Special edition on the Law no. 118 for Foreign Investment
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For the Cuban economy to rise to more dynamic rates and for the GDP to grow above the expected seven percent a year, it is necessary that the levels of capital accumulation surpass the current 12% and reach at least 20%; it is only possible in two ways: access to long range financial credits and promotion of direct foreign investment that, more than a complement to national efforts, is of vital importance in certain sectors and economic activities.

The minister of Foreign Trade and Investment, Rodrigo Malmierca Díaz, exposed in the Business Forum that was held in Panama as a collateral activity to the 7th Summit of the Americas, the benefits offered today by Cuba for the development of foreign capital and international economic relations through the new Law of Foreign Investment and the Special Development Zone Mariel (SDZM) that are proof of the actions undertaken to update the Cuban economic model.

Together with the advantages offered by Law 118, that irreplaceable enclave that is the SDZM as well as the 246 projects in the Portfolio of Business Opportunities valued at over 8.0 billion dollars supplies to the potential investor in the Island a set of incentives, a favorable environment and valuable safety indexes. No one can doubt, therefore, the seriousness committed by the Cuban government to open possibilities to international investors boosting, thereby, the development of important sectors of the economy—such as agro industrial, tourism and biotechnology, among others—to energize economic growth and achieve a prosperous socialist and sustainable future for our country.

At the present time we will make every effort to capture the interest and confidence of entrepreneurs, while we work on creating all the basic conditions in the country for its future establishment. There have been multiple intentions to invest, not only from our main economic and trade partners, but also from elsewhere, aware of the new opportunities created today in the Cuban economy.

With these precepts as guidelines and imbued with the responsibility of promoting these business opportunities and contribute to increasing confidence of the investors we have issued this Special Edition that we present in which we include a series of articles that deal with different aspects of the particularities of Law 118 and offer a brief synthesis of the Portfolio of Opportunities.

Orlando Hernández Guillén
President of the Chamber of Commerce of the Republic of Cuba
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Before this legal framework was approved in an extraordinary session of the National Assembly of Popular Power on March 28, 2014 and was published in the Official Gazette of the Republic of Cuba on April 16. Also in the gazette are included its Regulations and a set of complementary rules.

During the session above mentioned it is said that to achieve the economic development required for our country is necessary to raise the rate of growth of the Gross Domestic Product (GDP) that during the last decade has been 1.8 %, almost half of the average rate in Latin America.

The study of successful international experience revealed that is necessary to reach rates of sustained growth for a GDP above 7 % annually average and rates of accumulation higher than 20 %.

However, Cuba does not have financial resources to achieve this goal without affecting consumption and, consequently, must apply to sources of foreign savings that include foreign direct investment (FDI). It is estimated that required are flows in the order of 2 000-2 500 million dollars a year to boost a development that would lead to prosperity and sustainability for the socialist socio-economic project.

Law 118 supports the decision to conceive foreign investment as a source of development of those activities of interest for the country and in certain sectors and economic activities considering it an active and important element in correspondence with the projects of economic and social development in short, medium and long range periods.

In this manner, this law stipulates in its article 11.3 that "The bodies, entities of the State's Central Administration as well as the national entities sponsoring foreign investments shall be required, in accordance with the approved policies, to identify and submit to the Ministry of Foreign Trade and Investment the business proposals involving foreign investment".

These business proposals were approved in October of 2014 by the Council of Ministers through the Portfolio of Opportunities that contains those projects of national interest and with sectorial character in a decision of strategic importance in the process of updating the Cuban model.

As an alternative to boost economic growth in the nation, this law and its complementary legislation propose guarantees, legal security, financial and tax facilities to attract foreign capital and achieve their optimal use, with respect to the socialist principles and the projections of the updating process of the Cuban economic model.

On this basis the authorities will use this new legislation as a mechanism that contributes to renovation and the economic future of Cuba that should also increase international confidence by offering an adequate and transparent legal framework.

Foreign investment in national territory is based on respect for the law, the sovereignty and independence of the nation and mutual benefit to contribute to our economic development in favor of a socialist, prosperous and sustainable society.

Note: In pictures, moments of the adoption of the Law in an extraordinary session of the National Assembly of People’s Power.

Sources: Cubadebate, PL and AIN
The definition of a Policy for foreign investment is one of the most important strategic actions in the process of implementing the Guidelines of the Economic and Social Policy of the Party and the Revolution. It has strong political implications since it constitutes a deep updating of the process of transformations that took place at the beginning of the Revolution to put the main production means in the hands of the Revolutionary State.

In correspondence with the Cuban socialist system, the new regulatory framework for foreign investments is characterized by:

- Preservation of sovereignty, of natural resources, of the environment and national heritage;
- Definition of a Policy that establishes the general and sectorial principles to attract foreign investment;
- Case by case approval of projects;
- Contracting labor force through employment entities; and
- Intervention of national courts to solve conflicts related to the exploitation of natural resources; among others.

In summary, the participation of foreign investment in our economy does not imply that we are going to go back to the past nor are we going to give away our wealth. On the contrary, we recognize its importance to reach a prosperous and sustainable Socialism. As recently expressed the Army General Raúl Castro "[...] we must take into account the urgent need to promote and attract foreign investment in the interest to achieve dynamism in our economic and social development of the country"[...].

The Policy for Foreign Investment is closely tied to the Guidelines of the Economic and Social Policy of the Party and Revolution, primarily Guidelines 96 to 106 and also related to 40 others. It was approved by the Council of Ministers on October 19 of 2013 and later remarks were made in meetings of the Political Bureau Commission for the Control of the Agreements of the 6th Congress of the Cuban Communist Party held on January 6 and February 24 of 2014.

The Policy approved contains 34 general principles and 11 sectorial ones, among which it is important to underline the following:

- Conceive foreign investment as a source of economic development for the country in short, medium and long range periods. Its attraction should be consider as objectives the access to advanced technologies, the uptake of management methods, diversification and extension of export markets, substitution of imports and access to foreign capital, creation of new sources of employment and gaining larger incomes through productive chains with the national economy.
- Promote foreign investment on the basis of a broad and diversified Portfolio of Projects. Focus promotion by stages and sectors or potential activities and favor diversification in the participation of entrepreneurs from different countries. Give priority to the promotion of the special development zones, beginning with the Special Development Zone Mariel.

Of the speech delivered on the presentation of the project Law of Foreign Investment during the Extraordinary Session of the National Assembly of Popular Power by Deputy Rodrigo Malmierca Díaz, Minister of Foreign Trade and Investment on March 29 2014
• Encourage the development of integral projects that generate productive chains in search for collective efficiency.
• Guide the larger part of foreign investments to export sectors. Additionally direct it to eliminate bottlenecks in the productive chain, favoring modernization, infrastructure and change of technological pattern in the economy as well as guarantee the efficient satisfaction of the needs of the country with the objective to substitute imports.
• Authorize the establishment of Totally Foreign Capital Enterprises for the execution of investments whose complexity and importance required it, especially for the development of industrial infrastructure.
• Contribute to a change of the energy matrix of the country by taking advantage of renewable sources of energy with the use of solar, wind and hydraulic energies as well as biomass derived from the sugar cane, forest and marabou; and other sources that include biogas.
• Guarantee a majority of Cuban participation in those associations that are involved in the extraction of natural resources, lend public services, for the development of bio technology, wholesale trade and tourism.
• In the businesses with foreign investment there will not be a free contracting of labor force. Consequently the employing institution will be maintained. The salary will be conditioned to the work done, to efficiency and added value that the enterprise generates. In this manner eliminated are the concept of salary scales and a minimum salary is established. Contract workers receive a wage higher than the minimum that is established. Payment for services of labor force will be negotiated between the employing entity and the company with foreign capital.
• Foreign investment can be led, under exceptional situations, to the development of activities by economic organizations that are not state owed with legal personality with the participation of Cuban state capital societies. Priority is granted to the cooperative sector.
• The deficit in constructive capacity of the country cannot hinder the development of an investment process with foreign capital and alternatives can be evaluated to prevent it.
• No exclusive rights over the Cuban market will be granted to the foreign partner who, under equal conditions with third parties, could be the supplier and client of the business; and
• There will be no propriety transfer of state goods, except in exceptional cases where that are destined to the development of the country and do not affect the political, social and economic principles of the State. Due to their importance specific principles of policy are defined for the following 11 sectors:
  - Agriculture and Forest;
  - Food Industry;
  - Energy and Mines;
  - Sugar Industry;
  - Iron and steel, light, chemical and electronic industries;
  - Pharmaceutical Industry and Biotechnology;
  - Wholesale trade;
  - Health;
  - Construction;
  - Tourism; and
  - Transportation.

Through the above mentioned general and sectorial policies it is emphasized that the priority activities for the development of businesses with foreign capital are those that:
• Generate productive chains;
• Transfer technology including management techniques;
• Develop industrial infrastructures;
• Generate energy, especially through renewable sources;
• Be destined to agricultural production;
• Develop agro food industry;
• Be directed to the production of hydrocarbons and mining; and
• Boost Tourism, including that of Health.

In the broad process of analysis developed for the elaboration of a Policy for Foreign Investment and its regulatory framework an evaluation was made on the situations that determine the environment for attraction of foreign capital. In this we have identified a group of issues that favor it, placing emphasis on:
• Updating of the Cuban economic model,
• Political and social stability that characterize our country,
• Expectations associated to the emission of a new legal framework of foreign investment that imply guarantees for the investor, transparency, design of a process of authorization more efficient, and tax incentives,
• Design of sector policies and opening up of new sectors,
• Reorganization of promotion entities for the assistance to foreign investors,
• Existence of business opportunities, and
• Availability of qualified human resources.
However, there still exist obstacles that hinder and limit the participation of foreign investment in our economy. These include:

- The economic, commercial and financial blockade imposes by the Government of the United States;
- The situation of the foreign debt;
- Errors committed in the past in this activity; and
- Restrictions caused by the scarcity of foreign currency.

For this reason it is necessary to boost favorable aspects, to advance in the recovery of the financial prestige of our country, diversify our international economic relations and gain the confidence of investors with a climate of transparency, clear regulations and incentives.

The new legal framework proposed for foreign investment will be organized as follows:

- Law of Foreign Investment,
- Decree that regulates the Law,
- Two Agreements of the Council of Ministers,
- Two resolutions of the Ministry of Foreign Trade and Investment,
- A resolution of the Ministry of Labor and Social Security (MTSS for its acronym in Spanish)
- Two resolutions of the Cuban Central Bank (BCC for its acronym in Spanish).

The projected Law that establishes guarantees, target sectors, modalities, regime of authorization, norms relative to the protection of the environment and use of natural resources, the solution of conflicts and special regulations that include banking, export and import, labor, tax and of reserves and insurance. As in Law 77 maintained is the principle that the Government authorizes case by case business with foreign investment.

Prepared is a project of Regulations to be issued by Decree that facilitates process of the projects of foreign investment including procedures for their presentation, negotiation, follow up and control of the businesses. It also establishes the composition and functions of the Commission of Business Evaluation with Foreign Investment that advises the Government to make decisions on this subject.

In one of the Agreements of the Council of Ministers is included the policy approved and on the other is delegated the faculty to authorize some contracts of international economic in the ministers of Foreign Trade and Investment and Tourism (MINCEX and MINTUR for its acronym in Spanish).

The resolutions of MINCEX are directed to regulate the function of the Commission of Evaluation of Businesses with Foreign Investment and establish the methodological basis for presentation of economic technical feasibility of the projects.

The MTSS resolution regulates the labor regime of the foreign investment in areas such as negotiations of the amount to pay for labor force, the elements to take into consideration for the formation of a salary to be received by the workers and the return of these to the employing entity.

One of the resolutions of the BCC regulates opening bank accounts for deposits of the amounts of cash for the contribution of the foreign investors; while the other regulate the transfer abroad of the assets of natural foreign persons.

The main modifications introduced in the Project of Law of Foreign Investments in relation to Law 77 are:

- The standard of compensation regulated in Law 77/95 (previous compensation) as a guarantee in the case of expropriations of goods of the foreign investors was adjusted to the constitutional precept that establishes "due compensation".
- In relation to the three modalities of foreign investment established in Law 77/95 (joint ventures, enterprises with total foreign capital and contracts of international economic association) was extended the scope of contracts of international economic association to incorporate productive and services administration, hotel management and professional services.
- The approval regime is changed by redefining the approval levels of business in accordance with their characteristics. In this manner established is that the Council of State will approve those businesses related to the exploitation of non-renewable natural resources (except risk contracts); management of public services and construction of public works or exploitation of goods of public dominion.

The Council of Ministers approves companies with total foreign capital; when there has been a transmission of property or other rights over state goods; businesses linked to non-renewable resources at risk; when a company of foreign public capital participates; when is directed to the development of renewable sources of energy; and investments in the enterprise systems of health, education and armed forces.

In addition it is also established that the Council of Ministers may delegate the faculty to approve and authorized to heads of the Central Administrative Institutions of the State.
• In terms of foreign trade preference is granted to the purchases of national products in conditions of competitiveness.
• Introduced is a chapter that regulates actions of control over the modalities of foreign investment.
• Extended is the chapter that refers to the protection of the environment, incorporating aspects relative to technology and innovation.
• Regarding the solution of conflicts special precisions are made, referring especially to the intervention of national courts.
• Foreseen in the treatment of foreign investment at the time of the currency unification.
• Modified is the procedure for the evaluation and approval of businesses making them more agile; and
• Established is that foreign investment is bound by the Tax Law No. 113 of 2012 with the adaptations pointed to in the special regime of taxation foreseen in the Law Project for joint ventures and national and foreign investors in the contracts of international economic association. For this reason is maintained the Contribution to Social Security as well as other taxes and obligations of payment.

Included in the main aspects found in the special regime of taxation are:
• Exoneration of taxation on utilities during the first 8 years and exceptionally for a longer period. Afterwards it will be 15 % and on reinvested utilities it will be 0 %. This tax can increase to 50 % in businesses that exploit natural resources.
• Exempt from payment of taxes by the use of a labor force.
• In relation to the Territorial Contribution for Local Development was analyze the proposal made by deputy Ariel Ovidio Álvarez Suárez of Media Luna municipality and it has been convenient to be more explicit in the obligation that will have foreign investment modalities. For this reasons the text is rewritten with the following terms:
  “Article 42. Passive subjects of the territorial contribution for local development will be the joint ventures, national and foreign investor’s parts in contracts of international economic association and companies of total foreign capital. “It exempt for payment of territorial contribution for local development during the periods of recovering of the investments for joint ventures, national and foreign investors that are part in contracts of international economic association.”
• Maintained is the exemption of payment of taxes on personal incomes of foreign partners in joint ventures or foreign parties in contracts of international economic association.
• Exonerated of taxation on sales or services during the first year of operations. Later a bonus of 50 % to wholesale sales and services will be granted.
• Exempt from customs taxes during the investment process; and
• A 50 % bonus on the payment of taxes for the use or exploitation of natural resources and preservation of the environment.

Since this Law is directed to regulate participation of foreign capital in our economy, in relation to the main guarantees granted to the investors should be emphasized:
• Enjoy full protection and security and cannot be expropriated except for reasons of public utility or social interest, in accordance to the Constitution and international agreements signed by Cuba and current law, with the proper compensation of its commercial value established by mutual agreement.
• The state guarantees the free transfer abroad in freely convertible currency, without payment of taxes or other liens, of the dividends or profits for the foreign investor.
• Foreign investors may sell or transfer its rights to the State, to the parties in the association or a third party prior government authorization.
• Foreign investment is subject to special tax regime established by Law.
• The Cuban state guarantees that the benefits granted to foreign investors and their investments are maintained throughout the period for it were granted; and
• The new regulations apply to foreign investment to be established in the special zones of development, with the adaptations that have special rules for them are issued and provided that they do not oppose its operation. Without limiting the foregoing, those special regimes granted in the Law shall apply to such investments, provided those are most beneficial.

It is vital the establishment of the new regulatory framework for foreign investment, which is headed by the project Law to be submitted for approval by our National Assembly. This and other complementary rules to be issued not only help to attract foreign capital with clear rules and incentives, but that will permit utilize their potential for the development of the country, preserving our independence and sovereignty.
Foreign investment in Cuba, as part of the updating of the Cuban economic model, is aimed at the diversification and expansion of export markets, the access to advanced technologies, the replacement of imports, the obtaining of foreign financing, the creation of new sources of employment, the attraction of new managerial methods and their connection with the development of productive chains, and the change of the country's energy matrix through the use of renewable sources of energy.

The investment of foreign capital is governed by Law no. 118 “Foreign Investment Act” dated March 29th, 2014, and enforced on June 28th of the same year.

The legal framework, which includes supplementary rules of the Law, was published in the Official Gazette No. 20, Extraordinary, on April 16th, 2014. It includes Decree Law No. 325/2014 of the Council of Ministers, Resolutions No. 46 and No. 47 of 2014 issued by Banco Central de Cuba (Central Bank of Cuba-BCC by its Spanish initials), Resolution No. 16 of 2014 issued by the Ministry of Work and Social Security (MTSS by its Spanish initials), as well as resolutions No. 128 and No. 129 of 2014 issued by the Ministry of Foreign Trade and Investment (MINCEX).

On May 24th, 2014, Agreement No. 7567 of the Council of Ministers was adopted. Such agreement delegates to the ministers of Foreign Trade and Investment, and Tourism, the duties of approving and authorizing the international economic association agreements aimed at the management of production and services, and the rendering of professional services; and the hotel management agreements respectively.

In relation to the execution of investments in Cuba, it should be noted that in the Official Gazette Extraordinary no. 5 of 23 January 2015 was published the Decree no. 327 Regulation of the Investment Process and its related legislation, which aims to regulate the essential elements of the investment process, in correspondence with the updating of the economic model.

In its Article 2.1 states that: “Joint ventures, parties in the contracts of international economic association and totally foreign capital companies, once incorporated under the law for foreign investment, to undertake investment processes in the country, applying this Decree as corresponds and as adjusted under this”.

Also the Article 4 of this Decree provides that: “In special development zones of the country specific regulations to be adopted for them are met. However, meet also to the extent applicable, concepts, principles and provisions of this Decree when it does not object to the special rules and their operation”.

This Guide has been prepared with the purpose of helping foreign investors interested in doing business with Cuba. The guide does cover the most relevant aspects and answers the main questions investors may have, including social and economic information about Cuba, and the Special Development Zone Mariel, as well as practical information to facilitate the establishment of businesses in the country.

This paper aims to provide assistance to foreign investors showing interest in doing business in Cuba. Although not fully develop all aspects of the regulations, covering the most relevant and aims to answer the main questions that may arise investors, including information on the Special Development Zone Mariel (ZEDM) as well as information and practical skills to facilitate business establishment in the country.

**Establishment of businesses in Cuba**

At the moment of deciding on a foreign investment project that could be of economic interest for Cuba, foreign investors could select the project included in the Portfolio of Opportunities that would be the most compatible with their economic interests and possibilities, or could also bring a proposal of a specific project not included in the aforementioned Portfolio, following the steps listed below:

In order to establish an international economic association, domestic investors must negotiate with foreign investors every aspect of the investment, including its economic feasibility, their respective contributions as appropriate, the management and administration form of the association, as well as the relevant legal documents for its formalization (article 19.1 of Law no. 118).

In the case of a totally foreign capital company, MINCEX shall indicate the foreign investor the Cuban entity in charge of the branch, sub-branch or economic activity in which he intends to invest, and with which he must analyze his proposal and obtain the relevant written authorization (article 19.2 of Law no. 118).

**Documents required for the presentation of businesses**

The Second Section of Decree No. 325 stipulates the documents required for the presentation to MINCEX of the business proposals involving foreign investment, according to the different modalities defined by Law no. 118.
Article 12.7 of the said Second Section lists the documents to be submitted by the foreign investor, which are the following:

- Authorized copy of the duly authenticated and registered deeds of incorporation, the business register certificate or a similar document of his country of origin that proves his standing, issued not earlier than six months ago.
- Financial statements of the last accounting period, certified by an independent entity.
- Bank guarantees issued not earlier than six months ago.
- Sponsorship letter of the head office, in case the investor is a branch or subsidiary or is represented by an off shore trading company.
- Certified consent of the management body which expresses their approval of the intended investment.
- Duly authenticated powers of attorney.
- Evidence of his experience in the activity targeted for the investment.
- In case of being a natural person, the investor must submit a copy of his identification documents and bank guarantees issued not earlier than six months ago.

The documents proving the incorporation of the company, the certification of its registration in the Business Register and the powers of attorney must be duly authenticated by the authorities of the country, and the Cuban consular office located in such country, and must be translated into Spanish, in case they have been written in another language.

**Levels for business approval**

The establishment of foreign investment in Cuba requires case-by-case authorization. The approval is given according to the sector, the modality and the characteristics of the foreign investment, by the following State bodies, in compliance with the provisions of Chapter VIII, Articles 21.1, 21.2, 21.3, and 21.4 of Law No. 118.

**Council of State:** it approves foreign investment, whether its modality, in the following cases: a) When non-renewable natural resources are prospected or exploited, except in the case of international economic association risk agreements that are approved and authorized by the Council of Ministers; and

b) When foreign investment is aimed at the management of public services, such as transportation, communications, aqueducts, and electricity, the construction of a public work or the exploitation of a public good.

Once the foreign investment has been approved by the Council of State, in the aforementioned cases, the Council of Ministers will issue its Authorization.

**Council of Ministers:** it approves and issues the Authorization for foreign investment, in the cases described below:

- a) Real estate developments;
- b) Totally foreign capital companies;
- c) The transfer of State ownership or other property rights over State goods;
- d) International economic association risk agreements for the exploitation and production of non-renewable natural resources;
- e) A foreign company working with public capital;
- f) The use of renewable sources of energy;
- g) The business system of the health and education sectors and the armed forces; and
- h) Other foreign investments that do not require approval by the Council of State.

In the last two cases, the authorization shall be issued within a term of 60 calendar days, counted as of the date of submission of the application and it shall be notified to the applicants.

**Head of the State Central Administration entities:**

In this case the decision shall be issued within a term of 45 calendar days as of the approval of the application.

The Minister of Foreign Trade and Investment will approve all the International Economic Association Contracts for production and services management, as well as the rendering of professional services.

The Minister of Tourism will approve the International Economic Association Contracts for hotel management businesses.

**Most important legal definitions**

**Foreign Investment:** capital input by foreign investors in any of the modalities established in this Act which involves, during the authorized term, the undertaking of risks in business, the expectations of obtaining profits and a contribution to the development of the country.

**Foreign investor:** a natural person or legal entity with foreign domicile and capital which participates as a shareholder in a joint venture or a totally foreign capital company, or that is a party to an international economic association agreement.

**National Investor:** a Cuban legal entity domiciled in the national territory of Cuba which participates as a shareholder in a joint venture, or is a party to an international economic association agreement.

These conditions open the way for cooperatives, both agricultural and nonagricultural, to be regarded as national investors on account of their status as legal entities.

**Modalities of foreign investment**

Foreign investment, according to Article 12 of Law No. 118, can be defined as:

a) Direct investment, in which the foreign investor participates as a shareholder in a joint venture or in a totally foreign capital company; or makes contributions to international economic association agreements, thus participating, in an effective manner, in the management of the business; and

b) Investments in equities or other securities or bonds, either public or private, which do not fit the definition of direct investment.

In addition, foreign investment according to Article 13.1 of the Law shall adopt one of the modalities appearing below, according to the definitions included in Article No. 2:

**Joint venture:** Cuban trading company which adopts the form of a corporation with registered shares in which one or more national investors and one or more foreign investors participate as shareholders. (In Article 14 and its items in the Second Section of Chapter IV of Law No. 118, the main aspects regarding this modality are presented).
The establishment of a joint venture shall require the drafting of a public deed as an essential condition for its validity. The Articles of Association (which will include the provisions related to the organization and operation of the company) as well as the Authorization and the association agreement will also be attached to it. The joint venture will acquire legal personality upon being registered in the Business Register.

Joint ventures may establish offices, representations, branch offices and subsidiaries both within the national territory of Cuba and abroad, and participate in entities abroad.

**International Economic Association Agreement:** an agreement between one or more national investors and one or more foreign investors for the realization of activities fitting an international economic association even without this being a legal entity distinct from that of the parties. (In Article 15 and its items in the Third Section of Chapter IV of Law no. 118, the main aspects regarding this modality are presented).

According to article 13.2 of Law no. 118, international economic association agreements include, among others, the risk contracts for the exploration and exploitation of nonrenewable natural resources, construction, agricultural production, and hotel, production or services management and the contracts for the provision of professional services.

**Totally Foreign Capital Company:** trading entity with foreign capital without the involvement of any national investor or natural person with foreign capital. (In Article 16 and its items in the Fourth Section of Chapter IV of Law no. 118, the main aspects regarding this modality are presented).

In this modality, the foreign investor shall manage the company, enjoy all the rights thereof and be liable for all the obligations established in the Authorization. In addition, upon the company’s registration in the Business Register, foreign investors shall be able to settle within the national territory of Cuba:

- a. As natural persons, acting on their own behalf;
- b. As legal entities, by setting up a Cuban subsidiary office of the foreign entity they own, by means of a public deed, in the form of a corporation with registered shares; or
- c. As legal entities, by establishing a branch of a foreign entity.

A totally foreign capital company incorporated as a subsidiary shall be able to set up offices, representations, branches and subsidiaries both within the national territory of Cuba and abroad, and have interests in entities abroad.

Although with regards to joint ventures and totally foreign capital companies, Law No. 118 stipulates that they shall be able to set up branches within the national territory of Cuba, the purpose of such entities would be to carry out the business activities for which they have received authorization, so they must not be mistaken for other kind of branches created in the Republic of Cuba, under Decree No. 206 of April 10th, 1996. Such Decree enforced the Regulations of the National Registry of Branches and Agents of Foreign Trading Companies, which stipulate in their Article 26 that the registration in the said Registry implies an authorization to engage in commercial activities related to the sector of the trading company or business person in question, in compliance with the license issued in each case, which forbids the execution of the following activities:

- a. to import and export directly, with commercial purposes;
- b. to engage in the wholesale and retail trade of goods and services, except the after-sales and warranty services, specifically agreed upon in the contracts that allow foreign trade operations; and
- c. to distribute and transport goods within the national territory.

**Sectors targeted for foreign investment**

According to Article 11.1 of Law no. 118, foreign investment may be authorized in all sectors except for:

- *The health care services for the Cuban population, excluding their business systems.*
- *The education services for the Cuban population, excluding their business systems.*
- *The armed forces, excluding their business systems.*

According to the Constitution of the Republic of Cuba, the press, the radio, the television, the film industry and other mass media following media shall never become private property.

The sectors considered priorities are agriculture and forestry, the pharmaceutical and biotechnological fields, the food, sugar, light, chemical, electronic, iron, steel, and machine industries, as well as tourism, transportation, health care, construction, energy and mines, and wholesale trade.

**Contributions and their valuation**

The following are considered foreign capital contributions:

- a. Financial contributions in freely convertible currency;
- b. Machinery, equipment, or other tangible goods;
- c. Intellectual property rights and other rights over intangible goods;
- d. Property rights over movable and immovable goods and other property rights thereon, including usufruct and surface rights; and
- e. Other goods and rights.

**Banking regimen**

Article 25.1 of Chapter IX of the Foreign Investment Law stipulates that joint ventures, national investors and foreign investors, which are parties to international economic association agreements, and totally foreign capital companies, shall be entitled to open bank accounts in any bank of the National Banking System, through which they shall receive and make payments related to their operations, according to the monetary regime in force. Likewise they shall also be entitled to access the services offered by the financial institutions established in the country.

According to Article 25.2 of Law no. 118, joint ventures and national investors which are parties to international economic association agreements shall be entitled to open and operate accounts in freely convertible currency in banks established abroad, with the previous consent of Banco Central de Cuba and in conformity with the regulations in force. Likewise, they shall be entitled to engage in lending operations with foreign financial institutions in accordance with the relevant regulations in force.

On the other hand, Resolution no. 46/2014 of Banco Central de Cuba stipulates that natural persons or legal entities, once the investment has been approved, shall request in a bank authorized to operate in the national territory by Banco Central de Cuba, the opening of a demand deposit account intended to receive funds in Cuban pesos or freely convertible currency during the institutionalization period. Once the company has been incorporated or the international economic association agreement has been formalized, it will be possible to transfer the funds to the current account of the newly established company, or of the parties to the international economic association agreement.
According to the provisions of Law No. 118, businesses shall operate in compliance with the monetary regime in force, that is to say, in freely convertible currency (MLC by its Spanish initials) and in convertible pesos (CUC).

Nevertheless, Law no. 118 includes several temporary provisions referring to monetary aspects, which read as follows:

FOURTH: Joint ventures, parties to international economic association agreements and totally foreign capital companies, may exceptionally be authorized by the Council of Ministers to make and receive certain payments in Cuban pesos.

FIFTH: In order to make a payment in Cuban pesos, as established in Article 30, item 4 (payment to the Cuban and foreign staff with permanent residence in the Republic of Cuba), such amounts should be previously obtained in Cuban convertible pesos.

SIXTH: The payment of taxes and other collectable customs fees by investors shall be made in Cuban convertible pesos, even in those cases in which the amounts are expressed in Cuban pesos.

SEVENTH: The aforementioned Fourth, Fifth and Sixth provisions shall remain valid until the monetary unification is established in the country, after which the obligors under this Law shall be governed by the rules established for this purpose.

Export and import regimen

Article 26.1 of Chapter X of Law no. 118 corroborates that all forms of investment shall be entitled to import and export directly whatever is needed for their operation, in accordance with the relevant provisions established. The commercial registration shall be carried out through MINCEX, which will approve the code for the products that the company is authorized to import and export directly. Nevertheless, the acquisition of goods and services in the national market will be encouraged, provided that the said goods and services meet the conditions of the international market.

For the execution of these activities, it will be necessary to take into account the content of Resolution No. 50/2014 of MINCEX, which approves the “General Regulations on the Export and Import Activities” aimed at defining the principles and basic standards that are mandatory for the entities authorized to engage in the import and export of goods.

Article 2 of this Resolution establishes that, for the purposes of the aforementioned Regulations, the term “entities” shall apply to those institutions that engage in the import and export of products, and are registered in the National Registry of Exporters and Importers, attached to the Chamber of Commerce of the Republic of Cuba, and previously known as the Chamber of Commerce of the Republic of Cuba, excluding totally foreign capital companies.

Labor and social security regimen

This aspect is regulated in Law no. 118 and Resolution No. 16/2014 of the Minister of Work and Social Security, entitled “Regulations on the Labor System under Foreign Investment,” in compliance with the provisions of the Labor Code and its supplementary legislation, with the adjustments established by the Foreign Investment Act and the specific legal provisions. The workers shall be, as a rule, Cuban or foreign citizens permanently residing in the Republic of Cuba.

The Cuban or the foreign staff with permanent residence in the Republic of Cuba, with the exception of the members of their management board or administration, shall be hired by an employing entity.

The employing entity shall negotiate a labor force supply contract with the joint venture or the totally foreign capital company. Payments to Cuban and foreign workers residing permanently in the Republic of Cuba shall be effected in Cuban pesos.

Cuban or foreign workers residing permanently in the Republic of Cuba, who may be working for the parties to international economic association agreements, shall be hired by the Cuban investor.

Nevertheless, the management and administrative bodies of joint ventures or totally foreign capital companies or the parties to international economic association agreements shall be entitled to determine that certain top administrative positions or some posts of a technical nature, should be filled by persons who are not permanent residents in the country and, in those cases, they shall be able to determine the labor conditions to be applied and the rights and obligations of those workers.

The non-permanent residents in the country who are hired shall be subject to the immigration and alien citizens’ laws in force in the country and shall obtain a work permit.

Conflict resolution regimen

The conflicts which may arise in the relationship between the partners of a joint venture or between national and foreign investors, which are parties to international economic association agreements, or between the partners of a totally foreign capital company in the form of a limited corporation with registered shares, shall be resolved as agreed in the constituent documents, except in the cases referred to in Chapter XVII of the Foreign Investment Act which shall be resolved by the Economic Division of the relevant People’s Provincial Court.

Cuba has one of the most experienced arbitration courts in the Latin American region: the Cuban Court of International Commercial Arbitration, attached to the Chamber of Commerce of the Republic of Cuba, and previously known as the Foreign Trade Arbitration Court. The rules that govern the arbitration activity in Cuba are currently contained in Decree Law No. 250 of July 30th, 2007 and in a group of supplementary resolutions, issued by the president of the Chamber of Commerce of the Republic of Cuba.

Reserves and insurance

Foreign investment is bound to be a reserve, taken from its profits that might be used to cope with any contingencies that may arise during its operations. In addition, foreign investors may establish reserves on a voluntary basis.

Foreign investors shall be required to obtain insurance for all kinds of goods and responsibilities. Cuban insurance companies shall be entitled to be a first option on the basis of international competitive conditions.

Registration regimen in the Business Registry

Before starting operations, joint ventures and foreign and national investors, who are parties to international economic association agreements, and totally foreign capital companies, shall have a term of thirty calendar days as from the date of notification of the Authorization for the submission of all the necessary public notarial deeds; and within the next thirty days following this act, the deeds shall be entered in the Business Register.

Financial information regimen

Joint ventures and foreign and national investors, who are parties to international economic association agreements, and totally foreign capital companies, shall be bound to comply with the Cuban Standards on Financial Information issued by the Ministry of Finance and Prices. They shall submit to the Ministry of Foreign Trade and Investment an annual report of their operations as well as any other information required, in accordance with the Regulations of Law no. 118 of 2014.
The submission of the annual report referred to above shall be independent from the aforementioned subjects’ obligation to provide information to the Ministry of Finance and Prices, the corresponding tax authority, the National Statistic and Information Office, as well as the information required by the methodological and control standards of the National Economic Plan.

Protection of Intellectual Property
The Cuban Industrial Property Office (OCPI by its Spanish initials), belonging to CITMA, is the governing entity that grants and registers industrial property rights in favor of natural persons or legal entities, whether national or foreign.

The foreign persons with interest in submitting applications for the protection of any modality of Industrial Property in Cuba must be represented by official Industrial Property agents accredited in Cuba, taking into account whether they have a real and effective domicile or commercial or industrial establishment in Cuba, in compliance with the requirements established in the legislation in force.

There are several specialized law firms in the country where the services of official agents can be requested.

The current legislation referring to Industrial Property may be consulted on the web site of the OCPI (http://www.ocpi.cu). The main laws are:
- Decree Law no. 203/99 on Trademarks and Other Distinctive Features, whose purpose is the protection of trademarks, commercial names, entrepreneurial logos, establishments’ signs and commercial slogans in the Republic of Cuba, by granting Industrial Property rights.
- Decree Law no. 228/02 on Geographic Indications, which regulates the protection of geographic indications as objects of Industrial Property rights.

According to article 58 of Law no. 118, the rights over the revenues obtained in whichever modality of foreign investment, subject to Intellectual Property protection, are regulated by the agreements contained in the constitutive documents, in compliance with the relevant legislation in force.

Special Development Zone Mariel
In September, 2013, the Special Development Mariel Zone (SDZM) was created; it is located to the west of Havana city, at a distance of 45 km and has an area of 465.4 km². The Zone has very favorable location and logistic conditions, especially after the investment made in the Mariel Port.

It constitutes a space in the national territory that is not delimited within the customs boundaries, and in which special policies and regimes are applied, with the goal of promoting sustainable economic development by attracting foreign investment, technological innovation and industrial concentration, with a view to increasing exports, effectively replacing imports, and generating new sources of employment, in constant articulation with the domestic economy.

Activities and sectors prioritized in the SDZM:
- Biotechnology and pharmaceutical industry
- Renewable energy
- Agro-food industry
- Tourism and real estate development
- Canning and packaging industry
- Agriculture.
- Telecommunications and informatics
- Investment in infrastructure

SDZM legal system:
The foreign investment established in the Zone will be regulated by Decree Law No. 313 “Of the Special Development Zone Mariel”, and its supplementary rules.

Law no. 118 “Foreign Investment Act” and its supplementary rules are also applicable by extension to the foreign investment established in the SDZM. Without detriment to the above said, the special regimes stipulated in this Law shall be applied to investments when they prove to be of advantage.

Special Tax System for the SDZM:
Any foreign investor established in the Zone shall pay the taxes stipulated in Law No. 113 “Of the Tax System” dated July 23rd, 2012, with the adjustments contained in its applicable legislation:
- Profit Tax: There is a 10-year exemption from this tax. The Minister of Finance and Prices may extend that period in the cases that could be of interest for the country. Thereafter, a 12 % tax rate shall be applied. Investors shall also be exempt from the tax on re-invested profits.
- Tax on the use of Labor Force: All investors are exempt from this tax.
- Tax on sales and services: All investors shall be exempt during the first year of operations; thereafter, a 1 % tax rate shall be applied. The international economic association agreements for hotel, production or services management and the rendering of professional services shall be exempt from this tax.
- Customs tax: There is an exemption for the means, equipment and goods imported for the investment process in the Zone. The General Customs of the Republic of Cuba may grant facilities with regards to the customs formalities required before and during the entrance of goods in the Zone from abroad.
- Contribution to social security: A 14 % tax rate shall be applied to the legal entities that use paid labor force.
- Territorial contribution to local development: All investors are exempt from this tax.
- Income tax: Foreign investors that are natural persons shall be exempt.
- Environmental tax: It shall be paid with a 50 % bonus during the investment recovery.

Contact information of the SDZM office:
Desamparados no. 166, La Habana Vieja, La Habana, Cuba
Tel.: (53 7) 864 4240 al 47
E-mail: ventanillaunica@zedmariel.co.cu
Advantages of investing in Cuba

1. Reorganization of the country’s policies, based on the updating of the economic model; these policies will define a new role for foreign investment and prioritize a more aggressive promotion thereof in the country.
2. A regulatory framework and updated foreign investment policy with guarantees and incentives for investors.
3. Legal, social and political stability.
4. A highly qualified personnel.
5. A favorable geographic location.
6. Availability of natural resources.
7. Existence of a special development zone with a modern port for ships with a maximum draft of 17,0 m and state-of-the-art technology.
8. Access to maritime transportation by the main international shipping companies.
9. The multilateral and bilateral trade and investment agreements signed by Cuba.
10. Existence of an investment promotion agency (Center for the Promotion of Foreign Trade and Foreign Investment –CEPEC by its Spanish initials), subordinated to the Ministry of Foreign Trade and Investment (MINCEX by its Spanish initials), which has connections and agreements with counterparts.
11. Existence of a Chamber of Commerce that has links with similar organizations from other countries and has carried out investment promotion actions.
12. Existence of embassies and commercial representative offices abroad.

Business opportunities and sectors targeted for foreign investment

Business opportunities in Cuba will be promoted through a diverse Portfolio of Opportunities prepared by MINCEX and approved by the Council of Ministers, and published on a yearly basis, which will offer general information on every sector or activity and will provide investors with the key elements of the projects prioritized in the country.

The description of the proposed foreign investment opportunities appearing in the aforementioned Portfolio, according to Article 5 of Decree No. 325 entitled "Foreign Investment Act Regulations", will include information related to:

a. Name of the project.
b. Objectives, scope and bases.
c. Identification of the domestic investor and his participation in the business.
d. Foreign investment modality.
e. Term of validity.
f. Estimated investment amount and main profitability indicators.
g. Microlocation.
h. Current situation of the industry or service to be executed, which requires the incorporation of foreign capital
i. Market.
j. Other aspects.

Incentives and guarantees for investors

- Foreign investments shall enjoy protection and security and cannot be expropriated, unless such action is executed for reasons of public or social interest, in accordance with the Constitution, the international treaties signed by Cuba and the legislation in force, with appropriate compensation for their commercial value established by mutual agreement.
- The State shall guarantee the free transfer abroad, in freely convertible currency, free from taxes or any other fees, of the dividends or profits obtained by the foreign investor.
- Foreign investments in the country shall be protected against legal claims by third parties or the extraterritorial implementation of other states’ laws, according to the Cuban laws and the rulings issued by Cuban courts.
- The foreign investor can sell or transfer his rights to the State, the parties of the economic association or to a third party, provided this is previously authorized by the government.
- Foreign investment shall be subject to the special tax regime established in the Law until the deadline for this special tax regime is due.
- The Cuban state shall guarantee that the benefits granted to foreign investors and their investments are maintained during the whole period for which they were granted.
- The term of the authorization granted for the development of operations may be extended by the very authority that granted it, provided that such extension is requested by the parties concerned before the set deadline expires.
Joint ventures and foreign and national investors, which are parties to international economic association agreements, shall, for the fulfillment of their tax obligations and their rights as taxpayers, abide by Tax Law No. 113 of July 23rd, 2012, published in the Official Gazette No. 53, Regular Issue, on November 21st, 2012, including the adjustments indicated as part of the Special Tax System in Chapter XII of Law No. 118 “Foreign Investment Law”, which stipulates the following facilities, among other aspects:

* Foreign investors shall be exempt from paying personal income taxes for the business’ dividends or profits.
* The profit tax shall be paid by applying a 15% tax rate on the net taxable profit.
* Investors shall be exempt from paying profit taxes for a period of eight years as from the date of their incorporation.
* Investors shall be exempt from paying profit taxes when the reinvestment of net profits and other benefits is authorized.
* There shall be 50% discount on the tax rate applicable to the tax on wholesales and services. There shall also be an exemption from paying this tax during the first year of operations.
* Investors shall be exempt from paying taxes on the use of labor force.
* Investors shall be exempt from paying customs duties for the import of equipment, machinery and other means during the investment process.

Totally foreign capital companies shall be required, for as long as they remain operational, to pay taxes under the law in force, without prejudice to the tax benefits that are to be established by the Ministry of Finance and Prices, provided that this be of interest to the country.

Law no. 113 of the Tax System establishes the following taxes, contributions and rates:

**Taxes:**
1. On personal income
2. On profits
3. On sales
4. Special tax on goods and services
5. On services
6. On the ownership of houses and vacant lots
7. On the ownership or possession of agricultural land
8. On idle agricultural and forest land
9. On land transportation
10. On the ownership or possession of ships
11. On the transfer of property and inheritance
12. On documents
13. On the use of labor force
14. On the use or exploitation of beaches
15. On the approved dumping of waste in drainage basins
16. On the use or exploitation of bays
17. On the use and exploitation of forest resources and wild fauna
18. On the right to use terrestrial water
19. Customs duties

**Contributions:**
1. To social security
2. Special contribution to social security
3. Territorial contribution to local development

**Rates:**
1. On toll
2. On airport services for passengers
3. On the establishment of ads and advertising

Environmental and technological regulations

Foreign investment shall be encouraged, authorized and shall operate in the context of the country’s sustainable development, which means that, throughout all its stages, special attention will be given to the introduction of technology, the protection of the environment and the rational use of natural resources, as stipulated in Chapter XV of the Foreign Investment Act.

MINCEX shall submit all the investment proposals received to the consideration of the Ministry of Science, Technology and Environment (CITMA by its Spanish initials), which shall analyze their environmental and technological feasibility and suitability and decide whether or not an environmental impact assessment is required. It shall likewise decide on the advisability of granting the appropriate licenses and the applicable control and inspection system, in accordance with the legislation in force. It shall also analyze the negative aspects concerning standardization, metrology and quality.

CITMA shall dictate the measures required to give adequate solution to situations leading to technological risk and environmental damage, danger or risk and to promote the rational use of natural resources.

The investments, depending on their technological complexity and characteristics, shall be subject to a Comprehensive Technological Evaluation and according to their relevance, to the application for the relevant Technological License. The use of the License will allow the introduction of important variables and indicators for the appropriate selection and evaluation of the technology used in the processes related to the investments in works or activities executed in the national territory by state and non-state legal entities, totally Cuban capital trading companies, joint ventures, the parties to international economic association contracts and totally foreign capital companies.
Practical Information

Entities providing assistance to investors

Center for the Promotion of Foreign Trade and Foreign Investment (CEPEC by its Spanish initials)
Calle 10 no. 512 e/ 31 y 5ta. Ave., Playa, La Habana, Cuba. Tel.: (53 7) 214 4345 / 214 4340
E-mail: sic@MINEX.cu. Web site: http://www.CEPEC.cu. Opening hours: from 8:30 am to 4:00 pm

Chamber of Commerce of the Republic of Cuba (CCRC by its Spanish initials)
Calle 21 no. 661 esq. a calle A, El Vedado, La Habana, Cuba. Tel.: (53 7) 838 1321 / 837 1322 / 838 1452
E-mail: cch@camara.com.cu. Web site: http://www.camaracuba.cu. Opening hours: from 8:30 am to 4:00 pm

Migratory formalities
Those who want to do business in Cuba need the A-7 visa for Business Explorers, in case of not having previous commercial relations with the country, and the D-7 visa for Traders, which are issued by the relevant Cuban consulate located in their countries of origin. Otherwise, no commercial activity can be carried out. Foreigners and people with no citizenship may apply for the change of the migration classification they have in the national territory.

Registration and authentication of documents
In order to take legal effects in Cuba, all the economic and legal documentation must be authenticated by the various entities of the country concerned, its Ministry of Foreign Affairs and the consular office of the Cuban Embassy in the business person’s country of origin. Later the documents must be authenticated in Cuba by the Ministry of Foreign Affairs (MINREX by its Spanish initials) and registered before a Notary Public in the notarial offices attached to the Legal Services and Civil Societies, the International Law Firm, CONABI and the International Legal Consultancy, as well as the Special Notarial Office of the Ministry of Justice (MINJUS by its Spanish initials), for which the relevant fees shall be applied.

Institutions that conduct feasibility studies

• Consultancy firms:

INTERMAR (UEB Occidente) (West Basic Business Unit)
23 y F, El Vedado, La Habana, Cuba. Tel.: (53 7) 838 3817 / 838 3834

Centro Internacional de La Habana (International Havana Center) (CIH by its Spanish initials)
20 no. 3108 e/ 31 A y 33, Miramar, La Habana, Cuba. Tel.: (53 7) 204 1802 / 204 2843. Web site: http://www.cih.cu

Consultores Asociados, S.A. (Associate Consultants, Inc.) (CONAS)
Ave. Sta. no. 2201 esq. a 22, Miramar, La Habana, Cuba. Tel.: (53 7) 204 2988 / 204 4116. Web site: http://www.conas.cu

Asesoría, Auditoría y Servicios Económicos (Consultancy, Audit, and Economic Services) (CANEC, S.A.)
C no. 5 e/ 1ra. y 3ra., El Vedado, La Habana, Cuba. Tel.: (53 7) 836 9000 / 836 9009. Web site: http://www.canec.cu

Auditores y Consultores Independientes (Independent Consultants and Auditors) (AUDITA, S.A.)
3ra. e/ 76 y 78, Edif. Beijing 201, Centro de Negocios Miramar, Playa, La Habana, Cuba. Tel.: (53 7) 204 8089 / 204 8875

• Specialized law firms:

Bufete Internacional. Consultores de Marcas y Patentes
(International Law Firm. Trademarks and Patents Consultants). E-mail: marcas@bufeteinternacional.cu

Consultores de Marcas y Patentes
(Trademarks and Patents Consultants) (CLAIM, S.A.) E-mail: dirmarpat@claim.com.cu / claim@claim.com.cu

Consultoría Jurídica Internacional
(International Legal Consultancy) (CJI by its Spanish initials) E-mail: cji@cji.co.cu. Web site: http://www.cji.co.cu

Bufete Cubano de Propiedad Industrial
(Cuban Law Firm for Industrial Property) (LEX, S.A.) E-mail: lexsa@lex-sa.cu. Web site: http://www.lex-sa.com

Bufete Especializado de Servicios
(Specialized Services Law Firm) (BES by its Spanish initials) E-mail: yanet@bes.onbc.cu / besnet@cenial.inf.cu
About the Portfolio of Foreign Investment Opportunities

Pursuant to Article 11.2 of the Law no. 118, the Council of Ministers approves foreign investment opportunities to promote and general and sectorial policies for foreign investment, which are published in the Portfolio of Opportunities for Foreign Investment by the Ministry of Foreign Trade and Investment (MINCEX for its acronym in Spanish.

To comply with the aforementioned, the Council of Ministers of the Republic of Cuba at its meeting of October 2014 approved foreign investment opportunities to promote what allowed the November 4, 2014, in the framework of the 32nd edition of the International Havana Fair (FIHAV), Minister Rodrigo Malmierca submit to the entrepreneurs present in this event the Portfolio of Opportunities approved, allowing start its promotion.

That is why in this special issue of the journal Foreign Trade Cuba who are dedicated to the process of foreign investment in Cuba, we provide the content of this Portfolio of Opportunities, which is intended to provide information to potential foreign investors and invite them to take part in the development of the Cuban economy.

If interested, you can access its full contents through the websites of the Chamber of Commerce of the Republic of Cuba (www.camaracuba.cu), of Cepec (www.cepec.cu) and Granma journal (www.granma.cu).

General Foreign Investment Policy Principles

1. To conceive of foreign investment as a source for the country’s short, mid and long range economic development. Access to cutting edge technologies, securing managerial methods, diversifying and broadening export markets, replacing imports, access to foreign financing, creating new job sources and securing greater incomes on the bases of production linkage with the domestic economy are objectives that should be proposed in order to attract foreign investment.
2. To secure new managerial methods that contribute to achieving a better market position, increased productivity and profitability, efficiency of complex investment processes and their assimilation by the rest of the economy.
3. To immediately prioritize foreign investment directed to replacing food imports.
4. To encourage the development of comprehensive projects generating production linkage in the search for collective efficiency. These projects may be executed with one investor or with several having this mutual interest.
5. Corresponding to the country’s demographic dynamics, foreign investment must allow access to cutting edge technologies that increase productivity and permit the efficient use of the workforce.
6. To contribute to changing the country’s energy matrix by taking advantage of renewable energy sources, using solar and wind power and power from agro-industrial waste such as sugar cane, forestry and scrub (marabou) biomass, generation of water and biogas power.
7. To consider the participation of foreign capital in the complementation of national scientific and technological development projects, preserving intellectual property over the results obtained especially brand names and patents created by the Cuban Party.
8. To consider foreign investment in certain economic sectors and activities as an active and fundamental element for growth.
9. To consider agricultural and foods industry production as prioritized sectors along with tourism, including health, the development of energy sources especially renewable energy, the exploration and exploitation of hydrocarbons and mining resources and construction or improvement of industrial infrastructures.
10. To guide the greater part of foreign investment towards export sectors. Moreover, to direct it towards eliminating bottle-necks in the production chain, encouraging modernization, infrastructure and changing the technological model in the economy as well as ensuring efficient satisfaction of the country’s needs with the aim of replacing imports.
11. To encourage foreign investment on the basis of a broad-based and diverse portfolio of projects. To focus promotion by stages and potential sectors/activities and to encourage diversification in the participation of business people from different countries. To prioritize massive promotion for the special economic development zones starting with the work by the Special Economic Development Zone Mariel.
12. To consider prioritized activities implying transfer of technology, production linkage, carried out in areas having lesser economic development or contributing to increasing the efficiency of the production chain.
13. In the extraction of natural resources, providing public services, developing biotechnology, wholesale commerce and tourism; Cuban participation will always constitute the majority share.
14. Among the requirements for approval of foreign investment businesses, introducing criteria planning a balance of payments over time; this element will be considered to be among the decisive indicators for approval.
15. In foreign investment businesses there shall be no free contracting of the workforce other than in exceptions foreseen by law. The employing entity will be maintained as a business organization and its aim will be to supply and control the workforce.
Salaries will fit the work contributed, efficiency and the added value generated by the enterprise. Payment for the workforce services is negotiated between the employing entity and the enterprise having foreign capital on the basis of what has been established by the Ministry of Labor and Social Security.

To eliminate concepts of salary scales and establish a minimum wage. Contracted employees will earn a salary higher than the minimum wage established.
16. Foreign investment may be directed selectively towards development of non-state ownership forms with juridical personality, prioritizing the cooperative sector.

17. State goods will not be transferred in property other than in exceptional cases where they will be destined for purposes of the country’s development and they do not adversely affect the political, social and economic foundations of the State.

18. Exclusivity rights are not granted on the Cuban market; the foreign partner has equality of conditions with third parties and may be supplier and client of the business.

19. In projects aiming at exporting goods or services, the foreign Party shall guarantee the market.

20. The country’s shortage in construction capacity cannot stop the development of the process of foreign capital investments. Alternatives required to prevent it may be assessed even contracting foreign labor force.

21. Bidding for design and construction services between foreign and Cuban enterprises whenever the complexity of project so requires, in accordance with regulations in legislation in force about the country’s investment process.

22. To authorize establishing of totally foreign capital enterprises for executing investment projects whose complexity and importance requires it, especially for the development of industrial infrastructure through special turnkey contracts such as: Engineering, Procurement and Construction Contracts (IPC); Engineering, Procurement and Construction Management Contracts (IPCM); Building, Ownership, Operation and Transfer Contracts (BOOT), Building, Transfer and Operation Contracts (BTO).

23. In principle the setting up of bank accounts abroad will not be authorized nor the acceptance of external guarantees compromising the retaining of Cuban flows in banks abroad.

24. The economic information requested for foreign investment will be made compatible with international indicators used to measure the results. To publish statistics that will be determined.

25. Any increase to the investment budget will be assumed by the international economic association. Furthermore, a general principle to grant new tax incentives for Joint Ventures and parties in international economic association contracts was approved; the Special Taxation Regime* has been established in the new regulatory framework for foreign investment, as follows:

<table>
<thead>
<tr>
<th>TAXES</th>
<th>LAW NO. 118 FOREIGN INVESTMENT</th>
<th>SPECIAL DEVELOPMENT ZONE MARIEL</th>
<th>LAW 113 TAXATION SYSTEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABOUT PROFITS</td>
<td>0% during 8 years and as an exception for a longer period. Subsequently 15 %. 0% on reinvested profits. It may be increased to 50 % for exploitation of natural resources (50 % of 15 %).</td>
<td>0 % during 10 years and as an exception for a longer period. Subsequently 12 %. Application of Law No. 118 for profits reinvestment.</td>
<td>35 % May increase to 50 % for exploitation of natural resources.</td>
</tr>
<tr>
<td>FOR USING LABOR FORCE</td>
<td>Exempted</td>
<td>Exempted</td>
<td>Progressive reduction from 20 % (2012) to 5 % (2016).</td>
</tr>
<tr>
<td>CONTRIBUTION TO LOCAL DEVELOPMENT</td>
<td>0 % during investment recovery</td>
<td>Exempted</td>
<td>Is being established gradually in the Budget Law</td>
</tr>
<tr>
<td>ABOUT SALES OR SERVICES</td>
<td>0 % during first year of operations, subsequently 50% discount on wholesale sales and on services.</td>
<td>0 % during first year of operations, subsequently 1 %. 2 % on wholesale sales and 10 % on services. New taxable items shall be gradually incorporated.</td>
<td></td>
</tr>
<tr>
<td>ABOUT PERSONAL INCOMES TO PARTNERS OR PARTIES</td>
<td>Exempted</td>
<td>Law No. 118 applies.</td>
<td>15 %.</td>
</tr>
<tr>
<td>FOR USING OR EXPLOITING NATURAL RESOURCES AND PRESERVING THE ENVIRONMENT (5 TAXES)</td>
<td>50 % discounts during investment recovery</td>
<td>Law No. 118 applies</td>
<td>For the use of beaches, waste disposal into hydrographic basins and terrestrial waters: defined in the annual Budget Law. Use of bays and forestry resources according to taxable items in Law No. 113</td>
</tr>
<tr>
<td>CUSTOMS</td>
<td>Exempted during the investment process</td>
<td>Exemptions for importation of the means, equipment and goods of the investment process</td>
<td>Taxable items are established in the Customs Duties</td>
</tr>
</tbody>
</table>

*Joint ventures and international economic associations are governed by what has been established in legislation in force (Law No. 113 of the Taxation System), with the adjustments of this special regime. Enterprises with 100% foreign capital pay taxes according to legislation in force. In the case of International Economic Association Contracts for Production, Services and Professional Services Management, this is governed by what has been established in legislation in force (Law No. 113 of the taxation System) with the adjustments of this special regime, especially the tax on profits in the gross incomes type, 4%.
SPECIAL DEVELOPMENT ZONE MARIEL

Its general vision is to show Cuba’s new face to the world in investment, building, production, economic and social matters in a harmonious setting where production using top technologies, environmental sustainability, formation and training of the workforce come together under a special regime that provides incentives to encourage these intentions. This endeavor is imbued with the optimism and confidence of the Cuban government on the basis of the technical and intellectual capacities created by our country.

During the initial period Sector A will be developed: it covers approximately 43 square kilometers (9 % of the total area of the Zone) and is located on the western edge of Mariel Bay. For improved operations, it has been subdivided into 11 areas and is expected the execution in them of the 32 projects whose information is listed below.

TECHNICAL SPECIFICATIONS FOR FOREIGN INVESTMENT

INDUSTRIES SECTOR: METALLURGICAL, LIGHT, CHEMISTRY AND ELECTRONICS (6 PROJECTS)

MANUFACTURING RADIAL TIRES
DESCRIPTION AND INVESTMENT TYPE: Joint Venture for setting up a plant running on clean cutting edge technology to manufacture 1.2 million radial tires, 56 % for light automobiles and 44 % for heavy transport, for the domestic market and exportation (400,000 units).
ESTIMATED INVESTMENT AMOUNT: 223 million USD
CONTACTS: Vice-presidency of the Entrepreneurial Group of the Chemical Industry
Email: lage@geiq.cu / Tel: (53) 72076823

MANUFACTURING ALUMINUM CANS
DESCRIPTION AND INVESTMENT TYPE: Joint Venture for setting up a plant running on clean technology to replace imports of aluminum cans for beverages (beer, soft drinks, malt drinks, juice, etc.) at levels over 600 million units per year. Estimated area of 4 500 square meters. ESTIMATED INVESTMENT AMOUNT: 40 million USD
CONTACTS: Vice-presidency of the Entrepreneurial Group of the Steel and Mechanical Industry (GESIME)
Email: cherrera@sime.cu / Tel: (53) 72633429

SPECIAL DEVELOPMENT ZONE MARIEL

The Article 47 of Law 118 establishes: “The Ministry of Finances and Prices, having heard the opinion of the Ministry of Foreign Trade and Investment, taking into account the benefits and the amount of the investment, capital recovery, indications provided by the Council of Ministers for prioritized sectors of the economy, as well as the benefits it may bring to the national economy, may grant total or partial exemptions, on a temporary or permanent basis, or grant other tax benefits according to what has been established in taxation legislation in force, for any of the types of foreign investment recognized in this Law”.

CONTACTS: Vice-presidency of the Entrepreneurial Group of the Chemical Industry
Email: lage@geiq.cu / Tel: (53) 72076823

Contact information:
Desamparados no. 166 e/Habana y Compostela.
Oficina 302, La Habana Vieja,
La Habana, Cuba
Tel.: (53) 78644240 al 47
Email: ventanillaunica@zedmariel.co.cu
Web: http//www.zedmariel.com
MANUFACTURING AIR CONDITIONING EQUIPMENT
DESCRIPTION AND INVESTMENT TYPE: Joint Venture for setting up a plant running on clean cutting edge technology to manufacture air conditioning equipment for central systems, commercial and home air conditioning equipment and the production of parts, spare parts and accessories and post-sale and warranty service, to replace imports supported by new investment projects for the development of tourism and a considerable amount of equipment for installed air conditioning to be replaced yearly.
ESTIMATED INVESTMENT AMOUNT: 15 million USD
CONTACTS: Vice-presidency of the Entrepreneurial Group of the Steel and Mechanical Industry (GESIME)
Email: cherrera@sime.cu / Tel: (53) 72633429

MANUFACTURING PROJECT FOR GLASS BOTTLES FOR BEVERAGES
DESCRIPTION AND INVESTMENT TYPE: Joint Venture for setting up a plant running on clean technology to replace imports of glass bottles for beverages (beer, foods, rum), for medicines and food conserves, at over 210 million units yearly, thereby allowing us to cover 95% of the current domestic market. The plant must be designed with a daily melting capacity of 220 tons/day in 2 furnaces (one for 120 tons/day of amber and green glass bottles and the other furnace for 100 tons/day for clear glass).
ESTIMATED INVESTMENT AMOUNT: 70 million USD
CONTACTS: Vice-presidency of the Entrepreneurial Group of the Chemical Industry
Email: lage@geiq.cu / Tel: (53) 72076823

MANUFACTURING VARIOUS GLASSWARE ITEMS
DESCRIPTION AND INVESTMENT TYPE: Joint Venture for setting up a plant running on clean cutting edge technology to manufacture various assortments of tableware, glassware, goblets, water jars, destined as replacements for imports; the main client will be the hotel and out-of-hotel tourism sector. ESTIMATED INVESTMENT AMOUNT: 10 million USD
CONTACTS: Vice-presidency of the Entrepreneurial Group of the Light Industry
Email: lage@geiq.cu / Tel: (53) 72076823

MANUFACTURING COMMERCIAL FOOTWEAR
DESCRIPTION AND INVESTMENT TYPE: Joint Venture for setting up a plant running on clean and cutting edge technology to manufacture commercial footwear to replace imports, approximately 47 million pairs of shoes per year.
ESTIMATED INVESTMENT AMOUNT: 20 million USD.
CONTACTS: Vice-presidency of the Entrepreneurial Group of the Light Industry
Email: trujillo@minil.cu / Tel: (53) 72633605

AGRO-FOODS SECTOR (5 PROJECTS)

PRODUCTION OF FRESH VEGETABLES TO BE SOLD IN THE SPECIAL ECONOMIC DEVELOPMENT ZONE OF MARIEL (ZEDM) AND FOR EXPORTATION, BY SETTING UP TWO COVERED GROWING HOUSE MODULES
DESCRIPTION AND INVESTMENT TYPE: Joint Venture for setting up two covered growing house modules to produce and commercialize fresh vegetables for domestic consumption and export. We foresee setting up the modules in two stages: an initial stage will set up a 5-hectare module in the first year and, depending upon results and demand, the second module would be set up subsequently.
ESTIMATED INVESTMENT AMOUNT: 6 million USD. CONTACTS: Director of the Citrus Enterprise Ceiba
Email: ilio@citricosceiba.cu / Tel: (53-47) 31 1106/311100

HOG PRODUCTION FOR MARKETING IN CANAL, FINISHED PRODUCTS, GENETIC ANIMAL AND HOG SEMEN
DESCRIPTION AND INVESTMENT TYPE: Joint Venture for building and setting up facilities running on clean, modern technologies, controlled environments, waste treatment and solar panels that are efficient in their use of energy resources, for the primary production of hogs, their slaughter and industrial processing, with vacuum-packing system, refrigeration chambers and freezers as well as genetic development, semen production and the production of 67 500 metric tons of balanced feed for the animals. The competitive productive pyramid will be based on the genetics of Yorkshire, Landrace, Duroc and CC21 breeds and their breeding to obtain F1 Yorkland sows to guarantee the efficiency of the commercial production of on-the-hoof hog meat, destined to replace imports and for exportation. Commercial production will have 3 000 breeders with the aim of producing 7 200 metric tons of hoof weight pork; slaughtered hogs will have live weights of 100-120 Kg transformed into channeled pork with an installed capacity of slaughtering 300 hogs per day; at 270 working days per year we will be able to slaughter up to 81,000 hogs each year. The processing plant will have a capacity of 50 metric tons per day. ESTIMATED INVESTMENT AMOUNT: 190 million USD
CONTACTS: General Direction of the Group for Swine Production
Email: norberto@minag.cu / Tel: (53) 78847253/78847254, (53) 5263 1788 (cel.)
Direction of Business and Collaboration. Email: prod4por@minag.cu
Corporación Alimentaria S.A. (CORALSA).
Email: negocios@coralsa.com.cu / Tel: (53) 72021194/ 72027388/ 72059093
**Special Articles**

**SOY PROCESSING (REFINED OIL FACTORY)**

DESCRIPTION AND INVESTMENT TYPE: Joint Venture for setting up a plant running on clean technology, energy efficiency and levels of productivity and efficiency that is competitive on the international level, to mill 500,000 tons of soy beans per year in order to obtain 85,000 tons of refined oil and 375,000 tons of soy flour for animal consumption. The refined oil will be distributed in 1/2, 1, 4 and 20 liter sizes, eliminating all current domestic distribution of bulk refined oil. Currently, both refined soy oil and soy flour production for animal consumption is below the country’s level of demand.

ESTIMATED INVESTMENT AMOUNT: 149 million USD

CONTACTS: Corporación Alimentaria S.A. (CORALSA)
Email: negocios@coralsa.com.cu / Tel: (53) 72021194/ 7207388/ 7209093

**DEVELOPMENT FOR PRODUCING TOP QUALITY CONFECTIONARY GOODS, CANDIES, SHERBETS, FINE, SWEET, SODA AND CREAM BISCUITS AND BREAKFAST CEREALS WITH THE EMPHASIS ON NUTRITIONAL VALUE**

DESCRIPTION AND INVESTMENT TYPE: Joint Venture for setting up a plant running on clean technology, energy efficiency and high quality standards to produce confectionary goods (sherberts, sweet, salty, soda and filled biscuits, candies and breakfast cereals, etc.) in different formats and assortments, in order to replace imports, for the tourism sector, domestic market and export.

ESTIMATED INVESTMENT AMOUNT: 15.3 million USD

CONTACTS: Corporación Alimentaria S.A. (CORALSA)
Email: negocios@coralsa.com.cu / Tel: (53) 72021194/ 7207388/ 7209093

**PRODUCTION OF INSTANT DRY YEAST**

DESCRIPTION AND INVESTMENT TYPE: Joint Venture for setting up a plant running on clean technology, energy efficiency and high quality standards to produce 6,000 tons per year of instant dry yeast for tourism, the domestic market and export.

ESTIMATED INVESTMENT AMOUNT: 14.5 million USD

**BIOTECHNOLOGICAL SECTOR: DEVELOPING AND PRODUCING MEDICINES (13 PROJECTS)**

**VACCINE PRODUCTION PLANT**

DESCRIPTION AND INVESTMENT TYPE: International Economic Association with Vacunas Finlay S.A. for building a closed cycle plant to obtain bacterial vaccines from pathogenic micro-organisms, enteric vaccines, and vaccines based on external membrane protein, attenuated and conjugate vaccines. This plant will be designed under Good Production Practices regulations. Some of the vaccines to be produced: cholera, meningococcal, meningococcal conjugate and salmonella variants, etc.). This project must be conceived as a vaccine production complex with several production lines of pharmaceutical ingredients and finished products. Production is fundamentally for export.

ESTIMATED INVESTMENT AMOUNT: 65 million USD

**HOMEOPATHIC PRODUCTS PRODUCTION PLANT**

DESCRIPTION AND INVESTMENT TYPE: International Economic Association for building a production complex for homeopathic compounds in liquid presentations of the different lines of Vacunas Finlay S.A. products (homeopathic complexes and nosodes). The lines will cover all existing branches (PrevengHo, AliviHo, TratHo and EstimulHo) to be produced on an industrial basis for domestic consumption and for exportation agreements. A plant should also be built to have areas for formulation, dynamo dilution, filling and final bottling. It will also have warehouses for initial raw materials, inflammable substances (alcohol) and finished products as well as areas for the services for generating purified water and pure steam. ESTIMATED INVESTMENT AMOUNT: 15 million USD

**PLANT FOR PRODUCING NATURAL PRODUCTS BASED ON POWDERS AND FLUID EXTRACTS**

DESCRIPTION AND INVESTMENT TYPE: International Economic Association with Vacunas Finlay S.A., for production and commercialization of natural products based on powders and fluid extracts from medicinal plants destined for the domestic market and export. The objective of proposed investment project is to create a production infrastructure for processing medicinal plants and obtaining medicines from natural products based on powders, capsules and fluid extracts. It also includes the machinery and infrastructure to process drying and improvements in the field. ESTIMATED INVESTMENT AMOUNT: 35 million USD

CONTACTS: General Direction of the Center for Serum and Vaccines Research-Production.
Email: ccampa@finlay.edu.cu / Tel: (53) 72080976 / 72086086

**PLANT FOR PRODUCING MONOCLONAL ANTIBODIES**

DESCRIPTION AND INVESTMENT TYPE: International Economic Association for building an industrial biotechnological facility to produce monoclonal antibodies for therapeutic use in cancer and other chronic diseases (capacity of 100 Kg per year), from the active pharmaceutical ingredient right up to the final product, including warehouses, offices and technological services. Production is basically for export. ESTIMATED INVESTMENT AMOUNT: 90 million USD

CONTACTS: General Direction Center for Molecular Immunology.
Email: lage@cim.sld.cu / Tel: (537) 72714335
PLANT FOR ORAL SOLID MEDICINES (TABLETS AND CAPSULES)
DESCRIPTION AND INVESTMENT TYPE: International Economic Association for building a plant to manufacture generic medicines in solid oral forms. We plan a production plant having a nominal capacity of 4500 million tablets and 500 million capsules per year. Production is fundamentally for export.
ESTIMATED INVESTMENT AMOUNT: 100 million USD. CONTACTS: General Direction of the Medsol Laboratories Enterprise
Email: alarcon@ms.medsol.cu / Tel: (53) 72713423

PLANT FOR PRODUCING ANTIRETROVIRAL MEDICINES
DESCRIPTION AND INVESTMENT TYPE: International Economic Association for building a plant to produce generic antiretroviral medicines in solid oral form, with a nominal capacity of 300 million units per year. Production is fundamentally for export.
ESTIMATED INVESTMENT AMOUNT: 25 million USD. CONTACTS: General Direction of the Medsol Laboratories Enterprise
Email: alarcon@ms.medsol.cu / Tel: (53) 72713423

PLANT FOR CONTRACEPTIVE PRODUCTS
DESCRIPTION AND INVESTMENT TYPE: International Economic Association for designing and building a plant to manufacture of 500 million pills per year in 7 different forms of oral and hormone contraceptive pills and their principal active ingredients (hormones and antihormones), classified to levels of contention 5 (OEL5) including activities “in process” and control testing of production underway. Production is fundamentally for export. ESTIMATED INVESTMENT AMOUNT: 25 million USD. CONTACTS: General Direction of the Medsol Laboratories Enterprise. Email: alarcon@ms.medsol.cu / Tel: (53) 72713423

BLOOD-BASED PRODUCTS PLANT
DESCRIPTION AND INVESTMENT TYPE: International Economic Association for building a production plant to process 100,000 liters of plasma a year, with yields of 18 to 23 grams of protein/liter of plasma, with incorporation via transference technology of producing Blood-Clotting Factor VIII and Factor IX. Production is fundamentally for export. ESTIMATED INVESTMENT AMOUNT: 160 million USD
CONTACTS: General Direction of the Serum and Hemoderivatives Products Enterprise Adalberto Pesant. Email: mcayiz@pesant.biocubafarma.cu / Tel: (53) 72020551

PLANT TO PRODUCE INJECTABLE MEDICINES
DESCRIPTION AND INVESTMENT TYPE: International Economic Association for building a production plant for injectable liquids, complying with Drug Industry Good Manufacturing Practices, with a production capacity of 20 million ampoules per year, 20 million vials with liquid and lyophilized products and 10 million pre-filled syringes for an assortment including sterilized products obtained by aseptic processing and terminal sterilization. Production is basically for exportation.
ESTIMATED INVESTMENT AMOUNT: 160 million USD. CONTACTS: General Direction of the AICA+ Laboratories Enterprise
Email: teresita@aica.cu / Tel: (53) 72712576

PLANT TO PRODUCE MEASURED DOSAGE SPRAYS
DESCRIPTION AND INVESTMENT TYPE: International Economic Association for building a pharmaceutical plant to manufacture dose inhalers, basically bronchodilator products to treat asthma, allergic respiratory diseases and chronic obstructive pulmonary diseases (COPD). Technological transfer of nationally produced products and the introduction of new products for COPDs. Production is destined basically for exportation.
CONTACTS: General Direction of the Medsol Laboratories Enterprise
Email: alarcon@ms.medsol.cu / Tel: (53) 72713423

PLANT TO PRODUCE SOLID ORAL MEDICINES (TABLETS, CAPLETS AND CAPSULES)
DESCRIPTION AND INVESTMENT TYPE: International Economic Association Building a plant to produce solid forms from natural products. For the Cuban and Latin American markets
ESTIMATED INVESTMENT AMOUNT: 40 million USD
CONTACTS: General Direction of the Dalmer Laboratories Enterprise
Email: blanca@cnic.edu.cu / Tel: (53) 72085254/ 72085835

PLANT TO PRODUCE CEPHALOSPORINS AND CARBAPENEMAS (INJECTABLE)
DESCRIPTION AND INVESTMENT TYPE: International Economic Association for building a plant to produce cephalosporins and carbapenemases (injectable) with a capacity to obtain up to 21 million ampules per year. Production will be destined to satisfy domestic demands and the rest will be for exportation.
ESTIMATED INVESTMENT AMOUNT: 60 million USD
CONTACTS: General Direction of the Pharmaceutical Enterprise 8th of March
Email: nancy@8marzo.biocubafarma.cu / Tel: (535) 2866741

PLANT TO PRODUCE ORAL PENICILLIN-BASED ANTIBIOTICS
DESCRIPTION AND INVESTMENT TYPE: International Economic Association for building a plant to produce and sell oral penicillin-based antibiotics for oral suspensions with and without beta-lactamase inhibitors, with a capacity in the first stage of 500 million capsules and 20 million bottles for suspensions, produced on the basis of imported active principles. Production is for exportation and domestic sales to satisfy the demands for these medicines. ESTIMATED INVESTMENT AMOUNT: 30 million USD
CONTACTS: General Direction of the Pharmaceutical Enterprise 8th of March
Email: nancy@8marzo.biocubafarma.cu / Tel: (535) 2866741
Special Articles

ENERGY SECTOR (1 PROJECT)

INSTALLATION AND OPERATION OF PHOTOVOLTAIC SOLAR FARMS
DESCRIPTION AND INVESTMENT TYPE: 100% Foreign Capital Enterprise for the installation and operation of photovoltaic solar parks with capacities between 5 and 15 MWp. All the energy delivered to the National Electric System will be buying the Union Eléctrica through an Energy Sale Contract.
ESTIMATED INVESTMENT AMOUNT: Depending on the installed capacity (between 1.5 and 2.0 million USD per MW of installed power)
CONTACTS: Business Direction of the Electrical Union. Email: pedrob@oc.une.cu / Tel. (53) 78790268

OTHER SEVEN PROJECTS BEING PROMOTED BY CUBAN ENTITIES IN THE SPECIAL DEVELOPMENT ZONE MARIEL (7 PROJECTS)

MANUFACTURING LIGHT AUTOMOBILES
DESCRIPTION AND INVESTMENT TYPE: Joint Enterprise with an enterprise of the Entrepreneurial Group of the Steel and Mechanical Industry (GESIME) for setting up a new plant using clean cutting edge technology to assemble and manufacture a minimum of 10,000 light automobiles per year, for the domestic market and exportation, associated with industries in Havana in order to manufacture parts, spare parts and accessories as well as a network of countrywide technical services.

PRODUCTION OF VALVES FOR PRESSURE BODIES
DESCRIPTION AND INVESTMENT TYPE: Joint Enterprise with an enterprise of the Entrepreneurial Group of the Steel and Mechanical Industry (GESIME) for setting up a new plant using clean cutting edge technology to manufacture valves for pressure bodies such as extinguishers, gas cylinders, oxygen and acetylene tanks, etc., in order to replace imports.

PROJECT TO MANUFACTURE RAFFIA CLOTH, LARGE-SIZED BAGS, WOVEN AND NOTWOVEN AND THERMO-FORMED
DESCRIPTION AND INVESTMENT TYPE: Joint Enterprise with an enterprise of the Entrepreneurial Group of the Light Industry (GEMPIL) for setting up a new plant using clean cutting edge technology to produce raffia cloth, large-sized bags, woven and not-woven and thermo-formed in order to replace imports.

ENGINEERING AND TECHNOLOGICAL PROJECTS COMPANY
DESCRIPTION AND INVESTMENT TYPE: Joint Enterprise with an enterprise of the Entrepreneurial Group of the Steel and Mechanical Industry (GESIME) to develop engineering, supplies and construction job management projects, setting up and starting up industrial, agro-industrial, waste water treatment and renewable energies projects as well as post-sale services for the domestic market and the exportation of services.

PLANT FOR THE PRODUCTION OF BIODRUGS TO TREAT CANCER AND OTHER CHRONIC DISEASES
DESCRIPTION AND INVESTMENT TYPE: Joint Venture with Cimab S.A. Center of Molecular Immunology, for building a new industrial biotechnology facility to produce recombinant proteins for treating cancer and other chronic diseases, from the active pharmaceutical ingredient (10 kg/year capacity), including warehouses, offices and technological services. Production will be basically for exportation.

GOOD MANUFACTURING PRACTICES PLANT (BPF IN THE SPANISH ACRONYM) FOR DEVELOPMENT AND PRODUCTION OF ORAL BIOLOGICAL MEDICINES
DESCRIPTION AND INVESTMENT TYPE: International Economic Association with Dalmer Laboratories for building a plant to manufacture oral biological medicines with a fermentative capacity of 500 L, with the potential for manufacturing antisalmonella vaccines and cholera probiotics. Production is basically for exportation.

INVESTMENT ASSOCIATIONS PROVIDING AUXILIARY SERVICES
DESCRIPTION AND INVESTMENT TYPE: International Economic Association with an enterprise of BioCubaFarma Group for investment projects providing auxiliary and support services for the drug industry:
• Metrology and validation of measuring equipment laboratory and production areas.
• Specialized engineering services workshop for refrigeration, water treatment systems, diagnostics for maintenance systems, etc.
• Specialized treatment plant for solids, liquid and gas waste.
• Water and steam treatment service plant.
• Logistical services for warehouses for imported products and the movement of importation/ exportation loading.
AGRICULTURE, FORESTRY AND FOOD SECTOR (32 PROJECTS)

SECTORIAL POLICY FOR THE AGRICULTURAL AND FORESTRY SECTOR: To promote comprehensive agroindustrial projects that increase food production, encourage sustainable development and increase efficiency, quality and competitiveness in the different forms of production management at work in this sector, in the aim of replacing food imports and to increase and diversify exports.

Foreign investment shall be fundamentally directed towards fruit, vegetables, grains and cereals, beef, pork, poultry, animal food and milk, as well as integral products including intensive management of forestry products having a commercial nature.

It excludes tobacco agricultural products and the Premium cigar industry. Land ownership shall not be transferrable. In joint business ventures the contribution of the Cuban Party may include the real right of usufruct for the land.

CONTACTS: Business Direction Ministry of Agriculture
Email: secrenegocios@oc.minag.cu / negocios@oc.minag.cu / Tel: (53) 78847697 / 78847508

SECTORIAL POLICY FOR THE FOOD INDUSTRY: To promote integral projects generating linked productions and encourage efficiency throughout the chain. Excluded is anything dealing with the capture and industrialization of lobster.

CUBAN PARTIES ASSOCIATING IN FOREIGN INVESTMENT BUSINESSES

**CubaRon Corporation:** Over 20 years of experience in the production and commercialization of rum and other alcoholic beverages of varying types and quality, spirits, alcohol and its byproducts. Its main aim is to increase exports of rum, low alcohol- content beverages and juices.

**Corporación Alimentaria (CORALSA):** Created in 1995 to participate as shareholder in foreign enterprises based in Cuba or abroad, associated with foods industry activities. It has experience in developing meat products, ice cream, flour for bread production and semolina, beer and malt drinks, water and soft drinks, chocolate products and other cacao by products.

CONTACTS: Business Direction of the Entrepreneurial Group of the Food Industry
Email: minal@minal.cu / negocios@coralsa.com.cu / Tel. (53) 72021194 / 72027388 / 72059093

TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES

**PRODUCTION OF BEEF, ITS INDUSTRIAL PROCESSING AND COMMERCIALIZING SPECIAL CUTS (2 PROJECTS)**

DESCRIPTION AND INVESTMENT TYPE: Joint Venture to increase production to 5,000 metric tons of beef for special cuts on the basis of exploiting 100% of installed capacities for fattening up steer. The aim is to fatten up steer of over 400 Kg hoof weight at 24 months old. As part of the infrastructure we require technological modernization in the slaughterhouses to transform and industrialize channels for special cuts incorporating added value to the product, improve its quality and appearance to be sold on the tourism market and in the hard-currency shops, thereby ensuring that imports are replaced. This project can be undertaken in the Livestock Genetics Enterprises of Matanzas and/or Ciego de Avila, as the investor prefers.

The project will allow for growth of cattle genetics, it will recover agricultural areas for raw material production for animal fodder and strengthen the production chain with the participation of agricultural cooperatives.

ESTIMATED INVESTMENT AMOUNT: 10.0 million USD.

CONTACTS: General Direction of the Group for Swine Production (GRUPOR)
E-mail: norberto@minag.cu / prod4por@minag.cu / Tel.: (53) 78847253 / 78847254.

**PORK PRODUCTION FOR MARKETING IN CANAL AND FINISHED PORK PRODUCTS (5 PROJECTS)**

DESCRIPTION AND INVESTMENT TYPE: This project of Joint Venture may be undertaken, as the investor prefers and jointly with CORALSA, in Swine Production Enterprises of Cienfuegos, Villa Clara, Matanzas, Pinar del Rio or Artemisa. Its aim is to increase pork production on the basis of exploiting all installed capacities. We foresee attaining 3,000 breeders in the aim of producing 7,200 metric tons of hoof weight hogs. Slaughtered hogs will have hoof weights of 100-120 Kg, transforming into channeled hogs in an abattoir to be built as part of the infrastructure. The abattoir will have an estimated installed slaughter capacity of 300 hogs per day; with 270 working days per year we will be able to slaughter up to 81,000 hogs each year. Channeled hogs will be industrialized in a processing plant to be built as part of the enterprise's infrastructure for the aim of producing 108,000 metric tons of finished products and byproducts including sausages, shaped products and smoked meats incorporating added value to the product and improving its competitive edge. We foresee developing the genetics of the Yorkshire, Landrace, Duroc and CC21 breeds; fodder production for hogs; semen production; providing breed-improvement services; recovering agricultural areas to produce raw materials to be used for animal fodder production and strengthening the chain with agricultural cooperatives. The project replaces imports and will ensure demands for finished pork products and byproducts for the tourism and local markets. ESTIMATED INVESTMENT AMOUNT: 120.0 million USD.

CONTACTS: General Direction of the Group for Swine Production (GRUPOR)
Email: norberto@minag.cu; prod4por@minag.cu / Tel.: (53) 78847253 / 78847254.
BUFFALO CATTLE PRODUCTION FOR INDUSTRIALIZATION AND THE COMMERCIALIZATION OF MILK AND ITS BY PRODUCTS

DESCRIPTION AND INVESTMENT TYPE: Joint Venture with the Buffalo Livestock Genetics Enterprise El Cangre and CORALSA. to increase buffalo milk production on the basis of exploiting 100% of installed capacities; for this purpose we shall have to activate 22 dairies with the aim of producing 4.7 million liters of buffalo milk per year. The milk will be industrialized in an existing plant in Nazareno, Havana Province, which requires technological modernization for a line of industrializing buffalo milk in order to produce Mozzarella cheese, yoghurt and butter incorporating added value to the product, improving quality and appearance in various formats. We hope to develop buffalo genetics, recover agricultural areas for the production of raw materials to become animal fodder and strengthen the productive chain with participation of agricultural cooperatives and replaces imports of milk, cheese, mozzarella, yoghurt and butter for tourism and local markets.

ESTIMATED INVESTMENT AMOUNT: 55.2 million USD

CONTACTS: General Direction of the Coffee Processing Enterprise (UCCAN) Email: direccion@uecan.minag.cu/ prod4por@minag.cu / Tel.: (53) 78847253 / 78847254

Poultry Meat Production and its Channeled Commercialization (9 Projects)

DESCRIPTION AND INVESTMENT TYPE: Joint Venture to increase production of poultry (chicken) to 150,000 metric tons of channeled chicken on the basis of exploiting installed production capacities. For this purpose we will have to activate production of fertile eggs and their incubation. The aim is to produce 10,000 metric tons of channeled chicken per year. Chickens slaughtered will have live weight of 2 kg at 38 days; with food/live weight conversion of 1.75 Kg. We require acquisition of equipment for technological modernization in the line of slaughtering 3000 chickens per hour, representing slaughtering 24,000 chickens per day in the abattoir.

This project can be undertaken in Poultry Enterprises of Pinar del Rio, Artemisa, Matanzas, Villa Clara, Cienfuegos, Sancti Spiritus, Camaguey, Holguin and Granma, as the investor prefers.

The enterprise will allow developing the genetics for high reproduction breeds, incubation, recovering agricultural areas for the production of raw materials destined to produce animal feed and strengthen the productive chain with participation of agricultural cooperatives, replaces imports and ensures channeled chicken for the tourism and local markets. ESTIMATED INVESTMENT AMOUNT: 35.5 million USD

CONTACTS: General Direction of the National Union for Poultry Production (UCCAN). Email: direccion@uecan.minag.cu/ prod4por@minag.cu / Tel.: (53) 78847306 / 78847307 / 78847253 / 78847254

Rice Production in the Southern Part of Artemisa and Mayabeque Provinces

DESCRIPTION AND INVESTMENT TYPE: Joint Venture to increase in 10.0 MTM yearly average national production of rice in the Agro industrial Enterprise for Grains Production José Martí by applying proper techniques in agricultural exploitation, adapted to the climate and local soil conditions, using correct fertilization, phytopharmacological and post-harvest systems, for sales on the national market to replace imports, for tourism and eventual exportation... ESTIMATED INVESTMENT AMOUNT: 37.06 million USD

CONTACTS: Direction of the Agro industrial Group for Grains Production Email: contabilidad@agro.minag.cu / Tel.: (53) 78847600

PEANUT PRODUCTION

DESCRIPTION AND INVESTMENT TYPE: Joint Venture to develop peanut production in the Agro industrial Enterprise for Grains Production Jovellanos to obtain 7,400 metric tons per year with participation of agricultural cooperatives and individual farmers in order to replace imports. We hope to obtain yields between 2.5 and 3 tons per hectare on the basis of satisfying the nutritional needs of the plant with adequate seeds. We foresee using the agricultural areas of the former sugar mills where infrastructure and agricultural practices exist for exploring growing possibilities. ESTIMATED INVESTMENT AMOUNT: 70.5 million USD

CONTACTS: Direction of the Agro industrial Group for Grains Production Email: contabilidad@agro.minag.cu / Tel.: (53) 78847600

PROCESSING AND COMMERCIALIZATION OF ELITE QUALITY CONVENTIONAL COFFEE

DESCRIPTION AND INVESTMENT TYPE: International Economic Association Contract with the Coffee Processing Enterprise Asdrubal Lopez Vazquez of Guantanamo to efficiently process the production of Cuban coffee from selected special micro-regions in the hills of Guantanamo to create a leading brand on the international level. The scope of the investment includes updating technological coffee processing techniques in order to increase acceptance levels for the dry healthy product, ensuring good conservation, handling, storage and commercialization, to improve levels of knowledge in the coffeegrowing areas and to update them thereby improving the quality of high-grade assortments of coffees and increasing the available amounts destined for exportation for the foreign Elite Quality market. ESTIMATED INVESTMENT AMOUNT: 10.3 million USD

CONTACTS: Business and Development Direction of GEAM Email: ddesarrollo@geam.minag.cu / Tel. (53) 78847456 / 78847457

MAKING USE OF SCRUB (MARABÚ) BIOMASS FOR THE PRODUCTION OF VEGETAL CHARCOAL AND INCREASING INTENSIVE FORESTRY MANAGEMENT PLANTATIONS (4 PROJECTS)

DESCRIPTION AND INVESTMENT TYPE: International Economic Association Contract to annually produce, on an industrial basis, an annual average of 3 000 metric tons of vegetal charcoal, 2600 metric tons of charcoal activated and 1050 metric tons of Briquettes from marabou scrub, as well as replanting 3300 hectares free of marabou. In addition, we would produce vegetal charcoal briquettes for export. The scope of the investment includes equipment needed for harvesting and transportation of marabou, thereby ensuring stable sustained supplies of the biomass required for charcoal production as well as acquiring equipment and machinery for forest replanting, with intensive management of the areas being cleaned up. The production will sale in foreign market, basically Europe.

This project can be undertaken in Integral Forest Enterprises of Granma, Holguin, Camaguey and Ciego de Avila, as the investor prefers. ESTIMATED INVESTMENT AMOUNT: 4.1 million USD (each project)

CONTACTS: Business and Development Direction of GEAM Email: ddesarrollo@geam.minag.cu / Tel. (53) 78847456 / 78847457
DEVELOPMENT OF AGRO-INDUSTRIAL PRODUCTION OF CITRUS FRUIT AND OTHER FRUIT IN THE CONTRAMAESTRE REGION

DESCRIPTION AND INVESTMENT TYPE: International Economic Association Contract with Citrus Enterprise America Libre to produce 6,450 tons/year of concentrated and simple juice, 90 tons of essential oils, 13,670 tons of pulp, juice and other conserve, improve quality and commercialize concentrated and simple juices, essential citrus oils and pulp, juices and conserves of other tropical fruit.

The citrus fruit line has the capacity of processing a maximum of 75,000 tons per year of fruit; currently less than 1% is being handled. We wish to process 45,000 tons/year of fruit; for this purpose we will replace the other tropical fruit current line that processes less than 1.5 tons per hour with another line that processes 6 tons per hour. As foreign market, is considering basically Europe. Domestic market: fresh fruit will be marketed and its byproducts will be industrialized in small formats such as nectar, fruit in syrup, creams and marmalades, in the tourist sector of Holguin and Santiago de Cuba. The principal client for tropical fruit pulp is the Ministry of Foods Industries (MINAL) tinning industry. ESTIMATED INVESTMENT AMOUNT: 6.9 million USD

CONTACTS: General Direction Citrus Enterprise América Libre. Email: guilleramo@enet.cu / Tel. (5322) 587432

DEVELOPMENT OF THE PRODUCTION OF CITRUS AND OTHER FRUIT, SUCH AS FRESH FRUIT AND INDUSTRIALIZED PRODUCTS IN THE EMPRESA CITRICOS CEIBA

DESCRIPTION AND INVESTMENT TYPE: The project of Joint Venture is designed for installation in the Citrus Enterprise Ceiba of an industrial plant to process fruit with a capacity of 2 tons/day of chopped fruit, 10,000 liters/day of juice, 5 tons/hour of pulp and conserves and to encourage the region's Future Development Program. It will indirectly be in the agricultural cooperatives as suppliers of the raw material thereby ensuring the production chain. We need to finance the production to guarantee acquisition of high quality seedlings, consumables, services and technical assistance. Products will be for the domestic market (10%) and exportations (90%). The domestic market basically includes tourism and local markets. ESTIMATED INVESTMENT AMOUNT: 9.0 million USD

CONTACTS: Direction Citrus Enterprise Ceiba. Email: ilio@citricosceiba.cu / Tel. (5347) 311100 / 311106.

INCREASED PRODUCTION POTENTIAL FOR SHRIMP FARMING

DESCRIPTION AND INVESTMENT TYPE: Joint Venture to increase shrimp production by improving the technology being used today to growout the larva and reduce costs during this phase.

The possibility of seeding +8 mg post larvae in the hatchery stage, up to +300 mg, to subsequently transfer them to the nursery stage and to introduce probiotics and other biotechnologies to handle the ponds will produce fewer days per productive cycle and therefore increase the rotation rate of hectares per year; decrease food consumption (tons of feed per ton of harvested shrimp); average harvested weight gain; percentage survival increase in the grow-out pond stage. International market quality demands are satisfied and at the same time, solutions will be implemented to increase disease control and achieve sustainable development that is harmonious with the environment.

As export market, is primarily considers Asia. ESTIMATED INVESTMENT AMOUNT: 19.9 million USD

CONTACTS: Corporación Alimentaria S.A. (CORALSA).
Email: negocios@coralsa.com.cu / Tel.: (53) 72021194 / 72027388 / 72059093

PRODUCTION AND COMMERCIALIZATION OF FRESH, FILLED PASTA (LASAGNA, CANNELLONI, RAVIOLI, TORTELLINI, PANZEROTTI AND GNOCCHI) AND THEIR ACCOMPANYING SAUCES

DESCRIPTION AND INVESTMENT TYPE: Joint Venture to increase the availability of fresh filled pastas and sauces. Activating this industry will also make it possible to decrease the current proportion of imported fresh filled pastas now on the local market, which demand will increase over the next few years as tourism grows, reaching a total of over 300 tons per year. We plan for sales for the 15-year period that are over 25.5 MMUSD; therefore we would like to produce and commercialize 1000 kg per day of fresh filled pasta and 20 kg per day of sauces. Orienting production capacities has been estimated according to the composition of the current demands of the hotel sector in Cuba, depending on each type of product: lasagna 39.0%, cannelloni 22.0%, ravioli 15.0%, tortellini 13.0%, panzerotti 6.0%, and gnocchi 5.0%. Production will be destined to satisfy demands of the principle tourism areas in the country and the local market.

ESTIMATED INVESTMENT AMOUNT: 2.0 million USD . CONTACTS: Corporación Alimentaria S.A. (CORALSA).
Email: negocios@coralsa.com.cu / Tel. (53) 72021194 / 72027388 / 72059093

PRODUCTION OF CARBONATED DRINKS AND BOTTLED WATER

DESCRIPTION AND INVESTMENT TYPE: Joint Venture to increase in 500,000 hl per year availability of carbonated drinks and bottled water by setting up a cutting edge technology line in the country’s central region for production and distribution in that zone and in the eastern part of the country. It will also make possible the creation of a distribution network destined to satisfy demands of the local and tourism markets in the central and eastern parts of the country. The investment project also seeks to replace today’s bulk soft drink and syrup commercialization. ESTIMATED INVESTMENT AMOUNT: 12.3 million USD

CONTACTS: Corporación Alimentaria S.A. (CORALSA).
Email: negocios@coralsa.com.cu / Tel. (53) 72021194 / 72027388 / 72059093

INDUSTRIAL PROCESSING OF CACAO AND INCREASED PRODUCTION OF CHOCOLATE-BASED PRODUCTS

DESCRIPTION AND INVESTMENT TYPE: Joint Venture to modernize the existing cacao plant for processing 1,000 tons per year of cacao (liquor, butter and cocoa) with high-productivity technology, automation and efficient energy consumption, as well as reduced environmental impact with the quality specifications demanded by international standards, with a view to obtaining various chocolatier products. Currently the industry demands 2,500 tons of cacao and only receives 1,500 tons that satisfy 60% of formats and assortments for the domestic market in CUC. According to MINAGRI estimates, we can attain a national cacao seed production of approximately 3,500 tons for the year 2020. As markets are foreseen tourism, the local market and export and import substitution

Email: negocios@coralsa.com.cu / Tel. (53) 72021194 / 72027388 / 72059093
**SUGAR INDUSTRY SECTOR (4 PROJECTS)**

**SECTORIAL POLICY:** Businesses with foreign capital in this sector should promote projects directed towards modernizing and increasing the use of installed capacities, promoting their efficiency and yield, the quality of the sugar, growth and diversification of exportable funds, by product availability and the growth of byproduct production with a focus on energy. Businesses to manage the production chain are being prioritized.

**CUBAN PARTIES ASSOCIATING IN FOREIGN INVESTMENT BUSINESSES**

**ZERUS S.A.** is the mercantile company ensuring the agro-industrial sector of sugar and its byproducts in its search for new joint businesses using foreign capital and developing existing businesses.

**TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES**

**SUGAR MILL PRODUCTION MANAGEMENT (4 PROJECTS)**

**DESCRIPTION AND INVESTMENT TYPE:** In the 1980s sugarcane production in the sugar mills proposed for this type of International Economic Association Contract for Production Management with the sugar industry companies owning each sugar mill (Mario Muñoz in Matanzas province, 30 de Noviembre in Artemisa, Batalla de las Guásimas in Camagüey and Majibacoa in Las Tunas) was around 90,000 tons of sugar on average or more, during at least 150 harvest days with a yield of 65 tons per hectare (T/ha). The aim of investing in sugar mills is to recover those figures, identifying a "Management" foreign partner who would deal with finding the necessary financing and contribute with modern business administration tools and the necessary resources. The aim is to: recover capacities of original sugar mill designs, gradually increase sugarcane and sugar production for exportation and the local market, introduce new production and managerial technologies, improve sugar production efficiency, its quality and reducing costs and self-finance the recovery.

**ESTIMATED INVESTMENT AMOUNT:** 40.0 million USD (each project) .  
**CONTACTS:** Business Direction ZERUS  
Email: jorge.lodos@zerus.azcuba.cu / Tel: (53) 78383194 ext. 237

**INDUSTRIAL SECTOR (10 PROJECTS)**

**SECTORIAL POLICY:** To promote projects to modernize and create new capacities in the aim of covering national demand, replace importations and generate exportations. It includes the branches of Mechanical-Metal, Light, Chemical and Electronics Industry.

**Contact Information:** Direction of Investments and Collaboration, Ministry of Industries  
Email: forcadena@industrias.cu / Tel. (53) 72633215

**ELECTRONICS, INFORMATICS, AUTOMATION AND TELECOMMUNICATIONS INDUSTRY**

**Contact Information:** Business Direction of the Entrepreneurial Group of the Electronic Industry  
Email: eldris@cubaelectrónica.cu / Tel. (53) 72045630 ext. 127

**TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES**

**PRODUCTION AND COMMERCIALIZATION OF PRODUCTS AND SERVICES FOR INFORMATICS SOLUTIONS**

**DESCRIPTION AND INVESTMENT TYPE:** Joint Venture to produce and commercialize products and services for Informatics Solutions (standard desktop PC, machine systems without MSD discs, PC tablets, Laptops and Minilaptops). The aim of the project is to cover the growing demand of the domestic market for informatics solutions, to replace imports of informatics equipment having the backing of parts and spare parts in order to provide warranty and post-sale services including software and nationally manufactured applications. Current annual demand is estimated at 75,000 computers, and in 10 years the number would be approximately one million. Basic clients are hotels, retail shops, universities, schools, state entities, non-state sector and the new investment projects being developed in the country.

**ESTIMATED INVESTMENT AMOUNT:** 9.6 million USD  
**CONTACTS:** General Direction of the Industrial Enterprise for Informatics, Communications and Electronic (GEDEME) of the Entrepreneurial Group of the Electronic Industry . Email: jcarlos@gedeme.co.cu / Tel: (53) 72604028
**TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES**

**LIGHT INDUSTRY**

**PRODUCTION AND COMMERCIALIZATION OF MESH SACKS**

Description and investment type: Joint Venture to allocate most of the production of sacks for agricultural to the domestic market. By acquiring technological equipment for the production processes, encouraging the replacement of imports. Current demands on domestic industry taking into account Ministry of Agriculture state enterprises total 10 million sacks for agricultural produce; this does not take into account the growing demands of the new non-state market. Estimated investment amount: 4.5 million USD

Contacts: General Direction of the Luis A. Turcios Lima Enterprise of the Entrepreneurial Group of the Light Industry

Email: javier@sarex.co.cu / Tel.: (5342) 27-1789

**PRODUCTION AND COMMERCIALIZATION OF FOOTWEAR**

Description and investment type: Joint Venture for production, distribution and commercialization of footwear for the local market on the basis of acquiring cutting edge technology, installing production capacities for 6 million pairs of shoes per year, in 8 production lines, to manufacture three types of shoes: sport, casual and sandals. A small part of production will be for export. Domestic demand is estimated at 47 million pairs of shoes per year. Estimated investment amount: 12.6 million USD

Contacts: General Direction of the COMBELL Enterprise of the Entrepreneurial Group of the Light Industry

Email: guillerмо@combell.com.cu / Tel: (53) 78812442

**CHEMICAL INDUSTRY**

**TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES**

**PRODUCTION AND COMMERCIALIZATION OF NEWSPRINT AND BOND PAPER**

Description and investment type: Joint Venture with QUIMI S.A. belonging to the Entrepreneurial Group of the Chemical Industry to execute technological reconversion and start-up operations of the Fine Paper Plant in order to produce 60,000 tons per year of paper distributed in 40,000 tons per year for printing and writing and 20,000 tons per year for newspapers via the modernization of facilities and the continuous introduction of advanced technologies to replace imports and for exportation purposes. The investment would be directed to satisfy domestic demand for 40,000 tons and would destine some 20,000 tons for exportation.

Estimated investment amount: 107.2 million USD.

Contacts: General Director Paper Enterprise

Email: gatell@pappyrus.minem.cu / Tel: (53) 72038944

**PRODUCTION AND COMMERCIALIZATION OF TISSUE PAPER AND ITS CONVERSION**

Description and investment type: Joint Venture with QUIMI S.A. belonging to Entrepreneurial Group of the Chemical Industry for the installation and startup of a new tissue paper plant having the capacity to produce 20,000 tons per year to satisfy the domestic market and to encourage exportations. We would like to modernize our facilities, acquire new advanced technologies and ensure stable supplies of raw materials, consumables and spare parts. We foresee that domestic demand for tissue paper will reach 20,000 tons per year. We plan to establish a niche in the export-market to Latin America. Estimated investment amount: 73.1 million USD

Contacts: General Director Paper Enterprise. Email: gatell@pappyrus.minem.cu / Tel: (53) 72038944

**METAL-MECHANICAL INDUSTRY AND RECYCLING**

**TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES**

**SOLID URBAN WASTE HANDLING INTEGRATED SYSTEM (SIGRUSU IN ITS SPANISH ACRONYM)**

Description and investment type: The principal aim of the project of Joint Venture is to gradually reduce total volumes of generated waste to minimum levels thereby avoiding negative impact on the environment and human health; today waste is sent to dumps or sanitary landfills. SIGRUSU includes all the stages of the process beginning with proper selection, collection, treatment, recycling and energy assessment to generate electricity and heat and to produce organic fertilizers. Only the inert unrecyclable waste that has no value will be sent to the landfill centers, although in later stages studied could be made about some uses for this inert portion of waste. Currently there is no SIGRUSU in Cuba. The project's scope would cover the entire country and be carried out in stages. It will begin in the western area, specifically in La Habana province since its waste generation levels are estimated at 2,585.01 tons per day. The first priority would be to broaden the project and build similar plants in the center and eastern parts of the island. Markets for the resulting products will be: Secondary raw materials: domestic industry and the excess will be exported; today 16 groups of products are processed. The basic ones are steel scrap, molten iron, stainless steel, copper, aluminum, bronze, lead, paper and cardboard, plastics, glass bottles, glass, electronic scrap and others. The gas generated is required by the Sistema Electroenergetico Nacional to generate energy. 100% of the fertilizer generated can be used by the Ministry of Agriculture. Estimated investment amount: First stage: 115.0 million USD for investing in a Comprehensive Solid Urban Waste Processing Plant including several lines and improvement to the collection and dumping system.

Contacts: General Direction of the Union of Raw Materials Recovery Enterprises (UERMP) of the Entrepreneurial Group of the Steel and Mechanical Industry.

Email: jorgeluis@uermc.co / estela@uermc.co / Tel: (53) 72051042
TOURISM SECTOR (56 PROJECTS)

SECTORIAL POLICY: Foreign investment participation in the sector will be directed to promote new hotels through new building projects, or reconstructions, of accommodations facilities as well as the complementary infrastructures.

In out-of-hotel activity it will be promoting real estate development associated with golf courses and others that will be complemented by 100% Cuban marinas and also building high-the theme parks. Not included are dolphinariums, foods services, marinas and complementary services.

Another aim will be to diversify the management and commercialization of tourist facilities by renowned foreign chains.

Priorities will include the Guardalavaca area in the north of Holguin province, the South Central Coast specifically Cienfuegos and Trinidad, Playa Santa Lucia in the northern part of Camaguey and the Covarrubias Tourist Resort Area in the north of Las Tunas province. Investor participation will be the exception in Havana and Varadero. Commitments have already been made with Habana Vieja, Playas del Este de La Habana and the northern keys.

CUBAN PARTIES ASSOCIATING IN FOREIGN INVESTMENT BUSINESSES

Gran Caribe: With 20 years of experience in the Cuban tourist industry, it operates 45 tourist facilities divided into All Inclusive, Family, Historical, Business/City, Beach and Keys categories. It services can be found under the following g brand names: Hola Club, Club Premium and Classic.

Cubanacan: Since 1987 its business has grown to include associations with prestigious international hotel chains. Besides city hotels it has secured these commercial Sun and Beach brand names: Brisas and Cub Amigo Horizontes and Horizontes, with hotels that are located in natural settings.

Gaviota: With 25 years of experience today this is the fastest growing organization in Cuban tourism. This tourism group has among its aims to promote and sell hotel and tourism services as well as specialty packages for health, boating, fishing, diving and others.

CubaGolf: Newly created, CUBAGOLF S.A., belonging to the Grupo Empresarial Extra Hotelero Palmares looks after the development of the Cuban project to promote the island as a golf-holiday destination. Currently it is in negotiations with several foreign partners to incorporate joint ventures to build, manage and run tourism-real estate golf complexes throughout the country.
### TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES

#### BUILDING AND COMMERCIALIZING TOP-QUALITY HOTEL AND VILLA CAPACITIES IN THE CIENFUEGOS RESORT AREA

**DESCRIPTION AND INVESTMENT TYPE:** Joint Ventures in Cienfuegos, known as the Pearl of the South, have attractive destinations for cultural tourism, boating and “sun and beach” tourism. The historical center of town, declared World Heritage Center in 2005, impresses visitors for its historical-cultural and architectural importance. It provides a good site for events with its facilities for congresses, business and working meetings complemented by a generous network of roads and the airport infrastructures. The traditional markets attracted to this resort area come from Canada, France, Germany, the UK, Holland and Italy. We would like to increase numbers from these same countries. Developing markets are Argentina, the US, Belgium, Luxemburg and Denmark. Potential markets are Russia, Venezuela, Chile, Brazil and China.

**CONTACTS:** Business Direction Gran Caribe Hotel Group  
Email: ruben@grancaribe.gca.tur.cu / Tel: (53) 72040567 / Website: www.gran-caribe.cu  
Address: Ave. 7ª N° 4210, Miramar, La Habana, Cuba.

<table>
<thead>
<tr>
<th>LOTS IN THE NORTH SECTOR</th>
<th>HOTEL DEL MAR 1</th>
<th>HOTEL DEL MAR 2</th>
</tr>
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<tbody>
<tr>
<td>*<em>ESTIMATED INVESTMENT <em>(M USD)</em></em></td>
<td>23 750</td>
<td>23 750</td>
</tr>
<tr>
<td><strong>ROOMS</strong></td>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td><strong>ESTIMATED ANNUAL RESULTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROOMS EXISTING DAYS (ONE)</strong></td>
<td>45 625</td>
<td>45 625</td>
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<td><strong>OCCUPANCY RATE (%)</strong></td>
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</tr>
<tr>
<td><strong>DAILY AVERAGE INCOME PER TOURIST (USD)</strong></td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td><strong>TOURISM INCOME (USD)</strong></td>
<td>5 851 406</td>
<td>5 851 406</td>
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<th>LOTS IN THE SOUTH SECTOR</th>
<th>HOTEL PUESTA DEL SOL</th>
<th>HOTEL VILLA NAÚTICA RESIDENCIAL</th>
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<tbody>
<tr>
<td>*<em>ESTIMATED INVESTMENT <em>(M USD)</em></em></td>
<td>38 000</td>
<td>33 250</td>
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<tr>
<td><strong>ROOMS</strong></td>
<td>200</td>
<td>175</td>
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<td><strong>ESTIMATED ANNUAL RESULTS</strong></td>
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<tr>
<td><strong>ROOMS EXISTING DAYS (ONE)</strong></td>
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<td><strong>OCCUPANCY RATE (%)</strong></td>
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<tr>
<td><strong>DAILY AVERAGE INCOME PER TOURIST (USD)</strong></td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td><strong>TOURISM INCOME (USD)</strong></td>
<td>9 362 250</td>
<td>8 191 969</td>
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<tr>
<td><strong>ROOMS</strong></td>
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<tr>
<td><strong>ESTIMATED ANNUAL RESULTS</strong></td>
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<td><strong>ROOMS EXISTING DAYS (ONE)</strong></td>
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<td><strong>OCCUPANCY RATE (%)</strong></td>
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<td><strong>DAILY AVERAGE INCOME PER TOURIST (USD)</strong></td>
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<tr>
<td><strong>TOURISM INCOME (USD)</strong></td>
<td>9 362 250</td>
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</tbody>
</table>

*Estimated on cost per room, totaling 190 M USD

#### BUILDING AND COMMERCIALIZING TOP-QUALITY HOTEL AND VILLA CAPACITIES AT THE COVARRUBIAS RESORT AREA IN LAS TUNAS

**DESCRIPTION AND INVESTMENT TYPE:** Joint Ventures. A newcomer to the tourist scene in Cuba Las Tunas province, known as the Balcony of Oriente, provides a new area for visitors with its beautiful beaches and nature-based tourism based on the richness of its medicinal waters. It also has spots for exploring caverns. The northern coast has one of the loveliest beaches, Covarrubias; it has a comfortable hotel infrastructure protected by virgin vegetation and beaches averaging 8 meters in width. Of course there is also the 6 km long coral reef. We are seeing a strong Canadian presence at this destination. We are looking for other markets that would make operations possible in the low season (May to October). **CONTACTS:** Business Direction Cubananacan  
Email: dirmixtas@cubananacan.tur.cu / Tel.: (53) 78334090 ext. 600 / Website: www.cubananacan.cu  
Address: Calle 23 N° 156, Vedado, La Habana.
LOTS AT THE COVARUBRÍAS SECTOR

**ESTIMATED INVESTMENT *(M USD)***

<table>
<thead>
<tr>
<th>ROOMS</th>
<th>VILLA COVARUBRÍAS</th>
<th>VILLA REAL COVARUBRÍAS</th>
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<tbody>
<tr>
<td>85 000</td>
<td>98 600</td>
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**ESTIMATED ANNUAL RESULTS**

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<th>ROOMS EXISTING DAYS (ONE)</th>
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<th>VILLA REAL COVARUBRÍAS</th>
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<td>182 500</td>
<td>211 700</td>
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<table>
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<tr>
<th>OCCUPANCY RATE (%)</th>
<th>VILLA COVARUBRÍAS</th>
<th>VILLA REAL COVARUBRÍAS</th>
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<tbody>
<tr>
<td>70</td>
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<th>DAILY AVERAGE INCOME PER TOURIST (USD)</th>
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<th>VILLA REAL COVARUBRÍAS</th>
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<tr>
<td>80</td>
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<th>TOURISM INCOME (USD)</th>
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<th>VILLA REAL COVARUBRÍAS</th>
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<tbody>
<tr>
<td>18 396 000</td>
<td>21 339 360</td>
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*Calculated on cost per room, totaling 170 M USD

BUILDING AND COMMERCIALIZING TOP-QUALITY HOTEL AND VILLA Capacities at the Guardalavaca Resort Area in Holguín

DESCRIPTION AND INVESTMENT TYPE: Joint Ventures. The Holguín resort area is one of the destinations having the best service and highest satisfaction rates in the country. The eastern part of Cuba assembles a group of characteristics which, besides beautiful beaches and exuberant nature, includes a rich historical and cultural heritage, a range of mainly four and five-star hotels and well-qualified professional staffs. We offer Sun and Beach, Nature, Boating, Diving, Health, Business, Events and Cultural types of tourism. We preserve the zone where America was discovered and the archeological capital of Cuba; we are also the ideal destination for visitors looking for fun, cultural exchanges, peace and safety. We are looking for the objective of consolidating already existing markets that show growth such as Canada, the UK, Holland and Italy; of recovering markets showing decreasing or steady numbers and which have air connections with this destination such as Germany and Finland and of attracting new potential markets such as Spain, Scandinavia, Russia, Mexico and South America. CONTACTS: Business Direction Cubanacán. Email: dirmixtas@cubanacan.tur.cu/

Tel: (53) 78334090 ext. 600 / Website: www.cubanacan.cu. Address: Calle 23 N° 156, Vedado, La Habana.

LOTS AT THE GUARDALAVACA NORTH SECTOR

**ESTIMATED INVESTMENT *(M USD)***

<table>
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<tr>
<th>ROOMS</th>
<th>HOTEL PARCELA 9</th>
<th>VILLA/BUNGALOWS PARCELA 11</th>
<th>VILLA/BUNGALOWS PARCELA 12</th>
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<tr>
<td>125 500</td>
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**ESTIMATED ANNUAL RESULTS**

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<td>183 230</td>
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<th>DAILY AVERAGE INCOME PER TOURIST (USD)</th>
<th>HOTEL PARCELA 9</th>
<th>VILLA/BUNGALOWS PARCELA 11</th>
<th>VILLA/BUNGALOWS PARCELA 12</th>
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<tbody>
<tr>
<td>80</td>
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<table>
<thead>
<tr>
<th>TOURISM INCOME (USD)</th>
<th>HOTEL PARCELA 9</th>
<th>VILLA/BUNGALOWS PARCELA 11</th>
<th>VILLA/BUNGALOWS PARCELA 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>23 453 440</td>
<td>9 986 400</td>
<td>9 986 400</td>
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</table>

*Calculated on cost per room, totaling 250 M USD

BUILDING AND COMMERCIALIZING TOP-QUALITY HOTEL AND VILLA ACCOMMODATIONS IN THE SANTA LUCIA RESORT AREA OF CAMAGUEY

DESCRIPTION AND INVESTMENT TYPE: Joint Ventures. Northern Camaguey province had two tourist development centers: Playa Santa Lucia and the city of Camaguey. The former caters to Sun and Beach tourism and the latter is part of the Cuba Circuit with optional Playa Santa Lucia; it has great potential for events, cultural and historical tourism because of its remarkable heritage. Canada is the largest market for Playa Santa Lucia maintaining significant growth in numbers of arrivals concentrated mainly during the high season (November to April). We would like to diversify the markets and recover the numbers for Germany, Italy and Argentina. Also, developing hotel investment projects will contribute to strengthening markets such as Mexico, Spain and Holland in the aim of getting a better position for the product by increasing arrivals to this destination.

CONTACTS: Business Direction Cubanacán. Email: dirmixtas@cubanacan.tur.cu

Tel: (53) 78334090 ext. 600 / Website: www.cubanacan.cu. Address: Calle 23 N° 156, Vedado, La Habana.

LOTS AT THE COVARUBRÍAS SECTOR

**ESTIMATED INVESTMENT *(M USD)***

<table>
<thead>
<tr>
<th>ROOMS</th>
<th>VILLA PARCELA 36</th>
<th>VILLA PARCELA 36 A</th>
<th>VILLA PARCELA 38</th>
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<tbody>
<tr>
<td>47 850</td>
<td>45 550</td>
<td>49 200</td>
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**ESTIMATED ANNUAL RESULTS**

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<tr>
<th>ROOMS EXISTING DAYS (ONE)</th>
<th>VILLA PARCELA 36</th>
<th>VILLA PARCELA 36 A</th>
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<td>98 550</td>
<td>94 900</td>
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<table>
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<tr>
<th>OCCUPANCY RATE (%)</th>
<th>VILLA PARCELA 36</th>
<th>VILLA PARCELA 36 A</th>
<th>VILLA PARCELA 38</th>
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<tr>
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<table>
<thead>
<tr>
<th>DAILY AVERAGE INCOME PER TOURIST (USD)</th>
<th>VILLA PARCELA 36</th>
<th>VILLA PARCELA 36 A</th>
<th>VILLA PARCELA 38</th>
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<tr>
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<table>
<thead>
<tr>
<th>TOURISM INCOME (USD)</th>
<th>VILLA PARCELA 36</th>
<th>VILLA PARCELA 36 A</th>
<th>VILLA PARCELA 38</th>
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</thead>
<tbody>
<tr>
<td>12 066 900</td>
<td>11 234 700</td>
<td>10 818 600</td>
<td></td>
</tr>
</tbody>
</table>
BUILDING AND COMMERCIALIZING TOP-QUALITY HOTEL ACCOMMODATIONS IN THE TRINIDAD RESORT AREA IN SANCTI SPIRITUS

DESCRIPTION AND INVESTMENT TYPE: Joint Ventures. “Trinidad de Cuba” is the name under which this tourism destination is commercialized in the world and it includes the following types of tourism: city, sun and beach, ecological, cultural, health, boating, hunting and fishing, speleology and nature. It has a large array of hotel and out-of-hotel services and an infrastructure to support tourism thereby reinforcing its potential. Since it is a consolidated product it has a competitive edge on other destinations, with two colonial cities Trinidad and Sancti Spiritus, the third and fourth oldest villas founded by the Spanish in Cuba. This investment project would be directed towards the main markets basically covered by the traditional markets studied in the Trinidad area: Canada, Germany, Russia and France.

Developing potential markets are Argentina, Brazil, Uruguay, Chile, the UK, Italy, Spain, Belgium, Holland and Austria.

CONTACTS: Business Direction Cubanacan
Email: dirmixtas@cubanacan.tur.cu. Tel.: (53) 78334090 ext. 600 / Website: www.cubanacan.cu
Address: Calle 23 Nº 156, Vedado, La Habana.

REAL ESTATE DEVELOPMENT ASSOCIATED WITH THE GOLF COURSE AT EL FARO/EL JAGÜEY. RANCHO LUNA PASACABALLOS RESORT AREA, CIENFUEGOS

DESCRIPTION AND INVESTMENT TYPE: Joint Venture with CubaGolf for the development of the Golf Real Estate Tourism Complex at the El Faro/El Jagüe Lot, Cienfuegos province on an area of about 517 hectares that will include 2 18-hole golf courses, 1 practice course, 1 Clubhouse, 2 5-star hotels with a total of approximately 240 rooms and Spa, 3,600 real estate units (360 houses or villas and 3240 apartments) for sales In Perpetua, sports areas, shops and service areas, etc. The market for future real estate owners and hotel, houses and apartment clients and guests will basically be Canada, Europe and Latin America chiefly Brazil, Argentina, Colombia and Mexico. Prices for a game of golf are estimated to be between 70 and 85 USD. Average hotel prices are estimated at 130 USD per person with a density of 1.6 and 70% average occupancy rate. Residential units may be rented for 200 to 300 USD per day, estimating a 33% occupancy rate, signifying incomes of 70.8 million USD of which 60% will be paid to the owners and the remaining 40% will be incomes for the joint enterprise. Other incomes will be coming in for foods services, recreation and rental of shops.

ESTIMATED INVESTMENT AMOUNT: 580.00 million USD

CONTACTS: President’s Office Palmares Group. Emails: dir.golf@palmares.tur.cu/ ep.golf@palmares.tur.cu
Tel: (53) 72722318 / 72722311. Address: Calle 13 No. 18006.esquina a 5ta Ave Miramar, Municipio Playa, La Habana, Cuba.
REAL ESTATE DEVELOPMENT ASSOCIATED WITH THE GOLF COURSE AT LOMA LINDA, HOLGUÍN

DESCRIPTION AND INVESTMENT TYPE: Joint Venture with CubaGolf for the Development of the Golf Real Estate Tourism Complex at Loma Linda, Holguín province that will include two (2) 18-hole golf courses, one (1) practice course, one (1) Clubhouse, one (1) 5-star hotel with a total of approximately 170 rooms and Spa, 1,300 real estate units (400 houses or villas and 900 apartments) for sales In Perpetua, sports areas, shops and service areas, etc. The market for future real estate owners and hotel, house and apartment clients and guests will basically be Canada, Europe and Latin America chiefly Brazil, Argentina, Colombia and Mexico. Prices for a game of golf are estimated to be between 70 and 85 USD. Average hotel prices are estimated at 130 USD per person with a density of 1.6 and 70% average occupancy rate. Residential units may be rented for 200 to 300 USD per day, estimating a 33% occupancy rate, signifying incomes of 70.8 million USD of which 60% will be paid to the owners and the remaining 40% will be incomes for the joint enterprise. Other incomes will be coming in for foods services, recreation and rental of shops. ESTIMATED INVESTMENT AMOUNT: 380.00 million USD.

CONTACTS: President’s Office Palmares Group
Emails: dir.golf@palmares.tur.cu / ep.golf@palmares.tur.cu / Tel: (53) 72722318 / 72722311
Address: Calle 13 No. 18006.esquina a 5ta Ave Miramar, Municipio Playa, La Habana, Cuba.

MANAGEMENT AND COMMERCIALIZATION OF 33 HOTEL FACILITIES

At the close of 2013, 17 foreign companies were operating in Cuba, managing over 31,000 rooms through 64 Hotel Management and Commercialization Contracts. With a view to continue promoting this modality, we provide details about the facilities that may be object of management and commercialization. In operating hotels we foresee the possibility of including financing by the managing foreign company for reconstruction of the facility.

<table>
<thead>
<tr>
<th>PROVINCE</th>
<th>RESORT AREA</th>
<th>FACILITY</th>
<th>PRODUCT</th>
<th>CATEGORY</th>
<th>ROOMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Habana</td>
<td>Monte Barreto</td>
<td>Complex Neptuno-Tritón</td>
<td>City</td>
<td>3*</td>
<td>266+266</td>
</tr>
<tr>
<td></td>
<td>El Vedado</td>
<td>Complex Vedado- Saint John's</td>
<td>City</td>
<td>3*</td>
<td>203 + 88</td>
</tr>
<tr>
<td>Matanzas</td>
<td>Varadero</td>
<td>Kawama</td>
<td>Beach</td>
<td>3*</td>
<td>336</td>
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<tr>
<td></td>
<td>Varadero</td>
<td>Villa Tortuga</td>
<td>Beach</td>
<td>4*</td>
<td>292</td>
</tr>
<tr>
<td></td>
<td>Varadero</td>
<td>Sun Beach</td>
<td>Beach</td>
<td>3*</td>
<td>272</td>
</tr>
<tr>
<td>Cienfuegos</td>
<td>Cienfuegos</td>
<td>Jagua</td>
<td>City</td>
<td>4*</td>
<td>149</td>
</tr>
<tr>
<td></td>
<td>Cienfuegos</td>
<td>La Unión</td>
<td>City</td>
<td>4*</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>Cienfuegos</td>
<td>Complex Rancho Luna-Faro Luna</td>
<td>City</td>
<td>4*</td>
<td>222 + 46</td>
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<table>
<thead>
<tr>
<th>PROVINCE</th>
<th>RESORT AREA</th>
<th>FACILITY</th>
<th>PRODUCT</th>
<th>CATEGORY</th>
<th>ROOMS</th>
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<tbody>
<tr>
<td>La Habana</td>
<td>Playas del Este</td>
<td>Tropicoco</td>
<td>Beach</td>
<td>2*</td>
<td>188</td>
</tr>
<tr>
<td></td>
<td>Monte Barreto</td>
<td>Chateau Miramar</td>
<td>City</td>
<td>4*</td>
<td>50</td>
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<tr>
<td></td>
<td>Marina Hemingway</td>
<td>Acuario y villas</td>
<td>Náutica</td>
<td>3*</td>
<td>381</td>
</tr>
<tr>
<td></td>
<td>Marina Hemingway</td>
<td>El Viejo y el Mar</td>
<td>Náutica</td>
<td>3*</td>
<td>190</td>
</tr>
<tr>
<td>Matanzas</td>
<td>Varadero</td>
<td>Aguas Azules</td>
<td>Beach</td>
<td>3*</td>
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<table>
<thead>
<tr>
<th>PROVINCE</th>
<th>RESORT AREA</th>
<th>FACILITY</th>
<th>PRODUCT</th>
<th>CATEGORY</th>
<th>ROOMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giego de Ávila</td>
<td>Cayo Guillermo</td>
<td>Punta Playuelas</td>
<td>Beach</td>
<td>5*</td>
<td>plus 158</td>
</tr>
<tr>
<td></td>
<td>Cayo Guillermo</td>
<td>Punta Rasa Hotel I</td>
<td>Beach</td>
<td>5*</td>
<td>500</td>
</tr>
<tr>
<td>Matanzas</td>
<td>Varadero</td>
<td>Las Conchas 1</td>
<td>Beach</td>
<td>5*</td>
<td>827</td>
</tr>
<tr>
<td>Villa Clara</td>
<td>Cayo Las Brujas</td>
<td>Farallón Este</td>
<td>Beach</td>
<td>5*</td>
<td>516</td>
</tr>
<tr>
<td>Giego de Ávila</td>
<td>Cayo Guillermo</td>
<td>Punta Rasa Hotel II</td>
<td>Beach</td>
<td>5*</td>
<td>500</td>
</tr>
<tr>
<td></td>
<td>Cayo Guillermo</td>
<td>Pilar 1</td>
<td>Beach</td>
<td>5*</td>
<td>plus 245</td>
</tr>
<tr>
<td>Villa Clara</td>
<td>Cayo Las Brujas</td>
<td>Roca Este II</td>
<td>Beach</td>
<td>5*</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td>Cayo Las Brujas</td>
<td>Farallón Oeste</td>
<td>Beach</td>
<td>5*</td>
<td>660</td>
</tr>
<tr>
<td>Camagüey</td>
<td>Cayo Cruz</td>
<td>Quebrada 17</td>
<td>Beach</td>
<td>5*</td>
<td>plus 252</td>
</tr>
<tr>
<td></td>
<td>Cayo Cruz</td>
<td>Quebrada 21</td>
<td>Beach</td>
<td>5*</td>
<td>550</td>
</tr>
<tr>
<td></td>
<td>Cayo Cruz</td>
<td>La Salina Suroeste</td>
<td>Beach</td>
<td>4*</td>
<td>574</td>
</tr>
<tr>
<td>Giego de Ávila</td>
<td>Cayo Paredón Grande</td>
<td>Roca Centro</td>
<td>Beach</td>
<td>5*</td>
<td>600</td>
</tr>
<tr>
<td></td>
<td>Cayo Paredón Grande</td>
<td>Roca Este I</td>
<td>Beach</td>
<td>5*</td>
<td>600</td>
</tr>
<tr>
<td></td>
<td>Cayo Paredón Grande</td>
<td>La Salina Noreste</td>
<td>Beach</td>
<td>4*</td>
<td>680</td>
</tr>
<tr>
<td>Camagüey</td>
<td>Cayo Cruz</td>
<td>Quebrada 24</td>
<td>Beach</td>
<td>5*</td>
<td>675</td>
</tr>
<tr>
<td></td>
<td>Cayo Cruz</td>
<td>Punta Cocina Parcela 32</td>
<td>Beach</td>
<td>5*</td>
<td>895</td>
</tr>
<tr>
<td>Giego de Ávila</td>
<td>Cayo Paredón Grande</td>
<td>Roca Norte 1</td>
<td>Beach</td>
<td>5*</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td>Cayo Paredón Grande</td>
<td>Roca Norte 2</td>
<td>Playa</td>
<td>5*</td>
<td>600</td>
</tr>
</tbody>
</table>
The Union Cuba-Petróleo (CUPET) is the Cuban state organization in charge of satisfying the supply of fuels and lubricants to the domestic market. It is a highly specialized entity made up of 41 enterprises of which 5 are joint enterprises. It is authorized to undertake all Upstream and Downstream operations on its own behalf or in association with foreign enterprises.

CONTACTS: General Direction of Comercial Cupet S.A. Email: business@cupetsa.co.cu / Tel: (53) 78314752

SECTORIAL POLICY: To create, broaden and modernize production capabilities. To promote projects for exploration and production of hydrocarbons.

CUBAN PARTY ASSOCIATED WITH FOREIGN CAPITAL BUSINESS enterprises.

DESCRIPTION AND INVESTMENT TYPE: International Economic Association Contract at risk for the exploration for hydrocarbons and their production to define the oil and gas potential on land area of national territory and should this prove to be positive, start exploitation of these energy resources. There are 25 available blocks, throughout national territory, except urban areas and some excluded areas in protected areas or those reserved for other prioritized interests of the country. The production will be in first place, for the domestic market and should there be surpluses, these will be exported. For one block, with a contract length of 30 years and using an average price of 122.6 USD/Bbl and an updating rate of 12%, we estimate a VAN of 191.7 million USD, TIR of 44% and a recovery period of 3.4 years.

OIL EXPLORATION AT RISK AND SHARED PRODUCTION IN BLOCKS IN NATIONAL TERRITORY SHALLOW WATERS (8 BLOCKS)

DESCRIPTION AND INVESTMENT TYPE: International Economic Association Contract at risk for exploration of hydrocarbons and its production to define the potential of oil and gas in determinate shallow water areas and in the event that this is positive, to start exploiting those energy resources, first for the domestic market and should there be surpluses, these would be exported. The 8 blocks available are situated to the north of the provinces of Pinar del Rio, Matanzas, Villa Clara and Sancti Spiritus and also to the south of Pinar del Rio, Artemisa, Mayabeque, Matanzas, Ciego de Avila, Camaguey and Granma. For a block, with contract length of 30 years and using an average price of 122.8 USD/Bbl and an updating rate of 12%, we estimate a VAN of 383.5 million USD, a TIR of 39.5% and recovery period of 2.8 years.

OIL EXPLORATION AT RISK AND SHARED PRODUCTION IN BLOCKS IN THE EXCLUSIVE ECONOMIC ZONE (EEZ) IN THE GULF OF MEXICO (52 BLOCKS)

DESCRIPTION AND INVESTMENT TYPE: International Economic Association Contract at risk for the exploration for hydrocarbons and their production to define the potential for oil and gas in the EEZ and in the event this is positive, start exploitation of these energy resources, first for the domestic market and should there be surpluses these will be exported. The EEZ takes in an area of 112,000 sq. km in deep waters of the Gulf of Mexico, to the north of the provinces of Pinar del Rio, Artemisa, Mayabeque and Matanzas where 52 blocks are available for negotiation. The Port of Mariel located in the Special Economic Development Zone Mariel has conditions to be a logistical base for supporting offshore operations. For a block, with contract length of 30 years and using an average price of 128.2 USD/Bbl and an updating rate of 10%, we estimate a VAN of 1241.2 million USD, a TIR of 18.5 % and recovery period of 7.5 years.

SECONDARY RECOVERY IN EXPLOITATION OIL FIELDS

DESCRIPTION AND INVESTMENT TYPE: International Economic Association Contract at risk for secondary recovery of hydrocarbons to increase the recovery coefficient of existing oil reserves in determinate oilfields where it is not possible to extract them with conventional exploitation methods. Oilfields currently open for negotiations are located in the North Havana-Matanzas strip and in the central basin in the province of Ciego de Avila. It is possible that in the future other oilfields will be proposed where it would be advisable to apply secondary recovery methods. The production will be, in first place, for the domestic market and should there be surpluses, this would be for exportation. We estimate for a block with a contract length of 30 years: Average price for the project = 95.1 USD/Bbl, VAN = 142.4 million USD, TIR = 46.3% Investment recovery (once production has started) = 2.1 years Updating rate=12%

RENEWABLE ENERGY SOURCES (12 PROJECTS)

SECTORIAL POLICY: To create, enlarge and modernize production capacities. To promote projects to generate energy from renewable sources.

TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES

GENERATING ENERGY FROM FORESTRY BIOMASS

DESCRIPTION AND INVESTMENT TYPE: Joint Venture to build and set up plants to generate electricity (bioelectrical plants) in areas of the Integral Forestal Enterprises of Macurije and Minas de Matahambre, both in the province of Pinar del Rio, capacity 7 MWh and 3 MWh respectively on the basis of the forestry biomass obtained from agro-industrial waste associated with exploitation of forest plantations, the industrial processing of wood harvest and the shredding of the biomass from areas infested with marabou scrub. Electricity will be delivered directly to the Sistema Electroenergetico Nacional at the points where they interconnect with the saw mill in order to replace imports.
**BIOELECTRICAL PLANTS WITH 30MW TO 60MW CAPACITY (10 PROJECTS)**

**DESCRIPTION AND INVESTMENT TYPE:** Joint Venture to install 30 MW to 60 MW capacity bioelectrical plants to generate electricity, high pressure and temperature steam, using for this the bagasse during harvest as fuel and converting it into technological steam for heating via cogeneration. The surplus electricity not used by the mill is delivered to the national electrical energy system; besides the harvest, other biomass (not sugarcane) can be used. The bioelectrical plant shall be attached to a mill and may be associated to a Production Administration Contract for that mill in order to guarantee greater amounts of biomass (bagasse) and to improve its efficiency.

The electricity produced would be destined for national consumption to replace oil imports used in the production of electricity at the thermoelectric plants. The electricity client would be the Union Nacional Electrica (UNE) via sales agreements for all the electricity that would be sold to the national electrical energy system. The bioelectrical plants will be attached to existing mills with a capacity of 4000 to 7000 tons of sugarcane per day or more, located in the provinces of Ciego de Ávila, Sancti Spiritus, Holguín, Camagüey, Las Tunas, Granma, Mayabeque and Santiago de Cuba. The names of the mills and their possible potential for installation are: Ecuador (50MW); Uruguay (50MW); Urbano Noris (50MW); Cristino Naranjo (35MW); Brasil (50MW); Antonio Guiteras (50MW); Majibacoa (35MW); Grito de Yara (35MW); Héctor Molina (35MW) and Julio Antonio Mella (35MW).

**ESTIMATED INVESTMENT AMOUNT:** Considering a cost of 2,400 USD/kW, the investment amounts would be between 72 and 144 million USD. These investments will permit to access to modern technologies and financing, reducing kWh production costs, increasing energy supplies guaranteed for the country and reducing local and global environmental pollution. Accelerating the rhythm of replacing electricity produced with oil consumption thereby at the same time guaranteeing payments with the value of the saved oil for these thermoelectric plants.

**CONTACTS:** Dirección de Negocios ZERUS. Email: Jorge.lodos@zerus.azcuba.cu / Tel. (53) 78383194 ext. 237

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**MAISI WIND FARM PROJECT FOR 174 MW IN GUANTANAMO**

**DESCRIPTION AND INVESTMENT TYPE:** To develop a project with regional scope to install a power of 174 MW, along the coastal strip of the Maisi Peninsula. For this purpose, to set up contiguous 4 wind parks (PE), developing 2 of 51 MW on the basis of 200 m of the coastline and the other 2 of 35 MW further inland and behind the first two. Each PE of 51 MW would have 34 air generators (AG), nominal unit power of 1.5 MW and axle box height of 70 m or more. Each PE of 36 MW would have 24 units of the same power. As an option, we could install a similar range of total power using a proportional number of air generators in ranges of unit power greater than 1.5 MW. The project will include installing electrical networks and internal communications and exit substation(s) for linkage with the National Electric System network (SEN). Electricity generated is delivered by the enterprise at the interconnecting point, under an energy sale Contract (PPA) signed by UNE for a term of 20 years, with the purpose of decreasing the use of fossil fuels, reducing pollutant gas emissions and contributing to the safety and energy independence of the country. 100% Foreign Capital Enterprise that would carry out the investment under the BOO contract type to be signed with UNE; this will permit completing preliminary studies, financing, engineering, contracting, building and setting up, operation and maintenance of the wind park as well as financing for the networks associated with the evacuation of energy produced at the aforementioned farms.

**ESTIMATED INVESTMENT AMOUNT:** Investment estimated for the 174 MW at 285 million USD

**CONTACTS:** Business Direction of UNE. Email: pedrob@oc.une.cu / Tel: (53) 78790268

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**BANES WIND FARM PROJECT FOR 102 MW**

**DESCRIPTION AND INVESTMENT TYPE:** To develop a project with regional scope to install a power of 102 MW, along the coastal strip of the Lucrecia Peninsula, between Cabo Lucrecia on the north and Punta de Mulas further south and in the center of the peninsula. For this purpose, to set up contiguous 2 wind parks (PE), each having 51 MW power; each PE of 51 MW would have 34 air generators (AG), nominal unit power of 1.5 MW and axle box height of 70 m or more. As an option, we could install a similar range of total power using a proportional number of air generators in ranges of unit power greater than 1.5 MW. The project will include installing electrical networks and internal communications and exit substation(s) for linkage with the Sistema Electroenergetico Nacional network (SEN). Electricity generated is delivered by the enterprise at the interconnecting point, under an energy sale Contract (PPA) signed by UNE for a term of 20 years, with the purpose of decreasing the use of fossil fuels, reducing pollutant gas emissions and contributing to the safety and energy independence of the country. 100% Foreign Capital Enterprise that would carry out the investment under the BOO contract type to be signed with UNE; this will permit completing preliminary studies, financing, engineering, contracting, building and setting up, operation and maintenance of the wind park as well as financing for the networks associated with the evacuation of energy produced at the aforementioned farms.

**ESTIMATED INVESTMENT AMOUNT:** Investment estimated for the 102 MW at 200 million USD

**CONTACTS:** Business Direction of UNE Email: pedrob@oc.une.cu / Tel: (53) 78790268

The scope of the investment considers encouraging and exploiting energy forests guaranteeing stable and sustained supplies of the forestry biomass in demand by bioelectrical plants, as well as the acquisition of equipment and machinery for harvesting, shredding and transporting the wood waste. The generation capacity of the two plants annually will be 54.9 GWh. The plant’s exploitation regime will be 24-hours a day, 365 days a year with a technical availability of 89%, signifying 7,008 H of generation every year. We anticipate that with the building of these bioelectrical plants, the replacing of 14.3 thousand tons of fossil fuel will annually save 7.9 million USD. The price for the sale of electricity will correspond to the purchase price of the UNE.

**ESTIMATED INVESTMENT AMOUNT:** Macurije 32.3 million USD
Minas de Matahambre 14.4 million USD

**CONTACTS:** Business and Development Direction of GEAM.
Email: ddesarrollo@geam.minag.cu
Tel.: (53) 78847456 / 78847457
MINING SECTOR (10 PROJECTS)

SECTORIAL POLICY: To create, broaden and modernize production capacities. Promotion of projects for exploration, extraction and processing minerals.

CUBAN PARTIES ASSOCIATED IN FOREIGN INVESTMENT BUSINESSES

GeoMinera S.A. has over 20 years of experience in exploitation and commercialization of solid minerals from Cuban deposits. It operates under a Quality Management System satisfying the requirements established in the NC ISO 9001: 2008 norms duly endorsed by certification issued by the Oficina Nacional de Normalizacion de Cuba on July 10, 2013. It has been present at projects in countries of America and Africa.

Caribbean Nickel S.A. (CCN) has the priority of finding financing, markets and technologies for the sustaining and development of the nickel industry and to create new production capacities. For over 25 years, CCN has promoted businesses with companies in the sector and has undertaken projects with organizations from China, Russia, Canada, Australia, Belgium, the UK and others.

TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES

PROJECTS IN THE RECOGNIZANCE AND GEOLOGICAL INVESTIGATION PHASE (PROSPECTING –EXPLORATION) FOR PRECIOUS METALS (GOLD AND SILVER), BASE METALS (COPPER, LEAD, ZINC) AND OTHER MINERALS OF INTEREST

DESCRIPTION AND INVESTMENT TYPE: Development of projects in the Recognizance and Geological Investigation Phase (Prospecting – Exploration) for precious metals (gold and silver), base metals (copper, lead, zinc) and other minerals of interest in the following regions:

- Central Cuba
- Ciego – Camagüey – Tunas
- Holguin and Macizo Sagua – Baracoa
- Sierra Maestra
- Isle of Youth

International Economic Association Contract at risk for Recognizance and Geological Investigation (Prospecting-Exploration) for precious metals (gold and silver), base metals (copper, lead, zinc) and other minerals of interest. If during the validity of the International Economic Association Contract a deposit is discovered that is economically viable (deposit) it would go over to the creation of a Joint Venture whose aim would be the exploitation, processing and commercialization of the minerals extracted. Its commercialization in concentrated forms of metals or others would be done directly on the foreign market. It could also mean significant savings for the country in terms of replacing imports should this occur. ESTIMATED INVESTMENT AMOUNT: It must be defined by the size of each project and the work methodology selected for each one of them, depending on the mining activity phase it is in: Recognizance or Geological Investigation.

CONTACTS: Business Direction GeoMinera S.A. Email: gustavo@gmsa.cu / Tel: (53) 76902741 ext.115 / Webpage: www.gmsa.cu

GEOLOGICAL INVESTIGATION (PROSPECTING-EXPLORATION) AT RISK IN VARIOUS DEPOSITS OF MICA AND KAOLIN ON THE ISLE OF YOUTH

DESCRIPTION AND INVESTMENT TYPE: The Isle of Youth is the mecca of Cuban kaolin; here we find dozens of deposits and manifestations of this mineral, most of it with some degree of study, even some with resources assessed at high categories. International Economic Association Contract (AEI) at risk, to do geological investigation (Prospecting and Exploration) for mica and kaolin. In the case of obtaining positive economic results, a Joint Venture would be created to undergo assimilation of one or several deposits after drawing up the corresponding Feasibility Study. ESTIMATED INVESTMENT AMOUNT: Total investment is estimated around 5.3 million USD, a value to be defined once the corresponding projects for required investigations are done. CONTACTS: Business Direction GeoMinera S.A. Email: gustavo@gmsa.cu / Tel: (53) 76902741 ext.115 / Webpage: www.gmsa.cu

GEOLOGICAL INVESTIGATION (PROSPECTING-EXPLORATION) AT RISK FOR THE WOLFRAM "LELA" PROSPECT ON THE ISLE OF YOUTH

DESCRIPTION AND INVESTMENT TYPE: Prospect "Lela" was submitted to Search and Exploration work in the 1980s when the two systems of veins were sufficiently assessed and another two were partially assessed and the rest of the systems were only mapped. It is characterized by high geological complexity and a relatively low degree of study. Officially assessed resources are at around 794,200 tons of mineral (0.61% WO3) I the category of Indicated and 1,250,400 tons of mineral (0.26% WO3) in the category of Inferred; this is not sufficient to industrially assimilate this deposit.

The principal objective of this business is to undergo an International Economic Association at Risk Contract for Geological Investigation (Prospecting-Exploration) within the framework of a Geological Investigation Concession (sub-phases of Prospecting and/or Exploration), to unify and organize all existing information as well as the additional jobs that lead to the elevation of category of the already assessed resources and the discovery of new bodies of wolframite mineral. The final objective would be to start up a mining operation and the corresponding processing plant for exploiting the mineral, with the obtaining of WO3 concentrates; should it turn out to be economically attractive the cupriferous and/or molybdic mineralization being investigated would also be considered for the mining operation. This objective would have to be carried out within the framework of a Joint Venture and be supported by the corresponding Feasibility Study. ESTIMATED INVESTMENT AMOUNT: 6.8 million USD

CONTACTS: Business Direction GeoMinera S.A. Email: gustavo@gmsa.cu / Tel: (53) 76902741 ext.115
Webpage: www.gmsa.cu
DESCRIPTION AND INVESTMENT TYPE: Joint Venture. The Hierro Mantua deposit is the principal reserve of cuprous minerals in Cuba. The deposit is highly complex due to its mineralogical composition and its geology; different technologies are being successfully studied in Cuba and in other countries such as Rumania, Chile, Canada, etc. Completion of technological studies and drawing up the Feasibility Study for the copper deposit in the Mantua zone are among the objectives pursued by this Project.

We are also developing mining activities and the exploitation of authorized minerals in the mining concession and the processing and commercialization of Grade A copper cathodes. The current international market is suffering a shortage of copper supplies thereby maintaining high prices. We foresee that the project will produce 18,000 tons of 99.99% pure copper cathodes a year. We expect to have 6,000 tons per year covering domestic demands in Cuba’s mechanical and electrical industry since currently we are importing this product as raw material. The rest of production will be exported.

ESTIMATED INVESTMENT AMOUNT: The investment total amount is estimated at around 157.4 million USD.

CONTACTS: Business Direction GeoMinera S.A.
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DEPOSITS AT CAJALBANA, SAN FELIPE AND COLAS ROJAS DE MOA

Cuba has over 70 years of experience in the exploitation of deposits for the recovery of nickel (Ni) and cobalt (Co). Until the end of 2013, on national territory we know of 43 deposits of nickel. The majority of which to the north of the eastern provinces; resources total 1130 million tons with content and this places it among the three leading countries that have this mineral. Besides the aforementioned Ni and Co, deposits to be explored are characterized by their high content of iron (Fe), magnesium (Mg) and silicon (Si) and the existence of metals in the platinic group will be studied along with the presence of rare metals.

In the case that concentrations justifying recovery of rare and platinic group metals should be determined, new production capacities must be built since the country does not have the suitable facilities for the concentrated production of these metals. Investment opportunities are presented below, directed to the development of projects in the Geological Investigation Phase in the deposits of Cajalbana, San Felipe and Moa.

CAJALBANA PROJECT, PINAR DEL RÍO PROVINCE

DESCRIPTION AND INVESTMENT TYPE: In this zone there are deposits of some 52 million tons of laterite nickel and cobalt mineral that can be processed in order to obtain nickel and cobalt products for commercialization.

Preferably International Economic Association Contract using the type of at risk contract for the Technical and Economic Feasibility Study (EFTE for its acronym in Spanish) elaboration stage. After this has been concluded, a Joint Venture will be set up in charge of the execution of the project with a production capacity of 10 – 12,000 tons/year of nickel and cobalt, including the procuring, building and start up and operation for the factory. Another alternative is setting up the Joint Venture from the beginning, including the EFTE elaboration. The nickel and cobalt market should be growing in the next decades due to the growth of emerging countries and their demands on stainless steel; manufacturing hybrid automobiles and the great demand for batteries for them; and the continued development of nanotechnology that needs both nickel and cobalt.

ESTIMATED INVESTMENT AMOUNT: Only studies on a laboratory level have been done at Cajalbana; technology for its processing has not been confirmed and so the figures can only be taken as a reference since they must be confirmed by geological and metallurgical studies and future accounting calculations. 500 to 700 million USD will be needed for building the plant and starting it up.

CONTACTS: Commercial Caribbean Nickel S.A. Direction Email: mcabello@ccn.co.cu / Tel: (53) 78624601 ext. 110

SAN FELIPE PROJECT, CAMAGÜEY PROVINCE

DESCRIPTION AND INVESTMENT TYPE: Some 300 million tons of laterite nickel and cobalt mineral are deposited in this zone; it can be processed in order to obtain nickel and cobalt products for commercialization. The project’s objectives include doing studies for the development and future exploitation of the deposit, including geological investigation, development of technology, elaboration of basic engineering and the Technical Economic Feasibility Study.

Preferably International Economic Association Contract using the type of at risk contract for the EFTE elaboration stage. After this has been concluded, a Joint Venture will be set up in charge of the execution of the project, the procuring, building and start up and operation for the factory. For an annual production of 50,000 to 60,000 tons of nickel and cobalt, metallurgical recovery: Ni: 88%, Co: 86%. Mineral Resources: 300.0 million tons (0.9% Cut Off for Ni). Another alternative is setting up from the beginning, including the EFTE elaboration. The nickel and cobalt market should be growing in the next decades due to the growth of emerging countries and their demands on stainless steel; manufacturing hybrid automobiles and the great demand for batteries for them; and the continued development of nanotechnology that needs both nickel and cobalt.

ESTIMATED INVESTMENT AMOUNT: Up to the present, a study on the conceptual scale had been done; its figures need to be confirmed by geological and metallurgical studies and future accounting calculations. We estimate a total of 59.7 million USD for the first stage and a total project cost of between 4,000 to 4,500 million USD (with a 15% contingency factor).

CONTACTS: Commercial Caribbean Nickel S.A. Direction Email: mcabello@ccn.co.cu / Tel: (53) 78624601 ext. 110
**TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES**

**BUILDING, REMODELING, OPERATIONS AND MANAGEMENT OF ASTILLERO CASABLANCA**

DESCRIPTION AND INVESTMENT TYPE: Joint Venture with CDC S.A. to provide naval repair and construction services; repairs and maintenance of fuel storage tanks; production of bottled oxygen and acetylene and all the technical services satisfying the needs of domestic and international clients both in the naval and industrial sectors and carrying out the following objectives: diversification and extending services to new export markets; access to advanced technologies, replacing a large part of them for their operations and developing linkups with other productions of goods and services of the national economy. In the Gulf of Mexico, Central America, Caribbean and South American region they sail ships of small, medium and large sizes, approximately 1125 ships in one year, of these around 225 vessels came into Cuban ports in 2013, with a total 75 ship-owners. With the opening of the container terminal at the Special Development Zone of Mariel ship repairs in the medium and large size range will be promoted. Among the national market sectors identified as potential market: industrial sector, hotel sector especially in terms of construction and repairs of fuel storage tanks and in the repairs and/or renovations to all types of systems (pipes, electricity, etc.) throughout the country. ESTIMATED INVESTMENT AMOUNT: 34.8 million USD.

CONTACTS: International Economic Association with the Empresa Provincial de Transporte de La Habana to organize the services of the public transportation of passengers according to international operations standards, with suitable maintenance and repairs schedules and the necessary logistics system allowing for the proper yield of principal assets, fundamentally the transportation means and greater efficiency in management. To ensure that itineraries approved by the Dirección General de Transporte Provincial de La Habana for the selected bases are carried out, along with the quality levels for this service, fulfilling the following aims, among others: improving utilization of the existing fleet on the basis of recovering vehicles that are not in service and adequate sustainability of the functioning fleet, providing opportune financing necessary for the resources required by the management including what is necessary for gradual replacement and increasing the size of the fleet in use and obtaining means and technological equipment necessary for fleet maintenance and repairs and for the training of specialized personnel for both operations and technical needs. The public transportation of passengers market in Havana is suffering shortages; there is sufficient demand to triple the service level being provided today if it is developed efficiently. Experiences acquired can be extended to other transportation bases of the city and all over the country. ESTIMATED INVESTMENT AMOUNT: 4.8 million USD.

CONTACTS: International Relations Direction of the Ministry of Transport

Email: ivan.ne@mitrans.co.cu / Tel: (53) 78841196
TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES

PRODUCTION OF CALCINATED PLASTER, BLOCKS AND PLASTER-BASED PRODUCTS FOR CONSTRUCTION

DESCRIPTION AND INVESTMENT TYPE: International Economic Association Contract with the Empresa de Materiales de la Construcción de Ciego de Ávila to produce calcined plaster and calcined interlocking plaster blocks as construction elements for building interior walls and partitions. A later phase is foreseen to carry out other calcined plaster-based products for constructions such as false plaster ceilings and decorative elements such as capitals, cornices, corners, soffits, gradients, mortars and plaster.

The plant which is part of this business project has the equipment and technology to manufacture gypsum, with the installed capacity to produce 10,000 tons/year of modeling plaster and 10,000 tons/year for construction. This proposal will achieve an increase of 6,800 tons/year destined for the production of plaster blocks. There is a domestic demand for these products, in the construction of interior walls in tourism buildings, in the construction of homes built by private individuals as well as in other economic and social objectives. All this would reduce costs due to importing the plasterboards, structures and accessories, on the basis of manufacturing the aforementioned blocks in Cuba with Cuban plaster and domestic production of plaster glue. We also note the existence of growing demands for plaster blocks in Central America and the Caribbean; therefore we foresee exports going to those places.

Annual sales: 1,524,240 USD (Domestic market 66% -Exports 34%) Annual savings in the case of importing similar products: 2,369,516 USD.

Investment Recovery Period: 5 years and 7 months. ESTIMATED INVESTMENT AMOUNT: 3.3 million USD.

CONTACTS: Business Direction Ministry of Construction. Email: presidente@uneca.co.cu / Tel. (53) 72096067 / 72094582
PRODUCTION OF ASPHALT CLOTH
DESCRIPTION AND INVESTMENT TYPE: Joint Venture with the Empresa de Impermeabilizantes IMPERASFAL with the objective to produce self-protected asphalt cloth with granular slate or ceramic mineral, unprotected asphalt cloth, paint and asphalt based putties to satisfy annual domestic demands and for export to Central and South America of the self-protected cloths. We foresee the installation of 3 production lines, with savings from of import replacement of 3,744,000.00 USD/year and an Investment Recovery period of 7 years.
ESTIMATED INVESTMENT AMOUNT: 18.3 million USD
CONTACTS: General Direction Empresa de Impermeabilizantes, IMPERASFAL
Email: fernando@imp.perdurit.com.cu / Tel. (53) 72020033 / 72720911

PRODUCTION OF SMOOTH SHEETS IN ARTEMISA PROVINCE
DESCRIPTION AND INVESTMENT TYPE: Joint Venture with Empresa de Fibrocemento de Artemisa for the production of smooth sheets for reinforced panels, technology that does not exist in the country and allows the production of an element in order to replace imports of cement agglomerate boards for interior walls, exterior walls, mezzanines and roofs and to satisfy the demands for light panels for homes, social works, tourism sites and real estate on the domestic market. The investment recovery period is 6 years.
ESTIMATED INVESTMENT AMOUNT: 18.1 million USD
CONTACTS: Director of the Empresa de Fibrocemento Perdurit
rvargas@perdurit.com.cu / Tel: (53) 78365510 / 78357081

PVC PRODUCTION SYSTEMS FOR CONSTRUCTION
DESCRIPTION AND INVESTMENT TYPE: International Economic Association Contract. The project’s objective is to manufacture PVC systems for construction in the production of sanitary and electrical built-ins, adhesives, cleaner and primer; tubes for networks in the electrical industry sector and PVC communications and construction systems. There is growing interest in PVC products. We foresee the exportation of production surpluses to countries in Latin America and the Caribbean. Savings of 2.8 million USD/year because imports that will be replaced. Investment Recovery Period: 4 years
ESTIMATED INVESTMENT AMOUNT: 36.8 million USD
CONTACTS: General Direction IMPERASFAL
Email: fernando@imp.perdurit.com.cu / Tel. (53) 72020033 / 72720911

NUEVITAS CEMENT FACTORY, CAMAGUEY PROVINCE
DESCRIPTION AND INVESTMENT TYPE: The objective of this Joint Venture with GECEM Internacional is to build a new plant to manufacture 1.1 million tons of clinker. Exportation, distribution and commercialization of cement, clinker and other hydraulic binders and their byproducts, also able to carry out connected activities related to manufacture, distribution and sales of hydraulic lime, paper bags, aggregates and concrete, cement artifacts and other construction materials as well as research and providing services associated with the principal product. Production is conceived for domestic consumption and exportation. We foresee that 80% of clinker production will be destined for the production of cement for export and the rest will be for the domestic market. Estimated annual sales after reaching 100% foreseen capacity will be 112,7 million USD, with an investment recovery period of approx. 13 years.
ESTIMATED INVESTMENT AMOUNT: 410.0 million USD. CONTACTS: Business Direction Ministry of Construction
Email: presidente@uneca.co.cu / Tel. (53) 72096067 / 72094582

GIBARA CEMENT FACTORY, HOLGUIN PROVINCE
DESCRIPTION AND INVESTMENT TYPE: The objective of this Joint Venture with GECEM Internacional is to design, construction and operation of a new technological line with the production capacity of 1.1 million tons of grey clinker per year, with modern dry processing technology to achieve greater energy efficiency and low impact levels on the environment. Production is conceived for domestic consumption and export. We foresee 80% of clinker production will be for the production of cement for exportation and the rest will be for the domestic market. Estimated annual sales after achieving 100% of foreseen capacity will be 112,7 million USD, with an investment recovery period of approx. 13 years
ESTIMATED INVESTMENT AMOUNT: 430.0 million USD
CONTACTS: Business Direction Ministry of Construction
Email: presidente@uneca.co.cu / Tel. (53) 72096067 / 72094582
TRADE SECTOR (1 PROJECT)

SECTORIAL POLICY: To develop wholesale business by appropriating financial resources, advanced managerial methods, marketing technologies and techniques. To establish foreign investment in strategic areas, under the varieties of Joint Ventures and international economic association contracts with majority Cuban participation. In retail business some business can be established with majority Cuban participation.

CONTACTS: Wholesale Trade Direction of the Ministry of Internal Trade
Tel: (53) 78610949

TECHNICAL SPECIFICATIONS ON FOREIGN INVESTMENT OPPORTUNITIES

WHOLESALE IMPORTATION AND COMMERCIALIZING AUTOMOTIVE SPARE PARTS, PARTS AND ACCESSORIES

DESCRIPTION AND INVESTMENT TYPE: Joint Venture with the Empresa Comercializadora AXESS to encourage opportune supplies of automotive spare parts, parts and accessories for the national transportation system through the combination of importation and developing wholesale business, creating a valuable chain for repairs and manufacturing to be carried out in domestic industry. To assimilate cutting edge systems of warehousing, distribution and commercialization with a high degree of automation, guaranteeing the necessary infrastructure to carry out operations.

Raw materials will be supplied to domestic manufacturers with whom contracts will be signed and their products will be bought. Imports and national products will be sold wholesale on the domestic market. National producers will also have access to the newest technological packages for manufacturing that guarantees high work productivity and decreased production costs. The domestic market for spare parts and accessories would be in the order of 124 million USD. The demand for buying automotive select brand name spare parts and accessories for MITRANS for 2015 is in the order of 68 million USD. We would like to reach a significant increase in competitiveness in the importation value chain, wholesale commercialization and distribution of automotive spare parts, parts and accessories in Cuba, achieving new and effective production link-ups between the different actors in the chain that will first guarantee the development and sustainability of the country’s transportation system and in the second phase will assure national producers growing participation in the international market. ESTIMATED INVESTMENT AMOUNT: 8.7 million USD

CONTACTS: International Relations Direction of the Ministry of Transport
Email: ivan.ne@mitrans.co.cu / Tel: (53) 78841196
The recent approval of the new Law of Foreign Investment brought up the subject of investment policy in Cuba, of crucial importance for the development of the country. Precisely in the discussion of the Law by the National Assembly it was emphasized the need to differentiate between growth and development considering the relevance it has for a design of a national investment policy.

In this point we must note that it is possible for a nation to grow without developing, if this growth does not bring about a change in its productive structure that makes it stable and sustainable, and for that the amount and direction taken by the investment process is determinant.

In this point it is not possible to ignore that the Cuban economy had to confront the profound decapitalization that implicated the Special Period – during the past 20 years and from a productive structure that had not achieved yet its appropriate design in 1994 – that implied an estimated yearly loss of 1.6 % of the value of assets during that time.

The first thing observed is that, in terms of volume, the Brute Fixed Capital Formation that had achieved 26.3 % of the GDP at current prices in 1989 fell abruptly to only 5.2 % in 1994, recovering a maximum peak of only 14.4 % in 2001. Later these investments again fell to 8.3 % in 2011.

The figures reflected by this indicator reveals that what was invested in this period could not even cover a repositioning of the depreciated assets or became technologically obsolete that has resulted in the de-capitalization previously mentioned.

This is not due to a lack of attention by the deciders of policy but to the combined product of the impact of the crises in those years and the lack of financial resources together with the need to give priority to fields of high recovery on the short term – such as tourism – and not delay the recapitalization of the health and education as basic services for the population.

In the current situation there was an option to decide if the investment should be aimed at recapitalizing of the existing structure or if – on the contrary – efforts should be made to concentrate on new alternatives that are in line with the economic structure that the country should strive for on the medium or long ranges.

An only decision in this sense is not easy, since it must take into consideration the factor of time in the speed of transformations, labor productivity in each branch, the level of employment and qualification, the impact on the balance of payments as well as the competitiveness achieved, between the most significant factors.

In the definition of a policy for a group of sectors the new Law of Foreign Investment points to the necessary combination of these elements.

This applies to the priority that should be given to the agricultural sector, where objectives of exports can be combined with the substitution of imports and a greater satisfaction of the food necessities of the population.
This sector, which reached to cover 22.3% of total investments in 1989 reduced its stake to 6.7% in 2012.

In this sector the absence of hydraulic investments had an important impact in the 90s when only between 1991 and 1996, 191,873 hectares of irrigated lands were lost. Their recapitalization—according to estimates of FAO—would cost the country between 67 and 661 million dollars according to the technology to be employed.

On the other hand, the lack of water was a factor that strongly impacted crops such as rice in which the yield fell 19.4% between 1985 and 2011 boosting—consequently—its import.

These figures only refer to one crop. Taking into account that in the 90s irrigation crops fell to 19.5% of cultivable surface and considering that 65% of Cuban soils are classified as poor productive and very poor productive that would imply large investments in water infrastructure of the country to develop its agriculture.

In general, the lack of new technologies and equipment and the reduction of working capital in the agricultural sector led to a fall of 14% from 2,237 pesos in 1990 to 1,924 in 2012 analyzing work productivity in terms of new added value for each worker.

Thereby, the possibility of increasing agricultural production demands important investments that cannot be only financed with own resources but required an important participation of foreign capital, whose demand has been set between 2,000 and 2,500 million dollars a year.

Industrial development was always a premise to achieve the structural transformations that would ensure development in the country. However, what had occurred in agriculture was repeated in many aspects in the industry with a reduction since the 90s also influenced by the impossibility of reaching the demand—technologically more complex—of a greater intensity of capital.

Previously and since the 70s the Cuban economy travelled along a budding process of industrialization through what was known as the socialist international division of work that had some peculiarities.

On the one hand, the integration of Cuba to CAME (Council for Mutual Economic Assistance, COMECON), moved essentially in the direction of the development of the sugar agro industry, nickel and other primary sectors of agro exports such as citric fruits. More dynamic sectors and of a larger added value—such as the production of electronic components—did not achieve a proper insertion although Cuba had made there a level equal or even superior to the other member states of this community. In the same manner, biotechnology—that has begun to take off in the 80s—did not find possibilities of development and insertion in the final stage of CAME that disappeared in 1991.

Moreover, the manufacturing industry—designed to supply the internal Cuban market—did not have in most cases world level technologies, was characterized by the high level of consumption of energy and raw materials and suffered from inflexible production schemes with low levels of integration with other branches of the national economy.

During the Special Period the industrial sector suffered a strong impact, forcing its downsizing from 1996 and a reorientation under better conditions as a support for the advance of tourism destined to rapidly generate foreign currency income to the country.

This policy allowed that, in the midst of a limited availability of resources, to carry out important investments with foreign capital for productions in the food and beverage and light industries that promoted a larger presence in the emerging market of national products in articles such as beverages that included beer and soft drinks, and toiletries and perfumes.

The sugar industry failed to acquire an income estimated in five billion dollars between 1992 and 1999 due to the absence of different kinds of assurances. This, together with the somber perspective of prices that continued to fall for seven years, required an evaluation as of 1997 but without contemplating foreign capital in the process.

In the midst of this economic contraction would lead to rationalizing and centralizing the use of currency in the country, the reorganization of the sugar industry began to
apply in September of 2002 through the Álvaro Reynoso Operation that implied that of the 155 sugar mills only 71 would continue to produce sugar and honey with a total capacity equivalent to four million tons of sugar.

The lands freed from the cane production – that would reduce to 38% of the cane fields existing at the time – would be used for other agricultural products and livestock although the new agricultural productions would remain under the domain of the Sugar Industry (MINAZ).

In general it could be stated that, as a result of this action, the industrial sector that still continued to receive in 1990 41% of investments was reduced to 5.4% in 2005 and slightly increased to 9.5% in 2012. As a result of the de-capitalization, participation of the industrial sector of the GDP fell from 24.4% in 1990 to 13.7% in 2012.

Due to the output of the surplus labor force, the closing of inoperable installations and a group of specific investments of more efficiency, productivity of the labor force in the rationalized industrial sector measured through the gross added value per worker, grew 87% from 1990 to 2012.

However, this performance must be contextualized, as occurred with the loss of qualified labor force and important de-capitalization of fixed assets.

A re-launching of a strategy of development under the current conditions should take into account other important factors that are not only limited to recovering capacities.

Among the elements to be considered in designing an adequate investment policy under today’s conditions, it stands to what extend it contributes to an adequate structural transformation to guarantee sustainable development.

Adriano García – one of the most noted Cuban specialists in the design of an industrial policy – (1) has emphasized those strategic sectors for a structural transformation should comply with a group of conditions.

In the first place it should be sectors that contribute to the development of productive fabric as opposed to investments enclaves that have characterized a good part of the development in Cuba such in sectors like nickel – and largely – sugar.

Also, there should be sectors that absorbed investments that allow taking advantage of advanced technology and knowledge, assuring its diffusion into the productive apparatus and in which there is a critical mass of knowledge accumulated in the country.

Also, in a growing manner, it deals with undertaken that assure a favorable environmental impact.

Finally jobs should be generated directly or indirectly according to the level of qualification of more than 12 grades of teaching that the labor force has in the country although on the other hand – it should be taken into account the current demographic dynamism and the requirements of increased in labor productivity that it demands.

If these requirements are applied to the investment structure of the country to assure a structural change on the short and medium range it is evident that not all sectors fulfill it.

However, key sectors such as the agro industry and medical pharmaceutical industry based on biotechnology do it, together with basic development of the energy industry on the basis of their conservation and generation from renewable sources, all of which offers a significant space to ensure that investments guarantee the indispensable structural changes as well as other priorities.

The priority development of these strategic fields presupposes taking into account other elements that facilitate its implementation, especially referring to the final destination of productions and the infrastructure of support services.

In this sense, the size of the Cuban economy imposes for its necessary reproduction ties to the world market that requires an export-oriented economy. This should be achieved obtaining a positive impact on the balance of payments of the country, for which it requires a policy that allows obtaining foreign funds under favorable conditions while imports to ensure exports are replace.

On the other hand, a rapid growth and diversification of external sales requires having services that today are not sufficient in the fields of transportation, communications and specialized services to the enterprises that goes from financing to quality control.

In these areas is absolutely important – as an example – to increase investments that assure a lowering of transportation costs through the railroad and maritime cabotage, rapid communications through a larger use of the ICTs and alarger efficiency in the elaboration of designs and projects by specialized entities to ensure the fulfillment of an investment schedules and prevent dispersion of companies by trying to undertaken them by themselves.

All these efforts that with strategic character have pointed out, we should add the need to continue developing investments that allow – of course after a proper analysis of costs and benefits – to recover part of the existing underutilized industrial structure in the country to gradually advance towards the substitution of imports destined for internal consumption, under competitive conditions, or that require assurances for their strategic character for national security.

This evaluation clearly demonstrates the strategic role of direct foreign investment, considering the capacity of internal saving of the nation is not enough for the transformations required.

Cuba, therefore, has recently taken an important step in the design of an economic policy with the approval of the new Law of Foreign Investment. An analysis of its impact on the short and medium range period will be very interesting to understand the environment of these important transformation in which the economy is involved, far beyond the current situation.

(1) Specialist of the National Economic Research Institute (INIE), headed by a group of authors who prepared an indispensable book to study the industrial policy in the Special Period. See Adriano García et. al.: Política industrial, reconversión productiva y competitividad. La experiencia cubana de los noventa, La Habana, INIE, 2003.

Taken from Cuba Contemporánea
Conflict and foreign investment: a commentary

By Narciso A. Cobo
Cuban Court of International Trade Arbitration

"If there is no confidence in the institutions, there is no investment.”
Manuel Castells

Introduction

The new law of foreign investments introduces changes regarding solution of conflicts that requires comments. It is a good idea to examine these, both in its foundations and scope. This is the purpose of the notes that follow.

In truth, the regulation being examined—Chapter 8 “From the regime of solution of conflicts”—deals with the conflicts that can occur in the field of contract relations, without considering others that could arise during extra contractual relationships resulting from violations of environmental regulations measures or any other circumstance of a civil offense.

Not included also in the law since it surpasses its purpose, those conflicts between the investor and the Cuban State and that through bilateral agreements signed by Cuba can lead to processes known as "arbitration investment-state" that we consider examining in another moment.

Lastly, excluded in the present analysis, naturally, are the conflicts that could arise in the field of labor or tariff relations that can be inscribed in another sphere and should be considered in the light of special rules arising in the application of foreign investment.

In first place is obvious the purpose of the legislator to preserve the "availability" of the rights of the actors, national and foreign investors, recognizing their right to negotiate without any other limitation than that established by the regulation itself, the manner and place in which they want conflicts can be aired. This is coherent with the space that for this autonomous will was open by the Law that will be repealed.

In this direction, articles 60.1 and 60.2 of the new Law of Foreign Investment establish that:

(1) “The conflicts which may arise in the relationship between the partners of a joint venture or between national and foreign investors, which are parties to international economic association agreements, or between the partners of a totally foreign capital company in the form of a corporation with registered shares, shall be resolved as agreed in the constituent documents, except in the cases referred to in this Chapter.”

(2) “The same rule shall apply when a conflict arises between one or more partners and the joint venture or the totally foreign capital company to which they belong.”

From this it is derived that to solve their conflicts, the parties can agree to apply to Cuban national courts or international arbitration, and may do so in the latter case, before an international arbitration court that could be Cuban, or arbitration ad hoc, the latter is commonly under the rules of the United Nations Commission for International Mercantile Rights (CNUDMI for its acronym in Spanish).

In the first place this term implies acknowledgement of "arbitrability" of these conflicts, both in the objective plane by reason of matter—which is only object of limitation when the conflict between partners has as its foundations in the cessation of their management bodies or the dissolution and liquidation of the international economic association— as in the subjective level, through the actors.

The above mentioned limitation, according to what is established in article 60.3 consists in:

(3) “Conflicts due to inactivity of the government institutions in the modalities of foreign investment decreed by Law, as well as the dissolution or termination and liquidation of these, shall be solved in all cases by the corresponding Economic Halls of the Popular Provincial Court”.

The decision of the legislator to reserve this kind of conflict to the Cuban courts has a direct precedent in the reform that was stipulated by the Decree-Law no. 241 of 2006 that, in turn, was a modification of Law no. 7 of the Civil, Administrative and Labor Procedure of 1977 for which they were enacted procedural rules that would apply by these mentioned Economic Halls.

In the new prescriptive of the Law of Civil, Administrative and Labor Procedure and since then—Economic, article 746 declared that:

“The Economic halls of the Popular Power Courts are competent to hear: c) The conflicts promoted by the partners of Cuban mercantile societies, that include those of joint capital constituted according to national law due to the inactivity of its government institutions or dissolution and liquidation.”

Whatever the reasons that moved the legislator, I do not think that there are doubts of the singularities of these associated conflicts in the expressed circumstances, either in one or another case, what is in play is the continuity or disappearance of an international economic association that, undoubtedly, has an effect beyond the interests of the parties.

This restriction of the autonomy of the will of the parties seems based on the concurrence of other, more general, interests such as those related to the continuity or not of an economic activity, its incidence on the market which affected the presence of certain products or services, with the multiplying effect that it can have in other producers or providers dependence on these; the existence of other creditors; as well as accompanying labor and tax problems. These could be equally the reason that in some cases the arbitration clause cannot be alleged in the processes of bankruptcy, as stipulated by the new Polish insolvency law in its article 142.

In this same direction, but for different basis, the new law of investment restricts the autonomy of the will of the
parties to agree on how and where to resolve conflicts when dealing with foreign investments in activities linked to natural resources, public services or execution of public works in which knowledge is equally attributed to those expressed in the Halls of Justice, article 60.4 as follows:

(4) “The conflicts that arise in the relations between partners of a joint company or company of total foreign capital [...] or between national and foreign investors in contracts of international economic association that have been authorized to carry out activities linked to natural resources, public services and execution of public works are solved in the corresponding Economic Hall of Popular Provincial Courts except as otherwise provided in the Authorization.”

This, however, is a restriction that, although projected onto a larger sphere, can be set aside on disposition of the “Authorization” that confers at the moment of approval of investment by the corresponding authority –Council of State or Ministers– placing the parties with the possibility of establishing in their constitutive documents, without any other limitation, the form of solving their conflicts.

At first, in our opinion, it is an act of prior control regarding the importance and larger sensibility of these investments in the mentioned fields to which this limitation is contracted, addressed to guard the interests of the public sphere.

Aside from the expressed limitations, the parties, future partners –foreign and national investor– either in setting down the constitution of a joint company or subscribing a contract of international economic association, considering both suppositions, can agree in their constitutive documents the admission of future conflicts, regardless, to the state courts or international arbitration; for this purpose, without prejudice to transit before by any form or means of solution of conflicts that have a character of self-composition such as negotiations, conciliation or mediation without omitting any formula that allows conjugating both means, initially claiming these last and only before the impossibility of reaching an agreement, to appeal to the legal or arbitration route foreseen.

The criteria for priority election, in favor of the legal or arbitration route can be determined beyond the “experiences” of the parties, by natural demands of accessibility, specialization, speed, predictability of decisions, confidence and transparency. In the direction it is not idle to characterize both spaces in the conditions of our country.

The selection of the national court in the territory of the investment in the case of Cuba, presents, among others, the following benefits.

First, it is presented in a specialized court, the Economic Hall, set up in the early nineties of last century, whose direct antecedent was the system of State Arbitration system that operated as the economic jurisdiction in the eighties. These halls of justice are committed to solve contractual and non-contractual conflicts that may arise among economic actors whichever they are: state companies, cooperatives, mercantile societies, joint ventures and any other new form of non-state management.

The fact of not recognizing these halls of justice of other types of conflicts, civil or criminal, has allowed, in practice, that the judges reach a high degree of specialization, knowledge and security in the interpretation and application of an economic-legal order. Even in cases in which, experimentally, these halls have had to be joined to civil courts in some territories, and care has been taken to preserve the specialization of their competence.

On the other hand, the rules of procedure to apply in the processes before these courts, were the center of an important reform, perhaps the more important procedural reforms of the past years that granted them their own procedure and that has a group of benefits such: as more flexibility, the existence of a preliminary hearing to “healers” and conciliatory purposes, enlarging and strengthening the preventive function, lengthening of the investigation phase and assistance to international arbitration.

This last task in support of international arbitration is settled both in the pre- arbitration phase, granting it support and advice in the commitment clause, making sure the respect of decisions contained on this conflict subtracting knowledge of courts or adopting precautionary measures before beginning the process of arbitration, as in the arbitration phase as such, assuring the investigative measures or extending the precautionary function to the goods or activities required to assure a future efficiency of the findings. And, lastly, in the post arbitration phase both in the recognition and execution of the findings, as to proceed, if necessary, to the annulment of these, with strict observance to legal suppositions in the same Cuban procedural order.

Aside from the election is the arbitration route that opens up two possibilities: moving forward in the solution of conflicts in an arbitration court, the so called “institutional arbitration” or reserving an ad hoc arbitration.

The first of these alternatives entails, as a closer option, the attribution of conflicts to the Cuban Court of International Trade Arbitration. Founded in 1965 as a Court of Arbitration of Foreign Trade; and with fifty years of experience in arbitration issues, it was created for knowledge and solution of international conflicts related to foreign trade. In this manner it always had—and maintains— a vocation and practice bonded to the sphere of international economic relations.

This court, different from other arbitration courts is privileged to count on its own law and while devoted to the most important principles of international arbitration that guides its performance, empowered the Chamber of Commerce of the Republic of Cuba to approve statutes, rules of procedure, code of ethics of the arbiters and regulation for the payment of rights of arbitration.

In this direction the Cuban Court, while sharing the common benefits to international arbitration, has a very particular procedural support that has only been reached by countries such as France: while devoted to the most important principles of international arbitration that guides its performance, empowered the Chamber of Commerce of the Republic of Cuba to approve statutes, rules of procedure, code of ethics of the arbiters and regulation for the payment of rights of arbitration.

Together with these and equally susceptible of the election by the parties are, preceded by international fame, other courts such as the International Court of Arbitrations of International Chamber of Commerce (ICC) in Paris or the Permanent Court of Arbitration of The Hague whose regulations have become more flexible to hear the more complex processes related to foreign investment and participation of the states. These and another court of international arbitration can be selected to solve conflicts.

On the other hand, unlike institutional arbitration in which there is an entity that is in charge of administering the process and watches over and controls for its normal development, in ad hoc arbitration are the parties called to fulfill this function. Eventually more economical, by not having to pay for the rights of arbitration limited to do so directly with the arbiters members of the arbitration court; to reach this, it is time to pass by an important group of moments and decisions related to the settling of criteria for integration to the court, nomination of the arbiters and their selection; election of the arbiter that should preside, the determination of rules of procedures and rights applicable, the form of taking them further and the celebration of hearings and, finally, the place of arbitration with its abiding implications.
Nevertheless, ad hoc arbitration is another important mean – in improvement – for the solution of conflicts in the sphere of world trade and foreign investment.11

However, this eligibility is associated to a fact treating relations that are reputed to have international character by putting in contact legal systems of different countries in which the conflicting autonomy of the parties must be larger. This would not be the case, however, of litigations that could arise between different modalities of foreign investment and, among these and Cuban corporate bodies or private persons for the execution of economic contracts that are inscribed in the sphere of “domestic” relations. In these cases, according to the Law of Investments, article 61, corresponds to the economic halls solve them:

(Art. 61) “Litigations concerning the execution of economic contracts arise between different modalities of foreign investment established by Law or between them and Cuban corporate bodies of private persons can be solved in the corresponding Economic Hall of the Popular Provincial Court and without prejudice submit them to arbitration according to Cuban law”.

However, the imperative of the subjection of these conflicts to Cuban courts is noted that it is qualified by the possibility -foreseen by the Cuban legislator in the above mentioned Decree Law no. 250, article 11- of submitting these conflicts to knowledge and solution by the Cuban Court of International Trade Arbitration:

(Art. 11) “The Court may also know contracts or extra contract litigations that are submitted by joint ventures or companies of complete foreign capital set up in Cuba, in their relations with each other or with national corporate bodies or private persons as well as by the parties of the contracts of international economic association or other forms of joint businesses with foreign capital.”

Consequently, this precept taken in the new law of investments give the foreign investor the possibility of settling their internal contracts through arbitration as an alternative to the Cuban courts, reserving the agreement and convenience of the parties. Again their capacity of election is strengthened.

This, with total transparency and summarized form, is the new institutional framework that the foreign investor finds in the Republic of Cuba to solve conflicts. However, competence and personality are what makes it work, its main value.

Notes
2 Cuba is signatory of an important number of these treaties known in our country as Agreements of Promotion and Reciprocal Protection of Investments (APRIs). It is in these treaties that the main guarantees are provided to the foreign investor and are contemplate the main obligations of the receptor states of the investment.
3 The fact that a right is recognized as a "disposition" of the owner, without any other conditioning, implies recognition of its autonomy, recognizing faculties to reach an agreement on them, since they is an indispensible supposition for the development of the so called alternate means in the solution of a conflict such as conciliation, mediation and arbitration.
4 Law no. 77, “Law of Foreign Investment” of September 5 1995, in its article 57.1, reserves the determination on how to solve conflicts between the parties, to the constitutive documents of the joint venture or total foreign capital or contract or international economic association.
5 In the Cuban legal system there are Economic Halls, created in 1991 as a specialized jurisdiction through Decree-Law no 129 “The extinction of the system of State Arbitration” of August 17 1991, published in the Extraordinary Official Gazette no. 9 of the same date.
6 The Cuban Court of International Trade Arbitration attached to the Chamber of Commerce of the Republic of Cuba, was created through Decree-Law no. 250 of July 30 2007, and published in the Extraordinary Official Gazette no 37 of July 2007. It has a direct antecedent the Court of Arbitration of Foreign Trade, created through Law no. 1184 of 1965.
8 Both the procedure before the Economic Halls and as before the Cuban Court of International Trade Arbitration leave open the possibility for the parties to solve the conflict in a self-composite way, limiting, in both cases, the state court as the arbitration, to approve the terms of transaction that be reached voluntarily by the parties. On the other hand, in the case of the Cuban Court of International Trade Arbitration, in addition to that, counts with a team of mediators and its own regulation to carry out this activity of inter mediation in the conflicting sphere.
14 Economic contracting was recently the subject of an important legal reform, currently it is governing by Decree-Law 304 of Nov 1 2012. “Of the Economic Contracting”, Extraordinary Official Gazette no. 27 of December 27 2012.
New Associate Members during the IV quarter of 2014

**Artistic Agency of Scenic Arts, ACTUAR**  
**Ministry of Culture**  
**Address:** Calle J no. 458 altos e/ 21 y 23. Vedado, Plaza de la Revolución, La Habana  
**Tel.:** (53) 7836-7816 / 7836-5844 / 7832-9555 / 7836-8187  
**Emails:** actuar@cubarte.cult.cu / comercial_actuar@cubarte.cult.cu  
**Social Purpose:**  
Offer services of artistic and technical representations in the different manifestation of stage arts. It is linked to foreign trade through the export of artistic services.

**Integral Automotive Services Enterprise, EISA**  
**Ministry of Industries - GESIME**  
**Address:** Ave 31 no. 10214 e/ 102 y 104, Marianao, La Habana  
**Tel:** (53) 7262-3440 / 7262-3517  
**Emails:** mgonzalez@eisa.co.cu / lbermudez@eisa.co.cu  
**Social Purpose:**  
Produce, set up, commercialize and recover means and equipment of manipulation of industrial cargos, as well as agricultural, power generators, panels, tec. Offer services of repair and maintenance of transportation means.

**Producer and Trading Enterprise Seeds, EPCS**  
**Ministry of Agriculture**  
**Address:** Calle Conill esq. Ave. Independencia, piso 9, Edificio MINAGRI, Plaza de la Revolución, La Habana  
**Tel:** (53) 7884-7436/ 7884-7437  
**Emails:** juridico-semilla@minag.cu / secretaria-semilla@minag.cu  
**Social Purpose:**  
Produce, stockpile and commercialize wholesale organic, botanical and biotechnological seeds as well as seeds that do not meet the technical parameters for their vegetable propagation including ornamental and flowers.

**Provincial Trading Enterprise for Music and Entertainment Ignacio Piñeiro**  
**Ministry of Culture**  
**Address:** San Rafael no. 1215 e/ Mazón y Ronda, Plaza de la Revolución, La Habana  
**Tel:** (53) 7870-5947/ 7873-6446  
**Email:** pmtip@cuabarte.cult.cu  
**Social Purpose:**  
Commercialize musical artistic services

**Trade Entrepreneurial Group of Santiago de Cuba, GECI**  
**Ministry of Internal Trade**  
**Address:** José Antonio Saco no.203 Altos, e/ Félix Pena y Corona, Santiago de Cuba  
**Tel:** (5322) 629159/ 652391/ 651621/ 627028.  
**E-mails:** direccion@gecomstgo.co.cu / inversiones@gecomstgo.co.cu  
**Social Purpose:**  
Commercialize foods, articles of consumption and intermediates, gastronomic services, personal, technical and for domestic purposes.

**Gum Enterprise, Poligom**  
**Ministry of Industries - GEIQ**  
**Address:** Amenidad no.125 e/ 20 de Mayo y Nueva, Cerro, La Habana  
**Tel:** (53) 7870-4215/ 7878-1400 ext.118  
**Emails:** jlazaro@goma.minem.cu / martha@goma.minem.cu / asesor@goma.minem.cu / sergio@goma.minem.cu  
**Social Purpose:**  
Import raw materials and other inputs for the industry through Quimimport.
Our associates

**Textiles Confections Enterprise Boga**

Ministry of Industries - GEIL

Address: O Reilly no. 358 e/ Habana y Compostela, Habana Vieja, La Habana

Tel: (53) 7862-2517/ 7862-6042

Emails: lucia@bogaii.com.cu / arriel@bogaii.com.cu

Objeto social:

Producir y comercializar confecciones textiles de todo tipo así como brindar servicios de estampado y bordado.

**Trading and Distributor Medicines Enterprise, ENCOMED**

Entrepreneurial Group of Biopharmaceutical and Chemical Productions BioCubaFarma

Address: Calle Vento no. 4163 e/ Línea del Ferrocarril y Callejón de Miraflores, Cerro, La Habana.

Tel: (53) 7648-7975/ 7648-7976 ext. 118 y 134

Emails: adis.nuvia@oc.emcomed.cu / gilberto.valdes@oc.emcomed.cu

Social Purpose:

Perform all logistics operations BioCubaFarma for the exercise of exports and imports as well as provide specialized logistic services in business have BioCubaFarma abroad.

**Geocuba Enterprise Camagüey-Ciego de Ávila**

Ministry of the Revolutionary Armed Forces

Address: Carretera Central Oeste No 221 e/ 1ra y Ave. Hospital, Reparto Sánchez Soto, Camagüey

Tel: (5332) 292-908/ 291-421/ 292-853

Emails: mayi@camaguey.geocuba.cu

Social Purpose:

Produce and commercialize products and services of geodesy, cartography, cadaster, marine studies, and aid for navigation, graphic arts, among others. It is linked to foreign trade through the services of graphic arts.

**Base Enterprise Unit Sugar Mill Batalla de las Guásimas**

Sugar Group Azcuba

Address: Batey San Carlo No 1, Batalla, Vertientes, Camagüey

Tel: (5332) 376103/ 376224/ 376183

Emails: gerardo.ferrero@batalla.azcuba.cu

Social Purpose:

Producing sugar and its derivatives. It is linked to foreign trade by the production of sugar, which sells through Azcuba Group.

**Integration for Social Welfare, OBIS**

Ministry of the Interior

Address: Calle N # 62 e/ 13 y 15 Plaza de la Revolución, La Habana

Tel: (53) 7833-0407

Email: mrodriguez@obis.cu

Social Purpose:

Offer services of training and consultation except legal subjects in matters of social welfare as well as the production and commercialization of natural and nutritional products; produce and commercialize articles and substances for the purification of residual waters and gases.

**Workshops and Transportation Enterprise of the Ministry of Higher Education, ETMTES**

Ministry of Higher Education

Address: Carretera Jamaica km 1 1/2 Finca Guayabal. San José. San José de la Lajas, Mayabeque

Tel: (5347) 894-225

Email: tur@enet.cu

Social Purpose:

Transportation services of passenger and cargo for the higher education system, collecting passengers of public service. Are linked to foreign trade through the export of transportation services of passengers and cargo in the country linked to the Higher Education.

**Cigarette Enterprise Lázaro Peña**

Ministry of Agriculture

Address: Avenida Jesús Menéndez no. 26 esquina 1ra., Reparto Villa Nueva, Holguín.

Tel: (5324) 481568/ 481923/ 485929

Emails: director@turei.co.cu / dtecnica@turei.co.cu

Social Purpose:

Produce and commercialize cigarettes for national consumption.
Cuba-Turkey Business Forum

On the occasion of the visit to Cuba by HE Recep Tayyip Erdogan, President of the Republic of Turkey, took place on February 11 at the National Hotel the Business Forum Cuba-Turkey, chaired by Mr. Nihat Zeybekci, Economy Minister Turkey and Antonio Carricarte, Acting Minister of Foreign Trade and Investment (MINCEX).

The president of the Chamber of Commerce of the Republic of Cuba, Orlando Hernández Guillén, delivered welcoming remarks and referred to the provision of support to entrepreneurs of both countries to increase direct contacts. For his part, Mr. Ömer Vardan Cihad, Chairman of External Economic Relations of Turkey (DEIK) mentioned the willingness of the organization to contribute to the development of economic and trade relations between both countries and to create in the future a bilateral business council.

Minister Zeybekci mentioned the results of the meeting held between the Presidents of Cuba and Turkey; said that the information received showed the special moment that lives Cuba and the possibilities for development of bilateral ties, noting in particular the areas of agriculture, tourism and health. Turkey expects to participate in the next International Fair of Havana and if this does not prove feasible for any reason, he considers the possibility of organizing an exhibition of Turkish products in our country.

Meanwhile, Carricarte referred to the low level of economic relations at present, since there are no joint ventures in Cuba with the participation of Turkish companies, besides that Cuban imports are generally performed by companies from third countries.

After the presentations was signed, in the presence of two ministers, a Memorandum of Understanding between the Chamber of Commerce of the Republic of Cuba and External Economic Relations Board of Turkey (DEIK) by their respective presidents, Orlando Hernandez Guillen and Ömer Vardan Cihad.