

Economic Update March 17



ETECOSA and Verizon Reach Telecommunications Agreement

The Empresa de Telecomunicaciones de Cuba S.A. (ETECOSA) and Verizon Partner Solutions, the wholesale services unit of U.S. company Verizon Communications Inc., have concluded their negotiations and signed a direct interconnection agreement for the exchange of international voice traffic between Cuba and the U.S.

The service agreement will initially allow for phone call services, through direct interconnection between the two countries, and will be operational once the implementation period and technical testing requirements have been completed by both companies.

Verizon, a New York-based company, is a global communications service provider of the Directorate of Institutional Communication.

U.S. Senator Amy Klobuchar Calls on Departments of Treasury and Commerce to allow American Hotels to Operate in

Cuba

U.S. Senator Amy Klobuchar called on the Departments of Treasury and Commerce to allow American hotels to operate in Cuba. Since launching in Cuba in 2015, Airbnb has accumulated more than 2,000 listings for travelers to rent but U.S. hotel chains cannot operate in Cuba due to Treasury and Commerce Department regulations. Additionally, hotel operators from Spain and the U.K. are already negotiating deals to build hotels in Cuba. In a letter to Secretaries Lew and Pritzker, Klobuchar, the Chair of the Senate Travel and Tourism Caucus, urged the Treasury and Commerce Department to consider amending the *Cuban Assets Control Regulations and Export Administration Regulations* to authorize U.S. investment in the Cuban hotel industry.

“As diplomatic relations between the U.S. and Cuba continue to progress, there are increasing opportunities to do business and improve economic opportunities and the quality of life in Cuba,” Klobuchar wrote. “I strongly believe that continuing to isolate Cuba will be contrary to our interests and disadvantage American businesses and farmers. Removing regulatory barriers and ensuring that the U.S. hospitality industry has a fair shot in Cuba is another way that we can continue to make progress towards

officially ending the embargo.”

Klobuchar is leading the bipartisan *Freedom to Export to Cuba Act* - which currently has 23 Senate cosponsors. The bill lifts the current blockade and allows more U.S. goods to be exported to Cuba, and would eliminate the legal barriers to Americans doing business in Cuba, boosting job creation and exports. It does not repeal provisions of current law that address human rights in Cuba or that allow individuals and businesses to pursue claims against the Cuban government. Klobuchar attended the opening of the U.S. Embassy in Cuba with Secretary of State John Kerry last August. She also recently testified before the *International Trade Commission* to highlight the benefits of lifting the trade blockade with Cuba.

European Commission Announced Additional ?10 Million of Support to Cuba

EU Commissioner for International Development, Neven Mimica, pledged new EU development funding to Cuba on a recent visit to the country. The funding is part of an overall ?50 million in development cooperation funds for Cuba to be provided over the period 2014-2020.

Commissioner Mimica said: "The ?10 million of new support we are announcing today will help build the capacities of the Cuban public administration and sustainable food production. The EU will continue to strengthen its cooperation with Cuba to support the modernization process started by the Cuban government in 2008."

During the visit, Commissioner Mimica visited EU-funded projects in Cuba, including those focusing on sustainable food production and supporting the social and economic inclusion of Cuban youth. The Commissioner met with representatives of the Cuban Government, including the Minister of Foreign Trade and Investment, Mr. Rodrigo Malmierca Díaz, the Minister of Economy and Planning, Mr. Marino Murillo Jorge, the Minister of Energy and Mines, Mr. Alfredo Lopez Valdes, and the Minister of Agriculture, Mr. Gustavo Rodriguez Rollero. Commissioner Mimica also joined HR/VP Federica Mogherini during her official visit to the country.

Cuba and the United States Resumed Direct Postal Services

The reestablishment of this service will allow for direct shipments between Cuba and the United States of mail, postal parcels, courier and express packages, through post offices in both countries.

After nearly 5 decades without direct postal services between Cuba and the States, and having coordinated the technical, operational and safety details for its implementation, on March 16th, 2016, was the inaugural flight that re-established the direct exchange of mail between the two countries, through the implementation of a Pilot Plan, took place, established on a permanent basis in the future.

The reestablishment of this service allows for direct shipments between Cuba and the United States of mail, postal parcels, courier and express packages, through post offices in both countries.

US Publishing Industry Players Demand End of Book Blockade on Cuba

Over 50 major representatives of the US publishing industry, authors and agents, petitioned the White House and Congress to end what they termed the *Cuba Book Embargo*, referring to the US blockade's restrictions to send books and educational materials to the Island.

According to National Public Radio (NPR), the calls explains that "the book embargo counters to American ideals of free expression and that books are catalysts for greater cross-cultural understanding, economic development, free expression and positive social change."

Publishers Weekly magazine sent the petition on its cover on March 14th and already posted it on its website. The magazine says that "some 40 US publishing industry representatives met with their counterparts in Havana to build bridges of understanding and explore opportunities for greater cultural and economic collaboration," NPR reported.

The petition also notes that Cuba's adult literacy rate of nearly 100% is among the highest in the world.

Meeting Targets for Economic Growth

All units which make up the country's enterprise system must meet their established production and service plans in order for the country's economy to advance, stated Salvador Valdés Mesa, a Council of State vice president, speaking in Havana.

The member of the Party Political Bureau participated in a meeting of the Cuban Workers' Federation (CTC) National Secretariat to review progress in the process of informing workers about this year's economic plan and budget.

Valdés highlighted that it is the responsibility of trade union leaders to understand economic aims and organize meetings addressing relevant issues, such as wages, payment systems and additional services the entity could offer.

He stressed that union representatives must be aware of fluctuations in prices on the world market, which affect income and as a result production plans and wages.

To date, around 700,000 workers have participated in over 18,000 assemblies to address the country's annual economic plan and budget.

Milagro de la Caridad Pérez Caballero, a member of the CTC Secretariat, reported that key issues discussed in these meetings relate to resources, replacement parts, fulfillment of the established budget for workplace equipment and safety equipment.

The official also highlighted concerns over the availability and quality of raw materials, discontent with the quality assurance plan, and insufficient investment for planned activities, all issues that have been addressed by the presidents of superior business management organizations and company directors.

Importance of Cuba in Regional Trade Highlighted

In a new regional economic correlation, Cuba is an important player of tourist destination and other fields, assured the president of the Chamber of Commerce, Industry and Agriculture of Panama, Carlos Fernández.

In a press conference on occasion of the 34th Expocomer Commercial Fair 2016, the businessman extolled the way in which the island is inserted in the world market, reason why it attends this edition of the Fair not only with its traditional products, but also with new ones.

Fernandez also referred as to how the devaluation of some currencies has a negative impact on strategic economies of the region like

Argentina, Colombia, Brazil, Mexico, Peru, Chile and Venezuela, situation that has its impact in the Duty Free Zone of Colon, where the prices of many goods and services increased.

Despite this, Panama has kept growing for over ten years and for this year, it is projected to maintain its growth rate near its potential, he added.

The president of the Organizing Committee of Expocomer, Raul del Valle, explained this year it is expected to have the participation of exhibitors and buyers of some 30 countries of America, the Caribbean, Europe and Asia, in the lookout for opportunities to diversify their businesses. He said the present version of the Fair will be the largest in size in its history, with an area of 17 thousand square meters, distributed in 700 exhibition stands.

Among the products with greater presence in the commercial venue stand out foods, beverages, accessories and textiles, services, state of the art technologies and heavy equipment; while the countries most represented will be India, China, Taiwan and Mexico.

DelValle stressed the presence for the first time of Slovakia, while Belgium will be present with a pavilion, and the reason is that many countries see Expocomer as a new opportunity of doing business in Central America, South America and the Caribbean'.

He also said in this occasion they expect to exceed the number of visitors regarding last year that was 10 thousand 500, as well as transactions that in 2015 totaled 124 million dollars.

The president of the Organizing Committee also announced the presence of some 120 businesspeople from Central America and the Caribbean, who will participate in the third Business Round.

Parallel to the multisector fair, from March 9 thru 12, will be taking place other important events like the traditional launch of the National Prize to Business Innovation and the Forum Panama Venue of Multinational companies. Business Opportunities, present and future.

Amistur Cuba S. A. leading agency in specialized tourism

HAVANA, Cuba, Mar 11 (acn) Amistur Cuba S.A., a specialized tourism agency, is the favorite among visitors interested in learning "first hand" the reality of the Caribbean island through *people-to-people* programs.

The travel agency working under the Institute of Friendship with the Peoples, ICAP, celebrated its 20th anniversary last January 19th is strengthening the quality of its services and diversifying its products.

Amistur Director, Jorge Abigantud told the press that the agency is currently working in achieving better professionalism of its travel agents and tour operators in addition to working on attractive programs adapted to the economic, political and social realities of the island.

Among the many projects of the entity, one of the most important is working with the solidarity and working brigades that visit Cuba each year to exchange with the island's solidarity movement.

According to the each group's interests, Amistur offers specialized programs related to culture and art, sports, education, health care, agriculture, environment and development in addition to others related to the Cuban legal system.

The agency also works in tourism circuits that allow a vacationer to learn about history, heritage and culture in all of the Cuban provinces.

Amistur also offers services in acquiring tourism visas, hotel and extra hotel services, transfers and air, maritime and land reservations and other alternative packages of lodging, food and transportation with the private sector.

According to Abigantud, the agency worked with groups from 83 countries in 2015, visitors mainly from the United States and have "contributed in modifying the opinions of Americans about Cuba".

The Amistur director added that it's true that the numbers of specialized groups are increasing, especially from the United States who need to learn about the realities in Cuba.

During Amistur's two decades, over 110 thousand visitors from 126 countries have traveled to Cuba organized by the travel agency whose main objective is to "construct bridges between peoples and make more friends in the world".

Cubana Airlines Opens Route between Holguin and Santo Domingo

HAVANA, Cuba, Mar 14 (acn) Cubana Airlines will start direct flights from the Frank Pais International Airport, of the city of Holguin in eastern Cuba, to Santo Domingo, capital city of the Dominican Republic, according to company officials.

Violeta Sayas, commercial specialist of the airline in Holguin said, in an exclusive interview with ACN, that the inaugural flight will be on March 22, which will add to the usual operations of Cubana de Aviacion from the airport of Holguin, located in one of the most important destinations due to its tourist attractions. The new route will have a weekly frequency, every Tuesday, operated with A320 and A319 aircraft, departing from Holguin at 10:00 a.m., and expected return from the Las Americas International Airport at 1:10 p.m., according to the specialist.

Founded in 1929, Cubana Airlines is the official airline of Cuba, and flies to various destinations in the Americas, Europe and Asia.

Ciego de Avila: First province in producing 100 thousand Tons of Sugar

HAVANA, Cuba, Mar 14 (acn) Ciego de Avila has become the first province in Cuba to produce 100 thousand tons of sugar in the current harvest despite the severe drought first and then excessive rain.

The workers of the Enrique Varona Gonzalez sugar factory in the municipality of Chambas were finish the harvest with high numbers of sugar while the Ciro Redondo center ended first.

During a meeting with workers and technicians at the Varona Gonzalez sugar factory, Feliz Duarte Ortega, first secretary of the Communist Party in Ciego de Avila said that the province is now in better conditions to finish their plan of production in the current harvest with over 193 tons of sugar.

The also member of the Central Committee of Cuba's Communist Party added that the industrial yielding have increased and urged for an effort in the coming 60 days in order to recover the production deficit with four consecutive successful harvests in the territory.

Engineer Norelvis Gallo Saroza, director of the Sugar company in the province praised the men and women that work at the Enrique Varona which have registered over 10.50 percent of the yield and are among the highest in the nation, although their sugar cane plantations are located in low and swampy areas in the northern part of the province.

He added that some 40 tons of sugar cane in the municipality of Esmeralda in Camaguey province will be refined in the Primero de Enero refinery.

Jose Antonio Perez Perez, general secretary of the sugar labor union on the island recognized the contribution of the mechanized cutters in the province where 20 have cut over a million delivering each one some 11 thousand 500 tons or more raw materials to the factories.

The four sugar refineries in Ciego de Avila are also producing type B honey for cattle, alcohol and bagasse.

Connecting societies...a bridge to technological development

The Computer Sciences Fair 2016 opened its doors on Monday, March 14, in Havana's Pabexpo exposition center

On the morning of Monday, March 14, the 16th International Computer Sciences Convention & Fair 2016 opened its doors in Havana's Pabexpo exposition center where - through March 18 - exhibitors will present products and projects across 73 stands; 34 affiliated with Cuban entities and 39 foreign companies.

Grisel Reyes León, executive secretary of the fair, which this year has the central theme of "Connecting Societies", noted that the event is a demonstration of Cuba's desire to occupy an important role within the field of communications, and is undoubtedly a space for interaction and professional exchanges, where Cuban and foreign entities can present their newest products.

Participating in the event – featuring 300 exhibitors – was Malcom Johnson, deputy secretary-general of the International Telecommunication Union; Maimir Mesa Ramos, minister of Communications of Cuba; Rashid R. Ismailov and Dmitry M. Alkhazov, deputy ministers of Communications and Mass Media of the Russian Federation; as well as other foreign and national sector representatives.

Special guests included decorated Heroes of the Republic of Cuba, Gerardo Hernández, Ramón Labañino, René González, and Fernando González.

In honor of the 16th Computer Sciences Convention, a commemorative stamp portraying the cell phone in Cuba and a watermark depicting the development of computer sciences across all sectors, were issued. Parallel to the fair, which includes business forums and meetings, various keynote addresses will also be taking place throughout the week in the Havana Convention Center. The first of these was given yesterday, Monday 14, by Cuban Deputy Minister of Communications Jorge Luis Perdomo Di-Lella, during which he highlighted that the island is currently defining the parameters regarding its own use of information and communications technology, especially across priority sectors such as health, education, culture and science.

During the official inauguration ceremony, the Minister of Communications noted that corresponding to the event maxim, the encounter is the ideal space to promote exchanges of ideas and knowledge, providing sector associates with the necessary tools to face current and future challenges, especially for Cuba, a small country with minimal financial resources, but which is making concerted efforts to up-date its computer sciences policy.



Radio Habana Cuba