

Cuba and Russia Broaden Trade Relations



Cuba has been restructuring its debts to jump start its economy and attract investment. Three years ago it restructured \$6 billion of its debt with China, and Reuters reports in 2012 Japan has forgiven about \$1.4 billion. Mexico recently forgave \$478 million of Cuban debt, and Havana has agreed to pay back \$146 million over 10 years.

During a visit to Havana in February 2013, Russian Prime Minister Dmitry Medvedev agreed to write off the island's debt to the former Soviet Union, saying details would be finalized by the end of the year. In October, the two sides announced a refinancing agreement that requires Cuba to pay Moscow \$3.2 billion over ten years, and Russia would forgive the remaining \$29 billion, which is \$20 billion in debt plus service and interest.

Another important step was the celebration in Moscow, in October last, of the 11th. session of the Joint Commission for Economic, Commercial, Technical and Scientific Cooperation. On that occasion, Cuba and Russia agreed to promote research on the use of outer space for peaceful purposes, while the Russian Minister for Industry and Commerce, Denis Manturov, called for new lines of cooperation with incentives for joint endeavours.

Minister Manturov said there were excellent prospects for joint cooperation in transport, energy, telecommunications, medical services, biotechnology and tourism.

The recent revision in Havana by delegations of both countries of the commercial and trade agreement emphasizes the close coordination between the two nations and their will that everything will now flow along more easily. Experts from the Government audit and control offices of both countries checked the exchanges. The resulting document provides for a soft loan to Cuba for the purchase of agricultural and construction machinery, as well as equipment for the modernization of the Cuban railways. The comptrollers emphasized the fulfilment of legal procedures, identified minor deficiencies in the transactions and issued recommendations.

With the right wing backlash in Venezuela more international attention has been placed on the two Latin American countries, while the stronger presence of Russia in Cuba could mean stronger economic and financial ties between the three.

Russian managers have received with much interest the opportunities posed by the inauguration just west of Havana of a major Special Economic Development Area, in the deep-water port of Mariel.

They were also informed about and received the text of the new Foreign Investment Law approved by the Cuban National Assembly, which opens new major opportunities.

Russia also expressed interest in the Cuban development of medical products for human and veterinary use, as well as other medical drug developments by the flourishing Cuban pharma and biotechnological industry. Russia has voiced its strongest interest in the new Cuban anticancer drugs.

In February 2014, both nations signed an agreement for the promotion of tourism between the Russian Gals nautical Association and the International Nautical Club of Havana.

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