agreement with Sherritt International for expanding

production at the Moa-Níquel plant, and incorporating the latest technology at a Canadian cobalt-nickel refinery, financed with more than \$500 million contributed equally by both partners. The expansion of the Moa-Níquel plant was intended to increase output by 16,000 tons year, or about 50 percent, by the end of 2008. But Sherritt itself has now announced that the plans to increase Moa-Níquel's capacity will have to be reviewed, and are now forecasting staged production increases of 4,000 tons for 2008, 9,000 tons in 2009, and a further 3,000 tons by 2011. (*IPS*, 26/12/06)

**December 27:** On November 10, 2006, as part of the disclosure pertaining to its financial results for the period ended September 30, 2006, Pebercan Inc. (the "Company") indicated that Cubapetroleo S.A. (Cupet) was almost 2 months late in its payments owed to Peberco Ltd., a subsidiary of the Company, pursuant to the procedure set out in the production-sharing and sales agreements. The Company, through its subsidiary, sells all its oil production to Cupet. Pursuant to such agreements, as at December 31, 2006, there will be an amount totaling approximately US\$69 million owing in relation to the development and operation of Block 7, 55% or US\$37 million of which is to be paid to Peberco and the balance to its partner, Sherritt International (Cuba) Oil and Gas Limited. This amount varies monthly and is based on the amount of contractual payments outstanding, namely those remaining unpaid 90 days after their respective billing date. The Company has intensified the negotiations with the Cuban authorities to find solutions to this matter. In addition, pursuant to the production-sharing agreement, the Company must confirm the amount it will undertake to invest, in 2007, to develop the oil assets. The Company's proportionate share of the expected cost of such investment totals approximately \$65 million, which corresponds to its interest in Block 7's operations. The Company is concurrently pursuing all the abovementioned negotiations with Cupet and hopes to reach an agreement on the amount required to be invested during 2007 as capital expenditure during the third week of January. (*Rigzone.Com, Globe and Mail, Toronto Star*, 27/12/06)

## General

**June 12:** Canadian businesspeople in Cuba are steaming mad about what they say are unfair US trade practices, as American exporters steadily increase their market share in a country Washington officially regards as an enemy state. "This is a serious, serious problem," said Sam Raina, president of the 52-member Canadian Business Club, an association of Canadian companies operating in the Caribbean country. "The Americans are playing very unfair games." Raina says pressure from the US Treasury Department recently caused his Canadian banker - HSBC Bank Canada - to close his corporate and personal accounts and to cancel his credit cards, because he lives and does business in Cuba. "There's no bank in the world that would defy the US Treasury," he said during a recent interview at his office in western Havana. "This has all of a sudden become an issue because U.S. trade with Cuba is getting higher and higher and stronger and stronger. (*Toronto Star*, 13/6/06)

**August 2:** Canadian companies are keeping a close eye on the temporary power shift in Cuba, but experts say little will change in the short term and US policy is likely to have a greater impact in the long run than a new leader. Canada is the Caribbean country's fourth-largest trading partner, and businesses from travel

agencies to meat exporters will be monitoring any developments after an ailing Fidel Castro transferred his duties to his younger brother Raul. For us, it's business as usual," said Michael Minnes, spokesman for Sherritt International Corp., a natural resources company that's the largest foreign investor in the country. "We see Cuba as having a competent and capable government in place and we believe that they're doing what they need to do to manage the situation." Other Canadian companies are more reticent about their business in the country amid fear of reprisals from the US government. An Industry Canada spokeswoman would not immediately provide names of firms operating there. She said the information is confidential and companies typically don't discuss their involvement in Cuba. Sherritt's Cuban operations, meantime, continue to benefit from high commodity prices, Mr. Minnes said. The company, which will release its quarterly financial results today, plans to expand its metal, oil and power enterprises in the country. (*Globe and Mail*, 2/8/06)

**September 20:** Export Assistance Canada accepted applications for Canadian companies that want to join its October 29 trade mission to Havana. The visit will coincide with Havana's International Trade Fair. Participating Canadian companies will have an opportunity to meet Cuban buyers and importers of industrial machinery, as well as purchasers of equipment and materials for the oil, gas and mining industries. Cuban government officials also will be on hand. "With the increasing prices of oil, gas and minerals such as nickel and copper, Cuba is implementing numerous projects of exploration and modernization of their production facilities," Export Assistance Canada said. "These industries are soaring and the demand for new or used machinery, as well as automation processes, is stronger than ever. Construction machinery is also in demand. Banking institutions, some of them doing business in Canada, are very active in Cuba to finance their orders (...) Given especially the absence of American competition, the opportunities for Canadian suppliers in Cuba in the oil, gas and mining industries are numerous." Products in demand in Cuba include industrial and construction machinery, machinery and equipment for exploration, refining and transportation of oil and gas, and machinery and equipment for exploration and production of nickel and copper. (*Metal Bulletin News Alert Service*, 20/9/06)

**October 3:** The IT revolution taking place in Cuba is positioning the country as an attractive outsourcing option for Canadian companies, and a gateway to the Latin American market, according to website OffshoringTimes.com. Cuba has proved masterful in reinventing its economic priorities in troubled times, said the Canadian online news service. Since 1991, Cuba's information technology sector has been developing at warp speed and now consists of about 45,000 highly skilled workers, 38 per cent of whom have specialized degrees. More than 85 per cent of the country's IT industry is concentrated in technical services and software development, highlighted OffshoringTimes. "We've been investing in this sector for the last 14 years and we now have highly skilled IT workers at every level," says Luis Marin, general manager of Avante, the marketing arm of Cuba's Ministry of Information Technology and Communications. "IT doesn't require a lot of investment (...) except in human resources." Canada is Cuba's third-largest trading partner and fourth-largest foreign investor, with more than \$750-million tied up in the island nation, according to Canadian sources. 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 IT talent to work on projects for the Canadian companies and is also developing domestic IT projects. (*Prensa Latina*, 3/10/06)

## Nickel

**April 18:** Cuba, among the world's largest nickel and cobalt producers, has launched a program with Canadian mining firm Sherritt International Corp. (TSX:S) to increase output by about half to 49,000 tonnes annually, state media said. The government's Cubaniquel and Sherritt are now in the "construction phase" of their expanded production program at the Moa mining facility in the eastern province of Holguin, the Communist Party newspaper Granma reported. The daily quoted Cuban Basic Industries Minister Yadira Garcia as saying that the expanded production program was "the toughest goal the Canadians and the Cubans have faced" in the mining program. According to Cuban figures released when the plan was announced a year ago, the expansion will increase nickel and cobalt production at the plant by around 50 per cent, from about 35,000 tonnes in 2004. Nickel is needed to produce stainless steel and cobalt is used for creating alloys necessary for jet engines and in high technology components. The \$450-million-US expansion project had been announced in Havana, in March 2005, by Fidel Castro and Sherritt International President Ian Delaney. Among Cuban attendees to the ceremony were ministers Yadira Garcia (Basic Industry); Marta Lomas (Foreign Investment); Raul de la Nuez (Foreign Trade) and Fidel Figueroa (Construction) as well as local authorities and the nickel industry officials. The Canadian mission was led by Ian Delaney, chair of Sherritt International Board of Directors, Jowdat Waheed, its main manager, and other leaders of the company. (*Prensa Latina, AP, Canadian Press, 18/4/06*)

**October 4:** Sherritt International Corp., a Canadian company that produces nickel and oil in Cuba, plans to expand on the island nation because executives are confident the investment will be safe after Fidel Castro cedes power or dies. Nickel production at Sherritt's Moa facility in Cuba will rise almost 50 percent to 50,000 tons a year by about 2010, Chief Financial Officer Guy Bentinck said at a conference in Toronto. The company also will produce more than 20 percent of Cuba's electricity within the next few years, he said. Shares of Sherritt trade at a discount because of its joint ventures in Cuba, Bentinck said. The executive said he is counting on the company's investment in key parts of Cuba's economy and relationships with the government and workers to secure its investments after Castro leaves office, he said. ``Our relationships in Cuba are exceptional, and no matter who's in power, that will continue," Bentinck said. ``We operate all the assets and control the technology, that's one of the reasons that our position is so strong in Cuba." Shares of Sherritt are discounted because its business in Cuba prevents it from accessing US capital and markets, Bentinck said. (*Bloomberg, 4/10/06*)

## Tourism

**March 21:** More than 600,000 Canadian tourists will visit Cuba this year, which confirms the North American nation as one of the main tourist sources for the island, reported Alexandra Bugailiskis, Ambassador of Canada in Havana. In declarations to the local media, the Canadian ambassador added that commercial bilateral relations are "very good" and that her country is one of the largest investors in the Caribbean island. (*Europa Press, 21/3/06*)

# Caribbean

## General

**February 14:** Carib Cement has turned to Cuba to help supplement its cement production, following the shortfall that the company says was due to inclement weather in October last year. The cement manufacturer had initially publicly stated that it was looking to its sister firm Arawak Cement in Barbados to make up the deficit. However, the company's marketing manager Alice Hyde confirmed that the bulk version came from Cuba. While the cement imported from Cuba was far less expensive than the brand out of Barbados, it attracted a 40 per cent duty because Cuba is not a member of Caricom. (*Jamaica Observer*, 15/2/06)

## Haiti

**December 1:** Haiti and Cuba signed a Cooperation Program for 2006-2007 to serve as a basis to the Joint Commission meeting of both countries. Haitian president Rene Preval and Esteban Lazo, Vice President of Cuban Council of State, penned the documents of the meeting that includes cooperation in 14 sectors and the continuation of Cuban medical aid. The document signed covers the fields of agriculture, fisheries, sports, communications, food production, the sugar industry, culture, steel and mechanic industry, and energy. (*Prensa Latina*, 1/12/06)

## Jamaica

**April 25:** Jamaica will receive a shipment of cement from Cuba to help ease a shortage that is slowing down renovations to a stadium hosting matches for the 2007 cricket World Cup, an official said. The 20,000 metric tons (22,046 tons) of cement will arrive from Havana, said Colin Campbell, the information minister. It's not clear how much Jamaica is paying for it. Jamaica began negotiating with Cuba to supply cement after the main local producer, Caribbean Cement Company Limited, temporarily suspended production in March following claims of substandard product. (*AP*, 25/4/06)

**June 25:** A shipment of 8,000 tons of cement arrived in the Jamaican capital from Cuba-- some two months after officials expected it would arrive. The cement, which will help ease a shortage that has slowed construction on the island, will be issued for local distribution, said Commerce Minister Phillip Paulwell. It was not clear why the shipment was delayed. Paulwell said it is the first of several shipments expected from Cuba to ease the cement shortage. Jamaica began negotiating with Cuba to supply cement after the main local producer, Caribbean Cement Company Limited, temporarily suspended production in March following claims of substandard product. (*AP*, 26/6/06)

**July 3:** A shipment of 250,000 energy-saving light bulbs arrived in Jamaica from Cuba, kick-starting Phase two of the Government's plan to distribute four million fluorescent bulbs to Jamaican households, free of cost. Senator Kern Spencer, State

Minister in the Ministry of Industry, Technology, Energy and Commerce, said the bulbs were at the Kingston Wharf and would be distributed to residents of four constituencies. He said also that 100 Cuban technicians would be arriving in the island to help with the distribution. The bulbs were provided by the Cuban government at no cost for Jamaica. However, the overall estimated retail value of the four million bulbs is \$2 billion. (*Jamaica Gleaner*, 3/7/06)

## Trinidad and Tobago

**February 2:** Cuba and Trinidad and Tobago will increase their relations with the creation of an office to facilitate trade, announced Jerry Narace representative of the Trinidad and Tobago Ministry of Tourism and Trade in Havana. Narace explained that the office will have its headquarters in Havana and will facilitate exchanges, contributing to the elimination of linguistic barriers and differences among the two country's commercial systems. (*Ahora*, 2/2/06)

**October 4:** Cuban farmers will help Trinidad and Tobago revive its anaemic agriculture sector, Trinidad's prime minister said. Trinidad, hoping to curb inflation fueled by high-priced food imports, will set up 10 large farms, two of which will be run with the assistance of Cuban agricultural experts, Prime Minister Patrick Manning said as he introduced his 2007 budget in Parliament. (*AP*, 4/10/06)

## Europe

### Belarus

**April 24:** Contracts totaling \$12 million were signed during a visit of Belarusian Prime Minister Sergei Sidorsky to Havana between April 20 and 23, Prensa Latina reported. The visit also resulted in agreements on cooperation in transport, air service, politics, legal matters, information exchange and municipal services, as well as on the supply of powdered milk and beans to Cuba. The two countries are expected to sign several agreements on cooperation in non-traditional trade areas, Prensa Latina said. Annual trade between Belarus and Cuba currently amounts to \$19 million, according to Cuba's official statisticians. To date, the countries have 17 agreements in the trade, economic, healthcare, product certification and consular spheres. During talks in Cuba, Mr. Sidorsky noted that Belarus could supply tractors, mining equipment and fertilizers to the island and buy refined sugar from it. As far as Cuban sugar is concerned, Cuba is experiencing sugar production difficulties at the moment. Due to the latter fact the sides agreed this year Belarus will buy 100,000 tons of raw sugar. It will be processed at Belarusian companies and sent back to Cuba. (*AP, Belta*, 24/4/06)

**June 26:** Belarus is to supply refined sugar produced from sugarbeet to Cuba, the Belarussian agriculture ministry announced. The agreement was reached during an ongoing visit by a Cuban delegation to Minsk, the Belarussian capital city. Cuban officials will visit Belarussian sugar refineries before July 4 to assess production conditions there, after which contracts would be signed, the agriculture ministry said. (*Dow Jones*, 26/6/06)

**November 21:** Belarusian Deputy Foreign Minister Viktor Gaisyonok has called on Belarus and Cuba to build strong economic relations on the basis of their "very warm and close" political ties. "Today we are above all interested in the stabilization of trade between Belarus and Cuba, the development of relations in the banking and finance spheres, cooperation in biomedicine and an increase in supplies of machines and equipment to Cuba," the official told reporters. Mr. Gaisyonok led a Belarusian delegation to the seventh meeting of the Belarusian-Cuban commission on trade and economic cooperation, which wrapped up in Minsk. (*BelaPAN*, 22/11/06)

**November 27:** Belarusian president Aleksandr Lukashenko, gave his consent for the signing of a Belarusian-Cuban draft agreement on air traffic. The agreement would establish a legal framework for regular air services between the two countries, the Belarusian leader's press office said. It would allow "certain air enterprises" to fly over the territory of the other country without landing and also to land in the other country for "non-commercial purposes." The agreement specifies grounds for cancelling, limiting or suspending licenses to conduct flights, rules for exemption from the payment of duties and taxes, air safety requirements and the operation of agreed services on specified routes, according to the press office. (*BelaPan*, 27/11/06)

**December 28:** Cuba is interested in joint projects with Belarus that would involve other Latin American countries, Cuban Ambassador Omar Medina Quintero said at a news conference held in Minsk. According to the Ambassador, such trilateral cooperation could be established with the participation of Venezuela, Bolivia, Brazil and Nicaragua. "There is quite a number of areas for the development of cooperation between our states," Mr. Quintero said. The ambassador noted that Belarus and Cuba would continue developing bilateral cooperation in education, healthcare and transportation. Institutions of higher learning have already submitted their specific cooperation proposals, he said. A Belarusian-Cuban agreement on cooperation in the educational sphere would provide for the expansion of ties between educational institutions, and an exchange of teachers, postgraduates and students, Mr. Quintero added. (*BelaPan*, 29/12/06)

## Czech Republic

**October 11:** Czech exports to Cuba rose by 57 percent year-on-year to \$21.7m (around Kc480m) last year, the daily Pravo said. The Industry and Trade Ministry has therefore recently drafted a strategy for trade with Cuba, the paper said. Trade between the Czech Republic and Cuba showed a surplus of \$8.3m last year. Cuba was one of the few Latin American countries with which the Czech Republic did not have a trade deficit. In recent years, the Czech Republic has exported mostly agricultural products and food to Cuba. Imports include mainly tobacco and tobacco products, and spirits. Some Czech companies have successfully launched operation in Cuba, Pravo said. Engineering company Skodaexport, for instance, does repairs and reconstructions of transformers in Cuba. It has also entered talks over the renewal of Cuban coal-fired power plants. Motorbike maker Jawa supplies to Cuba components and spare parts for motorbikes which are then assembled there. Company Simplex exports dried milk and other dairy products, hops, malt and beer to Cuba. Spark plugs maker Brisk Tabor has built an assembly hall in Cuba where it supplies semifinished products. Further growth in the development of Czech-Cuban trade is prevented by Cuba's approach to the repayment of its debt to the Czech

Republic, the ministry said. The debt has first to be converted to a freely convertible currency, which Cuba refuses, the ministry added. (CTK, 11/10/06)

## Russia

**February 10:** A Cuban delegation visited a Russian airplane manufacturing plant in Ulyanovsk, about 550 miles east of Moscow, and expressed interest in purchasing three Russian passenger airliners. Cuban Ambassador to Russia Jorge Marti Martinez, who headed the delegation, said Cuba wanted to buy three of the Tu-204 from the plant in Ulyanovsk for Cubana Air Lines. (*Novosti*, 10/2/06)

**March 9:** Cuba has purchased a top-of-the-line Russian airliner for Fidel Castro. The plane is one of two Russian planes being purchased by the communist island for a total price of \$110 million. The other plane will reportedly be used to transport Cuban workers back and forth from Venezuela. Russian manufacturer Ilyushin said Castro's plane was completely customized for the long-time Cuban leader and included state of the art electronics and a sofa bed. To finance the deal, Cuba has paid 15% of the total sum up front, the rest coming from a 10-year loan from Russian banks. (*BBC, UPI*, 10, 11/3/06)

**March 27:** Cuba's flagship airline will buy five more Russian jets, with PS90A engines, the newest engines available. Cubana de Aviacion will buy two Il-96-300s, two Tu-205-100s and a Tu-204S, *Novosti*. Three weeks ago, Cuba received a second Il-96-300 furnished with a VIP cabin for use by Fidel Castro that can be reconfigured for commercial flights, he said. "It is not only for travel by the Comandante," he said, referring to Castro. For trips abroad, Castro has been flying an IL-62 built 30 years ago. Civil aviation authorities in the European Union and other countries no longer allow the plane to land because it does not meet safety standards. Cuban officials had to scramble to get special permission to land Castro's plane in Japan during a trip to Asia in 2003, an Asian diplomat said. (*UPI, Reuters*, 27,28/3/06)

**April 10:** With Fidel Castro looking on, Cuban officials signed contracts for the purchase of five new Russian passenger planes to replace Soviet-era aircraft. The contracts were for two long-haul, wide-bodied Ilyushin Il-96-300s and three medium-range Tupolev Tu-204s, one of them configured for air freight, state-run Cuba media said. Cuba did not divulge the cost of the planes to be delivered in 2006-2007 by Ilyushin Finance Co., a Russian leasing company. Russian news agency Itar-Tass said the five aircraft cost \$250 million and that Cuba will make a 15 percent down payment, with three Russian banks financing the rest with a 12-year loan guaranteed by the Russian and Cuban governments. Cuba has already purchased two Il-96s for an estimated \$110 million to overhaul the fleet of its flag carrier Cubana de Aviacion, which is still flying 30-year old Il-62s. In March, Cubana received the second Il-96 furnished with a VIP cabin for use by Castro for travel abroad that can be reconfigured for commercial flights, Russian diplomats said. (*Reuters*, 10/4/06)

**May 4:** Russia's economic relationship with the island is regaining the momentum lost following the collapse of the Soviet Union, affirmed Russian Ambassador to Havana Andrei Dimitriev. The Russian diplomat pointed that one of the areas in which his country is interested in expanding its trade relations with Cuba is the transport sector. (*AFP*, 4/5/06)

**July 17:** After nearly a decade of urging Cuba to pay off a \$22 billion debt to the former Soviet Union, Russia shelved the issue for indefinite time, Deputy Finance Minister Sergey Storchak made clear. Instead, Prime Minister Mikhail Fradkov will offer a new loan of \$350 million during his visit to Cuba. During a September tour to Cuba, Russia's PM Mikhail Fradkov will suggest to restructure Cuba's debt to Russia and to the former Soviet Union, to fix a settlement schedule and to offer a new loan worth \$35 million, according to Storchak. Cuba's debt to the USSR is around \$22 billion, the deputy finance minister said. Other estimates vary from \$16 to \$25 billion. In Cuba, however, they don't think they owe anything to the USSR. To the contrary, Fidel Castro vowed some time ago Cuba that he may claim damages worth \$30 billion due to the abrupt fall of the USSR. (*SKRIN Newswire*, 17/7/06)

**September 26:** The 7th Cuba-Russia Inter-Government Commission began in Havana, aimed at fostering economic, trade and scientific-technical cooperation. Government Minister Ricardo Cabrisas presided over the Cuban delegation to this meeting, while Grigori I. Elkin, president of the Federal Agency for Technical Normalization and Metrology, led the Russian representation. This session takes place during the visit to Havana of Mijail E. Fradkov, president of the Russian Federation Government. The Russian delegation's agenda includes meetings with Cuban authorities from several ministries and officials from the Institutes of Civil Aeronautics and Hydraulic Resources. (*Prensa Latina*, 26/9/06)

**September 28:** President of the Russian government Mijail Fradkov started a visit to Cuba accompanied by a large governmental and business representation to fulfill a tight work agenda. Fradkov arrived at the Cuban capital accompanied by Deputy Ministers of Finance, Anton Siluanov and Economic Development and Foreign Commerce, Vitali Savelev. The Head of the Federal Service for the Technical-Military Collaboration, Mijail Dimitriev, and the Head of the Russia-Cuba Mixed Commission, Grigori Elkin, and other high-ranking officials are also part of the delegation. The Russian dignitary will hold official talks with Cuban First Vice President Raul Castro and sign various bilateral agreements in the headquarters of the island's Council of State. (*Prensa Latina*, 28/9/06)

**September 28:** Russia agreed to grant Cuba credit worth \$350 million and restructure some of its recent debt during a visit by Russia's prime minister, officials said. Cuban Defense Minister Raul Castro, who is acting president while his elder brother Fidel recovers from intestinal surgery, gave red-carpet treatment to Mikhail Fradkov, the highest-ranking Russian official to come to Cuba since a visit by President Vladimir Putin in 2000. Alexander Bochanov, the press liaison at the Russian Embassy in Havana, said that Russia had agreed to restructure some \$166 million of debt acquired in recent years. The \$350 million line of credit will be used to buy Russian goods and services. It is a 10-year loan with annual 4-percent interest, according to Russia's RIA Novosti news agency, which reported that Fradkov said the credit would be used to help modernize Cuba's energy sector and transportation system, reconstruct water conservation facilities and railroads, and design and deliver air navigation systems. But the question of Cuba's debt from Soviet times - the fantastic sum of 22bn dollars—remains unsolved. Havana does not want to recognize this at all. Russian officials insist that it must be paid, but during this visit they preferred not to broach the subject. (*AP, BBC*, 29/9/06)

# Spain

**August 2:** Commercial ties between Spain and Cuba "will remain excellent regardless of future developments on the island," asserted Fernando Puerto, director of International Relations for the High Council of Spanish Chambers of Commerce. According to Puerto, Spain has to make the best of "its excellent position and reinforce it" in the face of the island's current economic boom, spurred by Chinese credit and Venezuelan fuel oil. (*EFE*, 2/8/06)

**October 6:** After three days of tasting, meetings and exhibits, the 7th International Wine Festival, most important of its type in the country, was closed at Cuba's Hotel Nacional. A group of foreign companies maintain their operations with the Caribbean island and confer a special touch to the international tourism. One of those business examples is the Juanita Mateo S.L Company importing the Fraixenet Spanish cava produced at the region of Penedes in Barcelona. The representative of those sparkling wines, Luis Ortega, is one of the main promoters of the culture of wine in Cuba, founder of the initiative in the Hotel Nacional and organizer of courses to train sommeliers. (*Prensa Latina*, 6/10/06)

**October 19:** During the inaugural day of the Spanish-Cuban Management Cooperation Committee's annual Session in Havana, Spanish entrepreneurs ratified their bet on Cuba and underscored the country's economic stability in the current political juncture. In the months since Cuban leader Fidel Castro temporarily transferred power to his brother Raúl, the Cuban economy has maintained its "normal" patterns and no decisions pertaining foreign firms on the island have been altered, stressed Juan Arenas, Spanish cochairman of the Committee. (*Prensa Latina*, 19/10/06)

**October 20:** Spanish exports to Cuba grew by 40 % in the first half of 2006, consolidating a tendency toward recovery that began in 2005 after four years of stagnation in bilateral trade. Cuba remains the third largest recipient of Spanish exports in Latin America, after Mexico and Brazil. Up until July, sales of Spanish goods to the island had already reached 351 million euros, whereas in 2005 Spain exported a combined 488 million euros worth of goods to the Caribbean nation, 13 % over the previous year's figure. (*El País*, 20/10/06)

**October 24:** According to the president of the High Council of Chambers of Commerce, Javier Gómez Navarro, for the first time in recent years, the Cuban authorities are ready to discuss the country's debt to Spain, which exceeds a billion dollars. (*EFE*, 24/10/06)

**November 20:** Spain is no longer Cuba's main supplier. Excluding oil, Spanish companies ranked first in sales to the Caribbean island for decades. However, China has become the island's number one supplier. Trade and economic councillor for the Spanish Embassy in Cuba, José Luis Lancho de León, said that in 2005 Spanish exports to Cuba grew 13%, up to \$605 million. But this increase was below the 95% growth of Chinese exports to Cuba, which reached \$630 million. (*El Correo Digital*, 20/11/06)

## Sweden

**March 16:** Swedish industrial technology group G & L Beijer AB said it was awarded a 1.2 million euro (\$1.4 mln) order to deliver dry coolers to a major infrastructure project in Cuba. G & L Beijer won the deal via the collaboration of its subsidiaries, Danish distributor TT-Coil A/S and Swedish heat exchangers manufacturer Asarums Industri AB. The order represents a first sub-order to the project, which has a potential of at least 7.0 million euro (\$8.4 mln). Dry coolers conduct away surplus heat from the compressor plant in a cooling system or other industrial processes. They include components such as heat exchangers and fans. (*Swedish News Digest*, 16/3/06)

## United Kingdom

**October 16:** CDC Group, a British government development finance corporation, will sell its 60 percent stake in CariFin, a joint venture with Cuban banks that offers short- and medium-term financing in Cuba, officials said. "This was a decision of our share holders and we are selling to our Cuban partner, the Grupo Nueva Banca," CariFin president Paul Nabavi. CariFin has operated in Cuba since 1997 providing working capital and short-term trade finance to Cuban and foreign companies through loans and the purchase of bills of exchange at a discount. Nabavi said the decision to pull out of Cuba had no connection with the US government's tightened enforcement of sanctions against Havana that has led several international banks to close dollar accounts used by Cuba. (*Reuters*, 16/10/06)

## European Union

**March 10:** According to official statistics , the European Union-Cuba trade balance grew significantly in 2005, following a 31% increase in EU exports to the island and an increment of 28% in European Community imports from the Caribbean nation. European exports to Cuba last year reached 1,272 million euros (approximately \$1,590 million USD) propelled by sales of electrical equipment and optical instruments, as indicated by a report from the Office of the European Commission in Havana. Cuba spent more than 440 million euros (\$550 million USD) purchasing generators and electrical machinery from European manufacturers, mainly power generators from German and Spanish companies to alleviate the energy crisis that besets the country. Also, the island invested next to 140 million euros (\$175 million USD) in the purchase of European optical instruments, mostly from German companies and destined for the so-called "Operation Miracle." (*EFE*, 11/3/06)

## Latin America

### Bolivia

**April 25:** Following the launch of the People's Trade Agreement (PTA) on April 29 in Havana, coca leaves grown in Chapare and the Yungas will be exported to Venezuela and Cuba, President Evo Morales announced in Cochabamba. At the closing ceremony of a departmental party conference, Morales said that the agreement,

which replaces the free trade agreement (FTA), would allow these three countries, initially, to enter into a commercial arrangement. He said that following the PTA's entry into force, all Bolivian products will enter Venezuela and Cuba on a "zero tariff", which is considered positive given the impact it will have on the national economy. (*El Diario*, 26/4/06)

**May 24:** Bolivia is planning to develop a project on the industrialization of the coca leaf with a donation of a million dollars provided by both Venezuela and Cuba, the vice-minister for the Coca and Global Development, Félix Barra, said. "These two countries would be giving us one million dollars", Ibarra said to the press. (*El Universal*, 24/5/06)

**August 14:** Gary Rodríguez, head of the Bolivian Institute of Foreign Trade (IBCE), said that, apart from 5 thousand dollars' worth of bilateral trade posted in 2005, nothing has been imported from Bolivia by the Cuban market. The IBCE indicated that this drop would cast doubt on the efficiency of the Peoples' Trade Agreement (TCP), signed by all three countries last April in Havana. (*EFE*, 15/8/06)

## Brazil

**June 6:** Cuba seeks to increase commercial relations with Brazil, particularly transference of technology in the alternative fuels sector, said a business source. Brazilian sugar-cane producer, Aecio Marcondes, indicated that "last May Cuban officials visited (their) plants". (*Notimex*, 6/6/06)

**November 1:** Commercial exchange between Cuba and Brazil has continued to grow with 352 million dollars this year, said Cuban Deputy Foreign Trade Minister Pedro Luis Padron at Havana's International Trade Fair (FIHAV). During a visit to the Brazilian Pavilion at Expocuba exhibition grounds, Padron and Tilde Santiago, Brazilian ambassador to Cuba, highlighted the business potential of both countries and their increasing trade relations. The Cuban deputy minister underscored the presence of the South American Community of Nations (MERCOSUR) with its own stand at the Brazilian pavilion. Brazil is currently heading the regional organization. (*AIN*, 2/11/06)

## Colombia

**April 5:** Colombia and Cuba are putting aside their ideological differences to negotiate a trade deal. The two countries have agreed to talks aimed at removing trade barriers and extending preferential tariffs, Colombia's government said in a statement. In pursuing a trade deal with Cuba, President Alvaro Uribe, who fashions himself as a dogged free market reformer, seems more concerned about economics than he is about falling in line with Washington's hardline attempts to isolate the communist island. The talks will be similar to free trade talks Colombia recently launched with El Salvador, Guatemala and Honduras. In February, Colombia signed a landmark free trade agreement with the United States. Nonetheless, commercial ties between the two nations are barely in an infant state. The sale of goods and services to Cuba represented just 0.3 percent of Colombia's exports last year and Cuba's share of Colombia's import market was an even more faint 0.03 percent. (*AP*, 5/4/06)

**June 21:** Colombian businesspeople have been in contact with Cuba's pharmaceutical institutions proposing production in that South American nation, the Colombian Minister of Social Protection Diego Palacio Betancourt affirmed in Havana during a visit accompanied by a delegation from his country. The Colombian government is ready to resume purchasing vaccines manufactured in Cuba, as it did from 1992 to 2002, and has decided that it is willing to look for alternative ways to attain "any product necessary for public health which is of high quality and has a good price." During their stay on the island, Palacio and his delegation met with Dr. José Ramón Balaguer Cabrera, member of the Political Bureau and the Cuban health minister and toured several scientific institutions including the Immunoassay Centre. (*Granma Internacional*, 21/6/06)

**September 21:** Colombia and Cuba have concluded with positive results the first round of negotiations aimed at strengthening and increasing the Economic Complementation Agreement between the two countries. Colombian vice Minister of Trade Eduardo Muñoz said that the three days of talks were successful. Muñoz noted that the groups of Health and Phytosanitary measures, Technical Obstacles to Trade, and Controversy Solution met during the first round of talks. The minister of Trade stated that the Controversy Solution group has already concluded its work, Health and Phytosanitary measures has still two points pending, while Technical Obstacles to Trade is the most delayed, but is committed to solve differences as soon as possible. Another Cuban technical delegation will arrive in Colombia on October 2-5 to focus on issues like Access and Origin Norms to markets and will solve aspects that were pending in the first round of talks. (*Prensa Latina*, 21/9/06)

**October 2:** Colombia and Cuba started a second negotiation round to expand and foster the Agreement of Economic Complementation, inked in the framework of the Latin American Integration Association. Cuban Trade Adviser to Bogota Alexis Martinez said the meeting is analyzing issues like access to markets, rules and proceedings. Martinez recalled that the first round held on September 18-20 tackled topics like solution to controversies and technical obstacles to trade, plus health measures. After this gathering, Martinez talked of third and fourth rounds as necessary to conclude the expanding and strengthening of the Agreement of Economic Complementation between the two nations. The increase of bilateral trade links was agreed between Colombian Trade, Industry and Tourism Minister Jorge Humberto Botero, and Cuban Foreign Trade Minister Raul de la Nuez, during the former's visit to Havana in April. (*Prensa Latina*, 2/10/06)

## Ecuador

**November 11:** Cuban experts are studying the restructuring of Ecuadorian electric energy plants to facilitate the use of national fuel and thus contribute to the saving of millions of dollars in that nation. The Cuban technicians will assess the state of the plants in the province of Esmeraldas as well as in the cities of Guayaquil, in southern Ecuador, and Quito, confirmed the commercial office of the Cuban embassy to that capital. The restructuring project will allow the use of the heavy oil as fuel to generate electricity which will contribute to save millions of dollars as the country will not have to import diesel, expert Jose Padilla highlighted. The Cuban professionals arrived in Quito on November 6 and have worked at the Electricity National Council (CONELEC). (*Prensa Latina*, 11/11/06)

# Mexico

**February 10:** Mexican trade surplus with Cuba rose 28.7 percent year-on-year to \$181.9 million (152 mln euro) in the period January to November 2005. Over the last three years Mexico reversed the downward trend that marked its trade relations with Cuba before 2002. While diplomatic relations between Mexico and Cuba have been strained in recent years, trade relations between the two countries have been improving. Mexican exports to Cuba stood at \$200 million (167 million euro) in the first 11 months of 2005, a 26 percent year-on-year increase. The growth rate in Mexican exports to Cuba in the first 11 months of 2005 was the highest one registered since 1995, according to foreign trade data of the Bank of Mexico (Banxico). (*Latin America News Digest*, 10/2/06)

**November 1:** Mexican Ambassador to Cuba, José Ignacio Piña Rojas, inaugurated the Mexico pavilion at the Havana International Trade Fair (FIHAV) and said that Mexico has many bilateral agreements with Cuba on investment, trade, tourism, energy and fishing, among others. The diplomat emphasized that Mexico's main objective for participating at the Fair is to foster and promote business opportunities. (*Mural*, 1/11/06)

# Venezuela

(See also Foreign Affairs/ Venezuela)

**February 1:** Cuba, Venezuela trade amounted to USD 1.2 billion in 2005, said Venezuelan ambassador to Cuba Adán Chávez, brother of President Hugo Chávez. In a news release published by the Venezuelan President's Office, the diplomat stressed that "by the end of 2005, the economic flow boosted by Venezuela-Cuba agreements was around USD 1.2 billion." "Based on production this year, we have a goal to reach USD 2 billion in the two periods," the communiqué added. Adán Chávez added that in October 2005, Caracas and Havana initialed 182 new agreements in the framework of the sixth joint committee intended to assess progress in bilateral relations in the fields of education, health, energy and petroleum. He added that Cuba granted 10,000 scholarships for Venezuelans willing to study community integral medicine. Some 4,500 Venezuelans started these studies last year. (*EI Universal*, 1/2/06)

**February 5:** Fidel Castro offered to send half a million tons of cement to Venezuela, which could be paid for with products, said Venezuelan President Hugo Chávez. In a letter read by Chávez in his Sunday radio and television program *Aló Presidente*, Castro wrote. "I decided to communicate to Chávez that we are in a position (...) of offering half a million tons of cement which can be paid for with Venezuelan products or any other surplus that may be available". (*Reuters*, 5/2/06)

**February 15:** The government of Venezuelan President Hugo Chávez is set to make a new disbursement of petro-dollars to further cement trade ties with Cuba. Luis Quiaro, president of Banco Industrial de Venezuela, the largest Venezuelan state bank, explained that, "We are making a contribution of capital amounting to US\$50 mn for our branch in Cuba. Obviously, this money goes to the parent company, and

is then deposited in our Cuban branch." This money is intended to fund "Venezuelan, Cuban or joint companies," in order to fuel bilateral trade. (*El Universal*, 15/2/06)

**February 15:** Venezuela and Cuba invested some US\$26 million (euro21.9 million) in joint agricultural projects last year, the government news agency reported. Cuban specialists have helped set up chicken, rabbit and pig farms that have benefited 2,500 low-income Venezuelans, under a series of cooperative projects, said Francisco Galan, a vice minister at Cuba's Agriculture Ministry, in a Bolivarian News Agency broadcast. The projects include 33 Cuban advisors in sugar cane and coffee plantations in the Venezuelan state of Lara. The Cuban specialists have also been training Venezuelans in agricultural techniques in the cultivation of aromatic plants and other farming projects, Galan said. (*Business Week Online*, 15/2/06)

**March 7:** The Venezuela-Cuba Industrial Bank (BIV) will receive \$50 million USD, that is to say, \$107 billion Venezuelan bolivars, to finance joint ventures by companies from both countries that are looking to invest in areas of interest to the Cuban economy. Luis Quiaro, President of the BIV, said that this new influx of resources stems from the success of loan transactions from 2005 that aimed at developing the construction sector, sardine exports and the uniform and boots manufacturing plant. (*El Nacional*, 7/3/06)

**March 23:** Venezuela will begin to receive the first consignments of 500,000t of Cuban cement to help resolve the existing supply deficit in the market, local press quoted housing minister Luis Figueroa as saying. However, despite the claims by Venezuela's President Hugo Chávez that the agreement to bring in cement from Cuba was because of shortages in the local market, domestic cement industry sources said that the real problem was the low market prices for the product. These imports of cement from Cuba are merely aimed at forcing the companies to lower their prices even more, said the sector insiders, who were not named by the press. (*Business News Americas*, 23/3/06)

**April 10:** Friendly ties between Fidel Castro's Cuba and Hugo Chavez' Venezuela are now much more than political, opening the way to a burgeoning trade relationship estimated to reach more than \$3.5 billion (euro2.9 billion) this year -- about 50 percent richer than in 2005. The favorable balance converted Cuba last year into Venezuela's third most important trade partner, after the United States and Colombia. The bulk of trade comes from the 90,000 barrels of crude petroleum that oil-producing Venezuela sends to the communist-run island daily, but the South American nation also has increased non-petroleum exports to Cuba in recent months, selling products from construction supplies to chocolate. "The potential grows every day," Adan Chavez, Venezuela's ambassador to Cuba and Hugo Chavez's older brother, told the press in an interview. Among private Venezuelan companies that now have a presence in Cuba is Lamigal, the country's No. 1 manufacturer of galvanized steel sheeting for construction. As for other Venezuelan goods, the president of the government's Industrial Bank of Venezuela, Luis Quiaro, said his country is already exporting a wide variety of products to Cuba, including workers' uniforms, boots, construction materials, and food products such as chocolate, tomato sauce, canned sardines, gelatin, fruit jams and juices. (*AP*, 10/4/06)

**June 24:** Cuba and Venezuela have set up a joint railroad company under the name Empresa para la Infraestructura Ferroviaria Latinoamericana S.A. (Ferrolasa), the Government of Venezuela said on June 24, 2006. The new company is

headquartered in Caracas and will use Cuban experience in the railroad sector. Ferrolasa is expected to officially start operations in August 2006. The main activity of the joint company will be to evaluate new investments in the Venezuelan railroad sector as well as modernisation and maintenance of the railroad infrastructure and installations. Ferrolasa will also provide technical assistance for modernisation and maintenance. Venezuela will hold a 51 percent stake in the joint company, while Cuba will have the remaining 49 percent. The authorisation for the creation of the joint railroad company was published in Venezuela's Official Gazette on June 13, 2006. (*Latin America News Digest*, 24/6/06)

**July 20:** Cuba and Venezuela have agreed to extend their bilateral trade which currently exceeds 3.5 billion USD per year. According to the Venezuelan National Customs and Revenue Superintendent, José Gregorio Vielma Mora, the accord "constitutes the foundation for all the agreements signed by presidents (of Venezuela) Hugo Chávez and Fidel Castro (of Cuba) to promote bilateral trade." (*AFP*, 20/7/06)

**August 30:** As Cuban leader Fidel Castro convalesces in Havana and brother Raul rules temporarily, experts say another man may hold Cuba's future in his hands: Hugo Chavez. The Venezuelan president is propping up the Cuban economy by giving it nearly 100,000 barrels of oil a day virtually for free, according to experts. At today's prices, the subsidy could exceed \$2 billion this year, nearly half the \$4 billion to \$6 billion that Moscow once pumped into Cuba per year. But Venezuela's contributions to the Cuban economy don't end there. It has bought nearly half of the island's aging Cienfuegos refinery and is reportedly providing \$300 million to \$500 million in credit for a number of projects that range from housing to electricity. Venezuela also has opened a shipyard with Cuba in the South American nation's city of Maracaibo and sent thousands to Cuba for eye and other surgeries. Venezuela claims that Cuba pays for the bulk of the oil shipments with an estimated 30,000 to 40,000 medical personnel, sports trainers and teachers deployed in Venezuela to help the poor. But analysts say the deal amounts to a giveaway. "If Castro dies tomorrow, who is going to pay for all those barrels?" asked Jorge Pinon, a former Amoco executive who studies energy issues for the University of Miami's Institute for Cuban and Cuban-American Studies. "If tomorrow Juan Lopez is president [of Cuba] and he wants to forget about this little guy (...) then Chavez can say, 'I am stopping delivery of this, and by the way, you owe me X.' And the next day, the airplanes in Cuba would stop flying, the tourist taxis and buses would stop hitting the highway." (*McClatchy-Tribune Business News*, 30/8/06)

**September 28:** Venezuela is planning to double its presence at the 24th Havana International Fair to take place in October, Havana, as the two countries continue to expand bilateral trade. Gustavo Marquez, the Venezuelan minister for Foreign Trade and Integration, made the statement during the official announcement of the fair. In 2005, Venezuela was represented by 57 private and public businesses and several ministers and financial institutions at the Expocuba fairgrounds. (*Prensa Latina*, 29/9/06)

**October 25:** Venezuelan State Minister for Integration and Foreign Trade, Gustavo Márquez, announced that a line of credit for 220 million USD has been set up with Cuba through the Foreign Trade Bank (Bancoex), allowing exports to the island by more than 120 Venezuelan companies. According to the official, the Venezuelan goods exported to Cuba via this mechanism include construction materials, supplies, as well as plastic and ceramic products, textiles and boots. (*El Universal*, 25/10/06)

**November 16:** Venezuelan airline Aeropostal and Cuban airline Cubana de Aviacion have extended their cooperation agreement, which entered into force in 1999, the Venezuelan press reported on November 15, 2006. The extended agreement enters into force as of 2007. The agreement envisages extending the code sharing agreement to such destinations as Lima, Bogota and Medellin in Colombia, Port of Spain in Trinidad and Tobago, as well as all national destinations. The code sharing agreement also includes all flights of Cubana de Aviacion between Venezuela and Cuba. (*Latin America News Digest*, 16/11/06)

**November 20:** Venezuelan oil experts Humberto Calderón Berti and José Toro Hardy rejected as "swindle" an oil agreement between Venezuela and Cuba, claiming the deal amounts to a mere "barter." According to Calderón Berti, under the agreement Venezuela originally undertook to provide 53,000 bpd of oil, a figure that now exceeds 100,000 bpd. "And Venezuela is receiving no payment for these volumes of crude oil exported." He added that Venezuelans were told Cuba would provide free healthcare services to Venezuela under the agreement, and so far the island has failed to meet this obligation. Calderón Berti stressed that out of the oil exports from Venezuela to Cuba so far -which amount to USD 2.2 billion- USD 555 million are long-term debt, with a three-year grace period and a 15-year term for repayment, which he described as a bad debt. "Venezuela will never get this money back. This debt is endorsed by promissory notes issued by the National Bank of Cuba at a 2 percent interest rate which mean nothing and have no value." He added that Cuba is supposed to pay the remaining USD 1.66 billion by providing free healthcare services in Venezuela. But according to Toro Hardy, and based on the first addendum to the agreement, dated January 1st, 2000, the institutions, agencies and companies of the Bolivarian Republic of Venezuela have to pay for Cuban healthcare goods and services, which means that "Cuba is not giving anything." (*El Universal*, 20/11/06)

**November 22:** The Cuban Agriculture Ministry now works in 28 joint development projects in Venezuela, together with the Venezuelan agricultural authorities. A total of 1,092 Cuban technicians are involved in these projects, including 639 destined to Venezuelan mission Barrio Adentro, by means of which Cuban and Venezuelan doctors are taking care of whole communities with few financial resources for free. This information was provided by Venezuelan substitute Agriculture Minister Maria del Carmen Perez to the participants in the recently held Parliamentary Hearing on the programs of the Bolivarian Alternative for the Americas (ALBA) in Havana. (*Prensa Latina*, 22/11/06)

**November 28:** Venezuelan Minister of Estate for Integration and Foreign Trade, Gustavo Márquez, said that his country's exports to Cuba exceeded \$1,250 million this year. Although he did not specify the value of Venezuelan exports to the island in 2005, the minister said that "foreign trade with Cuba this year will be greater than last year". (*El Universal*, 29/11/06)

## Trade Fairs

**February 27:** More than a thousand cigar lovers from 60 countries ringed the center of the cigar universe in Havana, comparing notes and celebrating Cuba's finest smokes. Distributors, specialists and simple aficionados packed opening day of the Eighth Habanos Festival, an annual event sponsored by Habanos, a global distributor of the esteemed Cuban cigar. British actor Joseph Fiennes was among a hundred

celebrities on hand for the festivities, dedicated this year to Habanos' leading brand, Cohiba. The presence of the 36-year-old actor at the event, who played the lead of Will Shakespeare in the 1998 film comedy "Shakespeare in Love," coincided with an opening performance based on the Bard's "Romeo and Juliet" at the Havana Grand Theater. The performance of "Shakespeare and His Masks" by the Cuba National Ballet marked the 131st anniversary of the Romeo y Julieta brand. "We dedicate this festival to the emblematic brands of premium Cuban cigars" which total 34 brands of pure, hand-rolled tobacco, said Enrique Babot, marketing director of Habanos SA, the Spanish-Cuban-French company that virtually holds a monopoly on Cuban cigars. (AFP, Canadian Press, 27/2/06)

**March 4:** The Havana Cigars' Festival closed in Havana with the traditional auction of humidors autographed by Fidel Castro, during which nearly €600,000 were collected that will be used to finance Cuban health programs. Castro's absence disappointed many of the 850 in attendance who paid \$500.00 each to take part in the closing event of a smokers' festivity that aims to become one of the highest-ranked of its kind in the world. (EFE, 5/3/06)

**June 18:** EXPOCARIBE 2006 trade fair opened its doors at the Heredia Convention Center in Santiago de Cuba, the island's second largest city. Raul de la Nuez, Minister of Foreign Commerce, said the commercial event, in its 14th year, will boost business in eastern Cuban and increase this region's negotiation capacity. The fair runs until June 23. Referring to Cuba's increased foreign trade during the first quarter of 2006, the minister named Venezuela, China and Spain as countries with which trade is on the rise. After the opening ceremony, de la Nuez, local Communist Party officials Misael Enamorado Dager and Rolando Yero Garcia and Bertha Delgado Guancho, president of the Cuban Chamber of Commerce, toured the exhibition area where some 200 firms, more than half Cuban, are exhibiting their products. (Granma, 19/6/06)

**September 19:** Over 40 countries will be represented at the International Transportation Fair FIT 2006. This commercial exhibition will begin on September 26 in Expocuba, the biggest exhibition site on the island. In a press conference, Transportation minister Carlos Manuel Pasos assured that the 10th FIT exhibition includes the signing of a contract with Byelorussia for 100 new articulated urban transport buses, adapted to the Cuban climate, and part of them will be in the country by the end of this year. The Minister also said that the situation of public transportation is still "critical". He added that 8,000 buses were bought in China, 1,000 of which are already on the island. Cuba has invested one billion dollars in public transportation, not including locomotives and train wagons. (Prensa Latina, EFE, 19/9/06)

**September 27:** Cuba's International Transport Fair opened with the goal of improving the island's ailing transport sector with the purchase of buses from Belarus and China and a new railroad deal with Venezuela, state-run media reported. Representatives from 40 countries have exhibitions at the event, which runs through Saturday. Venezuela, China and Russia rented out entire pavilions, and Iran is attending for the first time, according to Transportation Minister Carlos Manuel Pazo. Pazo told the government's business weekly Opciones that the event will try to ease transportation woes on the island but warned Cubans not to have "false hopes". Cuba's internal transport system steadily deteriorated after the crushing economic crisis of the early to mid-1990s caused by the collapse of the Soviet Union, Cuba's longtime backer. Cubans often spend hours waiting for buses that never come, or

are already full when they arrive. The government stepped up recovery efforts early last year, importing 80 buses from China. It also repaired some 60 locomotives and 1,800 railway cars for transport across the island. The transportation minister said Cuba will sign an agreement with Venezuela this week to form a joint-enterprise company to deal with railway development. A plan to purchase 100 buses from Belarus will also be announced, he said. (AFP, 27/9/06)

**October 1:** China and Venezuela are major players at this year's Havana International Transportation Fair, both having demonstrated a desire to help Cuba modernize its transportation system. He Hongda, Chinese vice minister of Railroads, told official daily Granma that his country will do everything possible to assist Cuba in the development and modernization of its railway system. He said the collaboration could have a big influence on the rest of Latin America. Previous agreements, signed between Venezuela and Cuba, are also geared to boosting the island's transportation infrastructure. One example is the recent forming of Astimarca, a joint enterprise between companies of the Venezuelan ministry of Infrastructure and the Cuban ministry of Transportation to build a floating dock in Cuba which will then be relocated to the Venezuelan city of Maracaibo, in the state of Zulia and used to provide maintenance to smaller ships. Cuban specialists are also providing technical assistance to the Venezuelan National Institute of Civil Aeronautics in more than 30 projects aimed at improving air navigation and airport infrastructure. (*Periódico 26*, 1/10/06)

**October 30:** Cuban authorities are citing the island's international trade fair as proof that the US embargo has failed to fully isolate the communist-run nation. About 800 companies from 48 countries have exhibits at the International Fair of Havana, Cuba's most important trade event. "This is proof that the economic, commercial and financial blockade imposed by the United States for 45 years has failed to achieve its objective of isolating us from other nations," Foreign Trade Minister Raul de la Nuez said at the fair's opening ceremony also attended by Vice President Carlos Lage. Recently tightened sanctions against Cuba have provoked a decrease in the number of American firms at the fair this year, said Pedro Alvarez, head of the Cuban food import company Alimport. About 100 U.S. companies ordered booths at the fair, down from 188 last year, he said. (AP, 31/10/06)

**November 1:** A varied range of Bulgarian dairy products (including yogurt) and iron materials attracted the attention of visitors at Havana's 24th International Fair, FIHAV 2006. Bulgarian commercial experts Virginia Todorova and Petia Stefanova told the press their company, LB Bulgaricum, is specialized in a wide variety of dairy products, such as cheese and yogurt. Bulgarian firm KCM 2000 SA's public relations specialist Mara Rusinova said her company produces iron material as well as 80,000 tons of zinc and 65,000 tons of lead -- and wants to make contact with Cuban and Latin American enterprises. Experts from both companies expressed their pleasure at participating in FIHAV 2006, and appreciated the possibilities offered by Cuban foreign trade. (*Prensa Latina*, 1/11/06)

**November 2:** The Cuban government signed contracts and letters of intention for more than \$400 million during the XXIV Havana International Trade Fair (FIHAV 2006), said the Cuban Minister of Foreign Trade, Raúl de la Nuez. De la Nuez indicated that the contracts signed include one with Vietnam for the supply of rice to the island and an agreement with Turkey for the supply of pipe joints and accessories. Some 1,125 companies from 48 countries took part in FIHAV. (EFE, 2/11/06)

# GENERAL INDICATORS

## External Debt

**March 27:** Cuba maintains a foreign debt of more than \$37 billion USD with 27 countries, informed the Cuba Transition Project of the University of Miami. According to the Project, one of the main creditors is Venezuela, to which it is believed that Castro owes \$3,532 million USD. Another major creditor is Russia, with \$20,848 million USD. In addition to a previously disclosed sum of \$682 million USD in trade and financing that Cuba owes China, the Asian nation revealed at the close of 2004 the existence of nearly \$38 million USD worth of commercial credit that dates back to the period 1990-1994. China also issued another loan estimated at \$150 million USD so that Cuba could purchase one million TV sets, and announced an investment of \$500 million USD to be financed through Chinese loans to a new nickel mining joint venture in the East of Cuba. Cuba owes Canada \$97 million USD. (*Martinoticias*, 27/3/06)

**May 2:** The National Foreign Trade Bank (Bancomext) followed through on a court order issued by the Italian Court that allowed the bank to recover, initially, more than 35 million dollars' worth of resources deposited in Italy in accounts corresponding to the debt of National Bank of Cuba (Bancuba). (*Notimex*, 3/5/06)

**May 15:** Cuba's central bank has sold 400 million euros in bonds to Cuban and foreign banks, the authority's president said. Francisco Soberon, appearing on television with Fidel Castro, said the one-year bonds were successfully placed in London at an interest rate of seven percent. "They were all bought by foreign and Cuban banks on the very day of the issue," he said. Financial sources told the press the bonds were bought by Cuban banks and "friendly" foreign banks operating in Cuba. Cuba defaulted on its Paris Club debt in 1986 and has been considered one of the world's biggest credit risks since the collapse of the Soviet Union. (*Reuters*, 15/5/06)

## General

**January 2:** The Cuban government's announcement that Cuba's gross domestic product (GDP) had grown by 11.8 percent in 2005 came as a surprise to a good many Cubans, who had just lived through a year of hardships provoked by a severe energy crisis, a continuing drought, several hurricanes and the stepping up of US sanctions against this socialist Caribbean island nation. Cuba experienced high growth and finished the year with a balance of payments surplus of 800 million dollars, but in order for this to translate into development, the country needs to expand its productive base in order to create more jobs and provide better salaries, said an economic researcher who spoke with IPS on the condition of anonymity. One of the reasons for these impressive results is the fact that the Cuban government began in 2004 to include expenditures on social services like education and health in its GDP calculations. These sectors are normally excluded, because they do not generate revenues, but Havana devotes considerable resources to providing these

services free of charge to all of the country's 11.2 million inhabitants. Moreover, this year's GDP calculation included a sizeable amount for the "export of social services to a number of countries," particularly Venezuela, commented sources from ECLAC (UN Economic Commission for Latin America and the Caribbean). (*IPS*, 2/1/06)

**January 22:** Fidel Castro announced that the minimum wage will be increased from 100 to 225 pesos as of May 1st. The Cuban leader made the statement at a special TV appearance before Communist Party, union and grass-roots leaders and Revolutionary Armed Forces and Interior Ministry members. Castro announced that the minimum wage hike will benefit one million 657 thousand workers who earned from 100 to 224 pesos. The new moves builds on the pension hike announced recently and will benefit more than 3 million retirees, pensioners and low salary workers. Fidel Castro also revealed that pensions will likely be raised more than once in the future as well as the value of the Cuban peso and the convertible Cuban peso until the day in which the ration book will disappear. He added that retirees will not lack any of the household appliances that the Cuban government is purchasing to improve the people's quality of life and to save electricity. (*Radio Habana Cuba*, 22/1/06)

**February 23:** In 2005, Cuba increased its foreign trade 23 percent, a reversal of the situation in the 90s, triggered by Cuba's loss of its traditional partners when socialist countries in the Soviet Union and Europe disappeared. Cuba's main trade partners now are Venezuela and China, followed by Spain and Canada. This weekend at Expocuba, Cuban Foreign Affairs Minister Raul de la Nuez also highlighted the increased trade with the region. The island's total trade with Latin America and the Caribbean has grown from 50 percent to 72 percent. (*Prensa Latina*, 23/2/06)

**May 1:** Fidel Castro painted a rosy picture of the Cuban economy, telling more than a million workers and students gathered for the island's annual May Day celebration that the current rate of growth was higher than 12.5 percent. Cuba has grown stronger, Castro said, in part because of the hardships imposed by the US government's long-standing trade embargo against the island. "Thank you, Yankee empire, because you've made us grow, you've made us reach new heights," he said in a speech of more than three hours. Castro said the economy grew 11.8 percent in the first quarter of this year as compared to the same period in 2005. The current rate of growth on the island has since surged to more than 12.5 percent, he said. Cuba uses its own new method to calculating economic growth that takes into account the country's vast social safety net and subsidized services. That makes Cuba's growth figures difficult to compare with those of other countries, prompting the United Nations Economic Commission for Latin America and the Caribbean to leave the island's numbers out of its report last year. Castro reported growth in sectors including construction, transportation and domestic commerce, which has soared 30 percent thanks to an increase in the purchase of household appliances under a government campaign to prod Cubans to buy more energy-efficient devices, he said. (*AP*, 1/5/06)

**May 15:** According to released reports, Cuba closed the year 2005 with a fiscal deficit of 4.2 % of the Gross Domestic Product (GDP), whose growth, estimated at 11.8 %, is calculated by the government using parameters different from those established by international standards. The balance sheet for the 2005 budget, reviewed by the Cuban Parliament, indicated an income of 25, 211,4 million pesos and placed expenditures at 27,156,4 million pesos, pointing to a deficit of 1,945

million pesos. The report does not clarify whether the authorities factored in the USD/CUC rate of exchange when making these calculations. (*AFP*, 15/5/06)

**May 28:** The woes of Cuba's service sector, including low quality and slowness, especially in the administrative area, are a drag on the island's economy, with workers wasting countless hours on bureaucratic procedures, the official *Juventud Rebelde* newspaper reported. Leocadio Pascual Diaz, the Labor and Social Security Ministry's top specialist on the service sector, told the newspaper that current work schedules led to absenteeism, with workers taking time off to deal with paperwork. The newspaper said "everything gets complicated" if to slowness and deficiency in services and procedures were added "the multiple difficulties of transportation and the inopportune and short periods available for acquiring many foods and other products." "You either go to work or stand in line to avoid losing them," *Juventud Rebelde* said, adding that "the time has come to take a look at the rigid and overprotective structure under which most services were established." (*EFE*, 28/5/06)

**June 10:** The Cuban Food Industry is making an over-150-million-dollar investment in an effort to increase the supply and quality of food for the population. The investment, considered the largest ever made by the food industry, was announced in the report submitted to the Cuban parliament's ordinary session, attended by Fidel Castro. Cuban Food Industry Minister Alejandro Roca said his sector has grown by a 10-percent average annual rate over the past five years, and has seen a 7-percent growth during the first four months of this year, even when all scheduled investment projects are not yet being implemented. (*ACN*, 10/6/06)

**June 21:** Cuba, with an unemployment rate close to 1.9 percent, is moving towards a system of labour policies to achieve greater quality products and security, an expert said. Santos Prieto, an official of the Cuban Ministry for Labour and Social Security (MTSS) said that Cuba works for consolidation of regulations to guarantee public health and working security. The Cuban system for sanitary surveillance for workers was recognized by specialists from the International Labour Organization, during the International Meeting of Trade Unionists and Specialists in Labour Security and Public Health taking place in Havana. (*Prensa Latina*, 21/6/06)

**August 6:** Military enterprises now control an estimated 90 percent of Cuba's exports and 60 percent of its tourism revenue, and employ 20 percent of state workers. "The military's job is to make money," said Frank Mora, a professor at the National War College in Washington. "Power in Cuba is not just a question of who holds the guns, although that helps. More important is who controls what is profitable." In the early 90's Raúl Castro formed GAESA, or Business Administration Group, the FAR's holding company for the Defense Ministry's economic interests. At the helm was Colonel Luis Alberto Rodríguez, Raúl's son-in-law, known as a Raúl loyalist and sharp businessman. Based on the fourth floor of the Armed Forces Ministry, GAESA did \$1 billion in business in 2000 alone through a long string of GAESA-owned companies, experts say. The FAR's powers extend well beyond GAESA, however. Half of the now 20 members of the politburo are active military officers, and generals are in charge of several ministries, including sugar and fisheries. By 1996, Mora said, the FAR was generating enough revenue to pay half of its own budget. (*The Miami Herald*, 6/8/06)

**October 18:** Latin American migrants in the United States will send a record \$45 billion to support relatives back home this year, according to a study released that

sheds new light on the powerful economic forces driving migrants -- legal and undocumented -- to America's labor-hungry regions. \$60 billion annually from remittances worldwide, a number that dwarfs what countries receive in aid from the US government or such institutions as the World Bank. Remittances even exceed the \$40 billion that private companies are expected to invest in Latin America this year, according to the Institute of International Finance, a group that represents big financial institutions. Florida's numbers, while the fourth largest, excluded remittances to Cuba, which according to several other reports, obtains more than \$1 billion from around the world. The IDB can't cross-check the data on remittances to Cuba because of U.S. sanctions against the island. (*The Miami Herald*, 19/10/06)

**October 24:** Cuba is the only country in the world to achieve sustainable development, a leading global conservation organization said in Beijing in its biennial appraisal of the state of the natural environment. "The world's natural ecosystems are being degraded at a rate unprecedented in human history," according to the WWF's 2006 Living Planet Report, presented this year for the first time in Beijing. "No region, nor the world as a whole, met both criteria for sustainable development. Cuba alone did, based on the data it reports to the United Nations," the report says. "That does not mean, of course, that Cuba is a perfect country, but that it does meet the necessary standards," Jonathan Loh, one of the authors of the study, said in response to a question from the press. "Cuba has reached a good level of development according to United Nations' criteria, thanks to its high literacy level and a very high life expectancy, while the ecological footprint is not large since it is a country with low energy consumption," said Loh, who presented the study in Beijing. (*EFE*, 24/10/06)

**October 30:** Cuban trade through September jumped 27 percent compared with the same period in 2005, the Caribbean island's foreign trade minister said, forecasting 2006 economic growth at around 12 percent. "The Cuban economy this year continued its ascent, which can also be seen in foreign trade," Foreign Trade Minister Raul de la Nuez said at an international trade show in Havana. The government reported trade was \$9.5 billion in 2005, of which around \$2 billion was exports and \$7.5 billion imports. "Up to September of this year, trade of goods increased 27 percent compared with the same time last year," de la Nuez said. He said imports led the trend, but he did not provide detailed information to support the figure. The government said service exports and other revenues covered the 2005 trade deficit, leaving a current account balance of payments surplus, which sources placed at around \$800 million. (*Reuters*, 30/10/06)

**November 20:** The Cuban minister of foreign trade, Raúl de la Nuez, said at the end of October that the economy grew by 12.5% in the first six months of 2006. This is higher than the official forecast of 10% GDP growth announced at the end of 2005. It suggests that a growth rate surge in 2005, to 11.8%, has been sustained into the current year. Cuban official GDP figures are calculated using a different measure from the standard international method, in that the valuation of freely provided services is higher than the cost. On the basis of the latest available official data, the Economist Intelligence Unit estimates that GDP growth in 2005 was 9.5%. The latest national accounts published by the Oficina Nacional de Estadísticas (ONE, the official national statistics agency) show the engine of growth has shifted from tourism since the 1990s, to services and construction. (*Economist Intelligence Unit*, 20/11/06)

**November 21:** "The year 2006 has been a year of accomplishments in different areas but also a year in which we could have done much better," said Cuban Vice

President Carlos Lage at the end of a tour of state projects underway in the eastern province of Holguin. Referring to the ongoing national effort to conserve energy, Lage said "we are still a long ways away from the savings that are possible" and called for maximum efficiency in the use of fuels. (*Granma*, 21/11/06)

**November 26:** "Disorganization" and "inefficiency" seriously affect workplaces in Cuba, concluded an official inspection in which more than 55% of production and service entities perform "fairly" or "badly". The National Office of Workplace Inspection [Oficina Nacional de Inspección del Trabajo], which has conducted three reviews in the last two years, "rated 'good' only 904 of the inspected entities" (44.6%), of a total 2,027, last May and June. That means that the remaining 55.4% perform poorly. The last inspection included 3,502 companies, of which 59%, "showed unsatisfactory performance", "a tendency that is ongoing", said the general manager of the Office, Felicia Villarreal. (*AFP*, 26/11/06)

**November 27:** Cuba's recovery from an economic crisis caused by the collapse of the Soviet Union continued this year with double digit growth expected and good prospects for 2007, the state-run news agency said. "Cuba will register 12.5 percent economic growth this year, and the perspective for 2007 is promising," Economy and Planning Minister Jose Luis Rodriguez was quoted as saying at a meeting of economists. Cuba reported growth of 11.8 percent in 2005 and 5 percent in 2004, based on a locally devised formula that estimates the market value of free social services and subsidized goods and services. It also includes massive medical and other services exported mainly to Venezuela. Independent sources such as the Economist Intelligence Unit and UN Economic Commission for Latin America and the Caribbean estimate the formula overstates Cuba's gross domestic product by between three and four percentage points. The news agency did not give a reason for Cuba's 12.5 percent economic growth. (*Reuters*, 27/11/06)

**November 29:** Cuba's foreign-exchange earnings swelled by some \$3 billion this year due mainly to a jump in service exports, a government source with access to trade data said. The communist-run country's balance of payments will be in the black for the third year running as a result, he said, without saying by how much. "Increased nickel prices and pharmaceutical exports resulted in more than a \$500 million increase over last year's \$2 billion in exports, and service revenues jumped by over \$2.5 billion to around \$7.5 billion," he told the press, asking his name not be used. Cuba apparently has spent most of the increased revenue on infrastructure and machinery. This includes \$1 billion on an energy grid and hundreds of millions of dollars on waterworks and transportation. It also has boosted imports of food and some consumer goods. Economy and Planning Minister Jose Luis Rodriguez recently said imports were up by more than 27 percent this year over \$7.5 billion in 2005. (*Reuters*, 29/11/06)

**December 22:** Cuban finance officials acknowledged in an unusually critical year-end report that the country's economy is still suffering the effects of the severe crisis of the 1990s but nevertheless grew 12.5 percent in 2006. Cuban Economics Minister Jose Luis Rodriguez defended the method used to calculate the island's gross domestic product growth figure, which includes the free health, education and other social services the communist country provides its citizens. "Cuba doesn't falsify its statistics, nor does it manipulate them with electoral ends," Rodriguez told a year-end session of the National Assembly, or parliament. Cuba's methodology makes the country's economic growth figures difficult to compare with those of other countries, prompting the United Nation's Economic Commission for Latin America and the

Caribbean to leave the island's numbers out of its report last year. This year, the UN commission, known as ECLAC, appeared to have accepted the 12.5 percent figure, but said it was still studying some of the economic data. ECLAC reported earlier this month that Cuba's 12.5 percent growth figure was the highest in the region, which saw an average of 5.3 percent growth for 2006. On the streets of Havana's colonial section, many residents were little impressed with announcements the economy sprinted past last year's 11.8 percent growth and 5.4 percent in 2004. Nor were they wowed by an announcement to the Assembly that the government had pared the budget deficit to 3 percent of economic output. Instead, they wanted to see more tangible results in their daily lives: salaries that could stretch to buy chicken and beef, plus the mobilization of more buses, so that they needn't wait hours at bus stops. Many recalled better times before the demise of the Soviet bloc crippled Cuba's economy. (*AP, Sun Sentinel, 22/12/06*)

**December 22:** Cuba's Minister of Finances, Jose Luis Rodriguez told lawmakers that the country had still not fully recovered from the so-called "special period" of the 1990s, when Cuba imposed austerity measures to survive a crushing economic crisis caused by the Soviet Union's collapse. Rodriguez also said that much still needs to be done to increase economic efficiency. Worker productivity, for instance, has not kept up with salary increases, he said. Rodriguez said authorities also worry about the island's dependence on food imports, which he said have grown 35 percent in the last two years. Deficiencies in urban transportation and high petroleum costs are also worrisome, he added. (*AP, 22/12/06*)

**December 22:** Cuba will dedicate 22.6 percent of its Gross Domestic Product in 2007 to guarantee the development of social programs including education and public health for all citizens. Cuba's Finance and Prices Minister Georgina Barreiro presented the country's proposed 2007 budget to the Cuban Parliament meeting at Havana's Convention Center. Barreiro said that financial resources will be increased for health care, education, culture, and social assistance, the payment of pensions, as well as the country's defense and homeland security. The proposed budget also prioritizes public transportation, energy and water resources, the minister announced. Important resources will be used to subsidize the population's basic food and personal hygiene supplies, for which the country will invest a billion US dollars, said the Cuban government official. Barreiro also noted the need to include a sizeable emergency fund to face potential natural disasters during the year. (*ACN, 22/12/06*)

## NATIONAL AND FOREIGN CURRENCY

**January 2:** More than a year after the Cuban government replaced the US dollar with a convertible peso, the greenback remains in the hearts and hands of the Cuban people. Prices for most goods are still listed in dollars. Tens of thousands of families still get handouts from US relatives in dollars, much of it funneled in by visitors to skirt the Cuban state bank's 10% cut for conversion. Taxi drivers, private restaurants and those with rooms to rent still accept payment in US currency. "We have more trust in dollars," said a partner in an Old Havana paladar, one of the private but heavily regulated eateries some Cubans are allowed to operate in their homes. Anyone who can afford to save money does so in US dollars, he added. (*Los Angeles Times, 2/1/06*)

**June 9:** An increased tax on remittances sent to Cuba in dollars will bolster the flow of foreign exchange into state coffers, but will create further difficulties for the hundreds of thousands of families who are divided between Cuba and the United States. "Supposedly, the increase is for the agency carrying out the money transfer. But it's the customer who ends up paying," a 45-year-old Cuban woman who lives abroad, and who spoke on condition of anonymity, told IPS. The Cuban authorities "know that they can continue to squeeze because we will continue sending money back." The measure means in practice that a money transfer for 123 dollars will be converted in Cuba into 100 "convertible pesos" or CUCs, which were created in 1994 as a substitute for the US dollar in internal transactions. Up to May 31, the ratio was 120 dollars:100 CUCs. Two currencies are presently used as legal tender in Cuba: the regular peso and the CUC. The CUC was pegged to the dollar until October 2004, when the U.S. currency was removed from circulation on the island. (*IPS*, 9/6/06)

**November 17:** With Cuban leader Fidel Castro ailing, the inequities created by the dual dollar-peso economy that Cuba established to overcome the catastrophic collapse of Soviet subsidies may well become one of the major challenges faced by his successors, experts say. Cubans say the unequal system is the single most exasperating issue facing them. So much of the economy runs on the dollar that the typical family needs in Cuba greenbacks to buy everything from razors to bedsheets to shoes -- items largely available only at government stores that price their goods in dollar equivalents. The average worker earns 250 pesos a month -- about \$10. With state salaries barely able to cover less than half a month's living costs, those with dollars now live far better off than the rest. The dual dollar-peso economy is believed to be leaving Afro Cubans behind. Since lighter-skinned Cubans have migrated in higher numbers, their remittances mostly go to their lighter-skinned relatives on the island. Faced with the reality of too many things she could not afford -- and dollars she did not have -- before she moved to Hialeah, Lizette Fernández and a dissident organization that she ran, the Federation of Rural Latin American Women, launched the effort to demand that all establishments sell goods in pesos. She said 28 women around the island are organizing small cells of women who are gathering signatures backing the campaign, dubbed "With the Same Coin." A dissident still in Cuba said people support the move, but are afraid to sign. "We can't be second-class citizens just for being Cubans," said Fernández. ``We have no rights, just because we have no dollars." (*The Miami Herald*, 17/11/06)

**December 18:** Cuba's Central Bank issued new bank notes with enhanced security features to prevent growing counterfeiting of convertible pesos (CUC). The new bills add the denomination to the watermark and keep the revolutionary slogan "Homeland or Death, We Shall Overcome" in the security thread. "There are lots of false bills in circulation, especially 50 and 100 CUCs. That's why they are changing them," said a Havana bank teller. The Central Bank gave no details on counterfeiting, but a business source said the false bank notes were printed abroad, possibly in the exile community in Miami. "There has been a lot of counterfeiting. They are so easy to counterfeit that you could almost do it on a good copier," said a resident foreign businessman. Pegged at par with the dollar for a decade, the CUC was revalued in April 2005 to \$1.08. The local script is worthless outside Cuba. (*Reuters*, 18/12/06)

# NATURAL DISASTERS AND THE ENVIRONMENT

**January 11:** Cuba received substantial rainfall during tropical storms in 2005 but that doesn't mean the problem of drought is over. There is an overall trend of less rain, especially in the eastern part of the country. Ramon Perez, director of the National Climate Center of the Meteorology Institute, warned that drought is becoming more frequent. He cited Camaguey and Guantanamo as the provinces where this natural phenomenon is most evident. Perez notes that several regions of the country have recorded a deficit in rainfall for several consecutive years. In May 2005, the water level at the nation's reservoirs dropped to 26.7 percent capacity. As a result, 2.6 million people—over 20 percent of the country's total population—had to be provided with water through tanker trucks during the worst moments. Losses in agriculture and other sectors of the economy as a result of the drought amounted to 1.35 billion dollars in 2005. (*Granma*, 11/1/06)

**February 22:** A recent study has confirmed that drought is intensifying in Cuba since it rains much less now than 46 years ago. The situation is worst in the eastern provinces of the island, says the study carried out by the Cuban National Institute of Water Resources (INRH). INRH experts warned that the average annual rainfall has decreased, between 1961 and 2000, from 1,468 millimeters to 1,335, as posted on Granma newspaper online. In the eastern part of the country the situation is critical since the average rainfall has dropped to 1,279 millimeters. Rainfall in all five eastern provinces has diminished by 260 millimeters, adds the report. (*A/N*, 22/2/06)

**March 21:** Sixty per cent of the fresh drinking water supplied in Cuba goes to waste due to breaks and leaks in decades-old pipes and mains, a luxury the island cannot afford due to low levels in water reserves. To deal with the water deficit, the Government approved a batch of measures and investments submitted for expert assessment in 2004. The above mentioned plan is backed by an initial budget of \$182 million USD. (*Reforma*, 21/3/06)

**March 31:** Cuba has completed the automation of its national network of eight meteorological radars, which guarantees the immediate detection and monitoring of any tropical cyclone representing potential danger to the island. In statements to Granma newspaper, the chief of Weather Forecast Department at the Cuban Institute of Meteorology, Dr. Jose Rubiera, pointed out that Cuba has also a modern system to present the weather forecast on TV. According to Dr. Maritza Ballester, researcher at the Weather Forecast Center, the coming hurricane season will be very active: some 17 tropical storms are expected to hit the Caribbean area and 9 of them could reach the category of hurricane. (*CAN*, 31/3/06)

**March 31:** A forest fire destroyed 1,000 hectares of pine in the Cuban province of Camaguey, said the official media. The fire, of still unknown causes, is located in one of Cuba's most important coniferous reserves, nearly 600 kilometers to the east of Havana. The drought affecting the island might intensify the risk of such occurrences. According to the National Institute of Water Resources, today in Cuba it rains an average 133 mm less than 40 years ago. (*Reuters*, 31/3/06)

**April 11:** Cuban water engineers are set to visit South Africa to learn how this country and its partners build and manage big dam projects, the Department of Water Affairs announced. It said the fact-finding mission, to take place in the next few months, followed a visit to Cuba by Water Affairs Minister Buyelwa Sonjica. Cuba has also said that as they have a need to build new concrete dams, they are interested in some of the projects... (for example) the Lesotho Highlands Water Project. Their interest is to see how such big projects work, and to further understand the concepts behind such projects. "Cuba will send a fact-finding mission over to South Africa within the next few months," the department said. (*SAPA*, 11/4/06)

**April 23:** Despite the severe drought that affected Cuba's eastern province of Las Tunas over the past year, local beekeepers have turned out 89,000 tons of honey so far this year. The adverse weather conditions forced the producers to move their apiaries to the province's northern coastal region, where nectar-rich flowers are abundant. According to Yurisander Rodriguez Acosta, chief of production at the Las Tunas Apiculture Company, the beekeepers are very optimistic with these results. Following the creation of the company in 1977, it recorded its best results in 1983 with an overall production of 363 tons of honey and wax. On the other hand, 2004 was the most critical year because of a lack of rainfall. (*Periódico 26*, 23/4/06)

**April 28:** Cuban ornithologists have received permission to search for the long-lost, ivory-billed woodpecker in heavily wooded areas of the island that have been off-limits even to scientists since Fidel Castro seized power here almost 50 years ago. Backed by a grant from Birdlife International, a British conservation group, the search began in the pine forests of the Sierra Maestra mountains of eastern Cuba. "I believe the bird is here," said Arturo Kirkconnell, co-author of the Field Guide to the Birds of Cuba and one of the island's top researchers. "We have a chance now to go to areas never visited before. The habitat is ideal, and there has been no evidence that the woodpecker is not there." The reason that some remote areas of Guantanamo province, in the eastern end of the island, and in Pinar del Rio, to the west of Havana, are now open for scientific exploration are not exactly clear, even to the scientists involved. Outsiders familiar with the project suggest the reasons for earlier prohibitions may be a combination of state security and bureaucratic whims. (*Sun Sentinel*, 28/4/06)

**May 2:** The Cuban Association of Agricultural and Forest Technicians (ACTAF) is solidly behind deforestation activity taking place across the island through a planting program being carried out in every community of the country. Eduardo Martinez, the secretary of Information and Communication of ACTAF, which gathers more than 17,000 experts, said the initiative includes the implementation of urban and rural silviculture, and the promotion of the importance of forests. Martinez highlighted the involvement of young people in the sowing and care of plants in vacant spaces within cities, such as parks, school yards, workplace grounds, and thoroughfares, where trees can provide many benefits. (*A/N*, 2/5/06)

**May 7:** More than 1,000 firefighters were working to put out a blaze in western Cuba that has destroyed between 600-700 hectares (1,500-1,750 acres) of forest. Brigades of workers from the forest protection corps, or CGB, along with volunteers, were trying to control the blaze stretching from the El Caguazal area, where it started, to Punta de la Sierra in far western Pinar del Rio province, local media reported. The media said that fighting the fire was being complicated by the fact that access to the area was very difficult, adding that steam rollers, cistern trucks,

helicopters, and water-carrying airplanes were all being used to try and douse the blaze. An expert with the CGB's fire management department, Raul Gonzalez Rodriguez, said the fire was detected on May 3 and since then it had "affected the (region's) plantations and natural pine forests, according to preliminary reports." (EFE, 7/5/06)

**May 16:** Heavy rainfall forecast across Cuba will most likely end the sugar harvest with output at no more than 1.2 million tonnes, according to scattered media reports and local experts. "At least half of the 42 mills opened this season have already closed, and with summer heat and rain setting in most, if not all, of the remainder should end operations," said a local expert, who requested anonymity. Summer heat and rain usually begin by May, slowing the harvest and dropping yields. Cuba planned to produce 1.3 million to 1.5 million tonnes of raw sugar, similar to the 2005 crop, and shut down by May. Fidel Castro said when the month began that output was 1.1 million tonnes and implied just 100,000 tonnes were produced the last two weeks of April. "Not even a magician could have produced more than an additional 100,000 tonnes this month. With luck we will reach 1.2 million," another local expert said. (Reuters, 16/5/06)

**May 21:** The Cuban national civil defence exercise for the reduction of disasters 'Metereo 2006' took place nationwide to organize and check the planning of measures to face the risks caused by hurricanes and heavy rains. Hundreds of thousands of people participated in this exercise organized by the Provincial, Defense Councils, Municipal and Area groups and work subgroups, State entities and social institutions, members of the Revolutionary Armed Forces and the Ministry of the Interior, political and mass organizations and the population of the areas. Among the main objectives was the raising of preparedness for the execution of administrative orders, decisions and plans with a view to the reduction of disasters; to increase the preparation of workers and the population in general to reduce the vulnerabilities of each place, and to face the effects of meteorological phenomenon. (Granma, 22/5/06)

**May 24:** Torrential rains caused flash floods that demolished dwellings and killed seven people in Havana. Firefighters recovered the bodies of Josefa Fundora, 62, and a second person. Both were swept away when a creek blocked by debris suddenly overflowed in the district of Marianao in western Havana. "I was sleeping when the water rose and almost took me," said neighbor Antonio Avila, 84, an invalid who had fought in Fidel Castro's guerrilla force in the 1950s. "Luckily, a young man helped me leave my house." A resident who asked not to be named said the houses destroyed next to the creek had been declared uninhabitable 20 years ago but authorities had failed to provide alternative housing. The victims lived in Havana's municipalities of Marianao, Center and Old Havana, Lisa and Cerro. The downpour came as Cuba prepares for another busy hurricane season. Casualties from natural disasters are rare in Cuba due to the Communist government's effective civil defense system. (Reuters, Granma, 24/5/06)

**May 24:** Fidel Castro acknowledged that the intense rains that fell in Havana the day before had dealt the Cuban capital a "hard" blow. The downpours deluging the city flooded low-lying areas, transformed dozens of streets into rivers, washed away garages and homes, paralyzed traffic across a good part of the city and forced the evacuation of hundreds of people. "I understand that there have been some (fatalities) as a result of that sudden phenomenon that didn't give us time to do anything at all," Castro said at the beginning of a special television speech in which

he focused on denouncing the US strategy vis-a-vis the Communist island. Castro said that the rains caused the Quibu River in western Havana to rise some seven meters (almost 23 feet). "The water rose very quickly, causing effects of different types (...) the wind, the water. Some automobiles remained in the [underground parking lots] with no time to move them," he added. (*EFE*, 24/5/06)

**June 8:** After a preliminary assessment, heavy rains in eastern Cuba left one person dead, seven houses destroyed and many others damaged, while causing flooding on highways and crops. Approximately 1,500 people have been evacuated, reported the Civil Defence. A 41-year-old farmer drowned while trying to cross a high river, according to the provincial CD. The official daily *Granma* added that the rise and overflowing of rivers in Guantánamo caused the destruction of seven houses, damaged others, and affected crops while blocking highways. (*AFP*, 8/6/06)

**June 12:** Tropical Storm Alberto, the first named storm of the 2006 Atlantic Ocean Hurricane Season, headed toward Florida after dumping rain over western Cuba. Cuba's weather system forced the evacuation of at least 27,000 people in western Cuba because of the threat of flooding, Cuba's National Information Agency said. Parts of the country received as much as 445 millimeters (18 inches) of rain in a 24-hour period, the official *Granma* newspaper reported. "Rains are the most important factor in this meteorological situation, and they will continue this morning in the most western extreme of Pinar del Rio province, the provinces around Havana, and the Isle of Youth," Cuba's Institute of Meteorology said. Thousands of residents of western Cuba were in shelters waiting for Alberto's floodwaters to recede as the season's first tropical storm pulled away. State-run media reported that efforts were underway to restore power in Pinar del Rio province after a weekend plagued with more than 200 outages. The rain, exceeding a foot in some locations, quickly filled the reservoirs and caused rivers to burst their banks, washing out roads in several parts of the province. (*Bloomberg, Reuters*, 12,13/6/06)

**July 5:** A severe rainstorm lashed the Cuban capital with hail and winds of up to 108 kilometers (67 miles) per hour, causing flooding, knocking down telephone polls and paralyzing traffic in several parts of the city. The downpour flooded two tunnels linking downtown Havana with its western zone, halted traffic, and tore down branches - and even trees - all over the city. "There are reports that the strong winds in some municipalities of the capital knocked down trees and damaged roofs and windows," said the weather institute in a report on its Web page. (*EFE*, 5/6/07)

**August 9:** Cuba left behind a serious draught period, thanks to favourable rains in the last months that have contributed to increasing water levels to 73 percent of the total capacity. In the period between June and July it rained the most, being one of the most humid periods in the last five years, after a long and harsh drought, considered the worst in 100 years. The country has 224,636,594 cubic feet of water in reservoirs, a situation that allows comfortably carrying out its production plans and guarantee water consumption by the population. The provinces most favored by the recent rainy season were central Sancti Spiritus and eastern Camaguey, Holguin, and Las Tunas, *Granma* daily reported. Those with more water in reservoirs are Santiago de Cuba at 95 percent, Guantanamo and Cienfuegos 91 percent, and western Pinar del Rio at 90 percent. (*Prensa Latina*, 9/8/06)

**August 28:** Tropical Storm Ernesto drenched eastern Cuba, then aimed north toward the warm waters of the open Caribbean sea and Florida. Thousands were evacuated ahead of the storm in Cuba, where the communist government regularly

undertakes mass evacuations before tropical storms and hurricanes to minimize injury and loss of life. There were no reports of damage. Cubans moved cattle to higher ground, tourists were evacuated from hotels in the southeastern province of Granma and baseball games, including a pre-Olympic qualifier between the United States and Mexico, were rescheduled for earlier in the day. Train service across the country was also stopped while the storm passes. In a four-hour period, the storm dropped 3.3 inches of water in the province of Guantanamo, authorities said. (*AP*, 29/8/06)

**October 25:** The Cuban parrot, an endangered bird species, has found a safe haven in Cuba following ongoing preservation efforts by environmental and governmental institutions on the island. More than 300 species of the Cuba parrot live under protection in the Peninsula of Guanahacabibes, a World Biosphere Reserve located in the westernmost region of the country. (*ACN*, 25/10/06)

**October 26:** Cuban Vice President Carlos Lage attended the inauguration of a 24 km water pipeline that will supply the 45,000 residents of Nuevitas, an industrial city in the province of Camaguey, with a safe and secure water source. The new pipeline runs from the California reservoir to Nuevitas and will be used both for domestic and industrial supply, Granma daily reported. Abundant rainfall this year has helped increase reservoir supplies in this drought-prone region of the country, but levels are still below the national average. Nuevitas was one of the worst hit municipalities by the prolonged drought of the last few years. A significant investment was required to install and put into operation the new California to Nuevitas pipeline. (*Radio Cadena Agramonte*, 27/10/06)

**December 8:** Cuba's system of reservoirs began at their highest levels in December, since 1993, putting the country in favorable conditions to deal with the dry season that extends until May. Margarita Fontova, a specialist at the National Water Resources Institute, told the press that at the end of November the country's 235 reservoirs were filled to an average of 80 percent capacity. For the provinces of Las Tunas, Holguin, Santiago de Cuba and Guantanamo —hard hit by draught in recent years— the total stored water in their reservoirs is at the highest level in the last thirteen years. (*Granma*, 8/12/06)

**December 25:** Carlos Lage Davila, secretary of the Executive Committee of the Council of Ministers, toured water supply infrastructure in the central province of Villa Clara. Lage said that government's efforts are directed not to building more reservoirs or other water sources but to promote savings and improved water quality. The official noted that leaks in the water distribution system are a problem throughout the country with aqueducts being 50 to 100 years old and in dire need of repair. (*Granma*, 26/12/06)

## NICKEL

**April 18:** Cuba, among the world's largest nickel and cobalt producers, has launched a program with Canadian mining firm Sherritt International Corp. (TSX:S) to increase output by about half to 49,000 tonnes annually, state media said. The government's Cubaniquel and Sherritt are now in the "construction phase" of their expanded production program at the Moa mining facility in the eastern province of Holguin, the Communist Party newspaper Granma reported. The daily quoted Cuban Basic Industries Minister Yadira Garcia as saying that the expanded production program

was "the toughest goal the Canadians and the Cubans have faced" in the mining program. According to Cuban figures released when the plan was announced a year ago, the expansion will increase nickel and cobalt production at the plant by around 50 per cent, from about 35,000 tonnes in 2004. Nickel is needed to produce stainless steel and cobalt is used for creating alloys necessary for jet engines and in high technology components. The \$450-million-US expansion project had been announced in Havana, in March 2005, by Fidel Castro and Sherritt International President Ian Delaney. Among Cuban attendees to the ceremony were ministers Yadira Garcia (Basic Industry); Marta Lomas (Foreign Investment); Raul de la Nuez (Foreign Trade) and Fidel Figueroa (Construction) as well as local authorities and the nickel industry officials. The Canadian mission was led by Ian Delaney, chair of Sherritt International Board of Directors, Jowdat Waheed, its main manager, and other leaders of the company. (*Prensa Latina, AP, Canadian Press, 18/4/06*)

**June 10:** Details about the ongoing expansion program of the Cuban nickel industry in the eastern part of the island were presented by the Minister of Basic Industry, Yadira Garcia, as part of a series of parliamentary committees taking place in preparation for the opening of Parliament. The minister explained how the government has been able to sustainably develop this industry by means of mixed capital enterprises where foreign capital provides management experience and technology, while Cuba maintains total control over production. The expansion project is being undertaken with a primary focus on new energy-efficient technologies that will allow Cuba to produce 80,000 tons of nickel in a first phase, using three industrial plants, which will later be expanded to 100,000 tons when a fourth plant begins operations. These new fuel-efficient technologies will enable the industry to eliminate the use of electricity, providing a boost to the national power grid, said the minister. Garcia also mapped out additional perspectives such as the production of Cobalt, a byproduct of the nickel industry. Cobalt is currently trading at \$US 33,000 per ton, and Cuba holds 20 percent of the world's cobalt reserves. (*Granma, 11/6/06*)

**August 2:** Sherritt International Corp. has reported a 6.5 per cent increase in second-quarter earnings on an eight per cent revenue decline as strong prices for nickel and cobalt were undermined by lower volumes. Sherritt said it had its best-ever sales of coal, oil and power, but consolidated April-June revenue was \$296.9 million, down from \$322.5 million a year earlier. The diversified resources company, active in Canada and Cuba, said net earnings of \$57.2 million, 36 cents per share, compared with a year-ago profit of \$53.7 million, 29 cents per share. (*Canadian Press, 2/8/06*)

**November 1:** Cuban unrefined nickel production may fall short of the 76,700 planned for the year due to a 3,000-tonne shortfall at one of three plants reported by joint venture partner Sherritt International. Sherritt said the joint venture Pedro Sotto Alba plant operated with state-owned Cubaniquel would produce 30,000 tonnes this year compared with the 33,000 tonnes it usually ships to the venture's Canada refinery. "Taking into consideration process bottlenecks experienced in prior quarters, full-year nickel production is expected to be approximately 30,000 tonnes," Sherritt said of the joint venture in its third quarter report. Sherritt also announced that plans to add 16,000 tonnes to the plant's capacity by 2008 had been postponed in favor of adding 4,000 tonnes by 2008, another 9,000 tonnes in 2009 and a final 3,000 tonnes in 2011. Sherritt said cobalt output would be unchanged from 2005. Cubaniquel operates two older plants in eastern Holguin province where the joint

venture is located, exporting the product mainly to Europe and China. (*Reuters*, 1/11/06)

**November 7:** Cuba's state-run nickel producer, Cubaniquel, is in talks to reduce shipments to a Dutch company that buys around 50 percent of the island's nickel and perhaps divert the metal to China, diplomatic and banking sources said. Cubaniquel has told Rotterdam-based Fondel International B.V., through which it got about half of its \$1 billion in revenues in 2005, it wants to cut back on the amount of nickel it sends. "The only question now is how much less they plan to export to Rotterdam," a European diplomat said. The Cuban nickel industry is operating at capacity at around 76,000 tonnes of unrefined nickel plus cobalt per year. The ambassador's statement was confirmed by a western banker who said, "they are in negotiations with some, not all, of the product on the table." The diplomat and banker said they believed Cuba planned to send more of the unrefined metal to China, though China and Cuba had no immediate comment. (*Reuters*, 7/11/06)

**December 11:** Two nickel mines in the Moa region of eastern Cuba were closed due to the torrential rains and floods of the last few days. According to the state-run radio station Radio Progreso, all operations have stopped at the Moa open pits of the 'Comandante Pedro Soto Alba' y 'Commander Ernesto Che Guevara' nickel mining companies. (*Reuters*, 12/12/06)

## REGIONAL INTEGRATION

**January 4:** Cuba is negotiating a Free Trade Agreement with the Common Market of the Southern Cone (MERCOSUR) by virtue of which the island could become an associate member of the South American bloc. The agenda of the negotiation, scheduled to begin in March, was drafted by Uruguay, which held the MERCOSUR presidency for the last six months. (*Reforma*, 4/1/06)

**January 30:** Prime ministers from six nations signed a declaration formalizing their entry into the Caribbean Single Market Economy, an agreement designed to allow goods, services and skilled workers to move more easily throughout the region. Prime ministers from Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad officially launched the agreement during a ceremony at the Mona campus of the University of the West Indies in the capital, Kingston. Member nations will have access to bilateral free-trade agreements the Caribbean Community has already made with Colombia, Cuba, Costa Rica, the Dominican Republic and Venezuela. Leaders from St. Kitts and Nevis, St. Lucia, St. Vincent, Antigua and Dominica signed a declaration of intent, which will see their countries joining the single market by the end of March. (*AP*, 30/1/06)

**June 26:** Cuba will sign a multilateral economic complementary agreement with Mercosur at the end of July during the group's presidential summit scheduled to be held in Cordoba, Argentina. However the participation of Fidel Castro has not been confirmed. The Cuban embassy in Buenos Aires confirmed the coming of the delegation from Havana July 20/21, when Argentina officially hands the rotating six months Mercosur chair to Brazil. "Cuba is participating with a delegation but it must not be interpreted as a step towards the integration of Cuba to Mercosur, but rather for the specific purpose of signing this very significant multilateral agreement", indicated the Cuban embassy in a release. Argentina's Deputy Secretary for

American Economic Integration and Mercosur Affairs Eduardo Sigal said that the "agreement with Cuba will basically unify all bilateral treaties with each Mercosur country member". (*Mercopress*, 26/6/06)

**July 5:** A trade agreement between Cuba and Mercosur (Common Market of the South) will be signed in the Argentine city of Cordoba during the bloc's annual summit meeting, scheduled for July 20-21. Two weeks before, Cuban authorities and a high-level Mercosur delegation worked intensively to harmonize four Economic Complementation Agreements (ECA) that have been in effect since the end of the 1990s between the Fidel Castro regime and the Southern Cone partners: Brazil (ECA 34), Argentina (ECA 45), Paraguay (ECA 52) and Uruguay (ECA 44). Among the principle themes are the question of safeguards, the rules of origin, phytosanitary measures, and the dispute resolution system. The Foreign Ministry believes that Havana will benefit politically. "The harmonization of these accords allows Mercosur to act as a bloc, to eliminate differences in bilateral dealings, and to facilitate the negotiation of a future free trade treaty with Cuba," one high-ranking diplomat explained to the press, on condition of anonymity. He said that the Cuban Government will be able to say that it has an accord with Mercosur. "This carries weight on the international stage, especially in Cuba's case," he assessed. (*Correio Braziliense*, 5/7/06)

**July 19:** Gustavo Márquez, Minister of State for Integration and Foreign Trade, said that during the summit of the Common Market of the South (Mercosur), the economic bloc is to initial a trade agreement with Cuba. "All of the member countries of Mercosur have relations with Cuba. The current trade embargo is an imposition of the United States, but it does not include the nations of the southern bloc or the Latin American countries," Márquez said. However, the trade complementary agreement between Cuba and MERCOSUR merely covers 0,17 percent of trade between the South American bloc and the island. (*El Universal, EFE*, 19/7/06)

**July 20:** In a rare trip abroad, Fidel Castro arrived in Cordoba, Argentina's second-largest city, to join a summit of heads of state, boost his island's trade with South America and visit the childhood home of revolutionary hero Ernesto "Che" Guevara. The landing of Castro's plane was broadcast live on many local news channels, and hundreds of curious people waited around the city to catch a glimpse of the 79-year-old who has ruled Cuba since the revolution in 1959. His surprise arrival -- his visit was officially announced only hours before his landing -- at the meeting of heads of state from the trade group known as Mercosur eclipsed many of the other agenda items and events scheduled for the summit, including the formal entrance of Venezuela into the bloc. Castro is expected to sign trade agreements with the Mercosur nations -- Argentina, Brazil, Uruguay, Paraguay and Venezuela -- visit Guevara's home and perhaps attend a rally with his top South American ally, Venezuelan President Hugo Chávez. (*AP*, 21/7/06)

**July 21:** The Common Market of the South (Mercosur) and Cuba signed an agreement on eliminating tariffs and boosting complementary trade, on the sidelines of the 30th Mercosur Summit held in Cordoba, Argentina. The group deal, known as the Economic Complementation Accord, is an integration of the four agreements that the Mercosur members already had with Cuba, and was signed by presidents of Argentina, Brazil, Paraguay and Uruguay on behalf of Mercosur, and Fidel Castro. Cuba-Mercosur trade reached 405 million US dollars in 2005, but still it's 0.17 percent of Mercosur's global transactions. (*Xinhua, EFE*, 21/7/06)

**July 26:** Fidel Castro, who attended as a special guest a Mercosur Summit in Argentina, said that his country will join the South Common Market bloc when it is suitable to the island, because Cuba "doesn't take decisions following blind rules". "I said in that meeting that we do not act following blind rules", Castro said in a speech delivered during the celebrations for the 26th of July anniversary. "What is a blind rule? I lower the tariffs in order to sell. Those are indirect measures. We apply direct measures. That is what should be done", he said. "We act according to rationality", Castro added. (AFP, 26/7/06)

**September 27:** Negotiators from Cuba and the 15-nation Caribbean Community were in discussions to add hundreds of goods to those already exempted from import taxes under a free trade agreement. A deal signed in 2000 by the communist-led country and the regional bloc, also known as Caricom, slashed or eliminated duty on items including electrical products, construction materials and pharmaceuticals. Ken Valley, Trinidad's trade minister, said Caricom officials wanted to include more manufactured products such as furniture and agricultural goods, as well as tourism services. Caricom officials said Cuba wants to add some 200 products to the treaty. Cuban officials could not be reached for comment. (AP, 27/9/06)

## SUGAR INDUSTRY AND DERIVATIVES

**January 4:** Cuba began this year's sugar cane harvest which, according to officials and operators, is expected to match the historical minimum of 1.3 million tons of raw sugar processed in 2005. It was not clear, however, whether the harvest had already begun in any other of the island's 13 sugar cane-farming provinces. (Reuters, 5/1/06)

**January 30:** Cuba is planning to take advantage of current high sugar prices in the world market with an increase of its sugar production of over 1,3 million tonnes for 2006. "They are planting 150,000 acres (60,705 hectares) in an intensive way, and for the first time in years buying appropriate amounts of fertilizers and herbicides", a source said. "The Sugar Ministry announced that the process of reducing the number of sugar mills is over and are planning to use at least 70 sugar factories for 2007," the source added. (Reuters, 30/1/06)

**February 27:** Rum, Cuba's "national drink," is getting scarce due to a shortage of alcohol supplies for its producer/distributor in the Cuban capital. Dora Carbonell, assistant production manager for the Drinks and Soda Company who is in charge of production and distribution in the Havana area, said in a statement published in the weekly magazine "Trabajadores" that in January there was already no way to supply rum to the distribution network ("cadena de distribución") for products sold in Cuban pesos. "In January we sold nothing to the "cadena" and in February only 2,170 cases, but since this month we have received none of the necessary raw materials, there's a danger we will not even be able to export what we had projected for March," Carbonell said. Cuba produces some 34 commercial brands of rum and has 11 plants dedicated to its production for export. The island produces a total of 43 million cases of rum for both export and domestic sales per year, according to statistics of the Food Industry Ministry. (EFE, 27/2/06)

**March 2:** Havana Club Inc. unveiled in Cuba its "Máximo Extra Añejo", a rum that will set buyers back up to \$1,600.00 USD per bottle. This year, the company hopes to sell 100 units of this luxury brew, 10 of them in Cuba, a communist country where

the cost of living is heavily subsidized but the average salary is about \$15.00 USD. Havana Club, a joint venture between state-owned Cuba Ron and the French group Pernod-Ricard, only brewed 500 Máximo bottles, 200 of which have already been distributed. (*Reuters*, 3/3/06)

**March 13:** Not long after an overhaul of the sugar industry that saw the shutdown of scores of refineries, Cuba is seeking to breathe new life into what for decades was the motor of the national economy in light of rising prices for this commodity. Fidel Castro personally has taken over the relaunching of the sugar industry and has given instructions to increase production to take advantage of higher international market prices. The Cuban leader met on February 14 with the heads of sugar mills and top Communist Party officials to ask for their cooperation in the effort, the official daily *Granma* reported. "Guarantees, organizational and financial measures were adopted and (the meeting) was oriented toward seeking urgent solutions, with all possible speed, to refine more sugar given the (...) good prices in the market," *Granma* wrote. The new sugar policy is a response to the rise in international prices for the sweetener and the high cost to Cuba of importing some 100,000 tons of sugar from Colombia. In March 2005, Castro said that the industry "today is ruining" the Cuban economy because of the high cost of fuel, an expense that figures heavily in the harvest, transport and processing of cane. "Now, the sugar price rose a little, but I know that this country won't ever live off sugar again. It belongs to the epoch of slavery and of a people full of semi-literate" citizens, Castro said at the time. (*EFE*, 13/3/06)

**March 26:** Efforts and hard work for a more efficient use of industrial capacity currently mark the Cuban sugar harvest. Sugar Minister Ulises Rosales del Toro has asserted the 2006 harvest is so far better than that of 2005. The island nation has increased its industrial efficiency during the last harvests and present conditions are favourable to raise sugar production, said Rosales del Toro. The minister assured industrial performance and the hike of the international price of sugar have encouraged to draw up strategies to produce more sugar for export in the coming seasons. Cuba is also planning to expand sugar plantations for the 2007 harvest. (*Prensa Latina*, 26/3/06)

**March 30:** Cuba does not aim to sustain its whole economy on sugar production alone. Instead, it seeks to diversify its sugar industry enough that it can meet the demands of its domestic market and fulfill its international commitments, said the minister of the sector, Ulises Rosales del Toro. This year, Cuba expects the sugar harvest to increase to approximately 1.5 million tons. The Cuban sugar industry has deteriorated progressively in the last decade, with its steadily declining output finally hitting a low of 1.3 million tons in 2005, the worst results in a century. (*EFE*, 30/3/06)

**April 13:** Cuba is seeking direct foreign investment in sugar milling and cultivation for the first time since nationalizing the industry soon after the 1959 revolution, Cuban and foreign sources said. At least three companies, all with long-term business experience in Cuba, have made proposals to invest in and administer mills and adjoining cane plantations, though the companies wish to remain anonymous as negotiations proceed. "They told us they were given the green light at the highest level to discuss milling and cultivation," a potential investor said. The sources cautioned that hard bargaining lies ahead before the first milling venture could be signed. "There are many issues still to be resolved. Investors want to administer the mills, higher percentages of shares and pay sugar farmers and workers more," a

Cuban sugar expert said. Theoretically, the state-run sugar industry has been open to direct investment for a decade, but in practice there has been no interest up to now on the government's part except in a few derivatives and mechanical ventures, the sources said. Cuba shut down and dismantled 71 of 156 mills in 2003 when raw sugar prices were around \$.05 per lb, and relegated 60 percent of plantations to other uses. Last year's disastrous 1.3 million tonne harvest, the lowest in a century, led to more closings, with just 42 mills opened this year, though shut mills were conserved. But sugar prices have more than tripled since 2003 as high oil prices have led to increased interest in sugar-based ethanol as an alternative fuel for motorized vehicles. (*Reuters*, 13/4/06)

**May 1:** Cuba's raw sugar output amounted to 1.1 million tonnes as of April 30, Fidel Castro said. That would be below last year's harvest of around 1.3 million tonnes which marked the lowest since 1908. Castro, speaking at a May Day rally, said many mills would grind on into May though he admitted harvesting and milling would become more difficult as summer set in. Summer heat and rain usually begin by May, slowing the harvest and dropping yields. Cuba planned to produce 1.3 million to 1.5 million tonnes, similar to the 2005 crop, and shut down by May. But a slow start and supply problems have meant milling has averaged around 70 percent of capacity, below the 79 percent planned, according to official media reports, Castro said that on February 14, when he held an industry meeting, just 200,000 tonnes had been produced. He praised the efforts since then, in particular planting for future seasons. The Caribbean island consumes a minimum 700,000 tonnes of sugar per year and 400,000 tonnes are destined for a toll agreement with China. Cuba, once the world's biggest raw sugar exporter, has reduced acreage by more than 60 percent since 2003 and dismantled 71 of 156 mills. (*Reuters*, 1/5/06)

**May 10:** A new exclusive brand of rum will be released shortly onto the international market, as part of the activities to commemorate the centenary of the Pinilla distillery in Manzanillo. The product, to be called Ron Viejo (Old Rum), will be at least twelve years old and aged in American oak casks. This will impart the distinctive aroma and flavor for which the rums from this distillery are famous. The new rum will be sold in ceramic bottles in a presentation pack and will include a set of small ceramic mugs to commemorate the centenary of the distillery and the new brand. (*ACN*, 10/5/06)

**May 17:** Fidel Castro said the 2006 sugar harvest was 10 percent below a plan of around 1.3 million tonnes, but said output would have been lower if not for a big push by workers in recent months. "The plan is 100,000 tonnes more, around 10 percent," Castro said in a speech broadcast on Cuban TV. The day before, in a closed-door speech of current output, Castro said output was just 13 percent of plan on February 14, when he held an emergency meeting with the industry. Castro met again with industry leaders earlier this month to review plans to increase raw sugar production in 2007 and 2008 in order to take advantage of high prices. Castro did not say how many mills were still in operation. (*Reuters*, 18/5/06)

**June 21:** Cuba is investing in its ethanol refineries with hopes of increasing its production of renewable fuel fivefold as it bets on growing ethanol demand in the face of rising petroleum prices, a leading sugar expert said. Luis Galvez of the Cuban Research Institute for Sugar Cane Derivatives said by 2010 Cuba hoped to be producing 500 million liters (about 130 million gallons) of ethanol annually, which he said would be a fivefold increase of what it produces now. Galvez spoke to about 200 representatives from a dozen countries at an international congress on sugar and its

derivatives. He did not give a current production figure for Cuban ethanol, but did say the island had 17 distilleries capable of producing up to 180 million liters (about 48 million gallons) annually. To increase production, Galvez said, Cuba must modernize 11 of those existing plants and build seven additional new ones. He did not say how much the improvements would cost. (*AP*, 21/6/06)

**June 22:** Cuba plans to nearly triple raw sugar output in the future from this year's 1.1 million to 1.2 million tonnes, official news agency AIN said. "The Sugar Ministry is working to increase cane planting by 30 percent with the goal of sugar production reaching 3 million tonnes," AIN reported. Cuba also plans to increase ethanol production for domestic use and export. Output was expected to increase to around 1.5 million tonnes in 2007, with a big jump in 2008 as new cane comes on line. Planting got off to a slow start this year as drought persisted across much of the country, but has picked up in recent weeks due to above-average rainfall. Production Director Eglis Greck Rodriguez said in May he expected a 15 percent increase in sugar cane for the 2007 January to May harvest due to increased sowing (100,000 hectares) and increased use of fertilizer and pesticides, improved irrigation and other measures. Mills will double what they pay for cane starting in 2007, according to ministry sources. (*Reuters*, 22/6/06)

**June 27:** Cuba's struggling sugar industry won't make its harvest goals this year, the government acknowledged, saying that inefficient mills and a late start proved to be obstacles difficult to overcome. "The recently finished harvest demonstrated that hard work and final results don't always correspond," the Communist Party daily Granma reported. In February, when sugar prices rose to 17 US cents a pound, Fidel Castro announced his country - after having closed sugar mills and furloughed workers in 2002 - would try to increase its production. The government announced it would shoot for a 3 million ton harvest. But experts say it is now producing about 1.3 million tons a year - less than a fifth of what was grown in the 1950s. The nation that four years ago had 156 operating mills now has just 42, and says 28 of them began the season late. Of 22 low-production mills, eight couldn't grind the amount of sugar cane that had been projected and two were shut down due to "reiterated inefficiency and high per-ton cost," Granma reported. Had all the mills operated at capacity, Cuba could have produced another 43,800 tons, the paper said. But Granma did not offer any actual production figures for this year's harvest. "The late start couldn't be beaten," the paper said. (*AFP, McClatchy Newspapers*, 28,30/6/06)

**July 11:** Cuba hopes to take advantage of high sugar prices and the ethanol boom to revitalise its industry and greatly increase alcohol production, a senior ministry official said. "Our country has begun an accelerated drive to increase alcohol production, modernising existing distilleries and installing new ones to increase by five times installed capacity," Luis Galvez, director of the sugar ministry's Sugar Cane Derivatives Research Institute, said. There has been a sharp increase in worldwide ethanol demand which, Brazil, the biggest supplier may not be able to meet due to its own strong domestic demand. Cuba, which has scaled back its sugar cane industry, is now attempting to refocus the industry on ethanol production. (*Jamaica Gleaner*, 14/7/06)

**July 26:** After an intensive restructuring of its sugar industry, Cuba is planning to make new investments in the sector to produce ethanol, Sugar Minister Ulises Rosales del Toro said. During a visit to the eastern province of Granma, the minister told journalists that the Cuban sugar industry had arrived at the "door of development" after the restructuring process it began in 2002. The Communist island

dismantled part of its sugar industry after the drop in prices for the sweetener several years ago, but it began to increase production again when prices on the international market began rising. In the new phase, Cuba is focusing its attention on the production of ethanol, which, the minister said, offers a "magnificent outlook for the next harvest." He also said that the government was studying joint investment proposals it had received in the sector, but he added that so far "there is nothing concrete." If these joint investments are agreed, it would be the first time Cuba allows investments of foreign capital in the sugar industry. (*EFE, Reuters, 26/7/06*)

**August 27:** The upcoming sugar cane harvest could see a yield greater than last year's, thanks to the increased availability of fertilizers and more rainfall, Sugar Minister Ulises Rosales del Toro said. Improved conditions have sparked optimism, though the productive potential of sugar cane plantations is still greater than expected output, newspaper Granma reported. Rosales said that an upcoming evaluation in September will determine a more exact estimation of sugar cane production and the strategy to be followed during the harvest. He also announced that processing of cane could begin before January at some sugar mills. (*Prensa Latina, 27/8/06*)

**September 5:** Several years after downsizing what was once Cuba's most important business, authorities have reversed course and are expanding the sugar industry to take advantage of the high global price of sugar and growing demand for ethanol. Ulises Rosales del Toro, Cuba's sugar minister, said that he expects sugar production to increase at least 25 percent this year and has vowed to triple production to 3 million tons in the next few years, according to Cuba's state-run media. Cuban authorities also plan a fivefold increase in the production of ethanol, a sugar-based fuel for automobiles that is increasingly attractive as gasoline prices soar. Analysts say the ambitious effort is full of pitfalls and doubt that Cuba has the capital needed to quickly boost sugar cane yields, modernize two dozen or more refineries to increase processing capacity, and build new ethanol distillery plants and other infrastructure to develop a viable export business. (*Chicago Tribune, 5/9/06*)

**October 12:** Cuba is eager to revive its once mighty sugar industry and, with the help of foreign investors, become a global player in the fast-growing ethanol fuel sector, say Cuba analysts and energy specialists. It has been decades since the communist island stood alone at the top of the list of the world's biggest sugar producers, but Cuban officials reportedly are adamant about reviving sugar, the country's No. 1 export until the collapse of the Soviet Union in the late 1980s. One Cuba analyst with close ties to the country's sugar ministry noted that Cuban officials were seeking overseas assistance in reviving the industry, though they acknowledged that will be difficult because of the country's chronic lack of revenue and resources. In response to the growing global demand for the commodity, Havana created a Cuban business society called ZERUS, which is charged with supervising investment projects in Cuba's sugar sector. ZERUS Director Jose Rivera Ortiz said in a recent interview with Cuban business magazine Opciones that Cuba's Ministry of Foreign Investment has already approved the group's initiative to revive the sugar industry - with an eye on ethanol. (*The Washington Times, 12/10/06*)

**October 16:** Cuban Sugar Minister Ulises Rosales del Toro announced an increase in the number of sugar mills active for the upcoming harvest, with a total of 51 factories. The current situation of the Cuban sugar industry and sugar cane plantations, plus the economic need to carry out a harvest between January 1st and

April 30th, allows for the operation of an additional nine sugar mills over the number of factories that worked in the last sugar cane harvest. In recent statements, the Cuban Sugar Minister said the additional sugar mills did not work last year because of a low bulk of sugar cane or due to their need for important investment in their energy systems, Granma daily reported. (*ACN*, 16/10/06)

**October 24:** Cuban Sugar Minister, Ulises Rosales expressed satisfaction over the reactivation of sugar cane production in the country, while cutting this crop at a plantation in Pinar del Rio province. In statements to Cuban TV, the official said the future of the sweet commodity in Cuba depends on the quality of the grass, reason for which he exhorted to giving the best attention to the crop. Rosales headed a journey of spontaneous work at enterprise number 16 of the westernmost province of Pinar del Rio, where workers are trying to hasten planting and other labors of the sugar cane. The Minister assured recently that the next sugar harvest will be higher in volume and quality, judging by improved supplies and a better industrial and agricultural preparation. (*Prensa Latina*, 24/10/06)

**November 21:** Vice President Carlos Lage, during a visit to the eastern city of Holguin with Sugar Minister Ulises Rosales, said the regime has made "significant investment" in reinvigorating the sugar industry. This year's "zafra," or sugar cane harvest, produced 1.2 million tons of the crop, a far cry from the several million tons per year of the 1960s and '70s, and the much-heralded and eventually failed national mobilization to reach the 10-million-ton mark in 1970. Authorities see good prospects for cane-derived products such as alcohol in the growing global market for alternative fuels. They have projected a 25-percent increase in the 2007 zafra, and a five-fold hike in production of cane alcohol. Recovery of the sugar industry follows the wholesale reorganization effected in 2002, when nearly 100 refining mills nationwide were closed and half the acreage dedicated to cane was given over to other crops. An estimated 350,000 workers are employed in the sugar industry in this nation of 11 million people. (*EFE*, 21/11/06)

**December 19:** The Cuban sugar harvest began with the first of 51 mills grinding toward a hoped-for comeback to take advantage of higher world prices and increased ethanol demand, local media said. Authorities have said there is at least 25 percent more cane than the previous harvest that produced an estimated 1.2 million tonnes of sugar. "The Paquito Rosales mill in eastern Santiago de Cuba began milling," state-run television said, announcing the start of the harvest. "Local specialists announced there was 37.7 percent more cane in the province and raw sugar output would increase 51.2 percent" over the previous harvest's 90,000 tonnes, Santiago's Sierra Maestra weekly said in its online edition. Sugar Minister Ulises Rosales del Toro said in October the painful process of downsizing the industry was over. (*Reuters*, 20/12/06)

## TELECOMMUNICATIONS, INTERNET

**January 28:** People from the City of Havana and Havana province benefit from the opening of "Habana" television station, the fifth channel in Cuban television. The opening coincided with ceremonies to pay homage to Cuban National Hero Jose Marti. The station has an informative and cultural profile. (*Prensa Latina*, 29/1/06)

**March 1:** This year Cuban television will reach 11.2 million inhabitants, thus eliminating the so-called "silent zones" particularly in the mountain regions. This will be possible with the installation of satellite receptors and parabolic antennas in video rooms and other social centers that the national network does not reach. The Cuban Ministry for Information and Communication informed that the platform will allow Cuban TV and radio signals to be received in Latin America, Caribbean countries, and part of North America. The modern technology will favor four national TV channels and Cubavision Internacional, in addition to seven Cuban national radio stations. (*Prensa Latina*, 1/3/06)

**March 2:** Replacing computers by enhanced hardware at lower cost is one of the advantages of a recycling method gaining momentum in Cuba. The president of Cuba's Electronics and Technology Marketing (COPEXTEL), Fernando Sordo, said the technique allows for the renovation of computers every three to four years. This practice means less investment to replace components, so that the island's computer availability can be broadened by the use of recycled computers added to the purchase of new ones, he explained. COPEXTEL is a main Cuban supplier of mostly China-made computers to schools, hospitals and social programs in the island. (*Prensa Latina*, 2/3/06)

**March 7:** Computer sciences are to become a powerful scientific, economic and political force for Cuba, said Fidel Castro during the celebration of the 15th anniversary of the establishment of the networks' central hub at Palacio Central de la Computacion, a large computer training facility that for years was a well-known department store in town. The event also celebrated the establishment of 300 new Youth Computer Clubs throughout the nation. Castro highlighted the advances achieved in the program since its inception. He noted that the program makes it possible for some 200,000 young persons to train in computers and communications by means of 50 different courses being taught, including several for senior citizens and people with disabilities. (*Granma*, 8/3/06)

**May 24:** Cuba's first satellite platform for radio and TV broadcast will cover five channels and five radio stations and bring telecommunication to new zones of the country for the first time, especially in mountain areas. Recent investments allowed the installation of satellite receptors and parabolic antennas in social institutions with joint work by Radio Cuba and Telecomunicaciones de Cuba (ETECSA). Specialist Maria Cristina Bravo, of Copextel Marketing and Communications Division, said the platform airs broadcasts of Cubavision, Cubavision Internacional, Tele-Rebelde, Canal Educativo and Educativo 2. (*Prensa Latina*, 24/5/06)

**May 30:** As human rights group Amnesty International launches a global campaign to try to halt censorship of the internet by governments, BBC correspondents report from some countries where web users face difficulties. Cuba has vowed to be a force to be reckoned with in the digital era. Thousands of Cubans are being trained in a new school for computer technology on the outskirts of Havana. Free computer clubs have been set up across the country. Even the smallest rural schools are being provided with their own terminals. But at the same time the government is working hard to prevent its citizens from surfing the net without restraint. Shops in Havana might appear to sell high-quality computers, but actually making a purchase is impossible for Cubans without special approval, which is rarely granted. Similar restrictions are in place for anyone who might want to open up an account with the state internet service provider. Exceptions include senior government officials, academic researchers, and foreigners. Thousands of Cubans get around their

governments restrictions and access the internet via the black market. User IDs and passwords are sold by state employees whose jobs give them legal access. Some log on via home made computers built from smuggled parts. A legal alternative is to go to one of the cyber cafes that are being set up across the country. But these have another barrier - cost. Half an hour surfing the web costs around \$3. That might be comparable to the price in other parts of the world, but in Cuba, where the average salary is \$15 a month, it is substantial. (*BBC*, 30/5/06)

**June 19:** A human rights official for the Organization of American States (OAS) has called on the Cuban government to stop restricting access to the Internet. In a statement, the OAS's Ignacio Álvarez said he "observes with concern" that the Cuban legal system severely restricts the Cuban population's access to the Internet. Álvarez said access to the Internet can strengthen democracy, contribute to a country's economic development, and "uphold the full exercise of freedom of expression." Álvarez, the OAS special rapporteur for freedom of expression, said the source of Cuba's restrictions for using the Internet lies in a government decree called "Access to the World Computer Network from Cuba." But Álvarez said restricting such access to the Internet is "incompatible with the right to freedom of expression." Álvarez said a Cuban journalist, Guillermo Fariñas, has been on a hunger strike since January 31 in protest of restrictions on Internet access in Cuba. (*Washington File*, 20/6/06)

**June 23:** Fidel Castro was presented with a painting allusive to the recent graduation of the millionth person from the Youth Computer Clubs set up around the island, handed to him by the first secretary of the Young Communist League (UJC) Julio Martinez, during the radio and TV program "The Round Table." "This is a birthday's gift," said Castro, who added, "but it is just the beginning!!" Panellists on the TV and radio program evaluated the 18 years of uninterrupted work of the Youth Computer Clubs. (*Granma*, 24/6/06)

**July 4:** According to European Commissioner for Development and Humanitarian Aid Louis Michel, the European Commission representation in Havana also endures "access restrictions to certain Internet servers, blocked by the only local ISP available in Cuba." In response to a Euro Representative who asked whether the EC delegation in Havana had "unrestricted Internet access," the Commissioner confirmed the access restrictions. (*EFE*, 4/7/06)

**July 20:** Following the success of the launch of its internet freedom campaign in the UK, Amnesty International is going global with "irrepressible.info", a campaign that aims to claim back the web as a force for change in the face of an increasing willingness on the part of technology companies to aid censorship and repression. AI said that from Iran to the Maldives and Cuba to Vietnam, governments are both cracking down on those who use the internet to communicate their views and denying their citizens access to its wealth of information. "Web users are locked up, internet cafes are shut down, chat rooms are policed and blogs deleted. Websites are blocked, foreign news banned, and search engines filter out sensitive results," a press release said. "The internet can be a great tool for the promotion of human rights -- activists can tell the world about abuses in their country at the click of a mouse. People have unprecedented access to information from the widest range of sources," said Amnesty International. (*AI Press Release*, 20/7/06)

**July 24:** Cuba had to pay 4 million dollars for satellite Internet access in 2005, 25 per cent more than an underwater cable access would have cost, Cuban officials

claimed. The embargo that Washington imposed on Cuba in 1962 precludes use by the communist island nation of an underwater optic fibre cable that runs near its territory. Roberto Santiesteban, of Cuba's Telecommunications Company (ETECSA), who revealed the discrepancy to reporters, said Cuba was also at a disadvantage because cable connections give faster and better Internet quality. The country has had Internet for ten years. The regime led by Fidel Castro has prioritized the web's 'social' use and limited access by individuals, claiming insufficient bandwidth. (*DPA*, 24/7/06)

**August 18:** At half a dollar per minute of use and 150 to 200 dollars in the black market for the phone itself, cell phone service is prohibitively expensive for the average Cuban. The two entities selling cell phone service on the island, Telcel, and Secom, only offer it to foreigners and to Cubans who are specifically authorized to have the service. In any case, the service must be paid for in dollars; pesos are no good here. Yet, with scarce land lines and often little hope of getting one, some Cubans who have access to dollars sometimes take a chance on a cell phone. A young couple who gave up waiting for a land line recently decided to obtain a cell phone. They managed to find someone who sold them the unit, with the condition that should there be a problem with the phone, they need to go through the rightful owner to obtain service. Still, they say, it's hard to pay that much money and be constantly at risk that the line could go down and they would lose their investment. Also, they point out, not everyone has a friend or relative abroad who will send the required hard currency. (*Cubanet*, 18/8/06)

**September 8:** A radar device to detect meteorological events located on San Juan Peak in the Cuban province of Cienfuegos is being modernized to increase significantly its capacity, *Granma* newspaper reported. A team of experts have installed there a new magnetron, an apparatus in charge of measuring electromagnetic energy. The San Juan Peak meteorological station has been introducing technological improvements for several years, to detect with great precision meteorological phenomena. (*Prensa Latina*, 8/9/06)

**September 25:** Cuba fired the heads of two of the country's most influential companies in a bid to bring the computing and telecommunications enterprises back under firm state control amid a national anti-corruption drive, industry sources said. Information Technology and Communications Minister Ramiro Valdes, 74, a former revolutionary hero, took over the sensitive sector that controls communist Cuba's communications, computing, Internet and software development late in August 2006. Valdes fired the president of Empresa de Telecomunicaciones de Cuba SA (Etecsa), Jose Antonio Fernandez, and the vice minister for information, Nelson Ferrer, for failing to control the fixed-line and mobile services monopoly, the sources said. Valdes also fired the president of the powerful state-run Copextel corporation which imports, assembles and distributes advanced communications, computing and other technology, the sources said. Copextel, with annual revenues of more than \$200 million, has been caught up in recent corruption scandals involving kickbacks from foreign companies. Etecsa's new president, Maimir Mesa Ramos, and Copextel's new boss, Antonio Orta Rodriguez, were both promoted from within the ranks. International studies have found that Cuba occupies last place in Latin America for both mobile phone and Internet penetration, and is fifth from last in terms of its number of fixed telephone lines. Cuba's 11 million people cannot buy a computer or subscribe to the Internet without a government permit, satellite television is prohibited, and mobile phones are available only for hard currency. (*Reuters*, 26/9/06)

**November 1:** A Cuba government official told a United Nations summit in Greece that the US government was to blame for the poor Internet access that its citizens enjoy. Juan Fernandez, a Cuban government official in the Commission of Electronic Commerce, assailed the US government's economic embargo and argued that as a result poorer countries are "financing" the Internet. UN Secretary-General Kofi Annan appointed Fernandez to a high-level working group two years ago. Fernandez's only problem was that a longtime Internet engineer and researcher was present and challenged those claims. Bill Woodcock, research director of the non-profit Packet Clearing House who has set up Internet exchange points in Latin America and other developing nations, replied by saying that the Cuban government's problems stem from its own telecommunications monopoly and its official censorship policies. (*CNET News.com*, 1/11/06)

**November 2:** Havana denounced that the US thwarts Cuba's access to the Internet wide band, while accusing the Island of limiting the service in the country. As the result of US restrictions, the wide band allowed for the entire country of Cuba to connect to the network of networks is almost the same as the one granted to private or corporate users in other countries, Juventud Rebelde daily reported. In Australia, Bangladesh, Great Britain, Italy, or the US, an internet user can access a high speed service with chances of direct transfer of up to 24 megabytes per second. In Norway or Japan, that figure tops 100, the publication revealed. However, Cuba, a country with over 11 million people, can use, through satellite, only 65 megabytes of wide band for output and 124 for input. (*Prensa Latina*, 2/11/06)

**November 8:** The Internet enemies list numbers 13: Belarus, China, Cuba, Egypt, Iran, Myanmar, North Korea, Saudi Arabia, Syria, Tunisia, Turkmenistan, Uzbekistan and Vietnam. These are the countries singled out by the press freedom group Reporters Without Borders as the worst culprits for systematic online censorship. "No one should ever be prevented from posting news online or writing a blog," said the Paris-based group, Reporters Sans Frontieres in French, which taps more than 100 journalists who are "keeping us informed." (*The New York Times*, 9/11/06)

**November 9:** The mass media war and the use of the Internet as a new battlefield were the topics on the first day of an international gathering of war correspondents taking place at the "Jose Marti" International Institute of Journalism in Havana. The first session was attended by Orlando Fundora, President of the World Peace Movement. Jose Dos Santos, first vice president of the Cuban Association of Journalists (UPEC), addressed the meeting on behalf of the Latin American Federation of Journalists. (*Granma*, 9/11/06)

**December 14:** A cell phone in Cuba is about as rare as an American executive without one. While the communist-led nation takes pride in its accomplishments in health and education, it ranks dead last in the Americas in cell phones per person and shares the second-worst standing in the world, according to a new UN study. Less than 2 percent of Cuba residents have cell phones, a ranking on par with countries like Nepal and Eritrea. Only Papua New Guinea has fewer -- with less than one cell phone for every 100 residents, according to the study by the UN Conference on Trade and Economic Development. The state-owned cell-phone company, known as Cubacel, won't allow Cubans living on the island to sign up for a phone on their own. Only foreigners or Cubans with residency abroad can open personal accounts. Some resident Cubans are issued cell phones through their employers -- but cannot

open accounts on their own, according to Cubacel policy. Repeated attempts to reach top officials at Cubacel were unsuccessful. (*Sun Sentinel*, 14/12/06)

## TOBACCO

**February 10:** Cuba sold about 160 million of its world-famous cigars in 2005, in line with recent years' sales, a tobacco executive said in announcing plans for this year's annual international cigar festival. Sales numbers in recent years have averaged around 150 million cigars. Manuel Garcia, vice president of the island's cigar-marketing firm Habanos SA, told reporters that the world market for premium cigars is about 400 million, about half of which are sold in the US. Cuba cannot legally export cigars or any other products to the US under a 45-year-old American trade embargo against the island. European countries are the largest market for Cuba's \$350 million annual cigar business, especially Spain and France, followed by Germany. Asia is also a growing market for Cuban cigars, Garcia said. (*AP*, 10/2/06)

**February 28:** Smoking bans around the world have cast a pall of uncertainty over the Cuban cigar business which is angling for emerging markets such as China to keep growing, retailers said. In Cuba, where the government has been unable to enforce a year-old smoking ban, hundreds of wealthy aficionados and cigar sellers are enjoying unrestricted smoking in public at the annual festival of the Habano, Cuba's premium hand-rolled cigar. "Despite the world's determination to stop people smoking, the sale of cigars is bearing up quite well," said Hong Kong entrepreneur and international socialite David Tang. "We had a very good year in 2005, but the uncertainties are growing hourly," said Simon Chase marketing director at Hunters & Frankau, exclusive Habanos distributors for Britain. British lawmakers voted to ban smoking in all pubs, clubs and indoor public spaces in England from mid 2007, adding to the growing list of countries taking a tough stand against smoking. Spain, Cuba's largest cigar market, banned smoking in all offices and certain other public places as of January 1. Cuban cigar maker Habanos S.A., a joint venture between the state-run tobacco industry and Franco-Spanish tobacco group Altadis, is preparing for a difficult year in 2006. Habanos is turning for growth to new markets in the Middle East, Latin America and Asia, including China where the rise of capitalist entrepreneurs has increased cigar smoking. (*Reuters*, 28/2/06)

**March 18:** After having strung more than 272,000 poles with tobacco leaves, four percent above production targets, it has been estimated that growers in eastern Las Tunas province will set a new record during the current tobacco-leaf harvest. The figure represents nearly a third of the estimated total harvest, which will soon enter its peak stage and should be wrapped up by the end of April. Las Tunas has an overall area of over 1,700 hectares of tobacco fields. Romilio Lopez, assistant director of the Tobacco Company in Las Tunas, told the local press that some 34,000 quintals of the leaf (over 1,500 tons) are expected to be harvested in Las Tunas this year, thus surpassing the local production record set in 2001. (*Cuban News Agency*, 18/3/06)

**October 24:** What have been billed as the world's most expensive cigars, a limited-edition from the hands of one of Cuba's most famous rollers, have gone on sale at \$436 each. The Cohiba Behike, named after a tribal chief of Cuba's indigenous Taino tribe, was launched to mark the 40th anniversary of the Cohiba brand. Just 4,000 have been rolled, packaged in boxes of 40 and sold at \$17,447. The humidors, made

of ebony, cedar, sycamore, nacre and ox-bones, are numbered and bear a plaque on which the buyer's name is engraved. Ordinary hand-rolled cigars sell from about \$3 up while "super premiums" can cost \$14. The maker, Habana SA, justified the Cohiba Behike's price by saying each was rolled by Norma Fernandez, one of its most experienced rollers, or torcedoras, at the El Laguito factory in Havana. (*Mail & Guardian*, 24/10/06)

## TOURISM

**January 13:** The number of Czech tourists who traveled to Cuba in 2005 was 7,427, a dynamic increase according to Cuban diplomatic sources in Prague. "As compared to the previous year's figures, the Czech Republic became the world's country with the highest dynamic growth rate in terms of the number of tourists visiting the island," added the sources. Cuba also registered a high number of visitors from Poland and Hungary. (*EFE*, 13/1/06)

**February 22:** Cuba broke the record of foreign tourists accommodated in a day when reporting 65,280 travelers in pleasure facilities, according to an official note issued by the Tourism Ministry (MINTUR). Released by the MINTUR website, the report adds this number was last broken on March 25, 2005 with 64,956 people lodged in Cuban hotels. (*Prensa Latina*, 22/2/06)

**February 26:** Havanatur international tour operators and the Ecuadorian air company TAME have endorsed an alliance to promote the Caribbean island as a tourist destination. Havanatur General Manager Pedro Hernandez highlighted that TAME is sending one flight a week to the Cuban capital from February 11 in order to consolidate that route and open new tourist opportunities for his agency and the Ecuadorian airline. (*Prensa Latina*, 26/2/06)

**March 10:** Cuba and Venezuela prepare for future joint commercialization of tourist package deals. "One of the offers under study would sell Cuban beach-Orinoco jungle excursion bundles," revealed the Cuban vice-minister of Tourism, Oscar González, head of the Havana delegation to the International Tourism Bourse (ITB), held in Berlin. González pointed out that there has been a noticeable increase in the number of Venezuelan tourists visiting his country, although "there are many Venezuelans who are going to Cuba to train in different areas and others for something called 'Mission Miracle'". Last year, approximately 80,000 Venezuelans traveled to Cuba for this purpose, "disadvantaged people who, at no charge, can avail themselves of Cuba's world-class health care system," he added. "Our goal now is to put together an offer that turns into a reality what the tourism and hospitality industry in the region has been unsuccessfully trying to achieve for quite some time: an attractive and compact multi-destination bundle," he said. (*EFE*, 10/3/06)

**March 21:** More than 600,000 Canadian tourists will visit Cuba this year, which confirms the North American nation as one of the main tourist sources for the island, reported Alexandra Bugailiskis, Ambassador of Canada in Havana. In declarations to the local media, the Canadian ambassador added that commercial bilateral relations are "very good" and that her country is one of the largest investors in the Caribbean island. (*Europa Press*, 21/3/06)

**April 21:** Cuba is becoming increasingly costly and less profitable for foreign tour operators, some of whom are canceling trips to the island nation and taking people to other Caribbean resorts, industry sources said. They said Cuba and tourism companies are increasingly at odds, with the government seeking a greater share of shrinking profits even as the arrival of new visitors stagnate. "Tour operators are canceling bookings and flights," a European hotel manager said. "They are making their money from places like the Dominican Republic and Mexico, but nothing from Cuba." The Canadian Association of Tour Operators recently complained to the Cuban Ministry of Tourism about the lack of adequate service for tourists, theft at airports and hotels, and jet fuel costing 33 percent more than elsewhere. "Rates have become completely uncompetitive with other tourist destinations in the Caribbean," the association said in the letter sent in January and obtained by the press. (*Reuters*, 21/4/06)

**May 9:** In 2005, Cuba received over 2,3 million of tourists, an increase of 13,2% in relation with 2004, the Minister of Tourism, Manuel Marrero, announced. Marrero was opening the 23th Fair of International Tourism, FITCUBA 2006, in Havana. (*Europa Press*, 10/5/06)

**May 10:** Cuba launched a campaign to attract tourists from Venezuela and China, a goal that has become the focus of the 26 th International Tourism Fair. "They are two developing markets and we are putting our money on them," said the Cuban Minister of Tourism, Manuel Marrero, during the opening remarks of the Fair. Canada, Great Britain, Spain and Mexico - followed by Holland, Brazil and Argentina - were the main sources of tourists for Cuba in 2005. (*AFP*, 10/5/06)

**July 5:** Tourist air transportation by Cuba's Civil Aeronautics Institute grew over seven percent, compared with the same period last year, its president Rogelio Acevedo said. Acevedo told Juventud Rebelde newspaper the country is investing in airports of Santa Clara, Holguin and Manzanillo, with the aim of modernizing runways and other facilities, developing tourism and improving passengers' attention, among others. The Cuban Civil Aeronautics Institute has firmed up passengers transportation plans scheduled from January to June, the daily reported. (*Prensa Latina*, 5/7/06)

**July 20:** British airline Virgin Atlantic described its first year of operations in Cuba as satisfactory, during which it carried 35,000 passengers to the island, Virgin Representative Michelle Southgate said in Havana. In statements to Caribbean News Digital, the executive noted the beneficial ties between the United Kingdom and Cuba, adding that the company reported a 75 percent occupation rate during the period. Virgin Atlantic's two weekly flights between London's Gatwick Airport and Havana's Jose Marti Airport have been well accepted since July 2005. (*Prensa Latina*, 20/7/06)

**October 24:** According to sources in the tourist sector, the Cuban authorities have turned economic management of the majority of its resorts and hotels over to European hotel chains, mostly Spanish firms. High-ranking Cuban officials have acknowledged an alarming reduction in the number of tourists visiting the island. High prices and poor service quality stand out among the problems affecting the tourist industry in the Caribbean country. (*El Mundo*, 24/10/06)

**November 14:** The number of tourists arriving in Cuba from Europe and Canada has fallen, according to a Tourism Ministry report. The number of tourists from Canada

was down 1.9 percent in September from last September, the number of tourists from Spain fell 5.7 percent, Italy 15 percent, and Germany 9.8 percent and France 5.2 percent, with only Britain showing an increase of 5.7 percent. The report gave no reason for the drop. Industry sources said earlier this year that partly because of changes to exchange rates, Cuba was becoming increasingly costly and less profitable for foreign tour operators, some of whom were switching to other Caribbean countries. The Canadian Association of Tour Operators complained this year to the Cuban Ministry of Tourism about the lack of adequate service for tourists, theft at airports and hotels, and jet fuel costing 33 percent more than elsewhere. Canadians are the most numerous at Cuba's beach resorts, followed by Europeans. (*Reuters*, 14/11/06)

**November 20:** The rate of increase of tourist arrivals has fallen sharply in 2006: after a 13.2% increase in 2005, unofficial estimates suggest growth of only around 4% this year. In some important markets—notably the Canadian market, which is the largest source of tourists and accounts for 25% of the total—the number of tourists has fallen. Some of the slowdown can be explained by the appreciation of the Cuban convertible peso, which has damaged competitiveness relative to other tourist destinations in the region. It is also partly the result of the fact that the strong increase in 2005 was inflated by the thousands of Venezuelans arriving in Cuba as part of official bilateral programmes for education and healthcare. These trends imply that the slowdown is part of a more long-standing trend since the start of the decade. It seems that the industry has started to reach maturity. Annual average growth of tourist arrivals in the 1990s was 25%; since 2000, it has fallen to less than 4%. Although tourism is an important source of employment—it directly employs more than 100,000 people—and has played a significant part in lifting hard currency demand for Cuban manufactures of consumer goods, it is no longer the main engine of growth. Other services have become more important in terms of driving hard currency income, and industry is diversifying towards production of construction materials and consumer goods for domestic consumption. This explains the shift in policy emphasis away from the expansion of tourism and towards other sectors. (*Economist Intelligence Unit*, 20/11/06)

**December 10:** Travel agents report a brisk demand for visas to Cuba, one of the few places that welcomes Palestinians. Two popular destinations for Gazans are Canada, which still offers legal immigration, and Cuba, which imposes few restrictions on Palestinian travelers. Those with tourist visas to Cuba often don't plan to go there. Instead, they get off in transit at a European airport, rip up their Palestinian travel document and seek asylum. Travel agencies in Gaza arrange for fictitious invitations, hotel bookings and Cuban visas for their clients, a Palestinian security official said. The cost of the service has gone up from \$200 to \$1,500 because of the high demand and increasing risk, the official said. Palestinian, Egyptian and European officials have begun to tighten restrictions in an attempt to stem the flow. Travel agent Mohammed Mouin said 65 of his clients with Cuban visas were sent back from Egypt, but that many more are trying. "Traveling to Cuba has become a fad," he said. (*Chicago Sun Times*, 10/12/06)

**December 28:** The flow of tourists from the Ukraine into Cuba doubled up during 2006 compared to 2005, Cuba's ambassador in Kiev said. In a meeting with representatives of more than 125 Ukrainian tour operators, ambassador Julio Garmendia said all the companies worked very close with the Cuban consulate. The Cuban mission presented the four most successful companies in sending travelers to the island with certificates of recognition for their work. (*A/N*, 28/12/06)

# TRANSPORTATION

**January 9:** Cuba has received 12 locomotives and 80 buses from China as part of a government plan to improve the communist island's transportation service, the official daily *Granma* reported. The 2,500 horse power, DF7G-C diesel-electric locomotives arrived in Havana's port over in a 15 million dollar deal with the Asian giant, *Granma* said. It was the first time China exported locomotives to Latin America. The Chinese buses join pressure cookers, light bulbs, refrigerators, TVs and bikes in the deluge of Chinese products flooding Cuba. From exporting appliances to investments in Cuba's nickel and oil, China is becoming a big player on the island — its second-largest trade partner as of September, up from fourth place in 2004, according to Cuba. (*AFP, The Seattle Times, 9/1/06*)

**January 15:** Fidel Castro thanked China for new locomotives and buses that will help improve local transportation on the island, emphasizing the increasingly close ties between the two countries. Castro said the locomotives are a symbol of friendship between Cuba and China, adding that China has become the "principal locomotive" of economic development in the world, according to Cuba's Communist Party daily *Granma*. The arrival of the 12 new locomotives and the 80 buses purchased from China was reported by Cuban media. Of those buses, about 300 will be used for tourism and transport of construction workers, students and social workers from one province to another, Castro said. The remaining 700 will be for inter-province travel for the general population. Castro said that it had been impossible to devote money to the island's railway system during the 1990s, but that dramatic improvement in the Cuban economy allowed for the recent purchase of the Chinese equipment. The Cuban leader said the Chinese locomotives were superior to those manufactured in the United States and much more affordable. Each Chinese locomotive cost 37 percent of what a similar one from the United States would have cost, Castro said. Castro pointed out some "malicious concerns" of international press agencies over China's trade relations with Cuba, aimed at distorting the increasing presence of Chinese products in the national market. (*AP, Prensa Latina, 15/1/06*)

**March 7:** Cuba is turning to Chinese companies rather than western ones to modernize its crippled transportation system at a cost of more than \$1bn, continuing a trend of favouring the fellow Communist country that has made Beijing Cuba's second trading partner after Venezuela. Buses plying Cuba's highways increasingly come from the Yutong Bus Company and railway locomotives from the 7th of February works on Beijing's outskirts. Cuba's ports are being revamped with Chinese equipment, in part, to handle millions of Chinese domestic appliances that began arriving last year. Oil rigs along Cuba's northwest heavy oil belt boast Chinese flags, and this is only the beginning, Fidel Castro has said. Cuba's "maximum leader" announced in February he was negotiating personally the purchase of 8,000 buses to be partially assembled on the island. In addition, was a deal for 500 Chinese railway cars and thousands of trucks and cars. China reported 2005 bilateral trade between the two countries up to November was \$777m, up 62.5 per cent year-on-year. The increase was mainly due to \$560m in Chinese exports to Cuba, up 91 per cent. China has provided Cuba with about \$500m credit to cover the development of communications and electronics. But direct investment between the countries is only

about \$100m. Plans jointly to produce nickel and cobalt have yet to materialise. (*Financial Times*, 7/3/06)

**March 9:** Ukraine and Cuba have plans to develop their cooperation in the sector of transportation. The Ministry of Transport and Communications' press service told the press about an official meeting between the Acting Transport and Communications Minister Viktor Bondar and the Cuban Ambassador to Ukraine Julio Garmendia. According to the press service, both parts said it was necessary to establish a direct regular flight between Cuba and Ukraine. The aviation industry, in the opinion of the meeting participants, is one of the most promising sector to step up cooperation between the two countries. (*Ukrainian News*, 9/3/06)

**March 27:** In a meeting with Iranian Foreign Minister Manouchehr Mottaki in Tehran, Cuban Minister of Transportation, Carlo Manuel Pazo Torrado, gave him a letter from his Cuban counterpart, Felipe Perez Roque, dealing with cooperation between the two states. According to a report released by the Foreign Ministry Media Department, Torrado briefed Mottaki on his talks with the officials of Iranian Ministry of Roads and Transportation on his country's intention to purchase train wagons from Iran. Meanwhile, he expounded on Cuba's high economic development in Latin America, despite the 15-year economic sanction against it under the leadership of Fidel Castro. (*IRNA*, 27/3/06)

**April 2:** Syrian Minister of Transport Yarub Badr conferred with Ambassadors of Belgium and Cuba in Damascus on means of cooperation between Syria and each of the two countries in different transportation fields. During his meeting with the two ambassadors, each separately, the Minister of Transport discussed ways of activating agreements signed between the two sides as well the possibility of making use of expertise and technology of the other sides. Cooperation prospects include developing railways and modernizing compartments. (*SANA*, 2/4/06)

**April 4:** Fidel Castro said Cuba has bought from China 100 train engines and more than 7,000 buses for delivery this year, as part of his "energy revolution" to save fuel and improve public transport on the communist island. "One hundred train engines (...) We've also signed contracts for 1,000 20-ton trucks," Castro, 79, said at the Karl Marx Theater, on the anniversary of two communist youth organizations. Castro said more than 7,000 buses would be delivered by China this year, and "thousands of passenger railroad cars are being repaired" for future service in Cuba. (*AFP*, 5/4/06)

**April 10:** Russia and Cuba considered new projects in the transport industry. Fidel Castro is interested in the development of bilateral trade ties, said the head of the Federal Agency for Industry Boris Alyoshin who headed a Russian delegation in Cuba. At a meeting with the Russian delegation Castro spoke about the plans to develop the transport network in Cuba. He noted that Cuba may purchase Russian buses, trucks and trains, Alyoshin emphasized. During the meeting the sides reached agreement that the delegation of the Cuban transport ministry will arrive in Moscow soon. This delegation will consider the possibilities of concluding commercial contracts on supplies of the Russian machinery in the Caribbean country. According to Alyoshin, some offers in the energy industry were also discussed. (*ITAR-TASS*, 11/4/06)

**April 26:** Iran will be exporting 500 freight and passenger wagons to Cuba valued at \$135m, Cuban deputy minister of transportation noted in Tehran. The news came

during Roberto Ricardo Mauro's visit to Pars Wagon Company in Arak, 250 km southwest of Tehran, after signing the purchase contract for 500 wagons at Iran-Cuba Joint Meeting. "Rail business plays a central role in Cuba's transportation policy and delivery time of the rail cars is crucial to us," deputy minister announced. Furthermore, executive director of Pars emphasized on 'quality job' and 'design innovation' as two inseparable drives of the company, adding that the wagons will be delivered by 2007. (*MNA*, 26/4/06)

**May 17:** The Public Transit Association (ASTRO) has considerably increased the prices of bus fares. In the case of the route Santiago - Havana it went from 55 to 145 pesos. Fares for the bus trip between Santiago de Cuba and Bayamo escalated from 8 to 24 pesos, while in the case of the routes providing service from Palma Soriano to Holguín, it shot up from 5.50 to 29 pesos, and from 11.50 to 52 pesos for the trip to Camagüey. (*Cubagnet*, 17/5/06)

**May 23:** Cuban and Chinese officials met in Havana to evaluate new ways to enhance cooperation in the field of transportation. The meeting was attended by Cuban Transport Minister Carlos Manuel Pasos; the director of the Cuban Institute of Civil Aeronautics Rogelio Acevedo and the vice-president of China's CATIC company Yang Ying. CATIC company is one of China's major twenty enterprises, out of a total 500 dedicated to import and export operations. (*ACN*, 23/5/06)

**July 21:** Cuban Transportation Minister Carlos Manuel invited Iranian companies to attend an international Transportation Exhibition in Havana from September 27 to 30. A report released by the Iranian Foreign Ministry's Information and Press Bureau said that Iran's Ambassador to Havana, Ahmad Edrisian met with Cuban Transportation Minister Carlos Manuel. During the meeting, the two sides surveyed the current level of commercial and business transactions between the two countries and stressed the need for the broadening and continuity of their cooperation. The Cuban Minister emphasized that his Iranian counterpart Rahmati should attend Cuba during his country's International Transportation Exhibition. Manuel added, "The Iranian-made transportation facilities are of high quality and can have customers in Cuba." Manuel also said that there is a good market in Cuba for various types of vehicles, including passenger cars, manufactured in Iran, and the Iranian firms' presence at the fair would meanwhile pave the path for further cooperation, as well as a step toward the entry of Iranian cars to Latin American markets. (*FARS*, 21/7/06)

**September 2:** Cuban Minister of Transportation Carlos Manuel Pazo Torrado in Havana called for expansion of technical cooperation with Iran. In a meeting with Iran's Ambassador to Cuba Ahmad Edrissian, Torrado said Iran was an advanced country in various fields of transportation and expressed his country's willingness to boost cooperation with Iran in this respect. He said the upcoming visit to Cuba of the Iranian President Mahmud Ahmadinejad would be an appropriate opportunity for the two countries to sign new agreements. Meanwhile, Cuban Minister of Basic Industries Yadira Garcia Vera, in a meeting with Edrissian, expressed her country's readiness to sign industrial agreements with Iran. The minister said the two countries enjoy great potentials for expansion of industrial cooperation, adding Cuba is determined to boost ties with Iran in different fields. The two sides discussed avenues for bolstering bilateral economic ties particularly in the fields of electricity, oil and cement. (*Tehran Times*, 2/9/06)

**October 23:** The "Sierra Maestra" International Airport in the eastern Cuban province of Granma concluded a modernization process that left a 2.6 km long landing strip, according to an official report. A report from the Tourism Ministry indicated the airport is already giving first-quality international services. Located to eight kilometers from Manzanillo city, the airport has modern redecorated areas for travelers like waiting rooms and service cabins for passengers. (*Prensa Latina*, 23/10/06)

**December 6:** The Minsk Automobile Factory (MAZ) plans to supply 50 MAZ-107 low-floor buses and 50 MAZ-105 larger-size buses to Cuba. The first batch of the urban coaches is expected to arrive at the island in December and all 100 units will be supplied to Havana by next June, the company's press office told the local press. This past October, the Belarusian enterprise delivered a shipment of six crane trucks, two dump trucks and spare parts to Cuba. (*BelaPan*, 6/12/06)

**December 22:** A syndicate of Russian banks and Cuba's Aviaimport S.A. signed a \$203.4 million credit agreement, Russia's state-controlled foreign trade bank Vneshtorgbank said. The credit is for 12 years and will be used to buy Russian Il-96-300 and Tu-204 passenger planes, said VTB, which is the credit organizer. Cuba will provide sovereign guarantees as loan security, while the aircrafts will be used as collateral. The bank said it is the largest deal on the export of Russian airplanes in modern Russian history, and the second-largest long-term project under the state program of financial support for industrial exports. (*RIA Novosti*, 22/12/06)

**December 22:** In response to public and governmental discontent with transportation, Cuban Transport Minister Jorge Luis Sierra announced a million dollar investment in the sector for 2007. At the urging of First Vice President Raul Castro, who pointed out inefficiencies on transportation ranks with housing and food for citizens, Sierra explained to National Assembly deputies current difficulties in freight and public transportation. Immediate priorities include reorganization and strengthening of his ministry's role for a more efficient use of investments, and better discipline and energy saving, the minister said. In 2007 the plan is to buy 200 buses from China, 50 used Mercedes Benz, and 344 school buses, as well as trucks for moving both human and cargo in the mountains while the railroads undergo major renovation to the tune of 230 million dollars. Sierra was severe in his criticisms of public transport, especially of workers in the sector, which has a high turnover; mentioning lack of drivers, incompetence, petty theft and illegal sale of tickets, particularly in the capital. He also noted lack of spare parts and deterioration of repair shops as well as lack of organization and financing for maintenance. (*Prensa Latina*, 22/12/06)