

ECONOMIC EYE ON CUBA©
5 February 2001 To 11 February 2001

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U.S. DOLLAR UNCHANGED IN VALUE AGAINST THE PESO- Republic of Cuba government-operated Cajas de Cambio S.A. (CADECA) sold the Convertible Peso, equal to US\$1.00, for 22 Pesos and purchased the U.S. Dollar for 22 Pesos. The official international exchange rate of one Peso to one U.S. Dollar, in effect for more than thirty years, remained unchanged. The government of the Republic of Cuba maintains a fixed exchange rate for its international dealings and a more flexible exchange rate for domestic use. The government of the Republic of Cuba does not fluctuate the value of the Peso for commercial transactions regardless of any fluctuation with the value of the U.S. Dollar or other currencies on the international market. The Peso and the U.S. Dollar circulate freely in the Republic of Cuba.

CADECA Buy	CADECA Sell	From / To
22	22	10 January 2001 to Present
21	22	20 July 2000 to 9 January 2001
21	21	16 April 2000 to 20 July 2000
20	21	27 January 2000 to 15 April 2000
21	21	24 December 1999 to 23 January 2000
21	22	2 October 1999 through 23 December 1999
20	22	13 September 1999 to 1 October 1999
20	20	1 September 1999 to 12 September 1999
20	21	13 August 1999 through 31 August 1999
22	22	16 June 1999 to 12 August 1999
22	21	13 April 1999 through 15 June 1999
21	21	15 March 1999 to 12 April 1999
20	21	4 March 1999 to 14 March 1999

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MEMBER ADVISORY: “FULLY HOSTED” SOLICITATION- A company becoming a member of the U.S.-Cuba Trade and Economic Council has reported receiving a solicitation from a consultant with respect to **a)** sponsorship opportunities and **b)** participation in a multi-day “*fully hosted*” business-focused gathering planned to be held in the city of Havana, Republic of Cuba, in June 2001. The marketing of “*fully hosted*” gatherings to the Republic of Cuba has been subject to protracted scrutiny by the United States government, United States Congress, and by media organizations. Although “*fully hosted*” travel to the Republic of Cuba is authorized by the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury, there is a written regulatory position by the OFAC that an individual subject to United States law having visited the Republic of Cuba on a “*fully hosted*” basis is presumed to be in violation of regulations administered by the OFAC. Previously, the OFAC viewed an individual subject to United States law having visited the Republic of Cuba on a “*fully hosted*” basis to be in compliance with regulations administered by the OFAC. There have been occasions when the presumption of violation by the OFAC has not been disclosed in marketing materials for “*fully hosted*” visits to the Republic of Cuba. The United States Customs Service and the United States Immigration and Naturalization Service (INS) have reportedly *increased enforcement* of existing OFAC regulations (especially with respect to “*fully hosted*” travelers) at entry points throughout the United States and at pre-clearance entry point operations in other countries. There are categories under which the OFAC will provide specific licenses (some valid for multiple visits during a one year period) to representatives of United States-based companies to visit the Republic of Cuba. Extreme caution should be taken when considering a “*fully hosted*” visit to the Republic of Cuba.

The OFAC has provided licenses (in some cases issued within twenty-four hours; normal processing is 14 to 30 days) to visit the Republic of Cuba to identify commercial opportunities for agricultural products, air charter services, artwork, communications, cultural events, entertainment, exhibitions, farm supplies, food sales, informational materials, medical equipment, medical instruments, medical supplies, medicated products, medicines, money transfer services, package delivery services, pharmaceuticals, publications, telecommunications; and travel services.

USITC REPORT ON CUBA TO BE ISSUED ON 15 FEBRUARY 2001- The Washington, D.C.-based United States International Trade Commission (USITC) is scheduled to present a report of more than 100 pages to the Ways and Means Committee of the United States House of Representatives on 15 February 2001. The report assesses the impact of sanctions implemented by the government of the United States on the government of the Republic of Cuba. The report focuses on more than thirty economic sectors.

The investigation, *The Economic Impact of U.S. Sanctions with Respect to Cuba* (Inv. No. 332-413), was requested in 2000 by the Committee on Ways and Means of the United States House of Representatives. The USITC will include the following in its report: **1) an overview of U.S. sanctions with respect to Cuba** **2) a description of the Cuban economy, Cuban trade and investment policies, and trade and investment trends** **3) an analysis of the historical impact of U.S. sanctions on both the U.S. and Cuban economies, especially on affected sectors, and to the extent possible, on U.S. exports, imports, employment, consumers, and investment** and **4) an evaluation of the current impact on U.S.-Cuban bilateral trade, investment, employment, and consumers of the economic sanctions on trade and investment with Cuba, with particular attention to the effects on U.S. services, U.S. agriculture, and other sectors for which the impact is likely to be significant.** The economic analysis will include information on the above factors to the extent data are available and using, as appropriate, a combination of quantitative and qualitative analyses.

The USITC is “an independent, quasi-judicial federal agency that provides objective trade expertise to both the legislative and executive branches of government, determines the impact of imports on United States industries, and directs actions against certain unfair trade practices, such as patent, trademark, and copyright infringement... and

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VINTAGE FORD, GENERAL MOTORS. AND CHRYSLER VEHICLES AVAILABLE FOR RENTAL IN CUBA- Republic of Cuba government-operated Panatrans Group (under the auspice of the Department of Transportation of the City of Havana) is renting vintage vehicles with a driver, fuel, and 120 kilometers per day free mileage, for US\$15.00 per hour; US\$90.00 per day; and US\$70.00 per day for five days or more. Panatrans is also renting partially rebuilt United States-manufactured vehicles, including a 1908 Ford manufactured by Dearborn, Michigan-based **Ford Motor Company** (2000 revenues exceeded US\$144 billion). Other vintage vehicles available include those manufactured by Detroit, Michigan-based **General Motors Corporation** (2000 revenues exceeded US\$176 billion); and Stuttgart, Germany-based **DaimlerChrysler AG** (2000 revenues exceeded US\$150 billion).

Vehicle brands available for rental from Panatrans include: **Chevrolet** (1952, 1953, 1955, 1956, 1957); **Ford** (1908, 1928, 1929, 1930, 1937, 1950, 1953, 1955, 1957); **Dodge** (1936, 1949, 1950, 1955); **Impala** (1959, 1960); **Studebaker** (1950, 1959); **Buick** (1950); **Pontiac** (1956); **Oldsmobile** (1950, 1957); **Mercury** (1954); **Cadillac** (1950); **DeSoto** (1949, 1955)

CAHNER'S HOTEL & TRAVEL INDEX INCLUDES INFORMATION ABOUT CUBA- The Winter 2000-2001 edition of the “*Cahners Hotel & Travel Index*” contains a section about the Republic of Cuba. The “*Cahners Hotel & Travel Index*,” which contains information on more than 41,000 hotels and resorts worldwide, is published quarterly by Secaucus, New Jersey-based Cahners Travel Group, a subsidiary of New York City, New York-based Reed Elsevier Inc. (a subsidiary of London, United Kingdom-based Reed Elsevier PLC).

The “*Cahners Hotel & Travel Index*” provides information for nine hotels in the city of Havana; one hotel in Guardalavaca (Holguin Province), 800 kilometers east of Havana; one hotel in the town of Matanzas (Matanzas Province), 105 kilometers east of Havana; three hotels in the city of Santiago de Cuba (Santiago de Cuba Province), 861 kilometers east of Havana; and six hotels in the resort area of Varadero (Matanzas Province), 140 kilometers east of Havana.

CUBACEL'S TDMA WILL HAVE COMPETITION FROM C-COM'S GSM- The Ministry of Information and Communications of the Republic of Cuba has established Republic of Cuba government-operated Empresa de Telecomunicaciones Celulares del Caribe (C-COM) to provide Global System Mobile (GSM) wireless telephone service within the Republic of Cuba beginning in July 2001. The establishment of C-COM ends the monopoly held since 1991 by Republic of Cuba government-operated Telefonos Celulares de Cuba S.A. (Cubacel), a joint venture between Mexico-based Telecommunications Internacionales de Mexico (TIMSA) and Panama City, Panama-based UTISA (which is also controlled by the Ministry of Information and Communications of the Republic of Cuba), within which Toronto, Canada-based **Sherritt International Corporation** (2000 revenues exceeded US\$260.61 million) has, through a wholly-owned subsidiary, Sherritt International Communications, Inc., a 40% shareholding. Cubacel, which was established in 1991 and commenced operations in 1993, has a twenty-year exclusive contract to provide both analog cellular service within the 800 MHz band and digital cellular service within the 800 MHz band throughout the Republic of Cuba. Cubacel reports that the company uses CDMA, TDMA, Advanced Mobile Phone Service (AMPS) system and the Digital Advanced Phone Service (D-AMPS) system. GSM is widely used throughout the European continent. GSM and CDMA, TDMA, and FDMA are used within the United States, Canada, the Caribbean, Central America, and South America. With the majority of visitors to the Republic of Cuba residing on the European continent, C-COM may, over time, gain a significant market share from Cubacel. However, *C-COM*

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and Cubacel may eventually merge operations with a goal towards increasing efficiencies. Cubacel has roaming agreements with Telcel (Mexico), Portatel (Mexico), Miniphone (Argentina), Telecom Personal (Argentina), Telefonica Moviles Espana (Spain; which also includes countries in Asia and Africa), Telefonica Moviles de Peru (Peru), Bell Mobility (Canada), Telus Mobility (Canada), and Rentacel (Panama).

Mr. Waldo Reboredo Arroyo, President of C-COM, reported that “*Global System Mobile is the European cellular standard. It was jointly developed by several European companies during the late 80’s, beginning of the 90’s. It is a completely digital system, from the design table. It compares very favorably against D-AMPS, the ‘patched & enhanced’ AMPS (analog) system developed in the United States during the 80’s.*” He reported that C-Com would have permanent customers and non-permanent customers (roaming). “*This technology allows for automatic roaming in a much more efficient way than DAMPS, and improved data transmission.*” He said that C-COM planned to sign roaming agreements with Europe-based wireless telephone operators to permit visitors to the Republic of Cuba to use their wireless telephones and be invoiced for roaming service by those wireless operators. Currently, visitors to the Republic of Cuba seeking to use their wireless telephones are required to purchase (including a deposit) a roaming agreement from Cubacel and make payment before departing the Republic of Cuba. C-COM plans to commence service in the city of Havana, resort area of Varadero (140 kilometers east of Havana), and throughout the highway between Havana and Varadero. C-COM plans to gradually extend services throughout the Republic of Cuba, focusing upon resorts and large cities. C-COM did not disclose sources of financing or sources of equipment. C-COM did not confirm whether the company would adopt the GSM 1900 standard (used in the United States) or the GSM 900/1800 standard (used on the European continent).

A possible source of financing and equipment for C-COM is Rome, Italy-based **Telecom Italia S.p.A.** (2000 revenues approximately US\$15 billion), which is a subsidiary of Ivrea, Italy-based Olivetti S.p.A. (2000 revenues approximately US\$27 billion), which in June 2000 reportedly “*requested*” that the Ministry of Information and Communications of the Republic of Cuba provide ETEC S.A. with the operational agreement for a new cellular communications band system within the Republic of Cuba to be based on Europe-based systems. *Companies from France, Italy, Spain, Germany, Canada, and People’s Republic of China are reportedly amongst those also expressing interest in obtaining the operational agreement.* Telecom Italia S.p.A. and Republic of Cuba government-operated Empresa Nacional de Telecomunicaciones de Cuba S.A. (ETEC S.A.) are shareholders in ETEC S.A., a joint venture which is controlled by the Ministry of Information and Communications of the Republic of Cuba. ETEC S.A. has a total capital value of US\$1.44 billion. Amsterdam. The Netherlands-based Stet International Netherlands N.V. (a subsidiary of Telecom Italia S.p.A.) has a 29.29% interest in ETEC S.A., which was valued at US\$422.33 million as of November 2000, less than the US\$599 million that Stet International Netherlands N.V. paid for its interest in ETEC S.A. Officials of the Ministry of Information and Communications of the Republic of Cuba had recommended that all interested companies present sealed bids for the operational agreement. H.E. Ignacio Gonzalez Planes, Minister of Information and Communications of the Republic of Cuba, visited Rome, Italy, from 25 June 2000 to 29 June 2000 to discuss increasing cooperation with Telecom Italia S.p.A. Traveling with Minister Gonzalez were H.E. Carlos Martinez Trujillo, Vice Minister of Information and Communications of the Republic of Cuba, and Mr. Rafael Marrero, President of ETEC S.A. Minister Martinez and Mr. Marrero remained in Rome until 2 July 2000. Telecom Italia S.p.A. had announced that the company was reviewing its holdings in the Americas with a focus upon expanding market share and improving operating efficiencies. Reportedly, Telecom Italia S.p.A. considered selling its interest in ETEC S.A. if the operational agreement for a new cellular communications band system was not granted to ETEC S.A. The Ministry of Information and Communications of the Republic of Cuba is considering selling an additional 15% to 19% of ETEC S.A.

In the third quarter of 2000, Sherritt International Corporation increased its equity in Cubacel from 37.5% to 40% for a cash payment of CA\$4.4 million (approximately US\$3.08 million), placing a total value on Cubacel of approximately US\$123.2 million as of October 2000. In February 1998, Sherritt International Communications, Inc., purchased 75% of the shares of TIMSA for US\$38.25 million, thereby giving Sherritt International Communications, Inc., a 37.5% share of Cubacel and placing a then value on Cubacel of approximately US\$102.1 million. Sherritt International Corporation, through a subsidiary, has an “*interest-bearing secured term facility with Cubacel to finance the purchase of equipment*” in the amount of approximately CA\$6.1 million (approximately US\$4.27 million).

Sherritt International Corporation that reported revenue and operating earnings from its cellular telephone business within the Republic of Cuba increased by 15% in 1999, reflecting a reported 29% increase in the subscriber base. Cubacel reported 1999 gross revenues of approximately US\$20 million, compared to US\$16 million in 1998. The gross profit in 1999 was reported to be approximately US\$7.5 million. Cubacel reported 5,530 subscribers and 600

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“temporary customers” in 2000, 5,000 subscribers in September 1999, and 4,000 subscribers in 1998. Cubacel has 108 employees. In August 2000, Cubacel reported that the company had invested US\$200,000.00 to extend its service coverage area to include Pinar del Rio Province. During 2001, Cubacel expects to achieve service coverage throughout the Republic of Cuba.

A potential competitor to Cubacel S.A. and C-COM may be Waterloo, Canada-based **Finline Technologies Ltd.** (CDNX: FIN; 1999 revenues approximately US\$400,000.00), which is awaiting approval of a 50% -50% joint venture agreement with Republic of Cuba government-operated Grupo de la Electronica (a subsidiary of the Ministry of Information and Communications of the Republic of Cuba). The joint venture plans to “market and own MMDS [Multipoint Multi-channel Distribution Systems] *Wireless Cable solutions and other wireless technologies within the Republic of Cuba and other countries*” by deploying within the Republic of Cuba MMDS systems for the provision of voice, wireless telephony, video, broadcast television, and high-speed data services at speeds exceeding 1.5 Mbps in the 2.5 gigahertz to 2.7 gigahertz spectrum using microwave transmitters which can link with fiber-optic systems or satellite-based systems, such as Intelsat. The return band is 2.1 gigahertz. *Finline Technologies Ltd. and Republic of Cuba government-operated Grupo de la Electronica reported that they were not involved with C-COM.*

HENRY BEAL COMPANY OF GUADELOUPE COMMENCES MONTHLY SHIPPING ROUTE TO CUBA- Guadeloupe-based Henry Beal Company has commenced a once-per-month shipping route between the French Antilles and various ports within the Republic of Cuba. An additional ship may be added to the route if demand warrants.

2000 CIGAR EXPORT UPDATE- Ms. Ana Lopez, Director of Marketing of Habanos S.A., the exclusive marketing representative for Republic of Cuba-produced cigars, reported that in 2000 a total of 117 million cigars were **a)** exported from the Republic of Cuba and **b)** sold within the Republic of Cuba at Republic of Cuba government-operated U.S. Dollar retail stores. Habanos S.A. is a 50%-50% joint venture owned by Madrid, Spain-based Altadis S.A. (Alliance Tabac Distribution) and Republic of Cuba government-operated Empresa Cubana del Tabaco (Cubatobaco). Ms. Lopez reported that drought conditions in 2000 effected relative humidity and wrapper leaf curing, resulting in a decline in cigar production and, thus, exports. Cigar exports are expected to increase 5% in 2001. Mini-cigar (less than three grams) exports are expected to be 60,000 units in 2001, compared with approximately 20,000 units in 2000.

In November 2000, the government of the Republic of Cuba, reported that a lack of rainfall (reportedly the least amount of rain in ten years) would result in a 15% decrease in gross export revenues from tobacco and tobacco-related products in 2000, compared with gross export revenues from tobacco and tobacco-related products in 1999; and a 25% decrease from previously-announced estimates for 2000 for gross export revenues from tobacco and tobacco-related products.

For 1999, Habanos S.A. previously reported that 152 million cigars to 155 million cigars were manufactured, of which a total of 147 million cigars to 148 million cigars were **a)** exported from the Republic of Cuba and **b)** sold within the Republic of Cuba at Republic of Cuba government-operated U.S. Dollar retail stores. For 1998, Habanos S.A. previously reported that 126.8 million cigars were exported. Habanos S.A. reported 1999 gross revenues (cigars, tobacco leaf, Casa de Habanos retail stores, royalties, distributor payments, etc.) of US\$280 million to US\$290 million and gross profits of US\$50 million to US\$60 million.

PANAMA-BASED COMPANIES OWED APPROXIMATELY US\$40 MILLION BY CUBA COMPANIES- Companies operating in Panama’s Colon Free Trade Zone report that Republic of Cuba government-operated companies have not paid approximately US\$40 million for exports to the Republic of Cuba. Kunzing S.A. is reportedly owed approximately US\$30 million for vehicles, spare parts, machinery, and other products exported to the Republic of Cuba. Mr. Jorge Fernandez, Director of the Colon Free Trade Zone, reported that in 2000 Republic of Cuba government-operated companies imported products valued at approximately US\$260 million from companies operating in the Colon Free Trade Zone, compared with US\$100 million in 1998.

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TURKEY EXPORTS FROM FRANCE TO CUBA- The Paris, France-based Meat and Poultry Board of the government of France reported the following values in metric tons (CWE- carcass weight equivalent) for turkey exports to the Republic of Cuba in 2000 and in 1999:

Reporting Period	Quantity In Metric Tons
2000 (January to November)	10,225
1999 (January to November)	6,133

POULTRY EXPORTS FROM THE EUROPEAN UNION TO CUBA- The Brussels, Belgium-based European Commission (EC) reported the following total values in metric tons (WP- poultry weight) for poultry meat (chicken, turkey, others) from all European Union (EU) member countries (*France, Netherlands, United Kingdom, Denmark, Belgium, Germany, Italy, and Spain*) to the Republic of Cuba in 2000 and in 1999:

Reporting Period	Quantity In Metric Tons
2000 (January to August)	23,546
1999	22,774

According to the Foreign Agricultural Service (FAS) of the United States Department of Agriculture in Washington, D.C., the Republic of Cuba “*has appeared in 1999 and again in 2000 as a new important destination for EU poultry.*”

PORK EXPORTS FROM CANADA TO CUBA- The government of Canada reported the following values for pork exports to the Republic of Cuba:

Reporting Period	2000 (January to November)	1999 (January to November)	1999	1998	1997
Value In Metric Tons	4,707	4,369	4,650	3,966	1,847

BEEF EXPORTS FROM CANADA TO CUBA- The government of Canada reported the following values for beef (not processed beef) exports to the Republic of Cuba:

Reporting Period	2000 (January to November)	1999 (January to November)	1999	1998	1997
Value In Metric Tons	124	835	911	465	299

CUBA IMPORTS FERTILIZER FROM UNITED KINGDOM- An unspecified Republic of Cuba government-operated entity within the Republic of Cuba has purchased 12,500/5 tons of bagged TSP Sfax/2 ports Cuba prompt US\$36.25 Fio 200 per hatch per day/800 Anglo Holding.

CUBA EMPLOYMENT REPORTS ARE CONTRADICTIONARY- The government of the Republic of Cuba has issued contradictory information on employment rates for Republic of Cuba nationals. H.E. Alfredo Morales Cartaya, Minister of Labor and Social Security of the Republic of Cuba, reported that more than 150,000 new employment opportunities for Republic of Cuba nationals were created in 2000, resulting in an average annual unemployment rate to 5.5%, compared with an average annual unemployment

rate of 6.2% in 1999. Minister Morales reported that there were more than 4.3 million Republic of Cuba nationals in the workforce in 2000.

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The Ministry of Labor and Social Security of the Republic of Cuba reported that 163,400 new employment opportunities for Republic of Cuba nationals were created in 1999, resulting in an average annual unemployment rate of 6.2% in 1999, compared with an average annual unemployment rate of 7.0% in 1998.
The government of the Republic of Cuba reported that a total of approximately 50,000 employment positions had been eliminated in 1999 and in 2000, resulting in approximately 250,000 more Republic of Cuba nationals in the workforce (seeking employment opportunities) in 2000, compared with 1998.
According to the 1998 Statistical Abstract, published by the Republic of Cuba government-operated National Statistics Office (NSO) of the Republic of Cuba, there were 3.754 million Republic of Cuba nationals in the workforce in 1998. This would then equate to 4 million Republic of Cuba nationals in the workforce in 2000. However, Minister Morales reported that there were more than 4.3 million Republic of Cuba nationals in the workforce in 2000, thus there is a difference of approximately 300,000 Republic of Cuba nationals between the information published by the NSO and by the Ministry of Labor and Social Security.
The NSO reported that there were 6.621 million Republic of Cuba nationals between 17 years of age and 59 years of age, theoretically a majority in the workforce, of which approximately 4.5 million Republic of Cuba nationals to 4.75 million Republic of Cuba nationals could be considered part of the workforce as the 6.621 million employment figure published by the NSO includes Republic of Cuba nationals who are students, in the military, early retirees, and housewives.
The Ministry of Labor and Social Security of the Republic of Cuba reported that more than 90% of Republic of Cuba nationals who were graduates of universities in 1999 were employed and 42% of Republic of Cuba nationals who were graduates of high schools in 1999 were employed.
The tourism sector and the agriculture sector have directly generated and indirectly generated the majority of new employment opportunities for Republic of Cuba nationals since 1990.
The government of the Republic of Cuba has not disclosed the methodology used for calculating the rate of employment and the rate of unemployment. Reportedly, some Republic of Cuba nationals who are temporarily employed (regardless of duration) are defined as fully-employed for a twelve-month period. Reportedly, Republic of Cuba nationals who are seeking employment opportunities for the first time, and Republic of Cuba nationals who do not register for employment with the government of the Republic of Cuba, are not defined as unemployed. Many Republic of Cuba nationals do not register for employment with the government of the Republic of Cuba for concern that they may be required to accept low wage employment opportunities; and they receive the same level of subsidized food rations, free healthcare services, and free education services regardless of employment status.
Republic of Cuba-based economists and non-Republic of Cuba-based economists believe that the government of the Republic of Cuba should reduce its payroll by more than 500,000 employees.

JANUARY 2001 MONTHLY FOOD PRICE REPORT- The following includes 1) the monthly free-market price check for the cities of Havana, Camaguey (500 kilometers east of Havana), and Santiago de Cuba (861 kilometers east of Havana) which compares end of January 2001 prices with end of January 2000 prices and 2) information with respect to monthly wages. The government of the Republic of Cuba manages food markets where prices are established by the government of the Republic of Cuba. The government of the Republic of Cuba has a stated policy of seeking to increase the supply and quality of products sold at Republic of Cuba government-operated food markets with a goal of having prices lower than at Republic of Cuba government-operated food markets (“*farmers markets*”) where prices are established by supply and demand, within unofficial price variances established by the government of the Republic of Cuba. The government of the Republic of Cuba has a stated policy of trying to sell produce at free farmers markets to drive down prices.

The government of the Republic of Cuba reported that the average monthly wage in 2000 was approximately 249 Pesos, an increase of 7.3% from 223 Pesos in 1999.	
Year	Average Reported Monthly Wage
2000	249 Pesos
1999	223 Pesos (217 Pesos In January 1999)

1998	214 Pesos
1997	203 Pesos

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The government of the Republic of Cuba reported that with various bonuses, the actual monthly wage in 2000 was 359 Pesos. [The government of the Republic of Cuba reported in December 1999 that the average monthly wage in 1999 increased to 223 Pesos from 211 Pesos in 1998 (although the government of the Republic of Cuba had previously reported that the average monthly wage in 1999 was approximately 230 Pesos and that the average monthly wage in 1998 was 217 Pesos)].

In 2000, the government of the Republic of Cuba reported that **A**) 1.158 million Republic of Cuba nationals (out of total workforce of 4.5 million) received U.S. Dollar bonuses and that **B**) 700,000 Republic of Cuba nationals (out of a total workforce of 4.5 million) received a selection of consumer goods (which could only be obtained at Republic of Cuba government-operated U.S. Dollar retail stores) such as personal hygiene products.

In 1999, the government of the Republic of Cuba reported that the number of Republic of Cuba nationals receiving U.S. Dollar bonuses or U.S. Dollar-based bonuses was 1,796,000 (out of a total workforce of 4.5 million) and that the total value of the bonuses (U.S. Dollar bonuses and U.S. Dollar-based bonuses), reported to be equal to 1 to 7 times the average monthly wage, was US\$52.3 million, an increase of 18.9% from 1998.

In July 1998, the Ministry of Finances and Prices of the Republic of Cuba reported that 1.1 million Republic of Cuba nationals (out of a workforce of approximately 4.5 million), or 24%, received U.S. Dollar or U.S. Dollar-related bonuses equal to 1 to 7 times their monthly wage.

In July 1997, the government of the Republic of Cuba reported that approximately 1.3 million workers (out of a total workforce of 4.2 million), or 30%, received U.S. Dollar or U.S. Dollar-related bonuses equal to 1 to 7 times their monthly wage.

The government of the Republic of Cuba reported that 1.461 million Republic of Cuba nationals received meals at their workplace in 2000 and that 1.990 million Republic of Cuba nationals received workplace clothing and workplace shoes in 2000. The government of the Republic of Cuba reported spending the equivalent of US\$128.9 million in 1999 on uniforms, work clothing, lunches, etc., an increase of 13.7% from 1998.

The government of the Republic of Cuba reported that access to U.S. Dollars by Republic of Cuba nationals increased to 62% in 1999, compared to 56.3% in 1998, and 49.5% in 1997. [Republic of Cuba-based economists and non-Republic of Cuba-based economists believe that the percentage of Republic of Cuba nationals with continuing access to U.S. Dollars in 1999 was 27% to 35%]. The percentage of Republic of Cuba nationals with access to U.S. Dollars is highest in Havana (population 2.19 million) where approximately 20% of the Republic of Cuba's 11.217 million citizens reside.

All Cuban nationals receive a limited subsidized monthly food ration (which generally provides nutrition for approximately two weeks), free health care and education, and pay no more than 10% of their wage for housing. Workers, with the exception of the self-employed all receive various forms of social security coverage.

KEY: LB- per pound. U- Per unit. #- End of January 2001 price. ()- End of January 2000 price. NA- not available. SSB- soda-sized bottle. S- Soft. H- Hard. B- Bunch. Prices in Cuban Pesos.

<i>Food Product</i>	<i>Havana</i>	<i>Camaguey</i>	<i>Santiago de Cuba</i>
Rice (LB)	5 (5)	4 (3)	5 (4-5)
Black Beans (LB)	7 (8)	7 (7)	7 (12)
Pork (LB)	25 (25)	17 (15)	15-16 (14)
Cooking Fat (LB)	15 (15)	14 (14)	13-14 (14)
Lamb (LB)	22 (25)	17-18 (14)	14-15 (14)
Ham (LB) boned	37 (35)	25 (29)	NA (NA)
Garlic (U)	.8-1 (1.5-2)	1 (1.5-2)	.3-.5 (.7-1)
Onion (LB)	6-10 (8-15)	6-8 (8)	5-6 (4-5)
Tomato (LB)	3-5 (2-4)	3-4 (2-3)	3 (1.5-2)
Lettuce (B)	4-5 (3)	1 (1) small	2 (2)
Cucumber (LB)	2-3 (5)	2 (3)	1.5 (2)
Carrots (LB)	4 (4)	1.5 (1.5)	3 (3)
Malanga (LB)	4-5 (4)	4 (3)	4-5 (3)
Yucca (LB)	2 (2)	1 (1)	1 (1)
Sweet Potato (LB)	1.5-2 (2)	1.2 (1)	1.5 (1)
Squash (LB)	2 (1.5-2)	1.3-1.5 (.6)	1.5 (1)
Tomato Sauce (BSB)	10 (10)	9 (8)	10 (10)
Limes (U)	.5-1 (.5)	.2 (.10)	.10 (.10)
Oranges (U)	.5-1 (.5-1)	.25 (.25)	.33 (.20)
Tangerines (U)	1 (5)	.5 (2)	.25 (.20)
Grapefruit (U)	1 (1)	NA (NA)	NA (.33)
Pineapple (U)	10-20 (10-20)	8-10 (5-7)	10-15 (5)
Papaya (LB)	3-4 (3-4)	1.5 (1.5)	1.5 (1)
Banana (U) Fruit	.50-1 (.50-1)	.5-.6 (.5-.8)	.5 (.5-.6)

Banana (U) Soft Cooking	2-4 (1-4)	1.5-3 (1-1.5)	2-3 (1.5-2)
Banana (U) Hard Cooking	.5 (.5)	.25 (.25)	.25 (.15)
String Beans (B)	5 (5)	NA (3)	2 (2)
Peanuts (LB)	8 (10)	7 (8)	10 (10)
Corn Meal (LB)	6 (4)	3 (3)	3 (2.5)

U.S.-Cuba Trade and Economic Council, Inc.

Updated Speaking Schedule

Mr. John S. Kavulich II, President of the U.S.-Cuba Trade and Economic Council, has accepted an invitation from the **San Francisco, California-based World Affairs Council of Northern California** to participate in a panel discussion at 6:00 p.m. on Wednesday, 14 March 2001. The focus of the panel discussion will be *United States-Republic of Cuba Relations, including the bilateral trade relationship between the United States and the Republic of Cuba*. Other panelists thus far include The Honorable Mark Entwistle, Ambassador of Canada to the Republic of Cuba (1993-1997). *For additional information, please contact Mr. Dan Barasch at telephone (415) 293-4600; facsimile (415) 982-5028; e-mail: danb@wacsf.org; and Internet http://www.wacsf.org*

Mr. John S. Kavulich II, President of the U.S.-Cuba Trade and Economic Council, has accepted a jointly-issued invitation from the **Stamford, Connecticut-based The World Affairs Forum** and the **Stamford, Connecticut-based Chamber of Commerce of Stamford**, to deliver a presentation beginning at 8:00 a.m. and concluding at 9:30 a.m. on Thursday, 26 April 2001. Location to be announced. The topic of the presentation will be *“Cuba: What United States Companies Can Do Today, What United States Companies Are Doing.”* *For additional information, please contact Ms. Eileen Murphy at telephone (203) 356-0340; facsimile (203) 348-7130; e-mail: info@worldaffairsforum.com; and Internet http://www.worldaffairsforum.org*

Mr. John S. Kavulich II, President of the U.S.-Cuba Trade and Economic Council, has accepted an invitation from the **3rd Annual Caribbean Gaming & Tourism Conference** at the Caribe Hilton Hotel in San Juan, Puerto Rico, from Tuesday, 12 June 2001 to Thursday, 14 June 2001 to deliver the Opening General Session presentation. The subject will be *“Where Cuba Is Now, The Strides Cuba Has Made During The Last Five Years, And Where Cuba May Be Five Years From Now.”* *For additional information, please contact Mr. Bruce R. Smith, Westville Enterprises, Inc., at telephone (914) 337-1246; facsimile (914) 337-1147; and e-mail: bsmith7823@aol.com*

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