

# *Economic Update March 05*

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## **U.S. Agricultural Representatives Explore Business Opportunities in Cuba**

Representatives of the main agricultural organization of the United States recently explored in Cuba the opportunities the Caribbean nation offers in agribusiness, with the purpose of establishing bilateral commercial exchanges, limited for over 50 years now due to the U.S. blockade.

The delegation, on a visit to the island since last Sunday, was composed of 95 representatives of the *U.S. Agriculture Coalition for Cuba (USACC)*, created after the announcement made by Presidents Raul Castro and Barack Obama on December 17th on the decision of reestablishing diplomatic relations.

In a press conference on Monday in Havana, Devry Boughner, president of the Coalition, asserted that with this trip they intended to know more about Cuban agribusiness, its current situation and main lines, in search of possible business with national producers.

She highlighted that the U.S. mission will now seek to urge her country's Congress to lift the blockade against Cuba, the bilateral trade restrictions of which has placed the U.S. market in a position of disadvantage with respect to others of the region, like those of Argentina and Brazil.

U.S. agribusiness is efficient and its products are very competitive in the world market thanks to the technological development reached, and this is an experience we want to share with Cuban farmers, underlined Micheal Espy, former Agriculture Secretary under the administration of William Clinton (1993-2001).

From Cuba we would like to import products such as lobster, shrimp, cigars and rums, of well-known prestige and which the U.S. market has no access, said Paul Johnson, vice-president of the USACC and president of *Chicago Foods International*.

This visit was aimed at finding mechanisms to start a two-way road, so we expect Cuban delegations to travel to our country soon, said Boughner at the end of the press conference.

According to the program, the delegation was divided into 5 groups to visit places of interest in the Cuban agricultural sector, like the *El Trigal* wholesale market, on the outskirts of the capital; the *30 de Noviembre Sugar Mill* (Artemisa); the *Heroes de Yaguajay Fruit and Vegetable Cooperative* (Alquizar), and the *tobacco cooperatives* of Consolacion del Sur and Los Palacios (Pinar del Rio).

The *U.S. Agriculture Coalition for Cuba (USACC)* is made up by representatives of the 28 most important groups of the *American Agricultural Federation* --like *Cargill and Smithfield Foods*--, and draws together producers of sorghum, soy, corn, rice, milk and meat.

## **Cuba, EU Negotiate Political Dialogue and Cooperation Agreement**

Cuba and the European Union continue negotiations of a *Political Dialogue and Bilateral Cooperation Agreement*, in a meeting being held at the *Cuban Ministry of Foreign Affairs (MINREX)*.

"This round should allow to make progress in the negotiation of the charter of the *Agreement on Cooperation and Dialogue on Sectoral Policies*. Preliminary exchanges on other two charters of the aforementioned Agreement, referred to trade and political dialogue, should also carry out" a MINREX note says.

Posted in its website, the information states that this is the 3rd meeting between Cuba and the EU, in the negotiation process started here in April 2014 and continued in August of that year in Brussels, Belgium.

The Cuban Ministry of Foreign Affairs says the negotiation process has been developing normally and based on equality and mutual respect.

The negotiating teams will be led by Christian Leffler, executive director for the Americas of the European External Action Service, and Cuban Deputy Foreign Minister Abelardo Moreno.

## **U.S. Publicist, Winner of Havana Cigar Festival Prize, Comments on Cuba**

The *Havana Cigar of the Year Prize* in the sphere of communication was given to U.S. publicist Gary Heathcott, who praised the efforts of Cubans and expressed his hope in the resumption of relations between Havana and Washington.

He said that good relations between the two states is a dream for him, in addition to committing himself to do everything within his grasp so this dream comes true.

The *Havana Cigar of the Year Prize* was handed over in the closing ceremony of the *17th edition of the Havana Cigar Festival*, which took place last weekend at the capital's *Pabexpo Pavilion*.

Gary, who has been visiting Cuba for the last 24 years, owns an advertising agency named after him in *Little Rock, Arkansas*. He has been working in this sector for the last 41 years and adores Cuban cigars, considering them to be the best in the world due to their aroma and taste, qualities provided by the soil of the Caribbean country.

For quite a while now he decided to write articles and make documentaries about Cuba, particularly on cigars, some of them published by the famous cigar smoker's *Smoke magazine*.

He wrote his first article on Cuba in 1999, and then began to make the documentaries (like *Pasión de los torcedores*), prepare materials on Ernest Hemingway's stay on the Caribbean island and on drinks like *rum*, *mojito* or *daiquiri*, and on Cuban music.

He pointed out that while some people in his country are against changes in U.S.-Cuba relations, more than 60% of Americans believe it's time for change.

International sales of Cuban cigars in the emerging markets of Asia-Pacific reported significant increases in 2014, managers of the industry said at the opening of the *17th Habano International Festival*.

Jorge Luis Fernández Maique, commercial vice president of Habanos Corporation, responsible for marketing, said that there was an increase in sales of 14% over the previous year despite the impact of the global crisis and the anti-smoking measures that are widespread in some countries, mainly in Europe, the preference for Cuban cigars is maintained.

He also explained that the company distributes its products in 80% of the universe of possibilities, as Americans smokers of the considered best cigar in the world can not taste it by the economic, commercial and financial blockade imposed by Washington on Cuba for over half a century.

For 2015, the executives foresee stability in sales, which will be benefited by the introduction of new bands and limited editions of cigars.

The Cigar festival gave a welcome concert by popular musician Descemer Bueno at the rejuvenated facilities of the *Tobacco and Wood Warehouse*, in the municipality of Old Havana.

### **Mexico: the First to Reach Mariel**

The Mexican meat company *Richmeat SA de C.V.* was authorized to participate in the investment project of the *Special Development Zone Mariel*, Cuba. It is the first approval of Havana to a foreign company to participate in this economic plan.

By posting the announcement on its official website, Mexico's Foreign Ministry said the agreement "includes an investment in the food sector" and "the processing and packaging of meat products". In addition, during legal proceedings, representatives of the company received the support of the Embassy of Mexico in Cuba and commercial counseling of *Promexico* in Haiti. The latter is a Mexican Para-state entity, under the Ministry of Economy, which aims to promote foreign direct investment and exports of goods and services.

The proposal by Richmeat is one of the fifteen announced last November during the *FIHAV 2015 International Fair of Havana*. The rest belong to sectors as "fertilizer, machinery, services to the shipping industry, paints and industrial coatings, packaging and packaging , food and beverages," says the Mexican Ministry of Foreign Affairs on its on-line site.

For the Mexican government, having advanced in the commercial initiative of Mariel is no coincidence. "It's part of the relaunching of relations between Mexico and Cuba, one of the main objectives has been to increase the presence of Mexican firms on the island," says the Foreign Ministry.

### **Cuba to be Present at German Tourism Fair**

Cuba is present at the *International Tourism Fair ITB 2015*, in Berlin, Germany, from March 4th to 8th, in order to establish a position of the Cuban tourist product in that European market.

According to the Tourism Ministry, Cuba's presence in that German fair responds to the interest of strengthening professional bonds of the sector, as well as promoting the island's tourist diversity.

The mission shows, in particular, the potential of Havana, Cayo Largo del Sur, Varadero, the northern cays of Villa Clara, Jardines del Rey, Holguin and Santiago de Cuba, which are favorite places for German visitors, reads the press release.

At *ITB 2015*, as it is also known, the Cuban delegation will announce the main meetings of the sector scheduled for this year, among them the *35th International Tourism Fair*, to be held on May 5th-7th in Jardines del Rey.

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