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

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Realities of MarketCuba©

What United States Companies Can Do

United States businesses are permitted under a general license (no written authorization required) or specific license (written authorization required) from the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury in Washington, D.C., and/or Bureau of Industry and Security (BIS) of the United States Department of Commerce in Washington, D.C., to:

Execute and implement contracts within the fields of agricultural products, agricultural equipment, agricultural tools, building materials, air charter services, ferry 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, telecommunications, communications equipment, travel services, and products for use by independent private sector entrepreneurs.
From the OFAC: "*materials for use by the private sector to construct or renovate privately-owned buildings including privately-owned residences, businesses, places of worship and buildings for private sector social or recreational use; goods for use by private sector entrepreneurs such as auto mechanics, barbers and hairstylists and restaurateurs; and tools and equipment for private sector agricultural activity. It is intended to facilitate Cuban citizens' lower-priced access to certain goods to improve their living standards and gain greater economic independence from the state. It also enables the export and re-export to Cuba of items to further support civil society in Cuba*."
Visit the Republic of Cuba to identify commercial opportunities within the fields of agricultural products, agricultural equipment, agricultural tools, building materials, 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, telecommunications, communications equipment, travel services, and products for use by independent private sector entrepreneurs.
Register trademarks and patents.
Provide camera-ready artwork for advertising on television, in newspapers and magazines.
Execute non-binding letters of intent.
Provide funding to entrepreneurs.
Make donations of products for humanitarian purposes.
Organize and participate in trade shows.
Have executives lecture at educational institutions.
Authorize consumer credit cards to be valid for use.
Have indirect non-controlling investments. On 4 March 1994 the OFAC issued an opinion to Mr. John S. Kavulich, which stated that a U.S. business or individual subject to U.S. law may make a secondary market investment in a third-country business which has commercial dealings within the Republic of Cuba provided that the investment does not result in control-in-fact of the third-country business by the U.S. investor and the third-country company does not derive a majority of its revenues from business activity within the Republic of Cuba. Secondary market investment that falls short of a controlling interest in such a business is not prohibited.

The U.S.-Cuba Trade and Economic Council is a private, nonpartisan, not-for-profit, membership-based organization which does not take positions with respect to United States-Republic of Cuba political relations.

The information on the following pages is both current and old… and is provided to present a landscape of activity for reference….

United States-Republic of Cuba Commercial Relations -- 1980 to Present

Between 1980 and the end of 1992, for example, the value of United States-owned foreign subsidiaries' trade, licensed by the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury and by the Bureau of Industry and Security (BIS) of the United States Department of Commerce, with enterprises within the Republic of Cuba was US$4.563 billion.

Of this total trade, US$2.637 billion was the value of subsidiaries' exports to the Republic of Cuba permitted by the licenses and US$1.926 billion was the value of subsidiaries' imports from the Republic of Cuba permitted by the licenses. There were 2,938 licenses issued by the OFAC and by the BIS to more than one hundred United States-based companies businesses (see attached listing) between 1980 and the end of 1992. There were few license applications rejected by the OFAC.

The implementation of the Cuban Democracy Act in October of 1992 eliminated (bulk food commodities) the continuation of most United States-owned foreign subsidiaries' trade with enterprises within the Republic of Cuba, but at the same time provided additional licensed and non-licensed opportunities for the artwork, communications, entertainment, informational materials, medical equipment, medical instruments, medical supplies, medicated products, medical, pharmaceutical, publishing, and telecommunications industries.

Year	Estimated Number Of United States Business Representatives Visiting The Republic Of Cuba
2002	4,200 (estimate)
2001	3,700
2000	3,400
1999	2,800
1998	2,500
1997	2,000
1996	1,500
1995	1,300
1994	500

The total value of permitted United States commercial activity within the Republic of Cuba from October 1994 through November 2002 is estimated to have exceeded US$1.5 billion million.

Executives of AOL Time Warner and other companies have traveled to the Republic of Cuba to discuss opportunities for the export and import of music, films, and publications. Johnson & Johnson and other companies have received licenses from the BXA to export healthcare products to Republic of Cuba government-operated companies. AT&T, LDDS/Metromedia, MCI, Sprint, AT&T de Puerto Rico, Wil-Tel, and WorldCom each provide long distance telephone and data services between the United States and the Republic of Cuba.

The number of United States-based companies receiving Carrier Service Provider (CSP) licenses and Travel Service Provider (TSP) licenses from the OFAC increased during the period 7 September 2000 through 13 April 2001. The number of United States-based companies receiving and Remittance Forwarder (RF) licenses from the OFAC has decreased during the period 7 September 2001 through 13 April 2001. As of April 2001, a total of 164 United States-based companies had a combined 273 licenses (TSP, CSP, and/or RF) issued by the OFAC.

Period	TSP Licenses	CSP Licenses	RF Licenses	Total Licenses
13 April 2001	149	28	96	273
7 September 2000	137	27	99	264
12 August 1999	103	19	92	214

Location Of OFAC TSP, CSP, And RF Licensees As Of 13 April 2001			
State	**TSP Licenses**	**CSP Licenses**	**RF Licenses**
California	21	1	12
Colorado			1
Florida	99	21	66
Georgia		1	
Illinois	2	1	1
Louisiana	3	1	2
Massachusetts	1		
Minnesota			1
Nevada	1		
New Jersey	9	1	7
New York	3		2
Puerto Rico	3		3
Tennessee	1		
Texas	1	1	
Virginia	1		
Washington	1		
Washington, D.C.	3	1	1

Elk Grove Township, Illinois-based **United Airlines, Inc.** (2001 revenues exceeded US$17 billion), Dallas/Fort Worth Airport, Texas-based **American Airlines, Inc.** (2001 revenues exceeded US$19 billion); Atlanta, Georgia-based **Delta Air Lines, Inc.** (2001 revenues exceeded US$14 billion); and Dania Beach, Florida-based **Gulfstream International Airlines** (2001 revenues exceeded US$80 million), within which Houston, Texas-based-Continental Airlines, Inc. (2001 revenues exceeded US$7 billion) has a 28% interest, each have CSP licenses from the OFAC which authorize the transportation of passengers and cargo between the United States and the Republic of Cuba. United Airlines also has a TSP license from the OFAC. RF licenses are held by Englewood, Colorado-based **Western Union Financial Services, Inc.** (a subsidiary of Atlanta, Georgia-based First Data Corporation, 2001 revenues exceeded US$5 billion), and Minneapolis, Minnesota-based **MoneyGram Payment Services, Inc.** (a subsidiary of Phoenix, Arizona-based Viad Corp; 2001 revenues exceeded US$2 billion).

Only Gulfstream International Airlines (which has a CSP license and a TSP license) has chosen to operate regularly scheduled charter flights between the United States and the Republic of Cuba using its own aircraft. United Airlines and American Airlines have chartered their aircraft to CSP licensees for use on regularly scheduled charter flights between the United States and the Republic of Cuba; and Delta Air Lines has used its aircraft to transport a group from the United States to the Republic of Cuba.
Since 1962, Delta Air Lines, Continental Airlines, and United Airlines have had route authorities from the following cities: Delta- Havana to Houston, Los Angeles, New Orleans, San Francisco, and San Juan; Continental- Havana to Fort Lauderdale, West Palm Beach, United- Havana to Miami, Key West, Baltimore, Boston, Dallas, Houston, Los Angeles, New Orleans, New York, Newark, Philadelphia, San Francisco, San Juan, St. Croix, St. Thomas, and Washington, D.C.; and Camaguay to Miami, Baltimore, Boston, Dallas, Houston, Los Angeles, New Orleans, New York, Newark, Philadelphia, San Francisco, San Juan, St. Croix, St. Thomas, and Washington, D.C.

US Airways permits the 17 million members of its US Airways Dividend Miles program to *accrue* mileage for travel to/from/through the Republic of Cuba. While US Airways does not currently provide service to/from/through the Republic of Cuba, and no awards are available for travel to the Republic of Cuba, members of the US Airways Dividend Miles program can accrue mileage to/from/through the Republic of Cuba when traveling on airlines affiliated with LatinPass. LatinPass is a worldwide partner of the US Airways Dividend Miles program (other airline partners include ANA, Qantas, Alitalia, Sabena, Swissair, and Northwest). LatinPass, which has 125,000 members, includes ACES, Avianca, Aviateca, COPA, LACSA, Mexicana, Nica, Saeta, Taca, US Airways, KLM, Avis, American Express Membership Rewards, AT&T True Awards, InterAmerican Rent-a -Car, Diners Club Rewards, Holiday Inn Worldwide, and Radisson Hotels Worldwide.

Year	Travelers (not including individuals of Cuban descent visiting relatives) Visiting (charter flights and through third countries) Reported By The National Statistics Office (NTO) of the Republic of Cuba	Authorized Travelers Using Charter Flights Reported By The OFAC (including individuals of Cuban descent and individuals not of Cuban descent)
2014	100,000	350,000
2013		124,000
2012		77,000
2011		
2010		300,000 (March estimate)
2009		
2008		
2007		
2006		
2005		
2004		
2003		
2002		
2001	78,789	126,913 (preliminary reported by CSP's)
2000	76,898	135,000*
1999	62,345	82,000**
1998	46,778	55,975
1997	34,956	50,812
1996	27,113	Not Reported
1995	20,672	Not Reported
1994	17,937	Not Reported
1993	14,715	Not Reported
1992	10,050	Not Reported
1991	11,233	Not Reported
1990	7,375	Not Reported
1989	12,908	Not Reported
1988	10,195	Not Reported
1987	10,201	Not Reported
1986	15,445	Not Reported
1985	5,936	Not Reported

* OFAC reported that approximately 120,000 of the 135,000 were individuals of Cuban descent visiting immediate family members residing in the Republic of Cuba; and approximately 21,000 individuals subject to United States law traveled through third countries for their authorized visit to the Republic of Cuba. The OFAC permits individuals subject to United States law of Cuban descent to visit the Republic of Cuba for a "self-defined humanitarian need" once every twelve months under a general license from the OFAC; additional visits require a specific license from the OFAC.

** Using regularly-scheduled direct charter flights operating from Miami International Airport and, during the month of December 1999, newly-established service from John F. Kennedy International Airport in New York City; and general aviation charter flights from other cities.

The government of the Republic of Cuba reports that individuals subject to United States law who are of Cuban descent, regardless of whether the individual was born in the Republic of Cuba or born in the United States, are defined as "returning nationals" and not included in the category of "visitors."

In March 2000, Mr. Eduardo Bencomo, President of Republic of Cuba government-operated Corporacion Cimex S.A., the largest Republic of Cuba government-operated company earning revenues in U.S. Dollars, reported that 124,000 individuals of Cuban descent who are subject to United States law visited the Republic of Cuba in 1999, primarily using the travel services of Republic of Cuba government-operated Havanatur, a subsidiary of Corporacion Cimex S.A. Since 1994, the number of individuals subject to United States law

authorized by a general license (no specific documentation from the OFAC is required) or specific license from the OFAC to travel to the Republic of Cuba has increased on average 9% to 11%. Since 1994, the number of individuals subject to United States law traveling to the Republic of Cuba, but not authorized by the OFAC to do so, has increased on average 19% to 21%. Approximately 22,000 individuals subject to United States law traveled to the Republic of Cuba in 2000 without authorization from the OFAC. Approximately 92% of individuals subject to United States law visiting the Republic of Cuba from 1994 through 2000 were of Cuban descent whose specific purpose was to visit immediate family members for a self-defined "*humanitarian purpose*" or under the auspice of a specific license issued by the OFAC. Individuals subject to United States law of Cuban descent who have immediate family members residing within the Republic of Cuba are permitted one visit under a general license from the OFAC every twelve months for a self-defined "*humanitarian purpose*." Approximately 8% of individuals subject to United States law traveling to the Republic of Cuba since 1994 under a general license from the OFAC or specific license from the OFAC were business representatives, journalists, academicians, cultural groups, students, athletes, and humanitarian groups amongst an expanding number of categories.

Since January 1999, with the expansion of the "*people-to-people*" program regulated by the OFAC, **a)** the annual rate of increase for authorized travelers has increased **b)** the annual rate of increase for unauthorized travelers has decreased as more unauthorized travelers determine that they are eligible for a license from the OFAC and **c)** the ratio of all travelers visiting the Republic of Cuba has shifted, with the percentage of authorized travelers visiting the Republic of Cuba who are not of Cuban descent increasing from approximately 8% to approximately 17%.

U.S. Congress Hearings

Representatives of the U.S. business community appearing and/or providing statements to the 17 March 1994 joint hearing before the Subcommittee on Select Revenue Measures and the Subcommittee on Trade of the Committee on Ways and Means of the U.S. House of Representatives: AT&T; Carlson Companies; LDDS/Metromedia; RKO Pictures; SH&E; and United Technologies Corporation.

Representatives of the U.S. business community appearing at and/or providing statements to the 19 May 1994 hearing before the Subcommittee on Foreign Agriculture and Hunger of the Committee on Agriculture of the U.S. House of Representatives: Archer Daniels Midland Company; National Oil Seed Processors Association; National Pork Producers Council; The Rice Miller's Association; and U.S. Rice Producer's Group.

Representatives of the U.S. business community appearing at and/or providing statements to the 30 June 1995 hearing before the Subcommittee on Trade of the Committee on Ways and Means of the U.S. House of Representatives: National Association of Sugar Mill Owners of Cuba; U.S.-Cuba Trade and Economic Council; and USA Rice.

Representatives of the U.S. business community appearing at the 23 October 1997 hearing and/or providing statements regarding the "Use and Effect of Unilateral Trade Sanctions" before the Subcommittee on Trade of the Committee on Ways and Means of the U.S. House of Representatives: USA Engage; The Boeing Company; National Association of Manufacturers; National Foreign Trade Council; American Farm Bureau Federation; European-American Business Council; U.S.A. Rice Federation; and U.S.-Cuba Trade and Economic Council.

Representatives of the U.S. business community appearing at the 7 May 1998 hearing and/or providing statements for the hearing before the Subcommittee on Trade of the Committee on Ways and Means of the U.S. House of Representatives, the focus of which "is to examine: (1) U.S. economic and trade policy toward Cuba and the impact of the U.S. embargo on the Cuban people, (2) the prospects for future economic relations in light of the Pope's recent visit, (3) the status of humanitarian assistance extended to the Cuban people, and (4) how U.S.-Cuba policy, particularly the Helms-Burton legislation, has affected relations with U.S. trading partners." included: Chamber of Commerce of the United States; USA Engage; Medical Device Manufacturers Association; European-American Business Committee; and U.S.-Cuba Trade and Economic Council.

United States Companies and the Republic of Cuba

Some of the United States-based companies and United States-based companies with non-United States-based subsidiaries engaging in commerce with entities within the Republic of Cuba under licenses issued by the OFAC and/or BIS from 1985 through 2002. Some of the companies engaged in authorized foreign subsidiary transactions permitted until the implementation of the Cuban Democracy Act (CDA) in 1992. Activity was also authorized by the CDA (healthcare products) and TSREEA of 2000 (food products and agricultural products).

3M
Aeroquip
AJC Foods International
Alcoa
Am International
American Airlines
American Express
Archer Daniels Midland Company
Armco
AT&T
Baker Hughes
Barry Wehmiller
Beatrice Companies
Beckton Dickinson
BF Goodrich
Bonne Bell
Borg-Warner
Bridgestone/Firestone
Buckman Laboratories
Burndy
Butler Manufacturing
Campbell Investment
Cargill
Carrier
Carter Day Industries
Caterpillar
Central Soya
Champion Spark Plug
Coca Cola Company
Coleman
Combustion Engineering
ConAgra Foods
Continental Airlines
Continental Grain
Corning
Crane Cooper Industries
Cummins Engine
Del Monte
Door-Oliver
Dow Chemical
Dresser Industries
Drew Chemical
Drexel Burnham Lambert
E.D. & F Man
E.I. Dupont
Eli Lilly and Company
Emhart Industries
Environtech
Exxon
Farmland Industries
Fisher & Porter
Ford Motor
General Electric
Genlyte Group
Gerber Products
Gilbarco
Gold Kist
Goodyear Tire and Rubber
GTE International
Gulfstream International Airlines
H.B. Fuller
H.H. Robertson
Hercules
Hoechst Celanese
Honeywell
Hussman
IBM World Trade
Ingersoll-Rand
International Multifoods
International Securities Investments
ITT
John Fluke Manufacturing
Johnson & Johnson
Johnson Controls
Joseph E. Seagram & Sons
Joyce International
LDDS/Metromedia
Litton Industries
Louis Dreyfus Corporation
Lubrizol
Manville
Marsh International
Mastercard International
McGraw Edison
MCI Communications
Medtronic
Mennen
MoneyGram Payment Systems
Monsanto
Morton International
N.L. Industries
NYNEX
Otis Elevator
Owens Corning Fiber
Perdue Farms
Pfizer
Philipp Brothers
Picker Industries
Pilgrims Pride Corporation
Potters Industries
PWN Exhibicon International
R.J. Reynolds
Raychem
RCA Global
Reichold Chemicals
Reliance Electric
Riceland Foods
Richardson Electronics
Rohm & Haas
S.C. Johnson & Son
Sigma Aldrich
Soufflet
Sybron Acquisition
Tenneco
TFX Holdings
The Rice Company
Tico Travel
Time Warner
Toledo Scale
TRW Telefax
Tyson Foods
Uarco
Union Camp
Union Carbide
United Airlines
Upjohn
USM
VISA International
Vulcan Hart
Western Union
Westinghouse Electric
WilTel
Worthington International
Worthington Pump

Republic of Cuba Commercial Highlights

Background

Cuba is the largest Caribbean Sea-area country, larger than nearly all of the islands within the Caribbean Sea-area combined, and with nearly one-third of the combined populations. Nearly as large as the State of Pennsylvania and approximately as long as the State of Florida. With 11.217 million citizens, the population is approximately the same as the State of Illinois. If Cuba were a sate within the United States, it would rank 7th in population.

Cuba, like the United States, was a founding signatory of the General Agreement on Tariffs and Trade (GATT). Cuba, like the United States, is a member of the World Trade Organization, unlike the People's

Republic of China and Russia. The United States and Cuba share membership in many international organizations and are signatories to many of the same international treaties.

There are more than 600 representation offices of foreign businesses located within the Republic of Cuba. Republic of Cuba government-operated companies maintain commercial dealings with approximately 4,500 foreign businesses in more than 100 countries.

The Republic of Cuba maintains diplomatic relations with 173 countries. Seventy-nine countries have embassies in the Republic of Cuba.

As of 1 March 2002, there were a reported 403 joint ventures and economic associations established with Republic of Cuba government-operated companies by companies located in 46 countries, compared with 392 in 2000. The 403 joint ventures and economic associations are in thirty-two sectors, including tourism, oil, mining, product assembly, and agriculture. There are approximately seventy joint ventures and economic associations located in other countries, including Vietnam, People's Republic of China, and Brazil.

Year	Reported Joint Ventures
2010	
2009	218
2008	211
2007	
2006	
2005	
2004	
2003	
2002	403 (March 2002)
2001	400
2000	392
1999	
1998	
1997	317
1996	260
1995	212
1994	180
1993	112
1992	80

The Republic of Cuba government-operated Central Bank of the Republic of Cuba reported that direct foreign investment was US$38.9 million in 2001, the lowest value since direct foreign investment information was first reported in 1993. The Central Bank of the Republic of Cuba, in its annual report to creditors, reported that the flow of capital to developing countries was the lowest since the early 1990's, but did not provide an explanation for the decline in direct investment to the Republic of Cuba. Approximately US$400 million of direct foreign investment reported in 2000 was for a 50% interest purchased by Madrid, Spain-based Altadis S.A. (Alliance Tabac Distribution) in Republic of Cuba government-operated Corporacion Habanos S.A., the exclusive distributor of Republic of Cuba manufactured cigars. However, Altadis S.A. reportedly did not distribute US$400 million within the Republic of Cuba in 2000, as a portion of the US$400 million was reportedly used to repay previously-owed debt by Corporacion Habanos S.A. to Altadis S.A.

Year	Reported Direct Foreign Investment
2001	US$38.9 million
2000	US$448.1 million
1999	US$178.2 million (previously reported as US$205 million)
1998	US$206.6 million
1997	US$442 million

1996	US$82.1 million
1995	US$47 million
1994	US$563.4 million
1993	US$54 million
1992	Not Reported
1991	Not Reported
1990	Not Reported
1989	Not Reported
TOTAL	US$2.060.3 billion

H.E. Marta Lomas, Minister for Foreign Investment and Economic Cooperation of the Republic of Cuba (MINVEC), reported that Republic of Cuba government-operated companies established twenty-four joint ventures in 2001, compared with thirty-one joint ventures established in 2000, and fifty-eight joint ventures established in 1999. Thirteen of the joint ventures established in 2001 were outside of the Republic of Cuba. The twenty-four joint ventures had a combined announced/committed direct foreign investment of US$400 million. However, unclear is how the thirteen joint ventures established outside of the Republic of Cuba in 2001 would result in direct foreign investment within the Republic of Cuba in 2001.

Minister Lomas reported that there were 400 operational joint ventures in 2001, compared with 392 operational joint ventures in 2000. However, Sixteen joint ventures ceased operating in 2001, primarily relating to mining contracts and oil exploration contracts. Minister Lomas reported that seventy-two of the 398 joint ventures were established outside of the Republic of Cuba. The seventy-two joint ventures are primarily relating to healthcare products, veterinary healthcare products, insect control products, construction, sugar, weights and measures, and tourism. Minister Lomas reported that announced direct foreign investment since 1990 was approximately US$5.4 billion, of which approximately US$2.65 billion had been delivered within the Republic of Cuba. However, the components of the reported US$2.65 billion in direct foreign investment to the Republic of Cuba have not been identified; and a portion of the US$2.65 billion reported as direct foreign investment may be government-provided credits or other forms of financing.

Total announced/committed/delivered direct foreign investment within the Republic of Cuba is approximately US$5 billion by more than 100 companies from 30 countries as of January 2002.

Investment Protection and Promotion Agreements
Italy (May 1993), Russia (July 1993), Spain (May 1994), Colombia (July 1994), United Kingdom (January 1995), China (April 1995), Ukraine (May 1995), Bolivia (May 1995), Vietnam (October 1995), Lebanon (October 1995) Argentina (November 1995), South Africa (December 1995), Chile (January 1996), Romania (January 1996), Barbados (February 1996), Germany (May 1996), Switzerland (June 1996), Greece (June 1996), Venezuela (December 1996), Hungary (January 1997), Belgium (initialed), France (April 1997), Laos (April 1997), Ecuador (May 1997), Cape Verde (May 1997), Jamaica (June 1997) Brazil (June 1997), Indonesia (September 1997), Namibia (June 1997), Malaysia (September 1997), Turkey (December 1997), Belize (April 1998), Belgium (May 1998), Portugal (July 1998), Suriname (January 1999), Panama (January 1999), Trinidad and Tobago (May 1999), Guatemala (August 1999), Hungary (October 1999), The Netherlands (November 1999), Ghana (November 1999), Dominican Republic (November 1999), Zambia (March 2000) and Austria (May 2000), Yugoslavia (August 2000); Colombia (September 2000), Tunisia (October 2000), Peru (October 2000), Paraguay (November 2000), Croatia (February 2001), and Denmark (February 2001). Mexico (May 2001), Cambodia (May 2001), (August 2001), Mozambique (October 2001), (November 2001) and Finland (December 2001), San Marino, Italy (February 2002).
The government of the Republic of Cuba has a *tax treaty* with Lebanon, Russian Federation, Portugal, Spain, Italy, Barbados, and People's Republic of China.

Tourism

Before 1959, 85% of tourists visiting the Republic of Cuba were United States citizens. There are differences between tourist arrivals reported by the Madrid, Spain-based World Tourism Organization (WTO), of which the government of the Republic of Cuba is a member, and by the Ministry of Tourism of the Republic of Cuba:

Year	Tourist Arrivals (Reported By Cuba)	Tourist Arrivals (WTO)
2015		
2014	3,002,745 (also reported as 3,001,968)	
2013	2,850,000	
2012	3,000,000	
2011		
2010	2,530,000	
2009	2,400,000	
2008	2,350,000	
2007	2,150,000	
2006	2,200,000	
2005	2,319,334	
2004	2,100,000	2,017,000
2003	1,900,000	1,847,000
2002	1,683,716	1,656,000
2001	1,774,541	
2000	1,773,986	1,772,488
1999	1,602,781	1,561,000
1998	1,415,832	1,390,000
1997	1,170,083	1,153,000
1996	1,004,336	999,000
1995	745,495	742,000
1994	619,218	617,000
1993	546,023	544,000
1992	460,610	455,000
1991	424,041	418,000
1990	340,329	327,000
1985	250,000	240,500

Year	Cuba Reported Gross Direct And Indirect Tourism Revenues (*not including air transportation unless specified*)	WTO Reported Gross Direct And Indirect Tourism Revenues ****
2014	US$2.7 billion	
2013		
2012	US$3 billion	
2011		
2010		
2009	US$2.7 billion	
2008	US$2.7 billion	
2007	US$2.4 billion	
2006		
2005		
2004		US$1.915 billion
2003	US$2 billion	US$1.846 billion
2002	US$1.8 billion	US$1.633 billion
2001	US$1.846.2 billion (a); US$1.8 billion******; US$2.230.9 billion*****	
2000	US$1.948.2 billion (a); US$1.757 billion*; US$1.952 billion****; US$2.05 billion**	US$1.737 billion
1999	US$1.741 billion* or US$1.901 billion***	US$1.714 billion
1998	US$1.759 billion	US$1.571 billion
1997	US$1.54 billion	US$1.354 billion
1996	US$1.375 billion	

1995	US$1 billion	US$963 million
1994	US$850 million	
1993	US$720 million	
1992	US$567 million	
1991	US$387 million	
1990	US$243 million	US$243 million
1985	US$84 million	
* Does not include air transportation.		
** Reported by Ministry of Foreign Affairs of the Republic of Cuba which includes air transportation revenues.		
*** Reported by Ministry of Tourism of the Republic of Cuba which includes air transportation revenues.		
**** Not reported whether including air transportation revenues.		
***** Reported by Central Bank of the Republic of Cuba and includes air transportation.		
****** Reported by the National Statistics Office of the Republic of Cuba.		
(a) Reported by the Central Bank of the Republic of Cuba.		

Airlines

61 international air carriers have regular and/or charter services to and from the Republic of Cuba. 31 international air carriers have offices within the Republic of Cuba.

Cubana Airlines has regular and/or charter services to and from: Spain, United Kingdom, Russia, Germany, France, Italy, Belgium, Chile, Argentina, Mexico, Jamaica, Canada, Panama, Brazil, Peru, Costa Rica, Dominican Republic, Venezuela, Austria, Angola, Netherlands-Antilles, and Ecuador among other countries.

SH&E, the largest civil aviation consultants in the world, estimates that United States-Republic of Cuba air travel might reach 5.2 million passengers per year; and that the economic impact upon U.S. airlines might approach US$1 billion. SH&E also has projected that there may be a potential for up to US$2 billion in aircraft sales to Cubana Airlines.

The U.S. Government authorizes charter airline passenger services between the Republic of Cuba and Miami, Florida; New York City, New York; and Los Angeles, California.

Car Rentals

There are presently three vehicle rental agencies within the Republic of Cuba. Available vehicle types include: Nissan, Suzuki, Daihatsu, Toyota, Mercedes Benz, and Renault.

Republic of Cuba government-operated companies have imported 1999 model Chrysler and Ford passenger vans, and Toyota passenger cars and vans.

Cubanacan S.A., the largest of the three Republic of Cuba public/private tourism businesses, has more than 400 imported passenger vehicles which are rented to foreign tourists. Transautos has 1,500 vehicles and reported US$13 million in profits in 1997.

Hotels

In 1990, there were 13,664 hotel rooms of acceptable international quality within the Republic of Cuba. By December 1993, there were 20,800, a 52% increase. There are 181 hotels used exclusively for tourists, of which 13 of these are five-star and 45 are four-star. As of June 1998, there were approximately 28,000 hotel rooms of varying quality. As of November 2002, there were approximately 36,000 hotel rooms of varying quality.

Palma de Mallorca, Spain-based Sol Melia S.A. (2001 revenues US$800 million) manages twenty-three hotels within the Republic of Cuba. [*In August 2000, Sol Melia S.A. purchased Madrid, Spain-based Hoteles Tryp, which then managed four hotels within the Republic of Cuba*]. By the end of 2001, Sol Melia is expected to

manage approximately 12,568 hotel rooms, or approximately 33% of the approximately 38,000 hotel rooms within the Republic of Cuba as reported by the Ministry of Tourism of the Republic of Cuba. Since many of the hotel rooms managed and marketed by Republic of Cuba government-operated companies (Gran Caribe S.A., Corporacion Cubanacan, Gaviota S.A., Horizontes S.A., Habaguanex S.A.) are of one-star quality and two-star quality based upon United States criteria, Sol Melia S.A. *may manage more than 50% of all three-star quality to five-star quality hotel rooms, based upon United States criteria, within the Republic of Cuba by 2004*.

Germany-based LTI has several resorts under management and development.

Days Inn of the United States has requested United States Government approval to include the Republic of Cuba in its representation agreement with a Canadian company.

Cruise Ships

Cruise ship dockings are increasing, mainly those of the Club Med II, the Aida, the Princess Danae, the Triton, and the Costa Prima. At least US$12 million has been committed torenovate and construct new passenger cruise ship terminals in Havana (completed in December 1995), Mariel, and Santiago de Cuba.

Banking and Financial Services

MasterCard and Visa are permitted to be used in the Republic of Cuba by individuals not subject to U.S. law. The cards must not be processed by United States-based financial institutions. American Express cards are being used as well. Visa charges exceeded US$180 million and Mastercard charges exceeded US$85 million in 1996.

Before being purchased by New York, New York-based Citibank N.A. in 2000, Banamex, Mexico's largest financial conglomerate, processed credit card payments for Republic of Cuba government-operated companies.

The Banco Financiero Internacional, S.A., Banco Nacional de Cuba, Banco Internacional de Comercio and savings bank Banco Popular de Ahorro, provide Republic of Cuba enterprises, non-Republic of Cuba enterprises, joint ventures, Cuban citizens and resident foreigners with checking accounts, travelers checks, letters of credit, transfers, and letters of guarantee among other services.

ING Bank NV has become the first foreign bank to operate within the Republic of Cuba since the 1959 Revolution. ING Bank NV operates through a 50/50 joint venture with Acemex, S.A., a private shipping company registered in Liechtenstein and held by entities within the Republic of Cuba. The venture, Netherlands Caribbean Bank, initially is focusing upon non-traditional commodity financing. The venture, registered in Curacao, has been established with US$40 million in credits applicable to mining, tourism, and commodities industries.

Remittances from abroad to Republic of Cuba nationals within the Republic of Cuba were approximately US$250 million in 1993 and approximately US$400 million in 2001.

Established in 1996, Caribbean Finance Corporation (CFC), in which Guernsey, Channel Islands-based Beta Gran Caribe Limited (the first investment fund licensed to operate within the Republic of Cuba) is the largest shareholder (75%), and within which Republic of Cuba government-operated Interholdings, a subsidiary of Republic of Cuba government-operated Seguros Internacionales de Cuba S.A. (ESICUBA), holds 20% of the shares, has operated without restriction from offices within the city of Havana since 1996. Funding for the CFC has also come from Republic of Cuba government-operated Casa Financiera del Turismo Fintur S.A. (under the auspice of the Ministry of Tourism of the Republic of Cuba), which provides funding for tourism sector activities within the Republic of Cuba. In 1994, Beta Funds International Limited, an affiliate of Guernsey, Cannel Islands-based Beta Funds Limited (which established Beta Gran Caribe Limited), established Guernsey, Cannel Islands-based Havana Asset Management Limited (HAM), the first investment management company to focus on direct investment within the Republic of Cuba. London, United Kingdom-based Beta Funds Limited both created and provides advisory services to CFC, HAM, Beta Gran Caribe, and

Beta Funds International. Since 1996, CFC has issued more than 160 short-term loans with a total combined value of approximately US$60 million. The auditor of CFC is the Cayman Islands, British West Indies office of Ernst & Young. The banker of CFC is Curacao, Netherlands Antilles-based Netherlands Caribbean Bank N.V. The administrator of CFC is George Town, Cayman Islands-based Midland Bank Trust Corporation (Cayman) Limited, a subsidiary of London, United Kingdom-based HSBC Holdings plc., whose United States representative is Buffalo, New York-based HSBC USA Inc. Banco Exterior de Espana, part of the Spanish banking group Argentaria, has offices in Havana.Montreal-based Banque Nationale de Canada, Fransabank of Lebanon, and Spain's Banco Bilbao Vizcaya have offices within the Republic of Cuba.

Communications

Sprint Communications has U.S. Government approval to provide data services transmission between the United States and the Republic of Cuba. IDB Worldcom Services has U.S. Government approval to provide direct telex service between the United States and the Republic of Cuba.

There are more than 1,000 users of the Internet in the Republic of Cuba. Enterprises, organizations, and ministries can send and receive E-mail and access other Internet services.

DHL Courier has a full service office in the Republic of Cuba. Documents can be sent from the United States and received in the United States. Documents sent from the United States to Havana arrive in three to four days, via Mexico.

Rome, Italy-based Telecom Italia S.p.A., a subsidiary of Ivrea, Italy-based Olivetti S.p.A. and ETEC S.A. are shareholders in 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. valued at US$422.33 million.

TIMSA, a US$8 million Mexican joint venture, operates cellular telephone systems within the Republic of Cuba. The telephones may be purchased or rented on a daily basis.

Caribbean Radio Services, a Panama-registered company with an office in Havana, provides voice and tone paging services in Havana and resort area of Varadero. The company also rents and sells Satellite telephone equipment, telex equipment, facsimile machines, and cellular telephones.

Consumer Goods and Retail Operations

The French fashion designer, Pierre Cardin, has announced that he is exploring commercial import and export opportunities within the Republic of Cuba.

Benneton, the Italian clothing company, has representation, retail stores, and outdoor billboards within the Republic of Cuba through Republic of Cuba government-operated Corporacion Cubanacan. The Republic of Cuba imported 1,000,000 bicycles manufactured in the People's Republic of China.

At food stores within the Republic of Cuba that sell products for U.S. Dollars, brands available include: Campbell Soup, Heinz, Del Monte, Libby's, Kraft, La Choy, Bumble Bee, Progresso, Uncle Ben's, Planter's, Gerber, Hellman's, Motts, Ragu, Tabasco, A-1, Vlasic, Mars, and Purina.

The four largest Republic of Cuba enterprises that, among other businesses, import consumer products (sundries, food, durables, etc.) and sell the products for United States Dollars, had reported combined 2000 gross revenues in excess of US$1 billion.

BAT, the British tobacco company, has an agreement to produce various types of tobacco products for multiple export markets.

Unilever PLC has established a partnership with Cuban soap maker Suchel to make deodorant, soap, shampoo

and other products.
Sharp Electronics products are exclusively distributed in Cuba by a Canadian company. There are two retail and service locations.

Canon photocopiers and facsimile machines has the overwhelming market share in Cuba supported by a retail and service center.

Food and Beverage

Republic of Cuba government-operated Cubanacan, S.A.(the largest tourism company within the Republic of Cuba) and Republic of Cuba government-operated Gran Caribe S.A., have established or plan to establish Cuban cuisine restaurants in France, People's Republic of China, Brazil, Mexico, Spain, and Italy. A replica of the Tropicana nightclub opened in Spain in 1994.

Cubanacan, S.A., currently operates franchised Canada-based restaurant brand Pizza Nova, and has discussed opportunities to operate Swiss Chalet and Harvey's brands.

Puerto Rico, with one-third the population of the Republic of Cuba, has 100 Burger King restaurants.

Mining

Canadian companies MacDonald Mines, Sherritt International, Minera Mantura, and several others have operations within the Republic of Cuba. Most investment has been in the nickel industry.

Caribgold Resources of Canada has a joint venture to mine gold. Joutel Resources of Canada has a joint venture to prospect for gold, lead, silver, and zinc.

The Republic of Cuba has 246 quarries for construction aggregates and 32 quarries specializing in marble production. The country has 34 yards for prefabricated concrete.

Miramar Mining of Canada has a joint venture to exploit an open-pit copper mine.

Agriculture

The State of Arkansas was the largest supplier of rice to the Republic of Cuba before 1959. The Republic of Cuba imports from the People's Republic of China, Vietnam, and Thailand approximately 12% of current United States rice exports. Rice imports are supplemented by the People's Republic of China and Vietnam providing the Republic of Cuba with new growing and cultivation methods.

The Republic of Cuba has reported the importation of fertilizer from former U.S.S.R. countries and from Nigeria at a cost of US$73 per ton only in seaboard transportation.
Tel Aviv, Israel-based Grupo BM manages a 115,000 acre citrus plantation; and markets fruit in Europe and the Middle East. The company also has real estate projects.

Sports

Adidas and Mizuno (the Japan-based athletic equipment manufacturer) have sponsorship contracts with Republic of Cuba government-operated athletic teams and with individual Republic of Cuba national athletes. Reportedly, the Adidas contract included a payment of approximately US$100,000.00 and Adidas product and the Mizuno contract included the provision of equipment.

Construction
The United States Department of the Treasury provided a license to a New Jersey-based construction company for the purpose of remodeling the Embassy of Germany in Havana. The value of the contract was several hundred thousand dollars.

Most new heavy construction equipment in the Republic of Cuba has been imported from Asia.

Oil

Britain's Burmah Castrol Group, through its Dutch subsidiary, has a joint venture to use excess Republic of Cuba refining capacity to process lubricants for sale in the Caribbean.

Cupet-Cimex, a venture between two Republic of Cuba government-controlled companies, operate almost forty 24-hour fuel service stations throughout the country. These stations sell automobile products, sundries, and food items. Another Republic of Cuba venture, operated by Cubalse, also operates fuel service stations.

Domestic oil production continues to increase. Almost 90% of the crude oil is high in sulfur content and can only be used for converted power and cement plants. Nineteen of 32 exploration blocks are currently under license with companies from Canada, France, and the United Kingdom.

Cuba's last major discovery was Cupet 1X, an offshore well completed in late 1995. The well flowed on test at a rate of 3,700 b/d of 16□ gravity crude. Cupet 1X was drilled by Canadian Northwest, a subsidiary of Toronto, Canada-based Sherritt International Corporation. The oil well's depth was 2,800 meters and the water depth was 6 meters. Cuba currently produces crude with gravities of 10□ to 27□ in four fields: Boca de Jaruco (discovered in 1968), Varadero (discovered in 1969), Perifericos (discovered in 1972), and Pina (discovered in 1989).

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