

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

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## Inside US Trade

Arlington, Virginia

17 October 2018

### Trade group: U.S. ag exports to Cuba plummeted in August despite low prices

U.S. agriculture and food exports to Cuba are declining despite lower U.S. commodity prices, according to data released on Tuesday by the U.S.-Cuba Trade and Economic Council.

Year-to-date exports are down 8.8 percent after a precipitous decline in August, according to the data. Through July, year-to-date exports were up 2.8 percent. August exports were down 46.4 percent compared to 2017 numbers.

The business group called it “counterintuitive” that Cuba isn’t buying more from the U.S. in 2018 considering U.S. agriculture and food commodities were less expensive this year than they were in 2017. In the past, Cuba has spent less to obtain more “when commodity prices were to their advantage,” the group said in a statement.

Retaliatory duties slapped on U.S. agricultural products as a response to the Trump administration’s Section 232 and Section 301 tariffs have resulted in lower prices for U.S. ag products. But as a result of “commercial and economic issues” within Cuba, there have been no “sustained efforts” by the Cuban government to take advantage of the lower prices and no attempt to “curry favor” with U.S. exporters and public sector advocates, the release states.

One commercial and economic issue the release points to is Cuba’s need for long-term payment terms. U.S. companies want cash up front, but Cuban buyers need long-term payment plans. A full year is not an uncommon request from Cuba, but U.S. companies, which often feel it’s too risky to provide long-term payment terms to Cuban entities, opt for a cash-in-advance approach instead, said John Kavulich, president of the U.S.-Cuba Trade and Economic Council.

“There have been no U.S. exporters and no U.S. financial institutions that have come out and specifically said they will provide [long-term] payment terms to Cuba today if they were able to do so and what those payment terms would be. That’s a critical lack of constituency support,” Kavulich said.

U.S. exporters in 2000 opposed changing the cash-up-front negotiating terms even though it meant fewer exports to Cuba because companies did not want to face defaults that could “cripple everything,” Kavulich added.

The release also points to a lack of foreign exchange in Cuba as a barrier to increased trade.

“Cuba has a chronic shortage of foreign exchange -- primarily a result of its chosen commercial economic and political systems -- which restrict the inflow and the earnings of foreign exchange,” Kavulich said.

A November 2017 study from the U.S. Agriculture Coalition for Cuba said the nation was a significant untapped U.S. agricultural trade market – a finding that won praise from Rep. Rick Crawford (R-AR), a member of the House Agriculture Committee. In January 2017, Crawford re-introduced the “Cuba Agricultural Exports Act” to repeal the “cash-for-crop basis” requirement. The legislation had 62 co-sponsors, 43 of whom were Republicans, but it never made it out of committee.

In addition, the Trump administration last year tightened restrictions on the ability of U.S. businesses to conduct commercial transactions with state-owned companies in Cuba. The June 16 policy memorandum was aimed at coaxing the Cuban government to open up its economy. The move drew criticism from Democrats and business groups, which contended the restrictions would only serve to restrict U.S. exports.

Former U.S. Ambassador to Cuba Jeffrey DeLaurentis said this week that if the GOP does well in the upcoming midterm elections, “there will be greater steps to try and restrict things further.”

But if Democrats win big in the midterms, “we’re likely to see legislative action to support further engagement and to try and boost the private sector and increase economic action in general,” the ambassador said during an event on Tuesday hosted by the Inter-American Dialogue.

“I heard a rumor -- there are thousands of rumors in Washington and Miami -- that the administration may take some of the steps I just described to you before the election,” DeLaurentis added in reference to Trump administration restrictions on Cuba.

## **The Miami Herald**

### **Miami, Florida**

### **28 September 2018**

#### **Goal of first U.S.-Cuba biotech joint venture is to export Cuban cancer drugs to U.S.**

By Mimi Whitefield

With the U.S. clinical trial of an innovative lung cancer drug developed in Cuba showing positive preliminary results, Buffalo-based Roswell Park Comprehensive Cancer Center and Havana’s Center for Molecular Immunology have embarked on a biotech joint venture designed to bring four promising Cuban cancer drugs to U.S. patients.

But there’s a long road ahead before any of the Cuban therapies would potentially be available in the United States. It typically takes seven to 10 years to take a new pharmaceutical from clinical trials to final Federal Drug Administration approval.

The partnership called the Innovative Immunotherapy Alliance will give Roswell Park access to CIMAvax-EGF, the lung cancer drug that has just finished a phase I clinical trial in Buffalo, and three other Cuban drugs for treatment of various tumors. None of them have been commercially available in the United States. This first ever biotech joint venture between a U.S. company and Cuba will be based in the Mariel Special Development Zone, a 115,000-acre zone west of Havana where the Cuban government is trying to attract companies that use new technologies and innovative manufacturing techniques. It will be operated by the Cuban center’s commercial affiliate CIMAB and by a Roswell Park subsidiary called GBCT II and the two companies will have equal roles in oversight of the Alliance.

“This historic step forward in the scientific collaboration between the two countries will allow research advances and the development of new cancer drugs that can extend the lives and improve the survival rates of thousands of patients in the United States,” the Cuban government said in a statement.

It’s anticipated that during its first years of operation, the Alliance will focus on scientific and clinical research on the four cancer immunotherapy treatments at a laboratory in the Mariel zone.

“If these studies prove successful, the company will be in a position to export these products for the benefit of U.S. patients” once U.S. regulatory approvals are obtained, the Cuban government said. Cash-strapped Cuba has long been interested in trying to tap the U.S. market for its exports of medicines.

A site has already been selected at Mariel for an office and research lab, and a manufacturing facility would be added if the joint venture advances to the point where there are very large ongoing clinical trials or the therapies get FDA approval for sale in the United States. The Mariel office will open with two to three

employees and additional hires are expected in both countries in coming years, said Doug Plessinger, chief business officer for the Alliance.

“The road to pharmaceutical development is fraught with potholes,” said Dr. Kelvin Lee, chair of Roswell’s Department of Immunology. Even if all goes as planned, CIMAvax probably wouldn’t be available in the United States until at least 2024. The other three therapies are still in various stages of development in Cuba. “There are a lot of variables that could make the time frame shorter or longer or not all,” Lee said.

But he said the idea has always been to pursue Roswell’s relationship with Cuba on two parallel tracks: the research effort and the business side. If the joint venture reaches the stage where the immunotherapies are being manufactured and exported to the United States, “the thinking is the facility would be accessible for FDA inspection,” he said.

“Our goal is to develop these promising cancer therapies as quickly and effectively as possible so that they can benefit the greatest number of U.S. patients,” said Candace S. Johnson, president and chief executive of Roswell Park, an internationally recognized cancer treatment and research center.

Immunotherapies have changed the treatment of cancer over the past five to 10 years. While doctors say they work well, they aren’t effective on all cancer patients. The hope is that by expanding the roster of available options with the addition of the Cuban drugs, they will work for more patients.

Besides CIMAvax, the joint venture will be pursuing development of IL-2 mutein, which is used in the treatment of metastatic kidney cancer; VSSP, which plays a role in amplifying other immunotherapies, and another investigational immunotherapy that targets tumor-associated gangliosides. These fatty molecules, or lipids, play a role in many cancers.

Dr. Pedro Camilo Rodríguez, an immune oncology researcher at Cuba’s Center of Molecular Immunology, talks about a combined effort between Cuban and U.S. researchers to fight lung cancer with a vaccine.

Although the creation of the Alliance was announced during a time when U.S.-Cuba relations have grown frosty under the Trump administration, the U.S. license that allowed creation of such a joint venture was approved during former President Barack Obama’s rapprochement with Cuba.

The Trump administration hasn’t rescinded such Obama-era licenses, but if Roswell Park had sought such a license today, it likely would not have been granted because the Mariel zone is now on a U.S.-compiled restricted list of Cuban entities off limits for American companies because of their ties to the Cuban military, said John Kavulich, president of the U.S.-Cuba Trade and Economic Council.

The recent announcement of the new joint venture came a day after a Roswell Park presentation of the results of its phase I clinical trial of CIMAvax during the International Association for the Study of Lung Cancer’s 19th World Conference on Lung Cancer in Toronto.



CIMAvax, a lung cancer vaccine developed in Cuba, is being administered to U.S. patients during a clinical trial at Roswell Park Comprehensive Cancer Center. Roswell Park

Initial results of the phase I trial, which recently concluded, showed the treatment was both safe and well-tolerated by patients, said Dr. Grace Dy, the trial’s principal investigator.

In the Buffalo trial, which was authorized by the FDA, CIMAvax was tested on 13 patients with advanced non-small cell lung cancer in combination with a checkpoint inhibitor called nivolumab, which is marketed under the brand name Opdivo by Bristol-Myers Squibb. Nivolumab is an antibody that triggers autoimmunity against cancer and is a standard treatment in the U.S. for patients with treatment-resistant or recurring non-small cell lung cancer.

Lung cancer is the leading cause of cancer deaths in the United States.

Unlike Opdivo, which costs \$12,000 to \$15,000 per month, CIMAvax is cost effective. Cubans who receive the vaccine aren't charged, and foreigners who go to the island for treatment can see a Cuban doctor and get a year's supply of CIMAvax for \$10,000 to \$12,000. Some U.S. lung patients who don't want to wait for U.S. regulatory approval already make the trek to Cuba to get CIMAvax and other Cuban medicines.

The patients in the clinical trial have been receiving monthly doses of the CIMAvax-Opdivo combination. "It appears that these two immunotherapies have the potential to work better in combination than they do on their own," said Dy, division chief for thoracic oncology and an associate professor of oncology at Roswell Park.

"While this is a small study and we will need to verify that these conclusions hold true when we move on to our phase II study, these early hints of clinical activity encourage us to continue exploring this combination approach," said Dy.



Dr. Kelvin Lee and Dr. Grace Dy discuss their work at Roswell Park Comprehensive Cancer Center. The Buffalo research center and hospital is testing a lung cancer vaccine developed in Cuba. Roswell Park

The Buffalo CIMAvax trials were funded by nearly \$4 million in donations. Phase II trials of CIMAvax-EGF are expected to begin late this year with a goal of enrolling 80 to 90 patients, said Lee.

While the first phase of the clinical trials focused on safety and whether there were any elevated side effects using the two therapies in combination, the second phase will test the effectiveness of the anti-cancer response while using them together, said Lee.

Instead of attacking cancer cells themselves, as most immunotherapies do, CIMAvax-EGF generates an immune response against EGF, an epidermal growth factor circulating in the blood that cancer cells need to grow and thrive. The immune response neutralizes the EGF, essentially starving the cancer.

Roswell Park researchers said that potentially CIMAvax could be effective on colon and head and neck cancers that also rely on EGF to grow. They said it also might one day be used in the treatment of breast, prostate and pancreas cancers and administered as a preventative to patients such as chronic smokers who are at high risk of developing lung cancer.

CIMAvax, which has been administered to about 5,000 patients worldwide, has already undergone extensive clinical trials in Cuba and around the world. It's an approved therapy for treatment of lung cancer not only on the island but also in Argentina, Colombia, Peru, Paraguay, Kazakhstan and Bosnia and Herzegovina. In Cuba, phase II and phase III clinical trials of CIMAvax have shown increased overall survival and improvement in quality of life for lung cancer patients.



Mabel Cruz Rodriguez works in a lab at the Center for Molecular Immunology in Havana. Emily Michot

The Innovative Immunotherapy Alliance is the result of cooperation between Roswell Park and CIM that began in 2011. That's when Gisela González, a Cuban researcher from the Center of Molecular Immunology who was visiting her family in Pittsburgh, made a cold call to Roswell Park.

She offered to give a talk about CIM's work to Roswell Park researchers. "She comes up and gives this really great talk," said Lee.

At González's invitation, Lee attended an international immunology convention in Havana where he learned more about the Cuban research. Lee said he realized early on that what CIM was doing could potentially be exciting for U.S. patients.

"If there's a 20 percent chance that what [Cuban scientists] are seeing in lung cancer patients is actually true, then we need to get in on the ground floor," he told Roswell's senior leadership team on his return from Havana.

Since then the relationship has grown with regular scientific exchanges between Roswell Park and CIM. Now, Lee said, the Innovative Immunotherapy Alliance is a milestone in the U.S.-Cuba relationship and "hopefully can serve as a template for other joint ventures."

## **Tampa Bay Times** **St. Petersburg, Florida** **7 September 2018**

### **Tampa company won't give up on its dream to build a warehouse in Cuba**



Manuel Fernandez, left, and Michael Mauricio have been trying to open a distribution warehouse in Cuba since 2015. In this 2014 picture they show off Cuban art they imported to Tampa for sale. [Times (2014)]



Paul Guzzo Times staff writer

Florida Produce once symbolized the trade potential between the United States and Cuba.

In 2015, the Tampa-based company asked Cuban leaders for permission to erect or restore a 100,000-square-foot warehouse in Havana to house and sell American goods.

It was to be the first of its kind. Cuba seemed on board, the Obama administration wanted more U.S. commerce with Cuba, and exporters were interested.

But today, with the project in limbo, Florida Produce symbolizes something different: the failure of the United States and Cuba to capitalize on an opportunity to forge trade ties.

That's according to John Kavulich, president of the New York-based U.S.-Cuba Trade and Economic Council.

What was once a flurry of American companies excited to do business in Cuba is now a drizzle. And with the current administration pushing against engagement with Cuba, some say it may remain that way for a while.

Still, said Manuel Fernandez, who is partners with Michael Mauricio in Florida Produce, "I am not giving up. I will continue to push my agenda."

He was in Cuba a few weeks ago for what he called "unofficial meetings" with his contacts in Cuba's Ministry of Foreign Trade. He hopes those lead to another round of official talks. Overall, he said, he's had six official and six unofficial meetings.

Still, when asked where the warehouse stands, Fernandez dejectedly replied, "I wish I could tell you. I just don't know." He used to be optimistic.

Agriculture and medical supplies were once the only American items the United States allowed to be sold to Cuba. Florida Produce traded the former to Cuba in the early-2000s. Later, they imported Cuban art.

Then, in 2015, President Barack Obama restored diplomatic relations with Cuba and expanded the list of exportable items to include telecommunications, restaurant equipment and construction supplies if those were sold to the Cuban private sector. He also permitted American companies to establish a brick-and-mortar presence on the island and hire Cubans.

In October of that year, Florida Produce pitched the distribution warehouse to officials at the Cuban Embassy in Washington D.C. Such a facility, they said, would entice Americans to import items. "We concluded our presentation, and everyone said it is a great idea," Fernandez said.

He was told that an arm of the Cuban government would partner with them and that within 30 days they would learn details. It is a promise they've heard time and again since then.

Florida Produce's attorney, Tim Hunt, said several clients were given that same assurance. Those included a grain producer that would have used the warehouse and a construction equipment manufacturer that wanted to build a plant. None heard back. All but Florida Produce gave up.

"There was a flurry of activities" from businessmen around the country who were excited to enter the Cuba market, Hunt said. "It all went nowhere and most lost interest.

"The Cuban government is interested in airlines and cruise ships bringing tourists," he said. "When it comes to normal trade, Cuba doesn't seem to have interest."

According to John Kavulich, president of the New York-based U.S.-Cuba Trade and Economic Council, only John Deere and Caterpillar have distribution centers on the island. And he believes Cuba uses those more as bargaining chips.

"It enables the Cuban government to say to China, Japan and Russia among others that Caterpillar and John Deere are in Havana, so those countries better hurry and provide longer-term financing and government guarantees to maintain their position in the marketplace," he said.

Neither Caterpillar nor John Deere have confirmed that any of their equipment has been sold in Cuba, Kavulich said.

And while Cuba continues to buy American agriculture, no U.S. company reported the paid sale of products from Obama's expanded list.

Blame does not fall solely on Cuba, Kavulich said. "The Obama administration could have and should have done more to promote a bilateral commercial relationship with Cuba."

For instance, "President Obama should have permitted direct correspondent banking, should have lessened restrictions upon the use of the U.S. dollar for international transactions, and should have permitted more products to be imported to the United States from Cuba rather than two: coffee and charcoal."

President Donald Trump has made doing business with Cuba more difficult by banning Americans from partnering with dozens of entities that have links to Cuba's military. Still, he has yet to roll back the Obama era policies that made Florida Produce's distribution warehouse possible.

"I don't think I'll ever give up," Fernandez said. "I will keep negotiating. I tell Cuba to just give us a chance. If it works, they're a hero. If it doesn't, it's our fault. They have nothing to lose."

# Los Angeles Times

## Los Angeles, California

### 24 August 2018

**Yes, America, you can still visit Cuba. And the feds have softened their warnings**

By Christopher Reynolds



A taxi pedals his bicycle, decorated with Cuban and U.S. flags, as he transports a woman holding a sleeping girl, near the Capitolio in Havana, Cuba, Tuesday, March 15, 2016. President Barack Obama will travel to Cuba on March 20. (Ramon Espinosa / AP)

After months of urging American travelers to avoid Cuba and noting that mysterious attacks caused ailments among U.S. Embassy workers there, the U.S. State Department on Thursday softened its language and instead recommended visitors use "increased caution."

The agency continues to blame the maladies on deliberate attacks, perhaps sonic, in late 2016 and 2017, but "we are unable to identify the source," the travel advisory noted.

The change in status moves the island nation from the State Department's Level 3 ("reconsider travel to Cuba") to Level 2 — the same label currently attached to Mexico and Colombia, where crime concerns are cited.

"It's significant," said Tom Popper, president of tour company InsightCuba. "It'll make some people feel more comfortable." The move follows four years of dramatically changing fortunes for Cuba's travel industry.

Curious travelers raced in and airlines and cruise lines and hotels rushed to capitalize on then-President Obama's loosening of longstanding restrictions in 2014. Then came 2017, bringing tough talk about new restrictions by the Trump administration, revelation of the embassy illnesses and damages from Hurricane Irma in September.

Non-family visits by Americans to Cuba dropped 24% in the first half of 2018, Reuters has reported. Alaska Airlines, which started daily flights between LAX and Havana in January 2017, stopped them in January 2018.

Although nobody's certain what to expect next, experts say travelers can count on two things: First, there will be cruise ships.

Second, it's still possible to visit Cuba as an independent traveler or with a group. You can fly on a U.S.-based airline and, for that matter, return with cigars and rum. But fewer people are doing it.

By Reuters' figures, about 266,000 travelers made the journey to the island from January through June. Overall tourism to the island nation was down about 5% during that time, despite a 45% increase in travelers arriving by cruise ship.

Cuba-watchers say you can blame some of the slump in American visitors on Hurricane Irma. Others say Cuba's popularity was bound to cool off after the rush of first-time visitors in recent years. But several travel industry veterans said they trace most of the slowdown to fears over the embassy illnesses and the Trump administration's tough talk against the nation's Communist leaders.

Even though the administration's revisions to Cuban travel policy wound up being relatively minor, they said, Trump's rhetorical attacks against the nation's Communist leaders hit hard.

"A lot of people seem to be under the assumption that Trump slammed the door shut," said author Christopher P. Baker, who wrote the current Moon Cuba guidebook and has led Cuba trips for six tour operators. "For tour companies, it's really been a bit of a disaster."

Janet Moore, owner of the Long Beach-based tour operator Distant Horizons, said in an email that her Cuba bookings are down about 40%, "even though in reality the restrictions didn't really change at all."

Many statistics are hard to come by, partly because some Americans make covert visits to Cuba by way of Mexico. But Moore and Baker and two other Cuban travel and trade professionals said they thought American individual travel to Cuba also had decreased, though less steeply than group travel.

Trump first vowed to tighten limits on Cuba in June 2017, saying he was "canceling the last administration's completely one-sided deal," made by President Obama in 2014. When the specific policy revisions went into effect in November, they were less dramatic than that. Airlines and cruise lines could still carry Americans to Cuba, for instance, and Americans could still bring back rum and cigars.

The only substantial change, tour operators said, was a new ban on direct dealings with dozens of hotels, stores, tourist agencies and other enterprises linked to Cuban military and intelligence agencies.

And then there were those ailing embassy workers. About 25 staffers reported maladies including hearing loss, headaches and fatigue, prompting the State Department to withdraw most of its personnel from Havana in 2017. FBI investigators were unable to find a cause for the injuries, and Cubans officials have denied responsibility.

After the Trump and embassy headlines, "It was incredible, the amount of people who thought [Cuba as a destination] was done," said InsightCuba's Popper, who estimated that his company took 5,500 passengers to the island in 2016 and about 3,000 in 2017.

Since May, Popper said, the slump has been turning around, and "now we're in our fourth straight month of double-digit growth."

Although the laws haven't changed much, "the hassle component is higher than with most other destinations," said John Kavulich, president of the U.S.-Cuba Trade and Economic Council.

"The beneficiaries have been the cruise lines," Kavulich said, noting that they can give passengers a U.S. government-approved glimpse of the island while largely shielding them from the subtleties of U.S.-Cuba travel restrictions.

Cruise traffic to Cuban ports, which restarted in 2016 after a hiatus of nearly 40 years, these days include ships from Carnival, Holland America, Norwegian Cruise Line, Royal Caribbean and others. What does all this mean for a traveler considering Cuba?

First, it's still illegal for Americans to be old-fashioned tourists there. That's an outgrowth of a U.S. embargo that dates to the early years of Fidel Castro's Communist regime in the 1960s.

Although many restrictions were loosened, an American traveler to Cuba still needs to build a trip that falls under one of 12 "categories of authorized travel" as defined by the Treasury Department's Office of Foreign

Assets Control. (Among them: family visits, government business, journalism, educational activities, religious activities.)

If your trip falls under one of those categories, you need not seek a license in advance. But it would be wise to keep good notes what you did on the island.

Second, solo travelers should know that Treasury officials have a new term for those who are permitted to visit Cuba on their own, without a group or family affiliation. Those trips used to be considered “people to people” educational activities. Now they’re known as “Support for the Cuban People” trips.

To legally make such a trip, the Treasury Department says, travelers must arrange and document a full-time schedule of activities that promote democracy or strengthen civil society and involve “meaningful interaction” with Cuban individuals.

This could include stays in private Cuban residences (known as *casas particulares*) and meals at privately owned Cuban restaurants (known as *paladares*). But no advance paperwork is required.

“Anyone can go to Cuba as long as they tick the ‘Support [for] the Cuban People’ box when buying their tickets,” Moore said.

Third, despite the recent slump, the travel marketplace in Cuba has been growing fast for several years, which gives visitors more options.

Tourism officials counted about 4.7 million international visitors last year, about 619,000 of them Americans. Baker noted that Cuba has a growing variety of small lodgings and hundreds of Airbnb listings, many of which are priced below the rates at larger hotels.

Fourth, if you do go to Havana, the State Department urges visitors to avoid the Hotel Nacional and Hotel Capri, where some of the mysterious sonic attacks are said to have occurred.

Fifth, if you’re thinking about slipping into Cuba by way of Mexico and withholding that information from the U.S. government when you return, remember that it’s still illegal.

The Treasury Department isn’t the only U.S. agency that could punish you or withhold privileges. As one couple recently learned after acknowledging a previously undisclosed Cuba trip, U.S. Customs and Border Protection officials won’t issue a Global Entry card (designed to speed the passage of trusted travelers through Customs lines) to anyone it believes is lying or withholding information.

## **Feednavigator.com**

**Montpellier, France**

**8 August 2018**



### **US trade group outlines steps to potentially improve market access to Cuba**

By Aerin Einstein-Curtis

**The US-Cuba Trade and Economic Council seeks to expand feed ingredient, food and agricultural exports to Cuba through a streamlining of the payment process, says president.**

The New York-based trade promotion organization released details of market interaction and potential in a recent report [link]. It also is suggesting steps to potentially remove barriers on trade with Cuba that could support an expansion of the export market.

As feed and agricultural product exports to China have decreased, there has been an uptick in the amount of products going to a geographically closer trading partner, the council reported. Feed ingredients, agricultural products and food exports to Cuba have increased 15.4% in 2018.

There could be a non-legislative path to support additional exports, said John Kavulich, president of the council. Efforts could be made to complete the establishment of “direct correspondent banking.”

The process would allow for money to be sent directly by a purchaser, rather than having to use a third company [bank], he told FeedNavigator. The change could save about 1-3% on each transaction.

*“Even though it’s marginal- that is something that this bank in Arkansas [Home BancShares] could do today and help US exporters,” he added.*

*“This year we’re ahead of last year,” he said of exports. “We’re not where we were in 2007/2008, but Cuba at its current levels is still ranked from 50-55 largest agricultural export market in the world for US companies- that’s impressive.”*

*“If we could get another 1-3% out of it, why are people taking that casually?” he added. “If you’re a corn grower, or soy grower or wheat grower or poultry producer and someone says, ‘How about another 1-3%?’ I don’t think they’d walk away.”*

### **Market development and potential expansion support**

Since 2001, Cuba has purchased more than \$5.65 billion in agricultural commodities like feed grains and animal proteins from the US, the trade organization reported. The country has spent about \$1.4 billion on soybean products, \$1.5 billion on corn, \$631 million on soybeans, and more than \$531 million on soybean oil cake.

This year Cuba has bought \$27 million in soybeans and oil, up from about \$8.5 million by the same point last year, the organization said. The country also has imported about \$19 million in corn- a slight drop from last year.

Currently, Cuba has imported more agricultural and food products from the US than several countries within the EU, it added.

Cuba’s largest purchases include soybeans, corn and poultry products- which are areas that have been hit with trade tariffs, said Kavulich.

A licensing change could help producers expand the export market, however, the amount of potential expansion would not completely offset the loss of exports to China, he said.

The trade organization is calling for a US bank to seek the remaining piece of a correspondent-banking license from the Office of Foreign Assets Control (OFAC), which would allow it to receive and transfer funds to the Republic of Cuba and reduce transaction costs, the council said. The bank was authorized to have an account with Cuba’s government-operated Banco Internacional de Comercio SA (BICSA) in 2015, but BICSA has not been authorized with a general OFAC license or in the license sent to the bank.

The arrangement means that payments for exports are sent through the third-party Panama City-based Multibank, the council said. The process also means that the payment plan for feed ingredient exports is triangular rather than bilateral.

The change could reduce the cost of exporting to Cuba and boost exports through ports in Alabama, Florida, Georgia, Louisiana, Mississippi, Texas and Virginia, the council said.

*“Our hope is first that all parties use everything that is available to them as opposed to constantly seeking what they don’t have- that goes on the US side and the Cuban side,”* said Kavulich, of improving relations. There have been challenges to the market relationship between both countries on each side, he added.

*“It would benefit us if the US exporters would focus narrowly rather than expansively- advocate for Stonegate Bank [owned by Home BancShares] to get that direct correspondent banking, which could result in an increase in value of what US exporters send to Cuba,”* he said. *“It doesn’t require changing any laws.”*

However, an additional part of improving market access includes asking exporters or supporting organizations to advocate to Cuba that it makes full use of the laws in place, he said.

*“Sometimes there’s more political value in saying no than saying yes,”* he said. *“It’s frustrating because it’s the farmers who are hostage to weather, international politics, commodity prices, hostage to fuel prices and they look to the organizations that represent them, the politicians that represent them [and] the cooperatives that represent them to do whatever can be done to help them sell their products. It’s frustrating when there are some options that are available but politicians, organizations and some exporters choose not to use them- that’s tragic.”*

It is unclear if the bank has made a request to expand the license at this time. A request for comment was not answered by press time.

## **Tampa Bay Times**

### **St. Petersburg, Florida**

**25 June 2018**

### **The federal government says this man rightfully owns Havana’s cruise port**



A Cuban and an American flag hang in the atrium on the Carnival Paradise on June 29, 2017 at Port of Tampa during the inaugural Carnival Cruise from Tampa to Havana. [MONICA HERNDON | Times ]

Paul Guzzo Times staff writer

The United States government knows him as certified foreign claim number CU-2492. But he wants to make a more personal introduction to Tampa Bay.

He is Mickael Behn, a 43-year-old U.S. citizen residing in England, where he works in television production.

And, according to the U.S. Department of Justice’s Foreign Claims Settlement Commission, Behn is the rightful owner of Havana Harbor, the cruise ship terminal for Cuba’s capital city.

The harbor was taken from Behn’s family when the socialist government nationalized property without compensation.

So, Behn said, those who book a cruise from Port Tampa Bay to Havana support illegal activity. "This is an American crime on an American corporation," he said. "Don’t go to Havana."

The nonprofit Cuban Democratic Directorate recently put up billboards near Port Miami and is running radio ads that say those booking cruises to Cuba support the trafficking of stolen property.

Within the next few months, Behn hopes, the same strategy will be employed in Tampa.

"These are stolen goods," said Rafael Pizano, the directorate's Tampa representative. "It doesn't matter how much time has passed. It's still the same regime and same people in power who took his family's property."

Behn's great-grandfather Sosthenes Behn, founder of International Telephone & Telegraph, purchased the Havana land and built docks there in 1920. The property was passed on to Behn's grandfather William Behn in the 1940s but nationalized on Nov. 21, 1960.

"The docks were confiscated by the Castro regime literally at gunpoint," said Orlando Gutierrez, co-founder of the Cuban Democratic Directorate.

A photo shows Behn's grandfather seated at a table in his office with soldiers holding guns in one hand and bottles of Coca-Cola in the other. Behn says the photo was taken Nov. 21, 1960, but does not know by whom or why soldiers allowed it to be taken.

Another photo has Fidel Castro on a tank outside the docks, but Behn does not know if it is from Nov. 21, 1960.

When nationalized, the Havana port was worth \$9.2 million. Today, estimates Behn, the value is at least \$102 million.

The port will grow more lucrative in 2024, when another four cruise terminals are added to the existing two to accommodate a growing demand.

Cuba says it welcomed 328,000 cruise passengers from around the world to Havana in 2017 and expects that number to climb to 500,000 by the end of 2018.

Two cruise lines sail from Tampa to Havana, Carnival's 859-foot, 2,100-passenger Paradise and Royal Caribbean's 880-foot, 2,700-passenger Majesty of the Seas.

For fiscal year 2018, Port Tampa Bay expects 49 cruises — 40 offered by Royal Caribbean and nine by Carnival — sailing from Tampa will include a port call at Havana. These pay \$40,000 in fees per port in Tampa.

The nongovernmental U.S.-Cuba Trade and Economic Council says these same ships pay the Cuban government up to \$79,000 each time they dock at the Havana port. Passengers add \$140-\$200 to the Cuban economy each day they are in Havana, a mix of what is spent with private and state-run businesses.

Nearly 6,000 U.S. citizens with property or other belongings nationalized by Cuba had their losses certified by the Foreign Claims Settlement Commission.

Among them is Jacksonville's Javier Garcia-Bengochea's family, who owned where the Port of Santiago is located. Worth \$547,365 when nationalized, Garcia-Bengochea now values it at \$180 million. Tampa does not host Santiago cruises, but Miami does. "Cruise lines have zero ethic," Garcia-Bengochea said. Behn agrees.

When Cuba cruises started a few years back, Behn expected passengers to be ferried from the ship to the island. He did not think that then-President Barack Obama or the cruise lines would port at nationalized property.

He says letters to the cruise lines educating them on the history of the Havana Harbor have been repeatedly ignored. "I thought worst case they would reimburse us," said Behn, who inherited the claim from his grandfather two years ago.

Neither Carnival nor Royal Caribbean responded to a request for comment.

Behn is disappointed that the current U.S. administration has also been lax on this issue despite President Donald Trump saying he would be tough on Cuba.

"The State Department is colluding with the cruise lines ... by ignoring our claims and not aiding us in any manner," Behn said.

Public outreach remains the only tool at the disposal of U.S. citizens whose nationalized land serves as Cuba cruise docks.

"I firmly believe most Americans would not be involved and spending their money on a cruise to Cuba if they knew they were contributing to something illegal or morally and ethically questionable," Port Santiago heir Garcia-Bengochea said, "like trafficking in our stolen property."

## Los Angeles Times

Los Angeles, California

22 June 2018

### **A year after Trump reversed Obama's opening to Cuba, the U.S. is sitting out Havana's political revamp**

By Tracy Wilkinson  
Washington



Workers at the U.S. Embassy in Havana leave the building on Sept. 29, 2017, after the State Department announced that it was withdrawing all but essential personnel amid a mysterious ailment suffered by several of the diplomats. (Miami Herald)

A year ago, President Trump announced tougher policies concerning Cuba, reinstating travel and trade restrictions eased by the historic Obama-era opening between Washington and Havana.

As a result, the United States today is largely sitting on the sidelines as the communist-ruled island faces potentially major changes in its economic and political relations with the region.

The problem is exacerbated because the recently reopened U.S. Embassy in Havana sits nearly empty. Most U.S. personnel were withdrawn last year after two dozen diplomats and other employees reported unexplained medical problems that left some with hearing loss or mild brain damage. The State Department added a 25th American to the list on Thursday.

As the U.S. chill with Cuba deepens, Trump has praised one of the world's most notorious despots, North Korean leader Kim Jong Un, and promised economic opportunity if Kim's government gives up its nuclear weapons.

"It is baffling we are going in the opposite direction on Cuba," said Carlos Gutierrez, who was secretary of Commerce under President George W. Bush and opposes Trump's reversal on Cuba.

Trump "wants to increase prosperity in North Korea but keeps outrageous sanctions on Cuba," said Gutierrez, whose family fled the island after the 1959 revolution led by Fidel Castro. "After almost 60 years of animosity, it's time to rebuild ties."

President Obama sought to rebuild those ties in December 2014, when he and Cuban President Raul Castro simultaneously announced plans to restore diplomatic relations broken since 1961, shortly after Fidel Castro took over.

Within months, Obama had loosened decades-old restrictions on Americans and U.S. companies traveling to and doing business with Cuba. Each country opened an embassy in the other's capital, and travel across the Florida Straits and mom-and-pop businesses in Cuba flourished.

During his campaign, Trump vacillated between denouncing the Cuban "dictatorship" and vowing to make a "better deal" with Havana. Once in office, he said he was "canceling" Obama's arrangement and blasted the Cuban government's human rights abuses, which consist of persistent harassment of dissidents.

The changes that Trump announced on June 16, 2017, in the heart of the Cuban exile community in Miami, were minor in scope but had a deep impact.

He restricted the ability of Americans to travel to Cuba as tourists. U.S. businesses could still operate there, although the administration later barred any dealings with an estimated 180 firms or entities tied to or controlled by the Cuban military.

The Cuban army is deeply entwined with the Cuban economy, especially in the tourism industry. Several hotels and a handful of restaurants belong to the military.

Trump said the measures would prevent money from going to Cuba's military or intelligence services and eventually force the government to open up politically and tolerate dissent. He said the goal was to stand up to "communist oppression."

But because of Trump's sweeping rhetoric in Miami, many Americans thought it was no longer possible to travel to Cuba. U.S. tourism has fallen precipitously this year, although international cruise ship visits are hitting record highs.

U.S. exports of chicken and other food and agricultural products from farm states that supported Trump remained strong. Some of that commerce is governed by regulations that predate Obama's normalization of relations.

Exports of U.S. food and agricultural products to Cuba are up 25% thus far this year compared with 2017, according to John Kavulich, president of the U.S.-Cuba Trade and Economic Council, which supports business with the island.

Trump's trade restrictions largely hit small Cuban businesses, including hair salons, restaurants, car washes and bed-and-breakfasts, the kind of small-scale capitalism the White House professed to support. Less harmed was the government apparatus.

The number of small businesses in Cuba grew from 157,000 in 2010 to 567,000 at the start of 2017, according to a study by the Americas Society, a business organization based in New York. Since early 2017, the number of new applicants for private business licenses has plummeted.

More than a loss of economic opportunity, Washington seems to be sitting out on possible influence during a time of unprecedented political transition, according to academics and diplomats.

For the first time since the revolution, Cuba is ruled by someone not named Castro.

Fidel Castro, the country's legendary leader, died in November 2016. That opened the way for gradual change in the sclerotic government. His brother, Raul, took over and loosened domestic travel restrictions for Cubans and allowed the country's first dabbling in private enterprise in nearly half a century.

Miguel Diaz-Canel, handpicked by Raul as his successor, is overseeing the drafting of a new constitution and is regarded as a younger-generation figure more open to technology, internet access and other trappings of modernity.

But under Trump, the United States has refused to engage, reducing its interaction to a series of low-level meetings.

“We had more opportunity to influence them than we ever had,” said John Caulfield, a veteran U.S. diplomat who headed the American interests section in Havana from 2011 to 2014, an office that served in lieu of an embassy for decades. “We have lost that” following Trump’s restrictions, Caulfield said.

China and Russia, which had pulled back from the island that they once sponsored, are moving back in at full speed, financing infrastructure and other projects, raising alarms at U.S. Southern Command military headquarters outside Miami.

“The fact that we are giving them [Russia and China] a free hand to extend their presence is not in the U.S. national interest,” said William LeoGrande, a Cuba expert and author of “Back Channel to Cuba,” which chronicled the 18 months of secret negotiations that led to the Obama opening with Havana.

LeoGrande said Trump has essentially “outsourced his foreign policy” to Sen. Marco Rubio (R-Fla.), a member of an influential but diminishing group of conservative Cuban Americans staunchly opposed to engagement with Cuba.

Last month, apparently at Rubio’s insistence, the State Department canceled an annual seminar on Cuba that would have featured speakers who favor rapprochement. Veteran Cuba hands said the decision robbed the diplomatic corps of valuable knowledge and analysis.

“There is a short but clear path from politicizing academic outreach events to politicizing intelligence itself,” Daniel Erikson, one of the Obama administration’s point men on Cuba, wrote at the time. “The Trump Administration now finds itself on that slippery slope with regard to Cuba.”

Rubio said he would always denounce any softening toward Cuba while the current governing system is in place.

U.S.-Cuban ties were further eroded after two dozen American diplomats or their family members in Havana began reporting mysterious ailments in late 2016. The Trump administration is holding Cuba responsible, while Cuba has denied any involvement.

As a consequence, Washington pulled most of its diplomatic staff from Havana and expelled an equal number of Cuban envoys from Washington. The State Department has said the bare-bones staff at the U.S. Embassy in Havana is not able to process visas for Cubans seeking to travel to the United States.

No cause for the ailments has been found in more than a year of investigation by the FBI and other U.S. and Cuban authorities.

## **Tampa Bay Times**

### **St. Petersburg, Florida**

**13 June 2018**

### **Trump’s tougher Cuba policy having little impact on Tampa area**



A Cuban and an American flag hang in the atrium on the Carnival Paradise at Port Tampa Bay. Despite President Trump announcing a stricter Cuba travel policy a year ago, both the cruises and flights from Tampa to Havana are thriving. [MONICA HERNDON | Times]

Paul Guzzo  
Times staff writer

TAMPA — June 16 will mark a year since President Trump announced a tougher Cuba travel policy, but unlike in much of the nation, the changes don't seem to have hurt local bookings to the island. The number of people traveling between Tampa and Havana has increased dramatically.

Tampa International Airport said 71,376 passengers flew between Tampa and Havana through April of this fiscal year. That's up from 53,512 during the same period in 2017, an increase of 33 percent.

Overall, despite Trump's vow to a Miami crowd last year to roll back much of what his predecessor Barack Obama had done with Cuba, not much has changed here for those who want to engage the island nation. Cruise ships are sailing more often to Havana. Exchange programs continue.

Residents can even stay in Cuban military-operated hotels, despite Trump's directive that Americans can't book rooms in such lodgings. Language in the mandate says Americans can't make direct payments to those hotels, said Tom Popper, president of the New York-based InsightCuba travel company.

But U.S. travel agents can still legally book these hotels for clients by indirectly paying for rooms through a third-party property management company in Cuba, Popper said. He said his lawyers have cleared that with the U.S. Treasury Department's Office of Foreign Assets Control.

When asked about the indirect payments, OFAC responded via email, "authorized travelers may not engage in a direct financial transaction with entities and sub-entities, including hotels, on the Cuba Restricted List." Pressed again about indirect payments, OFAC did not respond.

"If this is the case, how can one consider this administration dependable?" asked Rafael Pizano, a spokesman for Tampa's Casa de Cuba, which argues against engagement with the socialist nation. "The president has taken steps, yet he needs to come through. Flights should be more restricted and cruises halted." Both are thriving locally.

"We see nothing to suggest the administration's policy direction on Cuba travel has impacted our bookings," said Brad Hawkins, a spokesman for Southwest Airlines, which offers daily flights from Tampa to Havana. Carnival cruise lines will add another 20 Havana voyages in 2019, bringing the total to 31. And Royal Caribbean is now using a larger ship that can carry more than 2,700 passengers to Havana, compared to 1,602 previously.

"Havana has been a positive offering by the cruise lines to the port," said Wade Elliot, vice president of marketing for Port Tampa Bay.

Going to Cuba for tourist reasons has long been illegal under U.S. law. But then-President Obama made it easier to visit for educational purposes by allowing individual travel.

Among Trump's June 2017 directives was to cancel individual travel to Cuba so the only way to visit was as part of a U.S. government-approved tour group — a pricier trip. It was thought this would diminish the number of Americans in Cuba. And that has been the case outside areas like Tampa with large Cuban-American populations.

Overall, in the first quarter of 2018, 40 percent fewer Americans visited Cuba than the same period last year, according to Cuban government statistics.

But InsightCuba's Popper believes that drop is because Americans thought travel to Cuba was banned outright. Once the confusion cleared, he said, his company has "seen a steady and healthy growth, about 10 percent each month."

Still, the University of South Florida's College of Public Health will not send students to Cuba next school year after doing so twice last year.

In part that's due to Trump policy penalizing U.S. citizens for spending money with military-managed companies, even accidentally, said Jesse Casanova, the College of Public Health's international programs coordinator.

But other local institutions continue Cuba exchanges. The University of Tampa still offers students the opportunity to study there, and the Florida Aquarium will continue to study Cuba's coral reefs.

Whether area business people are seeking opportunities in Cuba is harder to quantify.

While Trump banned Americans from entering into any contract with a company run by Cuba's military-controlled subsidiary GAESA, which manages as much as 60 percent of the economy, opportunities remain. But American businessmen are hesitant to announce Cuba initiatives, said John Kavulich, president of U.S.-Cuba Trade and Economic Council.

"They don't want to end up on the wrong end of a presidential tweet," he said. "It simply isn't worth it."

## **Miami Herald**

### **Miami, Florida**

#### **19 May 2018**

More than 100 people were killed after a Boeing 737-201 on a flight from Havana to Holguín crashed and exploded in a field Friday afternoon shortly after takeoff from José Martí International Airport.

In the wake of the crash, Cuba's Council of State declared two days of national mourning.

State media reported that 104 passengers — 100 of them Cuban — as well as several Mexican crew members were aboard the plane that was leased by Cubana de Aviación, the Cuban national airline, from a Mexican company. The aircraft was nearly 40 years old.

Four survivors were taken to Calixto Garcia hospital in Havana, but one, a man, later died from burns and other trauma, according to Granma, the Communist Party newspaper. The remaining three female survivors were in serious condition. Only one of them, Emiley Sánchez de la O, 39, of Holguín, was identified by Cuban media.

An official death toll hadn't been released Friday night, but it appears that the three women may be the only crash survivors. Argentina's foreign minister said two Argentines were among the dead. Miguel Díaz-Canel, who became Cuba's president on April 19, headed to the scene after receiving word of the crash.

"The news is not very hopeful. It seems there will be a high number of victims," he said. In a Granma photo, he is seen in shirt sleeves striding through a field near the charred body of the plane.



Cuban president Miguel Díaz-Canel at the site of the plane crash. Shortly after departing José Martí International Airport in Havana, a Boeing 737-200 crashed in a suburb of the capital city on May 18. Adalberto ROQUE AFP/Getty Images

Díaz-Canel later appeared on Cuban state television offering his condolences on behalf of the Cuban government and Communist Party to family members. He said the events surrounding the crash would be investigated by a commission and "all information will be given."

Raúl Castro, the head of Cuba's Communist Party who is recovering from a planned hernia operation, also sent his condolences to the families of the victims.

The passenger roster included four children and an infant.

As families of the passengers desperately waited for news of their loved ones, they were asked to call these Cuban numbers for information on flight DMJ 0972: +5376497233 and +5376497234.

The plane was traveling from Havana to Holguín, 416 miles east of the capital, when it went down near the airport, which is located in the Rancho Boyeros suburb of Havana. An NBC reporter in Havana said the plane fell on a government farm and that homes in the area weren't affected.

Two busloads of the survivors' families were taken to the crash scene, and Cuban authorities were working to get family members from Holguín to Havana to help identify victims. A flight was scheduled to leave Holguín at 10 p.m. with a representative from each family aboard. Some of the victims also lived in Las Tunas and Granma provinces.

Firefighters battled the blaze as billows of black smoke shot skyward, but when Díaz-Canel appeared on state television in late afternoon, he said the fire had been extinguished. The airport was closed shortly after the crash, leaving several flights from Havana to Miami on hold, but it reopened Friday afternoon.

The flight to Holguín took off shortly after noon and crashed at 12:08 p.m, according to Granma. Witnesses said the plane turned around to head back to the airport and struck electric cables before plummeting. Rescuers arrived within 12 minutes of the crash, according to a Granma reporter.



Nurses head toward the crash of a passenger plane carrying 104 passengers and several Mexican crew members that went down in a field shortly after taking off from Jose Marti International Airport in Havana. Ramon Espinosa AP

Shortly after the crash, ambulances, fire trucks, and cars from Cuba's Instituto de Medicina Legal could be seen speeding down Havana's central Avenue of Independence, reported 14y medio, an independent digital outlet in Cuba.

Roberto Peña Samper, president of Corporación de la Aviación Cubana, said the aircraft was the property of a Mexican company called Global Air and had been leased by Cubana de Aviación. Global Air, which was founded in 1990, provides aircraft to various flight operators.

Information provided by the Mexican government to CubaDebate, a Cuban digital news service, said the plane had been manufactured in 1979. The flight captain was identified as Jorge Luis Núñez Santos.

Although Cuban media reported there were nine crew members aboard, the Mexican government listed only five.

Mexican President Enrique Peña Nieto was among the world leaders who sent condolences to the Cuban government and people.

Boeing, the manufacturer of the plane, also sent condolences. "A Boeing technical team stands ready to assist as permitted under U.S. law and at the direction of the U.S. National Transportation Safety Board and Cuban authorities," the company said in a statement.

Although the plane was leased, Cubana de Aviacion's aging fleet has faced safety issues in the past.

Just Thursday, the Cuban National Aviation Authority grounded Cubana de Aviación's Antonov AN-158 fleet due to technical issues. According to Airline Geeks, the airline operated up to six of the Ukrainian aircraft, which had repeated maintenance issues. As of April, only one of the planes was still in operation. In April 2017, a Cuban military plane crashed in Artemisa province and eight people died. The plane was an AN-26.

The Associated Press reported that Cuban First Vice President Salvador Valdés Mesa met Thursday with officials from the airline to discuss improvement in Cubana's service in the face of strong criticism. Flights between Cuban cities have long been problematic.

Due to issues with internal Cuban flights, there have been instances of Cuban nationals flying to the United States and then taking a flight to the desired city in Cuba, said John S. Kavulich, president of the U.S.-Cuba Trade and Economic Council.

During the Obama administration, regularly scheduled commercial flights from the United States to Cuba resumed and U.S. airlines were granted authority by the Department of Transportation to fly to several Cuban cities.

## The Times of London

### London, United Kingdom

14 April 2018

### Will handover mark end of the Castro era in Cuba? Not really

**The communist bastion in the Caribbean is about to pass out of the hands of the Castros for the first time since 1959. Cuba watchers warn, however, that this should be seen as a change of uniform rather than a changing of the guard, writes Jacqui Goddard**



Raul Castro's face stares down from a wall in Havana. Most Cubans have never known anything but the rule of the Castros YAMIL LAGE/GETTY IMAGES

For nearly 60 years, the Castro name has been stamped all over Cuba like a corporate brand, outlasting 11 US presidents and standing as a synonym for tyranny and intrigue.

Next week, for the first time since 1959, the island will anoint a non-Castro as president, representing a historic transition, albeit one considered unlikely to herald immediate transformation of the island.

“It’s not a changing of the guard so much as a changing of the uniform,” said John Kavulich, president of the US-Cuba Trade and Economic Council, of the pending handover from Raul Castro, 86, to Miguel Diaz-Canel, 57.



Raul Castro, 86, is handing over to Miguel Diaz-Canel, 57, who has appeared to encourage social liberalism while talking tough on crushing dissidents JORGE BELTRAN/GETTY IMAGES

“Castro is a military man and Diaz-Canel is not; we are just swapping Army epaulettes for a guayabera,” he added, referring to the traditional Cuban shirts favoured by the incoming premier.

Mr Diaz-Canel was not even born when the Castros and their revolutionary guerrillas ousted President Fulgencio Batista on January 1, 1959, replacing his government with a socialist state that evolved into a communist apparatus.

Around 80 per cent of the island's current population has known no one other than a Castro at the helm, Raul having succeeded to the presidency from his increasingly frail brother in 2008 at an election in which the only voters among the country's 11.5 million residents were the 605-member National Assembly. Fidel Castro died in 2016, aged 90.

Mr Diaz-Canel, a former engineer and regional government official, is one of the "lost generation" of Cubans born since the revolution but trapped in its aftermath, powerless to effect change even if they had the will. Castro influence pervades every corner of the island's governance; ministries are stacked with cronies, provincial leaders are devout loyalists and Raul is supreme leader of an army led by unquestioning comrades.

Crucially, Raul Castro will remain secretary-general of the Communist Party of Cuba after he steps down on Wednesday, leaving him essentially still the country's most powerful influence and oppressor-in-chief.



Fidel Castro rouses crowds of supporters in 2002. He died in 2016 aged 90  
ADALBERTO ROQUE/AFP/GETTY

Mr Diaz-Canel has dabbled anecdotally in progressivism, in 2013 citing the internet — heavily restricted in Cuba — as a constructive social tool and endorsing student bloggers' freedom of expression. He backs gay rights and embraced economic reforms introduced by Raul Castro that permitted private entrepreneurship, until they were shut down again. But he has also spoken longer and louder about cracking down on private enterprise, crushing dissidents and throttling the development of independent media, presenting a contradictory image.

Despite the passing years necessitating a handing-down of power from Raul Castro and his ageing commandantes to the lost generation, Mr Diaz-Canel's remit appears not to be one of reform. Devoid of political and economic power, his job is to be steward of the status quo, a puppet dancing to the old guard's tune.

"Very little is going to change. Diaz-Canel isn't a daring figure, he's not a risk taker, he doesn't have any support in the party, any support in the military, any support in the population at large," said Jaime Suchlicki, director of the Cuban Studies Institute in Miami.

"He's just going to be a figurehead subservient to the politburo of the Communist party, which is the real basis of power in Cuba. I don't think he's going to be able or willing to put any imprint of his own on the country or challenge the military; they're interested in the continuation of the system, they are concerned about this system falling apart and they're now placing their kids in key government positions so they don't have to be."

Nor is Mr Diaz-Canel expected to seek, want, or be offered new friendships in the region. Whereas Europe has seen opportunities to engage with Cuba economically, a US trade embargo imposed in 1960 remains in place and steps by President Obama towards rapprochement have been reversed under President Trump.

Relations soured further last year over mysterious "sonic attacks" that left 24 US embassy workers in Havana with hearing loss and neurological ailments.

Leaders gathering in Lima this weekend for the eighth Summit of the Americas have been urged by 37 former heads of state and government of Latin countries to spurn Raúl Castro, who is was due to attend. In the end Mr Castro decided not to turn up and sent Bruno Rodríguez, his foreign minister, instead.

Jorge Quiroga, the former president of Bolivia, called next week's transition "a change of tyrants in a dictatorial system".

At a conference of civil society also taking place in Lima on Thursday, an official Cuban delegation heckled and disrupted Cuban pro-democracy advocates who are pushing for political reform and an end to human rights oppressions on the island. “Down with the worms” and “I am Fidel,” they chanted.

Mr Kavulich said yesterday: “Diaz-Canel is going to be doing what no one has had to do for nearly 60 years - and that’s be a president without being a Castro. There are those among the political class who dream of Raul passing the baton to another Castro because it would make the narrative so much easier to continue.”

## **USA Today**

### **Arlington, Virginia**

#### **12 April 2018**

Think you can do business in post-Castro Cuba? Sorry, but it'll still be tricky

Rick Jervis, USA TODAY



(Photo: Ramon Espinosa, AP)

Doing business with Cuba has been historically tricky, with complex U.S. rules to untangle, lack of direct bank transactions and an often unreceptive Cuban government.

President Raúl Castro's retirement next week — marking the first time in nearly 60 years Cuba will be ruled without a Castro — was long expected to pave the way for increased business between the U.S. and Cuba.

But as it turns out, it may not make much of a difference. Recent policy changes under President Trump and a series of standoffs between Washington and Havana have made that process thornier than ever.

“The climate has certainly changed,” said Jay Brickman, vice president of Jacksonville-based Crowley Maritime Corp., which transports shipping containers full of chicken from Florida to Cuba. “The optimism that was there has been dampened. People are investing less time to see how they could enter the Cuban market until they see where the relations are going.”

When the two former Cold War foes announced warmer relations in December 2014, U.S. businesses were hopeful they could start doing business with Cuba, just 90 miles away. Policy changes under President Obama encouraged Americans to travel to the island and seek out business opportunities.

But Obama’s changes didn’t go far enough to undo restrictions under the U.S. embargo against Cuba, provisions in place since 1960 that severely restrict doing business with the communist island, said John Kavulich, president of the U.S.-Cuba Trade & Economic Council, a New York-based non-partisan business group that provides information and analysis on doing business in Cuba.

On the flip side, the Cuban government also resisted opening up Cuba too much to private enterprise, he said. In August, it placed a temporary halt on new licenses for bed-and-breakfasts, restaurants and other privately owned businesses. Last year, it balked on an offer by Google to expand Internet across the island through Wi-Fi connections and cellphones.

“They’re skeptical,” Kavulich said. “The re-emergence of the United States’ presence in Cuba is, by definition, disruptive and uncertain.”

Since taking office, Trump has unraveled some of Obama's historic changes, including barring Americans from providing money to certain Cuban businesses run by the military and doing away with "people-to-people" visas that thousands of Americans used recently to travel there.

Last year, relations took a sharp turn for the worse when U.S. officials accused Cuba of "sonic attacks" on U.S. diplomats on the island. In September, the State Department issued a travel advisory warning Americans not to travel to Cuba because of the mysterious attacks. It downgraded the notice four months later.

And in February, a task force ordered by Trump announced it was brainstorming ways to expand Internet access and improve access to information on the island, despite a formal protest by the Cuban government, which viewed it as an attack on Cuban sovereignty.

All this has had a chilling effect on U.S. travel to Cuba and business prospects between U.S. and Cuban companies, said Richard Feinberg, a senior fellow at the Brookings Institution and author of *Open for Business: Building the New Cuban Economy*.

"The hopeful scenario was that with the Castro brothers either gone or in the background, some of the bile in U.S.-Cuba relations will have been drained," he said. "But I don't see any interest in improving U.S.-Cuba relations in the short term."

Brickman, the shipping executive, said he hears the concerns from his Cuban counterparts when he travels to the island on business. Cuban officials and business leaders want to know how the Trump administration will impact long-term relations with the island.

The new developments haven't hurt his current business but his firm, like others, has put on hold any expansion plans in Cuba until relations stabilize, Brickman said.

Meanwhile, Cuba, with the economy of ally Venezuela in free fall and prospects for improved relations with the U.S. dim, will look to other countries, like Iran and China, for help, he said.

"If the U.S. door for right now is not as open, perhaps there are other doors with more benefits for them," Brickman said.

## **Financial Times**

### **London, United Kingdom**

**4 March 2018**

**Cuba braced for life after the Castros Transition comes at a delicate time for the island Raúl Castro is due to step down on April 19**



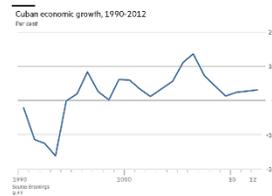
By John Paul Rathbone, Latin America Editor

Niuris Higuera climbs with heavy tread up the wrought-iron staircase to Atelier, a 50-seat restaurant that boasts graceful wood-paneled rooms and a broad terrace with sweeping views of the Havana skyline. Business seems to be booming. Outside, Havana is bathed in the tangerine light of sunset. Inside, there is a happy hum of dining tourists and the cheerful clink of glasses. Yet Ms Higuera is in a funk.

As with most nascent entrepreneurs in Cuba's fledgling private sector — and indeed many Cubans — she is nervous. “Things will change for the better, because they have to,” says the 47-year-old chef fatalistically. There is good reason for Ms Higuera's concern.

On April 19, Raúl Castro, 86, will step down as president and is likely to be replaced by Miguel Díaz-Canel, 57, Cuba's vice-president. It is the first time in almost 60 years that a Castro brother will not hold the post, and while the presidency is a largely symbolic role, the power shift comes at a delicate moment for the communist island. Cuba's Soviet-style economy, battered by hurricanes and hurt by dwindling aid from crisis-ridden Venezuela, is on the rocks.

The state has seemingly cracked down on private businesses, again. And a once-budding relationship with the US, Cuba's arch-enemy, has deteriorated after Donald Trump, the US president, partially reversed the detente launched by his predecessor.



Around 1m US visitors, over half of them Cuban-Americans, travelled to the island last year, spending approximately \$650m, according to the US-Cuba Trade and Economic Council, a consultancy. But tighter US travel restrictions have since slashed visitors. Total tourist visits in 2017 were 4.7m.

“It's been brutal,” says Ms Higuera. “Americans used to mingle with the Cubans. They visited private restaurants, they rented private homes, they used private transport. Other businesses then serviced them. But now the [supply] chain has broken. The impact has been very strong.” A mysterious series of so-called sonic attacks that affected at least 24 US diplomats and their families in Havana, has further chilled tourism.

The State Department's current advisory recommends that visitors “reconsider travel to Cuba due to health attacks.” Outside hotels, the restored 1950s cars that once whisked US visitors on joyrides now stand idle. Cubans who rent out their homes via services such as Airbnb report falling bookings and prices. “It's logical: if you open a webpage, say, of TripAdvisor in the US and search for Cuba, you get a warning message. So obviously that has an impact . . . Americans don't come,” says Leire Fernandez, co-founder of Clandestina, a graphics and T-shirt business in colonial Havana. “Our experience has been a 30-40 per cent drop in sales. It's been the same for everyone.”

But Cuba's private sector, which has expanded almost fourfold to account for almost 600,000 jobs or an eighth of the workforce since Mr Castro introduced reforms eight years ago, has not only been hurt by US actions. The Cuban state is also seemingly clamping down. Several business licenses have been revoked as part of a process of “rectification” — most notably of Starbien, a restaurant co-owned by the son of a former interior minister. There are rumours of more curbs to come. “We have to see what the final rules are,” says Miguel Ángel Morales, owner of La Moneda Cubana, a restaurant in Old Havana. “But if there are cancellations or limits on private business licenses, as the rumours suggest, that could create unemployment, which is not what the national strategy surely needs to be.”



Restored 1950s cars stand idle as tourist numbers dwindle © Reuters

The biggest unknown is April 19, when Mr Castro will step aside from the presidency. Most Cubans simply shrug their shoulders about its significance as it is a political affair beyond their reach. They are more concerned about getting by from day to day. But a leaked video that showed Mr Díaz-Canel taking a traditional hardline in a private meeting of Communist Party members, has unsettled nerves. Mr Díaz-Canel

is a burly party functionary from the provinces and little is known of what he believes — or even if he will finally be chosen as successor.

Cubans will “vote” in a pre-ratified slate of candidates for the National Assembly on March 11, which will then ratify formally Mr Castro’s successor in April. Mr Castro is expected to remain head of the Communist party and the armed forces when he steps down. “We don’t know who the new president will be,” says Marta Deus, co-founder of Deus Accountants, which provides accounting services to the self-employed. “But I hope it will be a young person, who understands the social changes going on in the world.”

At least the rampant food, drink and price inflation that was driven by yesteryear’s tourist boom and that priced many goods beyond most Cubans’ reach, has cooled. “There have been some positive sides to the Trump effect too,” says Clandestina’s Ms Fernandez. Internet access also continues to grow.

Privately-employed coders have even sub-contracted their services to design Spanish websites abroad as bandwidth has expanded. “That kind of work would have been technically impossible two years ago,” says one, who asked to remain anonymous.

But such opportunities are beyond the reach of most, and after six decades of struggle there is a widespread sense of resignation, co-mingled with faint hopes for change as the so-called historic generation of ageing Cuban leaders step aside.

“Being Cuban is like Sisyphus,” says Esther Cardoso, a leading actress, who rents out her home to make ends meet. “You roll a stone to top of the hill, and every night it falls back again. Now is not a time for dreams, it’s a time to make money and get by. That’s what Cuba has become today. It’s sad.”

## Tampa Bay Times

### St. Petersburg, Florida

28 February 2018

Cuban Club in Ybor City tries to convince financiers it does no business in Cuba



A statue of Jose Marti, considered the George Washington of Cuba, adorns the entrance to the historic Cuban Club, 2010 14th Ave in Ybor City. The club's \$190,000 loan for renovation work was frozen by financial institutions seeking assurances it isn't doing business with Cuba. [SKIP O'ROURKE | Times]

Paul Guzzo Times staff writer

YBOR CITY — The historic Cuban Club is planning to start some renovations — as soon as a \$190,000 loan already approved hits the bank. That was supposed to happen Friday. On Tuesday evening, the club still was waiting.

The reason has nothing to do with the club’s credit. Instead, it’s about long-standing trade laws banning most U.S. financial transactions with a country shunned by the federal government for embracing Marxism more than five decades ago. The Cuban Club, it seems, has “Cuban” in its name.

Financial institutions flag any transaction with phrases related to Cuba until it can be verified — through research by the institution or by the U.S. Treasury Department's Office of Foreign Assets Control.

The money should be freed up this week, once everyone is convinced no business is being done with Cuba, said Patrick Manteiga, secretary of the Cuban Club's 501(c)(3) fundraising foundation. Still, Manteiga isn't happy. "This is word discrimination," he said. "And this could affect us again."

Some transactions with Cuba are permitted under licenses from the Office of Foreign Assets Control, or OFAC, including travel-related services, payments for exports and for imports, said John Kavulich of the New York-based U.S.-Cuba Trade and Economic Council.

But U.S. financial companies "remain extremely cautious, viewing each Cuba-related transaction as unauthorized until proven otherwise," Kavulich said.

Structural repairs estimated at \$2.6 million are planned for the Cuban Club, a four-story, yellow brick structure with a neoclassical design built in 1917. The Cuban Club was built to replace an earlier center destroyed by fire and served originally as home to a recreational and mutual aid society for Cuban immigrants who founded Ybor City. It now honors that legacy.

To help pay for the renovations, the club obtained a \$1 million reimbursement grant from the state of Florida. The grant must be used by June, so time is of the essence.

Money from a Century Bank loan was to be available Friday. But Century's title company, Fidelity National Title of Florida, uses Bank of America, which suspended the outgoing wire transfer, according to emails among Manteiga, Century and Fidelity that were shared with the *Tampa Bay Times*.

Bank of America released the money Tuesday but Manteiga was told the wire transfer might be frozen again as it passes through the other institutions.

The Cuban Club is the latest in a long line of interests so see its transactions held up. In 2015 and 2016, for instance, Miami's MyCubanStore.com discovered that customers' PayPal transactions were routinely suspended as they tried to purchase its Cuban fashions.

Manteiga favors restoring full relations with Cuba, he said, but not everyone in the club does — and he sees the membership's stand on the question as irrelevant in its business dealings. "Just Google us," Manteiga suggested, "to find out we don't do business with Cuba."

## **Times Record**

### **Fort Smith, Arkansas**

#### **28 January 2018**

#### **Community Matters: How to level the playing field for Arkansas agricultural producers**

By Sen. John Boozman / Guest Column

New data released by the U.S.-Cuba Trade Economic Council show that Arkansas's agricultural producers continue to lose out under Washington's current restrictive trade policy with the island nation.

The top two commodities Cuba purchased from American producers in 2017 are among the top commodities produced in Arkansas — chicken leg quarters and soybeans.

A deeper dive into the data shows that chicken and soybean products make up over 80 percent of the total food product/agricultural product exports from the U.S. to Cuba last year.

According to the Arkansas Farm Bureau, the Natural State has about 2,500 farms that produce chicken. Arkansas is the 10th largest soybean producing state and exports almost half of the state's crop.

In theory, the Cuban market is ripe for Arkansas's poultry and soybean producers. Add rice to that list, which is a staple of the Cuban diet, and you have the potential for a significant economic boost for our state.

In reality, however, this is not the case.

U.S. producers are still unable to fully tap into the market because federal law does not allow private financing for agricultural trade with Cuba. This misguided policy creates a major roadblock to trade with the cash-strapped island nation.

There is a bipartisan solution to this problem. Senator Heidi Heitkamp (D-ND) and I introduced the Agriculture Export Expansion Act to lift the ban on private banks and companies offering credit for agricultural exports to Cuba. This would help level the playing field for exporters across the country and support American jobs.

This commonsense solution does not put the American people on the hook for business deals with Cuba. It simply removes the regulatory barrier banks and companies run into when trying to offer private financing to Cubans for the sale of U.S. agricultural commodities. Private lenders would assume all the risk.

Nearly all international trade relies on credit. Current U.S. policy restricts trade with Cuba to cash-only transactions, putting American farmers on the sidelines while competitors like China, Vietnam and Brazil actively engage in Cuba's \$2.4 billion market.

Removing this restriction would help level the playing field for Arkansas' farmers and exporters while simultaneously exposing Cubans to American ideals, values and products.

That last point is important. Following Fidel Castro's death, then President-elect Trump said, "Our administration will do all it can to ensure the Cuban people can finally begin their journey toward prosperity and liberty."

I share the President's desire to see democracy take hold in Cuba, as well as his commitment to ending human rights abuses carried out by the Castro regime. I encourage him to consider a more effective approach of opening a line of communication and building a working relationship with governments in need of democratic assistance.

Trade between nations creates that open line and builds those relationships, allowing for the type of person-to-person contact that can bring real change to the world. In normalizing trade relations, you not only trade goods, but ideas. The two go hand-in-hand. Normalizing relations will allow us to remain competitive and create jobs at home, while pushing for human rights and democratic change in Cuba.

Passage of the Agriculture Export Expansion Act would be a small step in that direction, but a big victory for American farmers and the Cuban people.

**Politico**  
**Arlington, Virginia**  
**25 January 2018**

**MORE U.S. AG EXPORTS HEAD TO CUBA:** Trump's hard-line rhetoric toward Cuba may have led to a fraying of Obama-era diplomatic ties, but exports to the island nation paint a very different picture. Agricultural exports to Cuba equaled more than \$250 million in 2017, according to reports from the U.S.-

Cuba Trade Economic Council. These numbers — from January to November 2017 — show an \$50 million increase in exports of food products and ag commodities compared with 2016.

Lots of chicken in Cuba: In terms of dollar value, more than half of what's being sent to Cuba is chicken, according to the New York-based business group's numbers. For the past decade, chicken — whether as leg quarters or whole — has consistently topped the list of products Cubans most purchase from the U.S. The island nation has also regularly bought U.S. soybeans and corn.

But those numbers are a drop in the bucket: Cuba largely relies on imports with an over \$2 billion annual market to buy agricultural products abroad. However, U.S. producers are still unable to fully tap into the market because the American government does not allow private financing for Cubans, posing a huge challenge for the cash-strapped island.

“The community clearly wants to export to Cuba and for agribusiness — where it's often been seen as off-limits — we see the movement there's been,” Madeleine Russak, communications director for Engage Cuba coalition, told MA. “More people are encouraged and looking to Cuba as a potential export market.”

## **Hoosier Ag Today**

### **Zionsville, Indiana**

### **23 January 2018**

NAFB News Service  
23 January 2018

#### **U.S. Ag Benefiting from Trade with Cuba**

By NAFB News Service -

According to new figures released by the U.S.-Cuba Trade and Economic Council, U.S. agriculture is benefitting from trade with Cuba. Exports of food and agricultural products from the U.S. to Cuba in November of 2017 were pegged at \$21.2 million, compared to \$10.59 million in November 2016, and \$6.24 million in November of 2015. There were also substantial increases in sales of farm equipment and products for hotels and airlines. Chicken in various forms was the biggest export, followed by herbicides.

In 2015 and 2016 the list of products authorized for export to Cuba from the United States was expanded, as long as the importers were not affiliated with the Cuban government. John Deere and Caterpillar opened agricultural distribution centers and have been the biggest exporters of farm equipment, but neither company has issued sales figures for their operations in Cuba.

Source: NAFB News Service

## **Radio/TV Marti**

### **Miami, Florida**

### **24 January 2018**

Bajo gobierno de Trump repuntan ventas agrícolas de EEUU a Cuba, asegura experto

Rolando Cartaya



Trump en el acto celebrado en Teatro Manuel Artime de Miami el 16 de junio de 2017 donde anunció la nueva política de EE.UU. hacia Cuba.

Hasta noviembre de 2017 se habían exportado a la isla \$ 248,7 millones, \$ 16 millones más que en todo 2016, reporta John Kavulich, director del Consejo Comercial y Económico Estados Unidos-Cuba. Aumentan ventas de maquinaria agrícola y donaciones humanitarias.

Nuevas cifras recién publicadas por el Consejo Comercial y Económico Estados Unidos-Cuba (USCTEC), entidad privada que monitorea las relaciones económicas bilaterales, revelan que las exportaciones estadounidenses de alimentos y productos agrícolas a la isla más que se duplicaron en noviembre de 2017 comparadas con el mismo mes de 2016, superando así, un mes antes de fin de año, el total registrado en los 12 meses previos.

En noviembre pasado se vendieron a Cuba \$21 millones 277.713, comparados con \$10 millones 594.557 en noviembre de 2016, y \$ 6 millones 243,680 en el mismo intervalo de 2015.

De esta cifra, los productos de pollo congelado encabezaron como en otros años las compras cubanas con casi \$ 17 millones, seguidos por la adquisición de herbicidas, con unos \$3,78 millones. Otras importaciones principales pagadas por La Habana fueron galletas dulces (\$351.943) y chocolates y cacao a granel o para venta al detalle (\$ 297.898).

John Kavulich, director del USCTEC, destacó a Martí Noticias el sustancial incremento de las compras de productos de cacao en los últimos dos años, por encima de otras importaciones tradicionales destinadas al consumo interno como soya y maíz.

La venta directa de productos agrícolas y alimenticios a Cuba, que debe ser pagada en efectivo por La Habana, es autorizada por la Ley de Reforma a las Sanciones Comerciales y Fortalecimiento de las Exportaciones (TSREEA por sus siglas en inglés) que el Congreso estadounidense aprobó en 2000.

Aunque no estaba disponible el mes de diciembre de 2017, Kavulich apuntó que las compras cubanas autorizadas por TSREEA en los primeros once meses de la administración Trump (enero a noviembre) superaban ya (\$248 millones,703,676) las de todo el 2016 (\$232,064,645), con lo que Cuba ascendió del lugar 55 al 52 entre los 229 clientes de este mercado estadounidense.

Otra exención al embargo es la venta a la isla de productos para la salud como equipos, instrumentos y suministros medicos y farmacéuticos, autorizada por la Ley de Democracia Cubana o Ley Torricelli de 1992. El propósito con que se usan estos productos requiere ser verificado, pero Cuba no necesita pagarlos en efectivo.

En estos rubros las importaciones cubanas cayeron de \$ 6 millones 121.425 en 2016 a \$ 4 millones 835,222 hasta noviembre de 2017. Los envíos incluyeron medicamentos como penicilina e insulina, pasta dental, utensilios de laboratorio, equipos electrónicos médicos y quirúrgicos, suministros oftalmológicos y cánulas.



El fabricante de maquinaria agrícola estadounidense John Deere está vendiendo a Cuba tractores de su serie 5000 (75-115 HP).

El informe presenta una novedad en las relaciones comerciales: las importaciones hechas por las cinco aerolíneas estadounidenses que sirven a Cuba, la empresa norteamericana Marriot, que tiene contratos para administrar dos hoteles en la isla, y dos grandes fabricantes americanos de maquinaria agrícola que han

establecido centros de distribución en Cuba: John Deere, con sede en Moline, Illinois, y su competidora Caterpillar, basada en Peoria, Illinois. Entre todos totalizaron en noviembre de 2017 \$ 921,996, aunque la mayor parte, unos \$756.000, correspondió a una de las dos empresas afincadas en Illinois.

Kavulich destacó que dichas importaciones, realizadas por entidades cubanas no vetadas por EE.UU., se concentraron en maquinaria agrícola, fabricada por John Deere, principalmente tractores de la serie 5000 (75-115 HP), pero también cultivadoras, fertilizadoras y trilladoras, implementos agrícolas, piezas de repuesto y otros insumos. John Deere Finance se ocupa de respaldar las exportaciones. Caterpillar también ha anunciado que financiará sus ventas a Cuba.

USCTEC también reporta que en 2017 se produjo un aumento de las donaciones desde EE.UU. al país caribeño esto es, bienes humanitarios como alimentos, ropa, artículos para la salud, libros, etc., que son generalmente enviados a la isla en aviones de carga o barcos portacontenedores, y no incluyen los entregados por personas.

El valor de dichas donaciones de enero a noviembre de 2017 fue de \$ 5 millones 317,289 comparado con \$ 4 millones 755,859 en todo 2016.