

# OPEN TO THE WORLD

**ZED MARIEL**

**ZONA ESPECIAL DE DESARROLLO MARIEL**

NOVEMBER 2016

SPECIAL EDITION FOR FIHAV 2016

Centro de Negocios  
*Pelicano*

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# ZED Mariel: Open to the World

It is our pleasure to present the third issue of the *ZED Mariel: Open to the World* publication, prepared by CONAS & EY on behalf of the Oficina de la ZED Mariel.

Although Cuba has never been isolated from the world over the past 50 years despite US restrictions, it has seldom been as popular with business delegations from all over the world, political leaders, celebrities, sporting figures and a booming tourism market visiting the “Pearl of the Antilles.” They come to simply enjoy and experience the unique beauty that is Cuba, to explore business opportunities and to pursue cultural exchanges.

During the past year alone, more than a dozen heads of state have visited Cuba on bilateral visits, typically accompanied by high-level business delegations.

Nowhere is Cuba’s economic modernization more apparent than in ZED Mariel, where a huge area of overgrown vegetation has been transformed into a platform for the largest industrial park in the Caribbean and Central America which this year was entered into the Financial Time’s *Best Free Trade Zone and Industrial Park* worldwide competition.

ZED Mariel is an area within the national territory with special policies and regimes targeting national and foreign investments contributing to the sustainable development of Cuba.

While the total area covered by the ZED Mariel legislative framework is 465.4 km<sup>2</sup>—an area larger than many countries—its development is being concentrated initially in the 43.7-km<sup>2</sup> area on the western side of the Mariel Bay which forms Sector A. This is being done in accordance with a detailed Master Plan that has been prepared with the collaboration of Bouygues Bâtiment International, which is working with a futuristic vision in the conception and design of its urbanization, in compliance with the best international practices, under the concept of “high environmental quality” (HQE).

International companies looking to enter the Cuban market or to use the project as a platform for exports are now able to plug into world-class infrastructural and logistical services.

Within the area covered by the Zone is the Bay of Mariel, one of the best deep-water

natural harbors in the region, and location for Terminal de Contenedores de Mariel (TC Mariel). This Cuban entity is operated by Singapore’s PSA International and is designed to receive New Panamax ships. Since its inauguration in January 2014, traffic has significantly increased and it is on track to become an important regional logistics hub.

The Pelicano Business Center, location for the administrative office of ZED Mariel along with various other service providers, was opened in early 2016.

Over the past year, various projects have begun the investment process including multinationals Unilever and British American Tobacco (BAT). There are many other companies in the preparation phase for significant investments catering to both the domestic and regional markets.

This visionary greenfield project is well on track, and as it moves from its early stages of infrastructural development to a major logistical, manufacturing and technological park, don’t be surprised to see it creeping up global rankings as a great place to do business.



"La ciudad que más me gusta a mí"  
(the city I like the best)

Singer Benny Moré of his home city  
in the song "Cienfuegos."

Cienfuegos is known for  
its elegance, enlightened  
French spirit and feisty  
Caribbean panache. The  
Punta Gorda peninsula  
(shown here), stretches  
for 2.4km and includes the  
town's architectural jewel,  
the Palacio de Valle.

Photo: Ana Lorena and Mene

# 01. Why Cuba?

Cuba has good political, economic and trading relationships within the region and globally. Occupying a strategic location in the heart of the Caribbean, Cuba is ideally located to become the hub to the Americas in shipping and aviation and, in the longer term, as a business and financial center, leveraging the unrivalled attractions of living in Havana.

With a surface area of 109,886.19 km<sup>2</sup>, Cuba is the largest country within the West Indies. The sobriquet "Pearl of the Antilles" is well deserved—its level of culture, history and architecture, and its sites of natural beauty are unrivalled within the region.

Cuba's underlying infrastructure is strong in transportation, energy and telecoms. Ongoing investment needs provide opportunities for foreign direct investment going forward. The Cuban workforce is well educated and highly skilled. Cuba has a high participation rate in tertiary education (48%, according to the Human Development Index 2015) and world-class universities, especially strong in medicine, engineering and information technology.

Cuba performs well in environmental ranking, placing third in Latin America & the Caribbean in the 2016 Yale University-produced Environmental Performance Index (EPI).

There is a stable legal, economic and political framework.

There is a strong fabric of society and social cohesion in Cuba. Low rates of crime, traffic and pollution make Cuban cities attractive places to live.

In 2015, the UNDP ranked Cuba 2<sup>nd</sup> within Latin America & the Caribbean and 67<sup>th</sup> out of 188 nations on its Human Development Index (HDI). This reflects Cuba's strong and inclusive health care system as well as other social indicators.

Old Havana is a UNESCO-recognized World Heritage Site. Havana has been chosen as one of the world's seven most remarkable cities (New7Wonders), one of the top 10 healthiest cities in the world (CNN), and the safest city in Latin America and the Caribbean (El País).

An ongoing boom in the tourism sector, evidenced by an 11.9% year-on-year increase in the nine months to September 30, 2016, is driving demand for investment in hotel capacity and other associated infrastructure and services.

*Moody's Investors Service changed Cuba's outlook from "stable" to "positive" in 2015*

As barriers to investment and financing constraints continue to ease, supported by continued U.S. rapprochement, the authorities will have much greater scope to access finance and ease the current tight external liquidity conditions....Moody's expects an increase in capital inflows is forthcoming.

December 10, 2015



## 02. The Hub to the Americas

*Cuba occupies a strategic location in the heart of the Caribbean. It is perfectly positioned to act as a bridge within the Americas, connecting the islands of the Caribbean and acting as a regional hub for container cargo, recreational boating, air passenger travel and cargo. In the longer term, it could also potentially open up the rest of the Caribbean to connections through Cuba to the US in energy and telecommunications.*

While Cuba is the “Pearl of the Antilles,” Havana is the beating heart of this island. No other city in the region comes close. La Habana boasts a depth of cultural and sporting activities, history, architecture and fascinating contemporary idiosyncrasies without the social problems, contamination and traffic that blight other cities in Central America and the Caribbean. An average of 330 days of sun per year and its proximity to Playas del Este, where miles of golden sand beaches are gently caressed by the warm *azul* Caribbean waves, does not hurt either!

**Aviation:** Cuba is likely to attract almost four million visitors in 2016, arriving at one of its ten international airports. Over 30 major international airlines fly into Cuba from more than 25 countries, offering a range of options for business and vacation travelers, including the recently-approved scheduled flights from major US carriers.

Following its renovation, Havana’s José Martí International Airport will be in a strong position to leverage its relatively large domestic market with its connectivity to act as a transit airport for travelers to the region. Especially given the typical complaints with US entry requirements and the relative distance of Panama from many routes, this offers real opportunities in the longer term.

**Cruise Ships and Ferries:** Cuba has three small cruise ship terminals in Havana, Cienfuegos and Santiago de Cuba. There are approximately 10 million cruise ship passengers who currently visit the Caribbean. Once US restrictions are removed, virtually every cruise ship itinerary in the Caribbean would want to visit Cuba at some point, especially given its proximity to Miami, where most major US cruise ship companies have their headquarters.

**Boating:** The Gulf Stream, written about lyrically by Ernest Hemingway, passes close to Cuba’s northern coast and sees a massive boating traffic each year. Cuba has developed a world-class marina in Varadero with berths for over 1,000 boats. Several other marina projects are under development throughout Cuba by Cuban companies as well as additional marinas that will be part of several megagolf course/marina developments.

**Container traffic:** TC Mariel opened in January 2014 and is operated by Singapore-based PSA International. With a design capacity to receive New Panamax ships, this port is being developed into an important regional logistics hub.

TC Mariel is poised to become a major transshipment hub given its almost perfect location within the Caribbean Triangle, where multiple major commerce routes intersect. For traffic transiting the Panama Canal from Asia to the East Coast of North America, TC Mariel has a low deviation and the shortest distance of all the competitors to the final location of US cargoes.

Cuba has a much larger domestic market than other countries within the Caribbean region. This makes it attractive for companies to use the island as a platform for exports. In 2014, Cuba imported US\$13 billion in merchandise goods and exported US\$4.9 billion in merchandise goods.

Other ports in Cuba may also be developed in the future, especially around the eastern end of the Island, where Cuba has several great natural harbors.

Only 150 km from Florida and centrally located within the Caribbean, Cuba is perfectly positioned to act as a hub to the Americas and, in a post-embargo scenario, as a bridge to the US.

# La Habana

(Population 2,141,913)

*Havana is the safest city in Latin America and the Caribbean.*

*El Viajero, travel supplement published by El País.*

Sensual, surreal, and seductive, Havana is simply sensational. To call the city “unique” is no cliché. Arguably Latin America’s best-preserved capital city, Havana is one of the oldest, grandest and most seductive cities in the Americas. It glories in historic import. At the heart of the city is enchanting Habana Vieja (Old Havana), a UNESCO World Heritage Site containing perhaps the finest collection of Spanish colonial buildings in all the Americas. Baroque churches, convents and castles dating back to the 17<sup>th</sup> century reign majestically over cobbled streets and squares embraced by the former palaces and mansions of ruling gentry. Now in its third decade of renovation, this “lived-in museum” teems with quintessential Havana street life.

*Christopher Baker  
Author of the Moon Guide to Cuba*



The New7Wonders Foundation chose Havana as one of the world's seven most remarkable cities. The Cuban capital officially received the title of New Seven Wonder City during a ceremony held on June 7, 2016.

*Photo: Ana Lorena and Mene*

## 03. Infrastructure



Havana Port. There are plans underway to reduce the existing industrial footprint of the area over the next few years, focusing on an environmentally sustainable redevelopment of the area, geared mainly towards leisure usage which will include developing more facilities for cruise ships and (possibly) ferries from the US.

Photo by Marius Jovaiša from the book *Unseen Cuba*.

**Transportation:** Cuba has an extensive network of over ten airports which receive international aircraft as well as other airports that serve domestic routes. Havana's José Martí International Airport receives around 30% of the total international passengers. Airports close to beach resorts in Varadero, Cayo Coco and Guardalavaca have increased their volumes in recent years.

*In August 2016, the Ministry of Transport of Cuba announced that it was entering into exclusive negotiations with the French companies Bouygues Bâtiment International and Groupe Aéroports de Paris regarding a concession to expand and manage, respectively, the José Martí International Airport. Other airports are expected to be remodeled and developed over the next few years.*

Cuba has a road network estimated at 30,168 kilometers, including 28,968 kilometers of paved roads, that reaches virtually every corner of the Island, every city or village, all ports, airports, agricultural, industrial or tourism centers.

A causeway connecting Cayo Coco to Cayo Jigüey is under construction in central Cuba to further develop the tourism sector in the area.

Unión de Ferrocarriles de Cuba announced plans to invest in the modernization of its railroads from 2016 to 2021. The newly built railway spur linking Mariel to the national rail network now enables individuals to commute easily by train from Havana to Mariel and provides an efficient means for the transportation of containers.





Photo courtesy of New Energy Events

**Energy:** With nine major electric power plants and several smaller generators, Cuba's power transmission network reaches almost all corners of Cuba. It extends for approximately 16,000 km (over 2,735 of 220-kV power line, some 4,200 km of 110-kV transmission lines, and under 9,300 km of subtransmission 33-kV power lines).

Unión Eléctrica (UNE), the national utility provider, is taking the necessary steps to meet the national goal of providing 24% of the energy needs of Cuba from renewable energy sources by 2030. This plan

calls for the development of 755 MW of bioelectrical plants, 27 MW of forest biomass, 700 MW of solar photovoltaic parks, 633 MW of wind power and 74 MW of hydroelectric projects.

Existing thermo-electric power stations typically burn Cuban domestic crude oil that is extracted from (mostly) on-shore or shallow-water platforms.

There are several new projects under way involving foreign investment, contractors and financing in both the renewable and conventional energy spaces.

Cuba Energy & Infrastructure Summit, held on September 1-2, 2016, in Havana, Cuba.

This event, hosted by New Energy Events, attracted representatives from over 60 international companies as well as a strong participation from Cuban state companies and government officials.

**Water:** Significant investments have been made over recent years to upgrade the water network within the country. Cuba has many natural aquifers, including five within the ZED Mariel area.

Aguas de la Habana, the concessionary of an integrated system of water management, with the participation of Aguas de Barcelona, has continued to increase the number of areas which it operates in the capital.

The Saudi Fund for Development agreed to provide a US\$29.1-million fund for the rehabilitation of the municipal water system in Cárdenas.

**Communications:** ETECSA, the national telecoms provider, has embarked on a major five-year investment program that will enable the company to meet regional norms in terms of Internet and mobile connectivity. Measures have been taken in recent years to reduce the cost of communications to and from Cuba.

## 04. Social indicators



Photo: Ana Lorena and Mene

**Health Care:** Cuba has universal health care free at the point of delivery that has produced First World health indicators. Cubans have a life expectancy of 79.4 years, an infant mortality rate of 5 per 1,000 live births and 67 physicians per 10,000 people.

The Escuela Latinoamericana de Medicina (ELAM) was established in 1999 as part of Cuba's humanitarian and development aid strategy. ELAM is one of the largest medical schools in the world by enrollment, with approximately 19,550 students from 110 countries enrolled in 2013. All registered students are from outside Cuba and mainly come from Latin America and the Caribbean as well as Africa, Asia and the US.

In June 2015, WHO's Director General Margaret Chan highlighted Cuba's success in becoming the first country to eliminate mother-to-baby HIV transmission.

**Education:** Within the Havana area are the University of Havana, Universidad Tecnológica de La Habana José Antonio Echeverría (CUJAE), Instituto Superior de Tecnologías y Ciencias Aplicadas, Instituto Superior de Ciencias Médicas de La Habana, Universidad Agraria de La Habana, Universidad de las Ciencias Informáticas (UCI), Universidad de Artemisa and Escuela Latinoamericana de Medicina (ELAM).

The biotechnology and pharmaceutical cluster (Polo Científico) in western Havana contains several world-renowned research institutions that have developed many groundbreaking medical treatments.

Cuba has universal education with 9,433 schools and a literacy rate of 99.8%. According to the Human Development Index 2015, published by the UNDP, the mean years of schooling is 11.5, with 48% entering tertiary education. The pupil-teacher ratio is 9 students per teacher. Each year, over 10,000 Cubans graduate with information technology degrees from one of Cuba's technical schools.

A high percentage of the workforce (71%) are secondary and tertiary graduates. There is also a high participation of women in the workforce.

**Sports:** Cuban international sports teams have an incredible track record at the Olympics and other international competitions. In sports as diverse as athletics, baseball, boxing, fencing, judo, shooting, volleyball and boxing, Cuban talent and coaching is widely respected.

Cuba has encouraged mass participation domestically in sport. The annual Terry Fox Run has a countrywide participation of approximately 2 million people (20% of the population).

**Social Factors:** There are low levels of crime, violence and drug use in Cuba, which provides for a safe and secure environment.

Cuba is the most progressive country in the region on issues related to gender equality.

Cubans have very strong family relationships and ties.

Cuba has a strong sense of national identity and limited ethnic, religious or racial cleavages.

*Cuba ranks alongside or better than most developed countries on a range of social indicators, including education, health care and gender equality.*

# Benchmarking Cuba within the region, 2015

	REFERENCE	CUBA	COSTA RICA	COLOMBIA	DOMINICAN REPUBLIC	JAMAICA	MEXICO	PANAMA
Population	Million	11.2	4.8	48.2	10.5	2.7	127.0	3.9
Nominal GDP	US\$ billion	82.4	51.1	292.1	67.1	14.0	1144.3	52.1
GDP per person	US\$	6,920	10,630	6,056	6,374	5,138	9,009	13,268
PPP per person	US\$	7,301	15,377	13,801	14,212	9,063	17,277	22,192
GDP growth	%	4.3	2.8	3.1	7.0	0.9	2.5	5.8
Merchandise imports	US\$ billion	*13.0	15.5	52.2	17.2	5.1	405.3	18.8
Merchandise exports	US\$ billion	*4.9	9.6	38.1	9.5	1.2	380.8	11.3

Sources: World Bank or IMF reports except for Cuba, which is based on ONEI figures. \*Cuba's merchandise import and export figures are for 2014.  
\*The ONEI figures are consistent with World Bank figures. The exchange rate used to convert Cuban Pesos into USD is 1:1 (again consistent with the treatment followed by the World Bank for Cuba).

	REFERENCE	CUBA	COSTA RICA	COLOMBIA	DOMINICAN REPUBLIC	JAMAICA	MEXICO	PANAMA
Human Development Index	Ranking out of 188 countries	67	69	97	101	99	74	60
Gender Inequality Index	Ranking out of 188 countries	68	38	92	104	93	74	96
*Environmental Performance Index	Ranking out of 180 countries	45	42	57	58	54	67	51
Life Expectancy	Years	79.4	79.4	74.0	73.5	75.7	76.8	77.6
Infant Mortality Rate	Deaths per 1,000 live births	5.0	8.4	14.5	23.6	14.3	12.5	15.4
Maternal Mortality Rate	Deaths per 100,000 live births	80	38	83	100	80	49	85
Physicians	Physicians per 10,000 people	67.2	11.1	14.7	14.9	4.1	21.0	15.5
Literacy Rate	% aged 15 and above	99.8	97.4	93.6	90.9	87.5	94.2	94.1
Expected years of schooling	Years	13.8	13.9	13.5	13.1	12.4	13.1	13.3
Mean years of schooling	Years	11.5	8.4	7.3	7.6	9.7	8.5	5.3
Pupil-Teacher Ratio	Number of pupils per teacher	9	16	25	24	21	28	25
% enrollment in tertiary education	% of tertiary school-aged population	48	48	48	46	29	29	43
UDP Gender Inequality Index (GII)	Ranking out of 188 countries	68	38	92	104	93	74	96

Sources: Human Development Report 2015 and The \*2016 Yale Environmental Performance Index

# 05. Modernization of the Economic Framework

**July 2010** Amendment to the Civil Code allows the granting of surface rights for 99 years and in perpetuity to joint venture companies in real estate projects.

**April 2011** The 6<sup>th</sup> Congress of the Communist Party of Cuba adopts new economic and social guidelines.

**September 2011** Self-employment permits are expanded to 181 categories.

**November 2011** Real estate markets are liberalized, allowing Cubans to buy and sell private property.

**December 2011** The Central Bank of Cuba adopts a new credit policy providing access to credit to cooperatives and self-employed persons.

**2011** Greater flexibility provided for small businesses, including the lease of state-owned commercial premises to self-employed persons.

**November 2012** New tax code established.  
*Ley No. 113/2012 del Sistema Tributario*

**September 2013** The Council of State adopts Decree Law 313 on the Special Development Zone of Mariel.

**December 2013** Agricultural cooperatives, state farms, and private farmers are authorized to enter into direct sale contracts with hotels and other tourism-related outlets.

**2013** Various decentralization measures occur, including the creation of various groups of companies, such as Gecomex, Azcuba and BioCubaFarma, formerly under the authorities of various ministries.

**March 2014** Foreign Investment Legislation is published to update the legal framework for foreign investment in Cuba. *Ley 118 de la Inversión Extranjera, Decreto 325/2014 Reglamento de la Ley de la Inversión Extranjera, Resoluciones 128 y 129 del Ministerio del Comercio Exterior y la Inversión Extranjera, Resoluciones 46 y 47 del Banco Central de Cuba, Resolución 16 del Ministerio de Trabajo y Seguridad Social*

**November 2014** Employment incentives announced for Cuban employees of joint ventures and other foreign investment vehicles. The coefficient is changed from one Cuban peso for each convertible peso charged to two Cuban pesos for each convertible peso charged.

**July 2015** ETECSA opens up the first 35 Wi-Fi hotspots. Currently, there are 417.

**March 2016** Under the supervision of the Central Bank of Cuba, a new banking program is implemented to grant credits to self-employed workers.

**March 2016** Cuba's Ministry of Labor and Social Security announces that there are over half a million self-employed workers in Cuba.

**April 2016** The 7<sup>th</sup> Congress of the Communist Party of Cuba updates the Economic and Social Policy Guidelines of the Party and the Revolution for the 2016-2021 period and approved a measure to consult the Cuban population on the draft of the Conceptualization of the Cuban Economic and Social Model of Socialist Development and the draft of the National Economic and Social Development Plan until 2030: the Nation's Vision and Strategic Sectors.

## Strategic Sectors in the Economic and Social National Development Plan 2016-2030:

- ▶ **Construction**, introducing new technologies, construction systems of high productivity and development of the construction materials industry
- ▶ **Electroenergetics**, focused on the use of renewable energies, the increase of efficiency and the exploration, production and refining of oil and gas
- ▶ **Telecommunications, IT and connectivity**
- ▶ **Integrated transport logistics, warehousing and trade**
- ▶ **Integrated logistics of water networks and facilities** both for production and human consumption.
- ▶ **Tourism** and its diversification
- ▶ **Professional services**, especially medical services
- ▶ **Food and Agro-industry** (excluding the sugar industry).
- ▶ **Pharmaceutical, Biotechnology and Biomedical productions**
- ▶ **Sugar industry and its byproducts**
- ▶ **Light industry**, to meet the domestic market demand

The Centro de Negocios Miramar is a large purpose-built trade center where many international companies have their headquarters in Cuba.



Photo: Ana Lorena and Mene

## 06. International Relations

Cuba has been a member of GATT since it was created in 1948, and of WTO since 1995. Preferential trade agreements have been signed with all the countries in Latin America and the Caribbean through ALADI, Cuba-CARICOM and Cuba-MERCOSUR.

Cuba has won widespread plaudits for its leading role in responding to global health crises and natural disasters, including West Africa (2014-ongoing), Haiti (ongoing) and Pakistan (2005). Following the devastation caused by Hurricane Matthew in Haiti (October 2016), Cuba almost immediately sent a group of 38 health professionals from the Henry Reeve Brigade who are trained in disaster medicine and infectious disease containment.

Cuba assumed the Presidency of the Association of Caribbean States (ACS) on January 20, 2016 and successfully hosted ACS's 7<sup>th</sup> Summit in June 2016.

Cuba held the Presidency of the Community of Latin American and Caribbean States (CELAC) in 2013 and in January 2014, successfully hosted CELAC's 2<sup>nd</sup> Summit in Havana, attended by 31 out of 33 regional heads of state.

Cuba chaired the 67<sup>th</sup> World Health Assembly, which took place in Geneva on May 19-24, 2015.

The EU and Cuba concluded negotiations for a bilateral Political Dialogue and Cooperation Agreement on March 11, 2016.

On October 24, 2014, the Financial Action Task Force (FATF) decided to remove Cuba from its monitoring mechanisms, acknowledging the work carried out by the Caribbean nation to prevent money laundering and the financing of terrorism.

The Cuban government played an important role in hosting the talks held in Havana over the past four years which led to the peace deal signed on August 24, 2016 between the Revolutionary Armed Forces of Colombia (FARC) and the Government of Colombia



Cuba's political importance, regionally and globally, as well as the interest from around the world economically in opportunities in Cuba is shown by the number of high-level visits to the island during 2016.

Visitors to Cuba during 2016 have included:

**September:** Hassan Rhouani (President of Iran), Shinzo Abe (Prime Minister of Japan), Li Keqiang (Prime Minister of China), Li Yong (Director General of UNIDO).

**August:** Nicolás Maduro Moros (President of Venezuela), Mohammad Javad Zarif (Minister of Foreign Relations of Iran).

**July:** Igor Carnadak (Minister of Foreign Affairs of Bosnia and Herzegovina).

**June:** Mark Rutte, (Prime Minister of the Netherlands) Jimmy Morales (President of Guatemala), Keith Christopher Rowley (Prime Minister of Trinidad & Tobago), David Arthur Granger (President of Guyana), Jocelerme Privert (President of Haiti), Andrew Michael Holness (Prime Minister of Jamaica), Ban Ki-moon (UN Secretary General), Mukhisa Kituyi (Secretary General of UNCTAD),

Mogens Lykketoft (President of the 70<sup>th</sup> Session of UNGA), Augusto Ernesto Santos Silva (Minister of Foreign Affairs of Portugal).

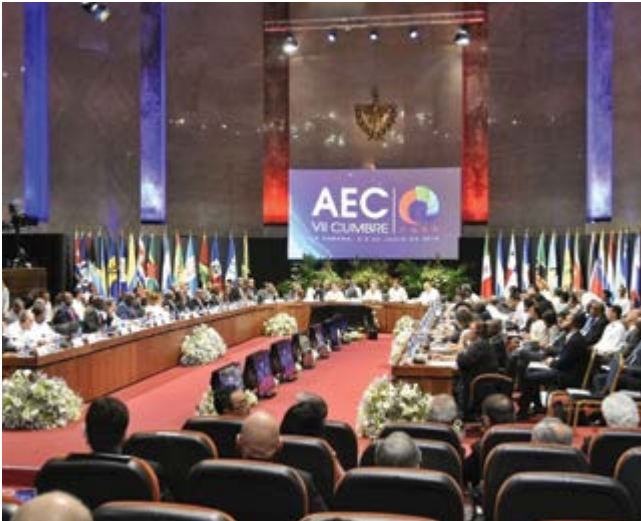
**May:** Evo Morales Ayma (President of Bolivia), Nursultan Äbishuly Nazarbayev (President of Kazakhstan), Didier Reynders (Minister of Foreign Affairs of Belgium), José Manuel García-Margallo (Minister of Foreign Affairs of Spain).

**April:** Philip Hammond (Secretary of State for Foreign and Commonwealth Affairs of the UK).

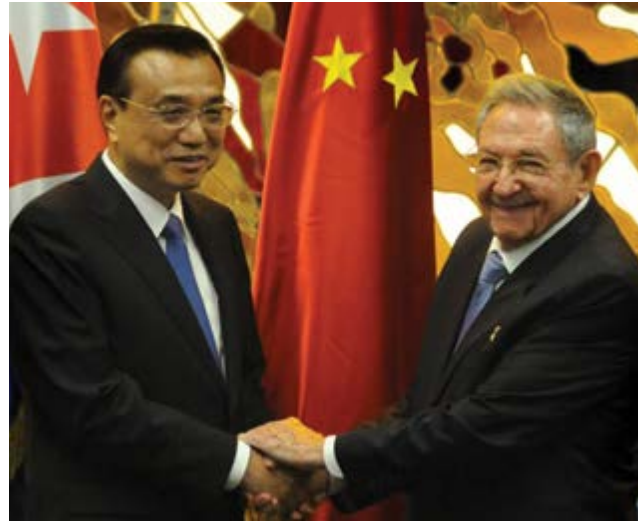
**March:** Barack Obama (President of the United States), Heinz Fischer (President of Austria), Federica Mogherini (Representative of EU and Vice President of the European Commission).

**February:** Ollanta Moisés Humala Tasso (President of Peru), Børge Brende (Minister of Foreign Affairs of Norway), Kirill I of Moscow (Patriarch of Moscow and all Russia).

**January:** Sigmar Gabriel (Vice Chancellor of Germany and Federal Minister of Economy and Energy), Lilianne Ploumen (Minister for Foreign Trade and Development Cooperation of the Netherlands).



The Seventh Summit of the Association of Caribbean States (AEC) meeting in Havana on June 4, 2016.



Cuba and China signed several agreements in bioengineering, neurotechnology, biocomputing and high performance computing during the visit of Prime Minister Li Keqiang to Havana on September 24, 2016.



President Raúl Castro receives Spanish Minister of Public Works Ana Pastor along with José Manuel García-Margallo, Minister of Foreign Affairs and Cooperation, on May 17, 2016. Several agreements were reached during this visit including a memorandum of understanding on transport.



The UN General Secretary arrived in Havana on June 22, 2016 to witness the signing of a ceasefire and the laying down of arms between the Government of Colombia and the Revolutionary Armed Forces of Colombia (FARC).



President Raúl Castro with President François Hollande at a press conference held at the Palais de l'Élysée, during the historic visit of the Cuban leader to Paris on February 1, 2016. Several new agreements were signed during this visit.



On February 11, 2016, Patriarch Kirill met with Pope Francis for an historic meeting in Havana, where they signed a joint declaration in which they addressed current political and religious issues.



The president of the Islamic Republic of Iran, Hasan Rohani, meeting with Cuban President, Raúl Castro, on September 20, 2016.



Dutch Foreign Trade and Development Cooperation Minister Lillianne Ploumen arrived in Havana on January 10, 2016, heading a delegation of 77 companies and organizations from various sectors to strengthen ties between the Netherlands and Cuba, and attend the official ceremony where the joint venture Unilever Suchel S.A. was notified that it had been accepted as a user of ZED Mariel.



In a historic first Japan's Prime Minister, Shinzo Abe, visited Cuba on September 22, 2016, to reinforce ties between the two countries.



Britain's Foreign Minister meets with Cuban Minister for Foreign Affairs Bruno Rodríguez, on April 28, 2016 in Havana as part of the highest level delegation to Cuba since 1959. During this visit an agreement was signed to reschedule Cuba's debt to the UK.



President Raúl Castro and his Austrian counterpart, President Heinz Fischer met on March 2, 2016 to talk about bilateral relations.



Germany's Vice-Chancellor and Minister for Economic Affairs, Sigmar Gabriel with Cuba's Minister for Foreign Trade and Investment, Rodrigo Malmierca, on January 6, 2016. Gabriel was accompanied by a delegation of 60 German companies, to promote trade and economic relations between the two countries as part of an official three day visit.



## The Republic of Cuba has agreements with:

Agreements for the avoidance of double taxation and the Reciprocal Promotion and Protection of Investments (ARPP) are in place with 12 and 63 countries, respectively.

The table (see right) shows the agreements in force with a selection of Cuba's trading partners.

Cuba has preferential trade agreements with CARICOM, MERCOSUR and the Latin America Integration Association (LAIA)

	Double taxation agreement entered into force	Preferential Trade Agreement	Agreement for Reciprocal Promotion & Protection of Investments (ARPP)	Government export credit facility available
Barbados	Mar 17, 2000	CARICOM	Feb 19, 1996	-
Brazil	-	LAIA	Jun 24, 1997	BNDES
China	Oct 17, 2003	Jan 1, 2001	Apr 20, 1995	EXIM Bank China
France	-	-	Apr 25, 1996	COFACE
Germany	-	-	Apr 30, 1996	HERMES
Italy	-	-	May 7, 1993	SACE
Japan	-	Aug 1, 1971	-	NEXI
Mexico	-	LAIA	May 30, 2001	Bancomext
Panama	-	LAIA	Jan 27, 1999	Yes
Portugal	Jul 5, 2003	-	Jul 8, 1998	-
Russia	Nov 15, 2010	Jan 1, 2010	Jul 7, 1993	Yes
Spain	Dec 31, 2000	-	May 27, 1996	CESCE, COFIDES S.A.
Switzerland	-	Mar 1, 1972	Jun 28, 1996	-
Venezuela	May 6, 2005	LAIA	Jun 28, 1996	Yes
Vietnam	Jun 26, 2003	-	Mar 22, 1996	Yes
UK	-	-	Oct 10, 1995	-

## The Republic of Cuba is a member of:

- ▶ African, Caribbean, and Pacific Group of States (ACP)
- ▶ Community of Latin American and Caribbean States (CELAC)
- ▶ Convention on Cluster Munitions (CCM)
- ▶ Financial Action Task Force on Money Laundering in South America (GAFISUD)
- ▶ Food and Agriculture Organization (FAO)
- ▶ Group of 77 (G77)
- ▶ International Atomic Energy Agency (IAEA)
- ▶ International Chamber of Commerce - National Committee (ICC)
- ▶ International Civil Aviation Organization (ICAO)
- ▶ International Criminal Police Organization (Interpol)
- ▶ International Federation of Red Cross and Red Crescent Societies (IFRC)
- ▶ International Labour Organization (ILO)
- ▶ International Maritime Organization (IMO)
- ▶ International Mobile Satellite Organization (IMSO)
- ▶ International Olympic Committee (IOC)
- ▶ International Organization for Standardization (ISO)
- ▶ Nonaligned Movement (NAM)
- ▶ Organization for the Prohibition of Chemical Weapons (OPCW)
- ▶ Permanent Court of Arbitration (PCA)
- ▶ United Nations (UN)
- ▶ United Nations Children's Fund (UNICEF)
- ▶ United Nations Conference on Trade and Development (UNCTAD)
- ▶ United Nations Development Program (UNDP)
- ▶ United Nations Educational, Scientific, and Cultural Organization (UNESCO)
- ▶ United Nations Industrial Development Organization (UNIDO)
- ▶ United Nations Institute for Training and Research (UNITAR)
- ▶ World Customs Organization (WCO)
- ▶ World Federation of Trade Unions (WFTU)
- ▶ World Health Organization (WHO)
- ▶ World Intellectual Property Organization (WIPO)
- ▶ World Tourism Organization (UNWTO)
- ▶ World Trade Organization (WTO)

## 07. Cuba-US Relations

**December 17, 2014** Cuba and the US announce the reestablishment of diplomatic relations. The US relaxes some sanctions and travel restrictions.

**April 11, 2015** President Obama meets with Cuban leader Raúl Castro on the sidelines of the Summit of the Americas.

**May 29, 2015** The US State Department removes Cuba from its list of State Sponsors of Terrorism.

**July 1, 2015** Cuba and the US officially reestablish diplomatic relations.

**July 20, 2015** Cuba reopens its embassy in the US.

**August 14, 2015** US Secretary of State John Kerry visits Cuba for the opening of the US embassy in Havana.

**September 21, 2015** The US Treasury Department announces new measures—including in terms of telecommunications and Internet—to set up businesses such as joint ventures with Cuban companies, hire personnel and export equipment. New measures also include the facilitation of air and sea transportation, increase of travelers under existing categories, the removal of limit on remittances, etc.

**September 29, 2015** Presidents Raúl Castro and Barack Obama meet at the venue of the UN.

**On October 7, 2015** Secretary of Commerce of the United States Penny Pritzker visited the facilities of the Special Development Zone and the port of Mariel as part of her official visit to Cuba.

**October 27, 2015** United Nations votes 191-2 in favor of a resolution Cuba has been proposing for 24 consecutive years to put an end to the US economic, commercial and financial blockade on Cuba.



Raúl Castro and Barack Obama during their first meeting in Havana. President Obama arrived in the Cuban capital city on March 21, 2016, on a historic three-day visit to Cuba.

**December 11, 2015** Direct Cuba-US postal service is reestablished.

**December 11-13, 2015** Memo of understanding signed for joint research in three areas of neuroscience.

**January 15, 2016** Cuba wins the right to use the Havana Club trademark in the US.

**February 4, 2016** Cuban and US officials meet in Washington to discuss matters on human trafficking and immigration fraud in Florida.

**February 16, 2016** Cuba and the US sign an agreement to reestablish regular US-Cuba flights.

**March 16, 2016** The first Cuba-US airmail flight arrives at Varadero's International Airport.

**March 21, 2016** US President Barack Obama makes a historic three-day visit to Cuba accompanied by over 20 members of the US Congress.

**March 22, 2016** Cuba and the US sign a memorandum of understanding for bilateral cooperation in the agricultural sector.

**March 23, 2016** The Tampa Bay Rays and Cuba's national baseball team meet for a friendly game.

**June 10, 2016** The US approves six commercial airlines for direct flights to Cuba from 10 airports in the US totaling 110 flights per day.

**July 8, 2016** Cuba, Mexico and the US hold the first meeting for delimiting the continental shelf of the Gulf of Mexico.

**July 22, 2016** Cuba and the US sign an agreement to fight drug trafficking.

**July 28, 2016** Cuba and the US hold a meeting to discuss mutual compensations.

**August 31, 2016** US Transportation Secretary, Anthony Foxx arrived on the inaugural JetBlue flight from Fort Lauderdale to Santa Clara.

## Selected recent highlights (US companies)



U.S. bank Stonegate issues first credit card that can be used in Cuba.



In collaboration with Cuban artist Alexis Kcho Leyva, Silicon Valley giant Google Inc. set up a small physical presence in Cuba to provide free public access to the Internet in Havana.

*Who does this 54-year-old US embargo really hurt? Lung cancer, (by far) the deadliest cancer in America is still an unresolved medical need and Cuba's CIMAvax could provide a lot more than mere hope.*

Life Science Leader,  
October, 2016

**Hospitality & Travel:** Starwood Hotels & Resorts Worldwide signed two agreements on March 19, 2016 to manage the Hotel Inglaterra in Old Havana and the Hotel Quinta Avenida in Miramar, and a further letter of intent to manage the Hotel Santa Isabel in Old Havana. Hotel Quinta Avenida opened for business under the Four Points by Sheraton brand on June 28, 2016. Other American groups are currently negotiating different projects.

**In March 2016,** Priceline Group announced that it had agreed with Cuba to make Cuban hotel rooms available to US customers via subsidiary Booking.com.

Airbnb received a license from the Office of Foreign Assets Control (OFAC) that allows the Internet company to offer the 4,000 residences it lists for Cuba not only to US customers, but to visitors from around the world.

The 704-passenger cruise ship Adonia, operated by Carnival Cruise Lines, docked in Havana on **May 2, 2016**. It was the first time since 1978 that a cruise ship from the United States had docked in Cuba.

More than half a dozen cruise companies announced in 2015 their intent to bid for Florida-Cuba service.

For Cuba flights, the United States Department of Transportation (USDOT) approved US airlines Alaska, American, Delta, Frontier, JetBlue, Southwest, Spirit and United to operate flights from Atlanta, Charlotte, Fort Lauderdale, Houston, Los Angeles, Miami, Newark, New York City, Orlando and Tampa. USDOT granted FedEx the rights to operate a cargo service between Miami and Matanzas. On August 31, 2016, Jet Blue became the first US airline to provide services to Cuba in over 50 years.

**Technology & Remittances:** Cisco signed a letter of intent with the Universidad de Ciencias Informáticas (UCI) outside Havana to offer networking courses to Cuban students.

Google Inc. announced March 21 that it had set up a small physical presence in Cuba by way of a temporary demonstration project at the Museo Orgánico de Romerillo in Havana, which exhibits the work of Cuban sculptor Alexis Leyva Machado.

**Finance:** PayPal, Western Union and Stripe have announced their intention to offer new services in Cuba by the end of 2016.

Stonegate Bank and Banco Internacional de Comercio (BICSA) signed a correspondent agreement on July 22, 2015. The American bank issued the first of its MasterCard credit cards for use in Cuba on June 27, 2016.

**Telecoms:** Sprint (November 2015), Verizon (March 2016) and T-Mobile USA (May 2016) each signed an interconnection agreement with ETECSA. In August 2016, AT&T signed an agreement with ETECSA for Cuba roaming and direct connections.

**Other:** On March 21, 2016, General Electric (GE) and Cuban officials signed memorandums of understanding to express their "joint interest in exploring potential opportunities."

The philanthropic arm of Caterpillar Inc. announced a US\$500,000 donation to a non-profit foundation to help keep up Finca Vigía, the Hemingway mansion just outside Havana.

Roswell Park Cancer Institute started working collaboratively with scientists from the Center for Molecular Immunology (CIM) in Havana, Cuba, in 2011 and signed an agreement in April 2015 to help develop the CIMAvax lung cancer vaccine.

Starwood Hotels & Resorts Worldwide signed two agreements on March 19, 2016 to manage the Hotel Inglaterra in Old Havana and the Hotel Quinta Avenida in Miramar, and a further letter of intent to manage the Hotel Santa Isabel in Old Havana. Hotel Quinta Avenida opened for business under the brand Four Points by Sheraton on June 28, 2016.

*Photo: Ana Lorena and Mene*



## 08. Doing Business with Cuba

Cuba opened up to foreign investment in 1982. Since then, over 400 joint ventures and International Economic Associations have been signed. In addition, many trading and service companies have established a presence in Cuba.

Cuba imported US\$13 billion of merchandise goods in 2014. Of this, US\$5.6 billion was non oil-related. This makes Cuba one of the largest markets within the region and an important export market within certain targeted sectors.

As part of the ongoing process of updating Cuba's economic model, the government has taken the following steps concerning foreign direct investment (FDI):

- ▶ An update of its policy towards FDI.
- ▶ An annual target of US\$3 billion in FDI for greenfield projects.
- ▶ The passing of Decree-Law 313/2013 creating Mariel Special Development Zone.
- ▶ The passing of Law 118/2014, a new, more attractive framework for foreign investment that replaced Law 77/1995.
- ▶ Since 2014, yearly editions of the Portfolio of Opportunities for Foreign Investment have been launched in the framework of the Havana International Fair. The 2014 and 2015 editions included 246 and 326 projects, respectively.
- ▶ Under the brand PROCUBA, the Cuban Center for the Promotion of Foreign Trade and Foreign Investment actively promotes foreign investment in Cuba.

High-level business delegations from all parts of the world have visited Cuba over the past two years to review and develop opportunities. These have included delegations from Australia (February, May-June 2016), Austria (March 2016), Belgium (April 2016, August 2015), Canada (May 2016), China (August 2016), France (May 2015), Italy (May 2016, October 2015), Japan (April 2015), Mexico (June 2016), Netherlands (January 2016), Portugal (June 2016), Singapore (June 2016), South Korea (June 2016), Spain (April 2015), UK (April 2015), US (January, March 2016; April, August 2015).

Ten international banks maintain representation offices in Havana. These include banks from Canada (National Bank of Canada and Scotiabank), Spain (BBVA, Banco Sabadell and Bankia), Lebanon (Fransabank SAL), Trinidad & Tobago (Republic Bank) and Panama (Multibank).

In-Bev (beer), Souza Cruz (cigarettes), Unilever (cleaning products, toiletries), Manuel Camacho (cosmetics), and Nestlé (soft drinks, confectionery) have all developed products (predominantly) for the Cuban market.

Pernod Ricard and Tabacalera (owned by Imperial Tobacco) have helped develop Havana Club and Habanos S.A., respectively, into world leading brands.

Sherritt International has developed extensive mining, oil & gas, and energy interests in Cuba since the early 1990s. Several other major oil companies have performed exploratory work both on shore and off shore, including MEO, ONGC, Petronas, PDVSA, Repsol, Sinopec, Sonangol and Zarubezhneft.

Eighty-three of Cuba's hotels are managed by 17 foreign hotel groups, with 27 being run as joint ventures with international equity participation.

Dusk falls over the historic Malecón boulevard. In the foreground is Havana's El Vedado district.



Photo by Marius Jovaiša  
from the book *Unseen Cuba*

## Selected recent highlights (international companies)

**Manufacturing:** Unilever Suchel S.A., a joint venture between Cuban Intersuchel S.A. and Unilever, will invest US\$39 million to build a plant that manufactures toiletries at ZED Mariel.

Brascuba, a joint venture of the Brazilian subsidiary of British American Tobacco, is investing US\$118 million in a new manufacturing plant at ZED Mariel.



**Infrastructure:** In August 2016, the Ministry of Transport of Cuba announced that it had entered into exclusive negotiations with the French companies Bouygues Bâtiment International and Groupe Aéroports de Paris regarding a concession to expand and manage, respectively, the José Martí International Airport. The project also ultimately includes the development of the San Antonio de los Baños Airport, located to the west of the capital.

Uralvagonzavod (UVZ) is making a US\$26 million investment in a rail logistics hub. It is also modernizing and expanding a rail maintenance and assembly plant in Santa Clara.

On October 22, 2015, Cuban Vice President of the Council of Ministers Ricardo Cabrisas and Russian Vice President Dmitri Rogozin signed six bilateral cooperation agreements. These included €1.2 billion of financing from Russia for the creation of four 200-MW thermoelectric units at Mariel's Máximo Gómez (1) and Santa Cruz del Norte's Este Habana (3) to be constructed by Russian Inter RAO.

**Renewable Energy:** Chinese state company Aviation Industry Corp. of China (AVIC) signed an agreement with Unión Eléctrica de Cuba (UNE) and Energoimport to build solar farms with a total capacity of 100 MW in Cuba.

UK-based Havana Energy has developed a series of biomass projects with Zerus for electricity generation. The joint venture Biopower S.A. will develop five 60-MW projects. The first project will be the Ciro Redondo Mill, a 64-MW project costing approximately US\$ 184 million. Installation and commissioning will be undertaken through a turnkey project led by Shanghai Electric, winner of the tender for this purpose.

Several Spanish companies are developing wind parks in eastern Cuba. Gamesa recently announced that it would supply the turbines for at least seven of these wind parks.

Norway's Optimo Finance AS formed a joint venture with state sugar holding Azcuba to design, install and evaluate a prototype 17-MW biomass integrated gasification gas turbine at the Antonio Guiteras sugar mill.

**Biotechnology & Pharmaceuticals:** During 2015, Beijing authorities signed 11 agreements to be implemented from 2015 to 2017 with BioCubaFarma. Several of these projects will take place in ZED Mariel.



Researchers from the Center for Genetic Engineering and Biotechnology (CIGB) in Havana recently created a drug avoiding amputation for diabetes.

## Debt & Finance

*Moody's Investors Service changed Cuba's outlook from "stable" to "positive" in December 2015.*

"As barriers to investment and financing constraints continue to ease, supported by continued U.S. rapprochement, the authorities will have much greater scope to access finance and ease the current tight external liquidity conditions....Moody's expects an increase in capital inflows is forthcoming."

Dec. 10, 2015

**Paris Club:** On December 12, 2015, Cuba reached "a sustainable and definitive solution" with the Paris Club for debts dating back to a Cuban default in 1986. The agreement settles US\$11.1 billion in arrears, including accrued interest, with Japan, Canada, Spain, France, Italy, United Kingdom, Netherlands, Belgium, Switzerland, Austria, Denmark, Sweden, Finland and Australia. Part of the arrears will be converted into development projects to be decided on a bilateral basis. Cuba will pay the remaining US\$2.6 billion over 18 years. Interest is forgiven through 2020. After that, the rate will be 1.5%.

By mid-2016, Cuba had restructured its medium- and long-term debts with twelve of the fourteen Paris Club creditor nations.

**Russia:** In 2016, the Russian parliament ratified a write-off of US\$35 billion of Cuba's US\$38.5-billion debt with the defunct Soviet Union. Russia agreed to let Cuba spend the remaining US\$3.5 billion of the Soviet debt "on significant investment projects, which Russia is going to select and negotiate together with the Cuban side," President Vladimir Putin said last year during a visit to Cuba. Cuba agreed to pay the US\$3.5 billion over 10 years in equal installments every six months.

In October 2015, Cuba and Russia signed six bilateral cooperation agreements. These included €1.2 billion of financing from Russia for the creation of four 200-MW thermoelectric units at Mariel's Máximo Gómez (1) and Santa Cruz del Norte's Este Habana (3) to be constructed by Russian Inter RAO.

EXIAR announced that it will grant a €190-million credit to Cuba for the acquisition of 60 TGM8 and 15 TGM4 locomotives. The contract will also provide for the repair of 75 old Russian-made locomotives.

**China:** Cuba has a strong political relationship with China who is its second largest trading partner. There are several areas, including telecoms, oil & gas and biotechnology, in which Chinese companies have developed projects in Cuba with Chinese medium- to long-term financial support as well as a shorter-term trade finance facility.

Most recently, China's Exim Bank granted two loans to Cuba to finance the acquisition of agricultural machinery and railway cars.

**France:** During Cuban President's Raúl Castro's four-day stay in Paris (February 2016), France and Cuba signed a series of agreements that laid out long-term cooperation in tourism, transportation, infrastructure, urban development, environment, energy and agrifoods. Coface raised the limit of its line of export credit to €90 million (US\$98.8 million) in late 2014.

**Spain:** The Spanish Company of Financing for Development (COFIDES) created a €40-million line of credit for Spanish investments in Cuba during 2015. CESCE resumed its export guarantee credit for €25 million in 2014.

**Italy:** On July 7, 2015, Italy's Deputy Minister for Economic Development Carlo Calenda announced that SACE and Turin-based Intesa Sanpaolo S.p.A. would provide a rotating line of credit of €80 million to back exports to the Island.

**Other:** The Kuwait Fund for Arab Economic Development signed an agreement to lend Cuba US\$30 million for the construction of 34 small hydropower plants.

On July 21, 2016, Cuba and Saudi Arabia signed two agreements. One agreement will favor Saudi exports to Cuba with revolving credits in the vicinity of US\$50 million. The other one will include a US\$29-million loan from Saudi Arabia to finance the restoration of water supply and sewage systems in the city of Cárdenas, Matanzas.

In October 2015, the Abu Dhabi Fund for Development provided a US\$15-million loan to build solar farms in four provinces for a total of 10 MW.

Slovakia's VÚB Banka signed a technical agreement with Banco Nacional de Cuba that covers the financing for the renovation of Block 6 at the Máximo Gómez thermoelectric station in Mariel as well as a biomass power project involving a Slovakian company.

Described as “the most beautiful land human eyes have ever seen” by Genoese explorer Christopher Columbus, Cuba offers visitors amazing beaches, breathtaking sights, endemic life forms and an emerging throbbing city life *a lo cubano*.



## 09. Tourism

**By the numbers:** Cuba welcomed a record number of 3,524,755 visitors in 2015 generating US\$2.8 billion in revenues and is on track to receive an estimated 3.9 million in 2016 as the sector continues to boom (As of September 30, 2016, visitor numbers were up by 11.9% on the same period in 2015.)

Services and facilities offered to tourists are continuing to improve as a virtuous circle is driving investment in the state and non-state sectors, which in turn increases demand.

**Potential:** In the 1950s, 85% of tourists to Cuba came from the US. Various studies have estimated that once Americans can visit Cuba without restrictions, the Island could expect to receive more than 10 million tourists annually.

Studies which have looked at Cuba's potential to receive these many tourists emphasize that, while large investment will be needed, Cuba does have the potential in terms of geographic size (110,860 km<sup>2</sup> /43.6% of the Caribbean), miles of coastline (5,746 km) and population (11.2 million/31% of the Caribbean) to meet this demand.

The Cuban Tourism Ministry (MINTUR), estimates that Cuba has a total potential capacity of 273,500 hotel rooms, which is more than four times the current number.



The Viñales Valley has been listed as a UNESCO World Heritage site since November 1999, for the outstanding landscape and traditional agriculture as well as vernacular architecture.

Photo by Marius Jovaiša from the book *Unseen Cuba*.



**Opportunities for foreign investment:** According to the Cuban Tourism Ministry, as at April 2016, 76 contracts had been signed with 17 foreign hotel chains to operate 82 hotels (over 33,600 rooms) in Cuba. Additionally, 27 joint ventures have been created, 14 of which are already operating some 5,500 rooms.

New opportunities for foreign investment include 127 new projects—25 for the construction of new hotels, 97 for hotel management with or without external funding, and 5 for marina management.

Ongoing construction projects include the 246-room Kempinski Manzana de Gómez in Old Havana, Sofitel So Habana at Prado and Malecón, and Iberostar's Hotel Packard. Additionally, MINTUR has announced that a 5-star hotel will be built near Havana's José Martí International Airport.

In 2018, Meliá hopes to open the hotels Meliá Internacional in Varadero and Meliá Trinidad in Sancti Spiritus, and complete the renovation of the Tryp Habana Libre, which will be rebranded under the Meliá name. The company also plans to introduce its Ininside and Me brands at two hotels in Old Havana.

Beijing Enterprises Holdings Ltd. and Cuba Golf are developing a reported US\$462-million golf and real estate project in the Bellomonte area, in Playas del Este.

London & Regional Properties Ltd. signed an agreement to develop a US\$500-million golf real estate project called Carbonera near Varadero.

A Canadian developer, Wilton Properties Ltd, is looking to break ground on a US\$1.4-billion development in Jibacoa within the next 1-2 years.



*If I get lost, look for me in Cuba.*

*Federico García Lorca*

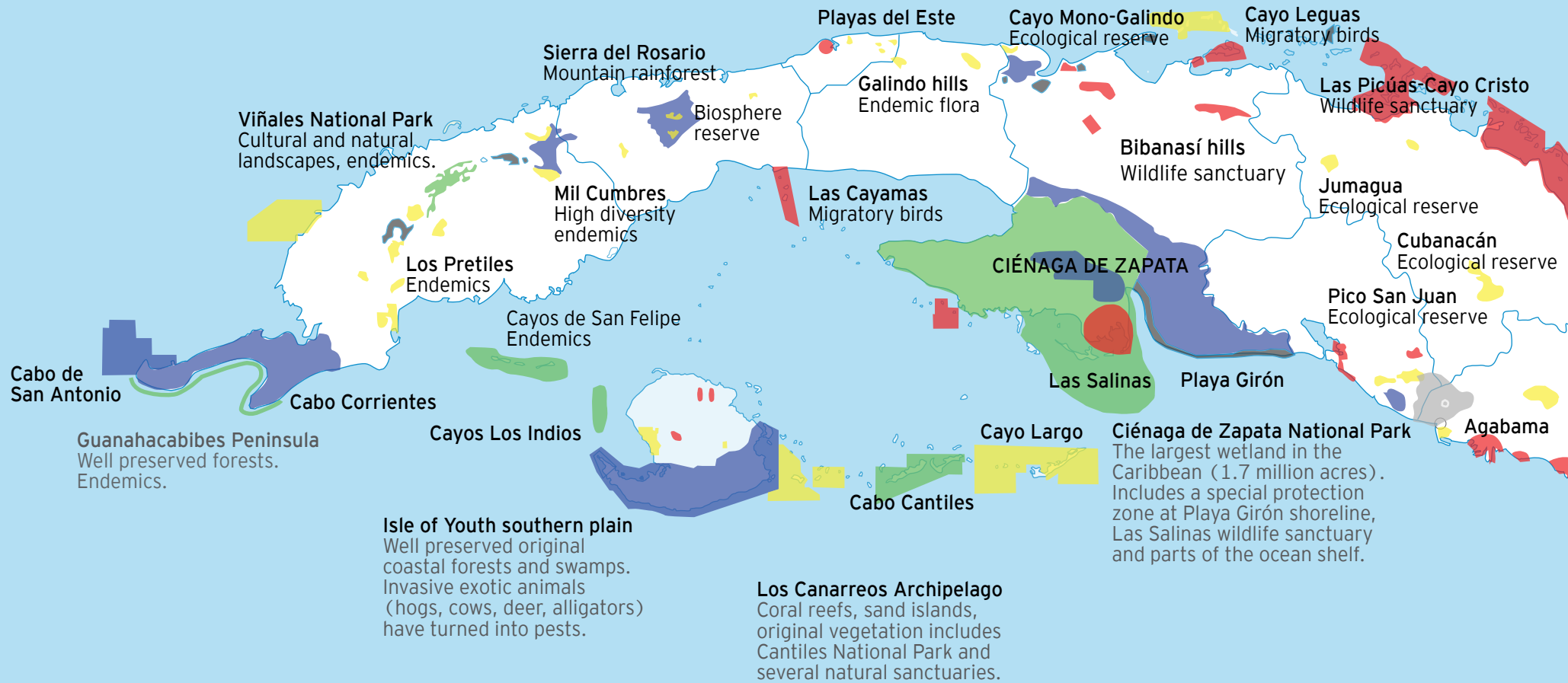
Listed as a UNESCO World Heritage Site in 1998, Trinidad is regarded as an open-air museum of Spanish colonial architecture.

Photo by Marius Jovaiša, from the book *Unseen Cuba*

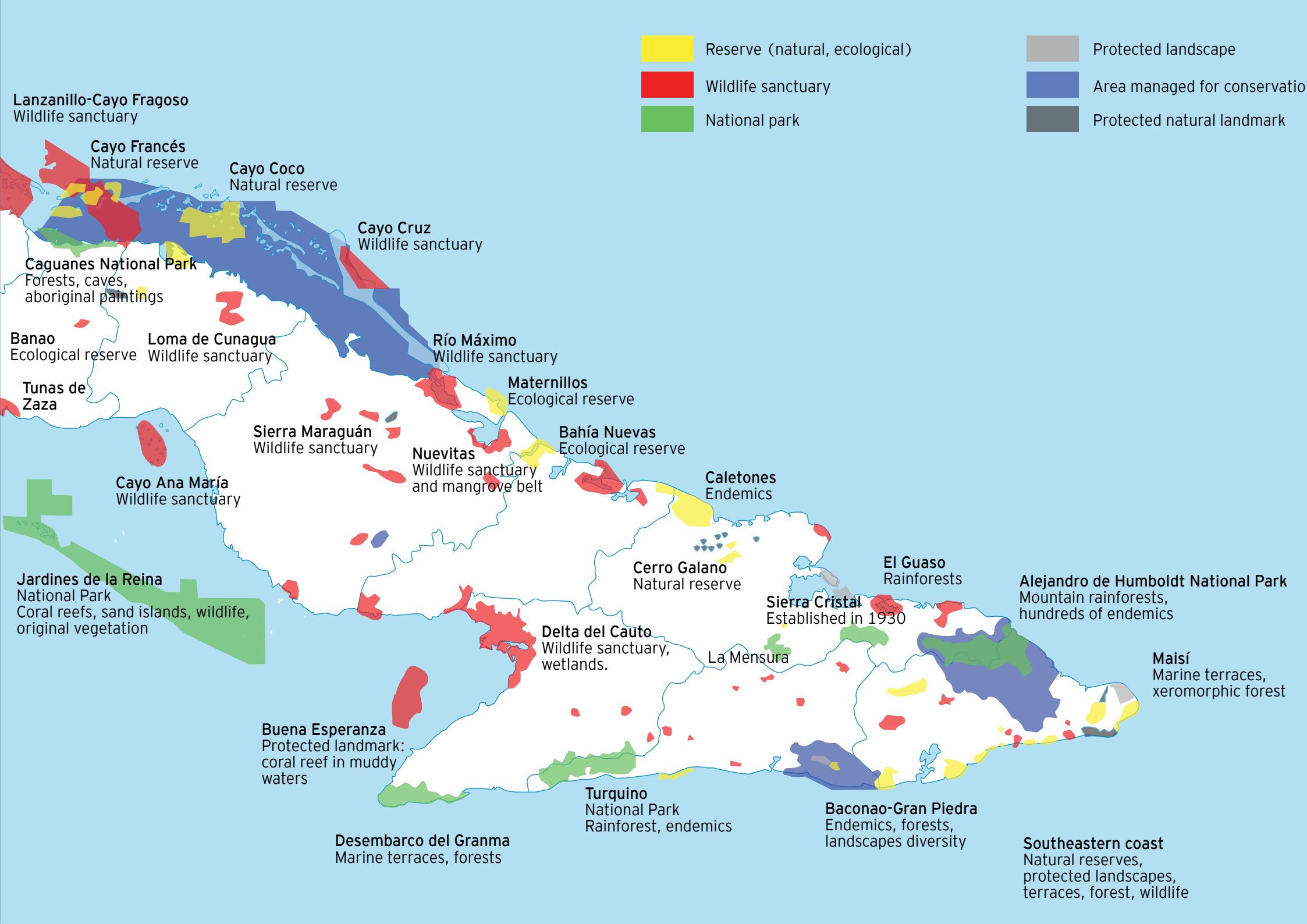
# Visitors to Cuba by country of origin

	RANK	2009	2010	2011	2012	2013	2014	2015	*2016	% CHANGE 2016/15	% OF TOTAL 2016
Canada	1	914,884	945,248	1,002,318	1,071,696	1,105,729	1,175,077	1,300,092	1,219,486	-6.2%	36.9%
United States	2	52,455	63,046	73,566	98,050	92,348	91,254	161,233	273,290	69.5%	4.6%
<b>NORTH AMERICA</b>		<b>967,339</b>	<b>1,008,294</b>	<b>1,075,884</b>	<b>1,169,746</b>	<b>1,198,077</b>	<b>1,266,331</b>	<b>1,461,325</b>	<b>1,492,776</b>	<b>2.2%</b>	<b>41.5%</b>
<b>CUBAN ÉMIGRÉ</b>		<b>312,318</b>	<b>378,560</b>	<b>401,723</b>	<b>389,254</b>	<b>373,427</b>	<b>361,228</b>	<b>400,816</b>	<b>415,245</b>	<b>3.6%</b>	<b>11.9%</b>
Mexico	8	61,487	66,650	76,326	78,289	84,704	82,820	105,406	135,658	28.7%	3.0%
Argentina	9	48,543	58,612	75,968	94,691	90,084	68,849	85,172	96,670	13.5%	2.4%
Chile	12	18,205	17,521	23,527	27,551	35,952	38,500	49,194	50,178	2.0%	1.4%
Venezuela	13	28,657	30,965	34,096	36,373	45,943	78,839	95,123	47,942	-49.6%	2.7%
Colombia	17	21,287	20,624	24,873	33,343	34,828	37,403	30,746	29,209	-5.0%	0.9%
Other		78,164	82,774	86,603	97,753	100,985	108,030	133,004	141,580	6.4%	3.8%
<b>LATIN AMERICA &amp; THE CARIBBEAN</b>		<b>256,343</b>	<b>277,146</b>	<b>321,393</b>	<b>368,000</b>	<b>392,496</b>	<b>414,441</b>	<b>498,645</b>	<b>501,237</b>	<b>0.5%</b>	<b>14.1%</b>
Germany	3	93,437	93,136	95,124	108,712	115,984	139,138	175,264	257,112	46.7%	5.0%
Italy	4	118,347	112,298	110,432	103,290	95,542	112,076	137,727	196,261	42.5%	3.9%
UK	5	172,298	174,343	175,822	153,737	149,515	123,910	155,802	191,636	23.7%	4.4%
France	6	83,478	80,470	94,370	101,522	96,640	103,475	138,474	185,311	33.8%	3.9%
Spain	7	129,224	104,948	101,631	81,354	73,056	77,099	107,368	156,757	46.0%	3.0%
Holland	10	33,123	31,787	32,402	35,284	32,165	33,491	42,465	53,718	26.5%	1.2%
Russia	11	37,391	56,245	78,472	86,944	70,401	69,237	43,387	50,546	16.5%	1.2%
Switzerland	14	15,339	16,095	18,143	20,254	20,992	23,880	32,562	40,051	23.0%	0.9%
Poland	16	13,501	12,793	13,972	13,035	13,395	16,569	26,246	38,135	45.3%	0.7%
Other		141,842	127,885	131,632	134,868	142,310	168,125	198,907	237,663	19.5%	5.6%
<b>EUROPE</b>		<b>838,000</b>	<b>810,000</b>	<b>852,000</b>	<b>839,000</b>	<b>810,000</b>	<b>867,000</b>	<b>1,058,202</b>	<b>1,407,192</b>	<b>33.0%</b>	<b>30.0%</b>
China	15	12,352	11,247	14,749	18,836	22,218	28,239	32,334	39,447	22.0%	0.9%
Australia	18	6,410	6,797	7,115	8,719	9,792	10,340	12,118	18,844	55.5%	0.3%
Other		37,047	39,701	43,453	45,052	46,262	55,166	61,339	68,087	-3.0%	1.7%
<b>REST OF THE WORLD</b>		<b>55,809</b>	<b>57,745</b>	<b>65,317</b>	<b>72,607</b>	<b>78,272</b>	<b>93,745</b>	<b>105,792</b>	<b>126,378</b>	<b>19.5%</b>	<b>3.0%</b>
<b>TOTAL</b>		<b>2,429,809</b>	<b>2,531,745</b>	<b>2,716,317</b>	<b>2,838,607</b>	<b>2,852,272</b>	<b>3,002,745</b>	<b>3,524,779</b>	<b>3,942,828</b>	<b>11.9%</b>	<b>100%</b>

\* 2016 figures are estimated based on annualizing results to Sept. 30, 2016.



## CUBA'S NATURE RESERVES AND PROTECTED AREAS, 2016



- Reserve (natural, ecological)
- Wildlife sanctuary
- National park

- Protected landscape
- Area managed for conservation
- Protected natural landmark

**Lanzanillo-Cayo Frágoso**  
Wildlife sanctuary

**Cayo Francés**  
Natural reserve

**Cayo Coco**  
Natural reserve

**Cayo Cruz**  
Wildlife sanctuary

**Caguanes National Park**  
Forests, caves,  
aboriginal paintings

**Banao**  
Ecological reserve

**Loma de Cunagua**  
Wildlife sanctuary

**Río Máximo**  
Wildlife sanctuary

**Tunas de Zaza**

**Maternillos**  
Ecological reserve

**Sierra Maraguán**  
Wildlife sanctuary

**Nuevitas**  
Wildlife sanctuary  
and mangrove belt

**Bahía Nuevas**  
Ecological reserve

**Caletones**  
Endemics

**Cayo Ana María**  
Wildlife sanctuary

**Jardines de la Reina**  
National Park  
Coral reefs, sand islands, wildlife,  
original vegetation

**Cerro Galano**  
Natural reserve

**El Guaso**  
Rainforests

**Alejandro de Humboldt National Park**  
Mountain rainforests,  
hundreds of endemics

**Delta del Cauto**  
Wildlife sanctuary,  
wetlands.

**Sierra Cristal**  
Established in 1930

**Maisí**  
Marine terraces,  
xeromorphic forest

**Buena Esperanza**  
Protected landmark:  
coral reef in muddy  
waters

La Mensura

**Turquino**  
National Park  
Rainforest, endemics

**Baconao-Gran Piedra**  
Endemics, forests,  
landscapes diversity

**Desembarco del Granma**  
Marine terraces, forests

**Southeastern coast**  
Natural reserves,  
protected landscapes,  
terraces, forest, wildlife

# 10. By the numbers: Foreign Trade

## Merchandise EXPORTS from Cuba to country of destination

All figures in US\$ millions

Source:  
Oficina Nacional de Estadísticas e Información (ONEI)

Cuba has a large surplus on its services account, which largely offsets the deficit on the current account.

This services surplus includes significant income from Cuba's medical professionals, teachers, sports coaches (and others), who work as part of missions to different countries, including Venezuela, Brazil, South Africa and the Middle East.

SELECTED COUNTRIES	RANK	2009	2010	2011	2012	2013	2014	% change 2014/13	% of total (2014)
Venezuela, Bolivarian Republic of	1	528	1,717	2,273	2,484	2,266	2,070	-8.7%	42.6%
Canada	2	431	604	719	551	462	525	13.5%	10.8%
Netherlands Antilles	9	59	3	29	60	108	76	-29.7%	1.6%
Brazil	10	63	58	82	108	81	63	-21.3%	1.3%
Dominican Republic	14	21	23	29	84	46	42	-9.3%	0.9%
Argentina	25	25	18	19	14	17	22	30.5%	0.4%
Honduras	27	7	9	16	15	22	19	-13.6%	0.4%
Mexico	29	14	18	25	24	22	16	-27.0%	0.3%
<b>AMERICAS</b>		<b>1,249</b>	<b>2,545</b>	<b>3,314</b>	<b>3,547</b>	<b>3,276</b>	<b>2,905</b>	<b>-11.3%</b>	<b>59.8%</b>
Netherlands	3	238	353	655	698	457	468	2.5%	9.6%
Belgium	5	8	30	37	40	118	213	79.9%	4.4%
Spain	7	154	161	165	150	171	141	-17.8%	2.9%
France	11	45	107	23	28	43	61	42.1%	1.3%
Russian Federation	12	88	57	56	90	20	56	179.5%	1.1%
Germany, Federal Republic of	13	29	28	40	43	81	55	-32.0%	1.1%
Croatia	15	0	0	1	0	0	39	11,496.8%	0.8%
United Kingdom	16	7	19	37	22	101	34	-66.5%	0.7%
Italy	18	29	38	51	33	56	29	-47.9%	0.6%
Denmark	21	18	1	2	1	0	25	5,849.9%	0.5%
Belarus	22	1	0	14	36	1	23	4,362.1%	0.5%
<b>EUROPE</b>		<b>719</b>	<b>854</b>	<b>1,215</b>	<b>1,280</b>	<b>1,291</b>	<b>1,246</b>	<b>-3.5%</b>	<b>25.6%</b>
China, People's Republic of	4	516	681	778	459	344	302	-12.2%	6.2%
Cyprus	19	44	29	39	33	29	28	-1.8%	0.6%
Vietnam	20	3	3	5	8	26	27	3.6%	0.6%
Singapore	23	35	186	27	32	35	23	-34.3%	0.5%
<b>ASIA</b>		<b>650</b>	<b>959</b>	<b>1,029</b>	<b>614</b>	<b>637</b>	<b>518</b>	<b>-18.7%</b>	<b>10.7%</b>
<b>TOTAL</b>		<b>2,863</b>	<b>4,550</b>	<b>5,870</b>	<b>5,577</b>	<b>5,283</b>	<b>4,857</b>	<b>-8.1%</b>	<b>100%</b>

# Merchandise IMPORTS to Cuba from country of origin

All figures in US\$ millions

Source:  
Oficina Nacional de Estadísticas e Información  
(ONEI)

SELECTED COUNTRIES	RANK	2009	2010	2011	2012	2013	2014	% change 2014/13	% of total (2014)
Venezuela, Bolivarian Republic of	1	2,608	4,302	5,902	6,079	4,802	5,189	8.1%	39.8
Brazil	4	508	444	644	648	614	587	-4.4%	4.5%
Mexico	5	323	360	450	487	508	443	-12.8%	3.4%
Canada	6	310	331	479	387	451	408	-9.4%	3.1%
United States of America	8	598	406	434	509	402	389	-3.1%	3.0%
Argentina	9	120	129	149	120	371	336	-9.4%	2.6%
Netherlands Antilles	17	0	39	150	30	1,241	94	-92.4%	0.7%
Panama	24	64	60	87	75	101	57	-43.6%	0.4%
Colombia	25	50	47	68	51	57	55	-4.4%	0.4%
Trinidad and Tobago	26	32	31	45	43	35	51	47.8%	0.4%
<b>AMERICAS</b>		<b>4,834</b>	<b>6,384</b>	<b>8,696</b>	<b>8,667</b>	<b>8,815</b>	<b>7,857</b>	<b>-10.9%</b>	<b>60.3%</b>
Spain	3	752	785	1,020	1,006	1,227	1,025	-16.4%	7.9%
Italy	7	324	292	388	381	460	392	-14.9%	3.0%
Germany, Federal Republic of	10	280	269	286	311	344	323	-6.1%	2.5%
France	12	140	190	344	360	412	277	-32.6%	2.1%
Russian Federation	14	195	227	224	252	183	138	-24.9%	1.1%
Ukraine	15	17	13	44	37	167	115	-31.1%	0.9%
Netherlands	16	68	61	73	94	87	107	23.3%	0.8%
Belgium	19	36	45	62	66	79	79	-0.6%	0.6%
United Kingdom	22	32	50	80	61	67	65	-2.8%	0.5%
<b>EUROPE</b>		<b>2,041</b>	<b>2,158</b>	<b>2,830</b>	<b>2,954</b>	<b>3,365</b>	<b>2,870</b>	<b>-14.7%</b>	<b>22.0%</b>
China, People's Republic of	2	1,171	1,223	1,281	1,237	1,534	1,334	-13.0%	10.2%
Vietnam	13	276	266	309	190	188	242	29.0%	1.9%
South Korea	18	112	94	129	110	98	88	-9.7%	0.7%
Japan	20	89	78	79	54	71	73	1.7%	0.6%
India	23	51	53	64	62	67	62	0.5%	-7.3%
<b>ASIA</b>		<b>1,842</b>	<b>1,832</b>	<b>2,024</b>	<b>1,786</b>	<b>2,127</b>	<b>1,928</b>	<b>-9.3%</b>	<b>14.8%</b>
Algeria	11	169	213	309	331	308	292	-5.0%	2.2%
<b>AFRICA</b>		<b>177</b>	<b>222</b>	<b>328</b>	<b>352</b>	<b>356</b>	<b>307</b>	<b>-13.5%</b>	<b>2.4%</b>
<b>TOTAL</b>		<b>8,906</b>	<b>10,644</b>	<b>13,952</b>	<b>13,801</b>	<b>14,707</b>	<b>13,037</b>	<b>-11.4%</b>	<b>100%</b>

# Merchandise EXPORTS from Cuba by classification of product

All figures in US\$ millions

\* *Petroleum-related products may include some other products not broken down.*

Source:  
Oficina Nacional de Estadísticas e Información  
(ONEI)

Cuba's exports fell by 8.1% in 2014. This was largely driven by a fall in petroleum-related products (-10.9%), nickel & other ores (3%) and sugar (-9.9%). Falling worldwide commodity prices during this period largely drove these falls.

ITEM	2011	2012	2013	2014	% change, 2014/13	% of total, 2014
<b>* PETROLEUM-RELATED PRODUCTS</b>	<b>2,682</b>	<b>2,697</b>	<b>2,613</b>	<b>2,327</b>	<b>-10.9%</b>	<b>47.9%</b>
Nickel (& other ores)	1,465	1,060	768	795	3.6%	16.4%
Cork and wood	12	20	26	30	16.0%	0.6%
<b>CRUDE MATERIALS</b>	<b>1,480</b>	<b>1,082</b>	<b>796</b>	<b>828</b>	<b>4.0%</b>	<b>17.0%</b>
Medical and pharmaceutical products	523	554	601	592	-1.4%	12.2%
Chemical materials and products, nes	37	40	43	52	21.1%	1.1%
Organic chemicals	15	22	32	29	-11.8%	0.6%
<b>CHEMICALS AND RELATED PRODUCTS</b>	<b>583</b>	<b>620</b>	<b>681</b>	<b>679</b>	<b>-0.3%</b>	<b>14.0%</b>
Sugar	361	456	432	389	-9.9%	8.0%
Seafood, fresh and frozen	66	66	71	80	12.3%	1.6%
Natural honey	15	15	17	23	38.9%	0.5%
Coffe, cocoa, other	5	8	10	8	-27.4%	0.2%
<b>FOOD AND LIVE ANIMALS</b>	<b>483</b>	<b>570</b>	<b>549</b>	<b>508</b>	<b>-7.6%</b>	<b>10.5%</b>
Rolled cigars	215	218	232	217	-6.4%	4.5%
Tobacco leaves	4	5	8	6	-22.6%	0.1%
Cigarettes	3	1	4	3	-31.5%	0.1%
Cigars & tobacco	223	224	245	227	-7.4%	4.7%
Alcoholic beverages ( <i>including rum</i> )	93	92	154	95	-38.1%	2.0%
<b>BEVERAGES AND TOBACCO</b>	<b>316</b>	<b>317</b>	<b>398</b>	<b>322</b>	<b>-19.2%</b>	<b>6.6%</b>
Iron and steel	94	83	72	65	-9.7%	1.3%
Cement	35	40	27	16	-41.7%	0.3%
<b>MANUFACTURED GOODS</b>	<b>145</b>	<b>145</b>	<b>112</b>	<b>94</b>	<b>-16.1%</b>	<b>1.9%</b>
<b>MACHINERY AND TRANSPORT EQUIPMENT</b>	<b>136</b>	<b>105</b>	<b>101</b>	<b>84</b>	<b>-17.0%</b>	<b>1.7%</b>
<b>MISCELLANEOUS MANUFACTURED ARTICLES</b>	<b>46</b>	<b>40</b>	<b>32</b>	<b>17</b>	<b>-48.6%</b>	<b>0.3%</b>
<b>TOTAL VALUE OF EXPORTS</b>	<b>5,870</b>	<b>5,577</b>	<b>5,283</b>	<b>4,857</b>	<b>-8.1%</b>	<b>100.0%</b>



# Merchandise IMPORTS from Cuba by classification of product

All figures in US\$ millions

\* *Petroleum-related products may include some other products not broken down.*

Source:  
Oficina Nacional de Estadísticas e Información  
(ONEI)

Cuba's imports fell by 11.4% in 2014. This was largely driven by a fall in petroleum-related products (-11.4%), which was due to lower global prices.

Manufactured goods and machinery and transport equipment imports fell by 24.5% and 21.7%, respectively, across virtually all categories of imports. Food & drink products increased by 5%.

ITEM	2011	2012	2013	2014	% change, 2014/13	% of total, 2014
<b>* PETROLEUM RELATED PRODUCTS</b>	<b>6,370</b>	<b>6,475</b>	<b>6,343</b>	<b>5,619</b>	<b>-11.4%</b>	<b>43.1%</b>
Cereals ( <i>rice, wheat, corn</i> )	906	756	822	838	1.9%	6.4%
Dairy products and eggs	220	192	214	289	34.6%	2.2%
Meat and meat preparations	284	311	322	283	-11.9%	2.2%
Animal feed ( <i>not including unmilled cereals</i> )	198	158	208	220	6.1%	1.7%
Vegetable oils (soybean oil)	146	165	120	147	22.9%	1.1%
Leguminous vegetables and fruit	113	91	120	123	3.1%	0.9%
Beverages and tobacco	37	28	50	55	8.6%	0.4%
<b>FOOD &amp; DRINK</b>	<b>2,047</b>	<b>1,838</b>	<b>2,018</b>	<b>2,120</b>	<b>5.0%</b>	<b>16.3%</b>
Herbicides/insecticides	223	215	242	231	-4.7%	1.8%
Plastics	230	207	224	194	-13.4%	1.5%
Fertilizers	212	227	189	215	14.0%	1.7%
Medicinal and pharmaceutical products	149	150	169	166	-1.8%	1.3%
Essential oils ( <i>toilettries and cleaning products</i> )	107	114	132	149	12.4%	1.1%
Seeds and oleagenous fruits	88	117	124	128	2.7%	1.0%
Paints ( <i>&amp; other</i> )	100	95	113	90	-19.7%	0.7%
<b>CHEMICALS AND RELATED PRODUCTS</b>	<b>1,451</b>	<b>1,464</b>	<b>1,598</b>	<b>1,444</b>	<b>-6.1%</b>	<b>11.1%</b>
Manufactured metals ( <i>cans/bolts etc.</i> )	298	321	378	301	-20.5%	2.3%
Iron and steel	372	279	333	200	-40.0%	1.5%
Rubber ( <i>tires/transmission belts</i> )	198	232	195	175	-10.5%	1.3%
Nom-metallic ( <i>tiles/bottles, etc.</i> )	158	190	178	156	-12.1%	1.2%
Yarn, fabrics, textile	127	137	150	125	-16.7%	1.0%
Paper, cardboard, other	146	154	152	107	-29.8%	0.8%
<b>MANUFACTURED GOODS (BY MATERIAL)</b>	<b>1,396</b>	<b>1,415</b>	<b>1,503</b>	<b>1,134</b>	<b>-24.5%</b>	<b>8.7%</b>
Industrial machinery ( <i>pumps, bearings, parts, etc.</i> )	544	496	675	504	-25.3%	3.9%
Electrical machinery ( <i>batteries, lamps, transformers, etc.</i> )	427	451	563	477	-15.3%	3.7%
Motor vehicles & spare parts	282	306	331	245	-26.0%	1.9%
Telecoms ( <i>other</i> )	80	86	112	94	-16.0%	0.7%
Office machinery	56	56	70	62	-11.8%	0.5%
<b>MACHINERY AND TRANSPORT EQUIPMENT</b>	<b>1,954</b>	<b>1,940</b>	<b>2,525</b>	<b>1,978</b>	<b>-21.7%</b>	<b>15.2%</b>
Professional, scientific instruments	146	145	162	203	25.1%	1.6%
Footwear	115	116	123	103	-16.4%	0.8%
Apparel and clothing	87	77	91	80	-11.5%	0.6%
<b>MISCELLANEOUS MANUFACTURED ARTICLES</b>	<b>732</b>	<b>667</b>	<b>776</b>	<b>741</b>	<b>-4.5%</b>	<b>5.7%</b>
<b>TOTAL VALUE OF IMPORTS</b>	<b>13,952</b>	<b>13,801</b>	<b>14,707</b>	<b>13,037</b>	<b>-11.4%</b>	<b>100.0%</b>

# 11. Artemisa Province

(Population 503,353)

ZED Mariel encompasses an area of 465.4 km<sup>2</sup>, partially covering six municipalities within the province of Artemisa. This area encompasses many sites of natural beauty as well as an attractive topography.

Artemisa is known as Villa Roja (Red Town) or Jardín de Cuba (Garden of Cuba) for the famous fertility of its soil, which yields a rich annual harvest of sugarcane, tobacco and bananas.

Ernest Hemingway and Cuban poet Nicolás Guillén were attracted to spend time in the town of Artemisa, which boomed on coffee and sugar in the 19<sup>th</sup> century. It maintains a country charm today.

The University of Artemisa opened in October 2012 and now has 3,000 undergraduate and graduate students in 18 schools.

San Antonio de los Baños hosts the world-renowned Escuela Internacional de Cine y Televisión, founded in 1986 with the help of the late Gabriel García Márquez. The respected Latin American School of Medicine (ELAM) graduates thousands of medical students from all over the world each year.

El Salado and Baracoa offer attractive beaches and over 15 dive sites offshore. Only 23 km west of Havana, El Salado has great potential for tourism development.

Just outside of the boundaries of ZED Mariel, to the west, lies the UNESCO Biosphere Reserve Sierra del Rosario, which includes Las Terrazas. This is one of Cuba's premier destinations for eco-tourism. Stunningly beautiful and often twinned with the lovely Soroa, this is a place to appreciate nature and escape from city life.



- +++ New/renovated railway
- New four-lane Mariel connecting highway

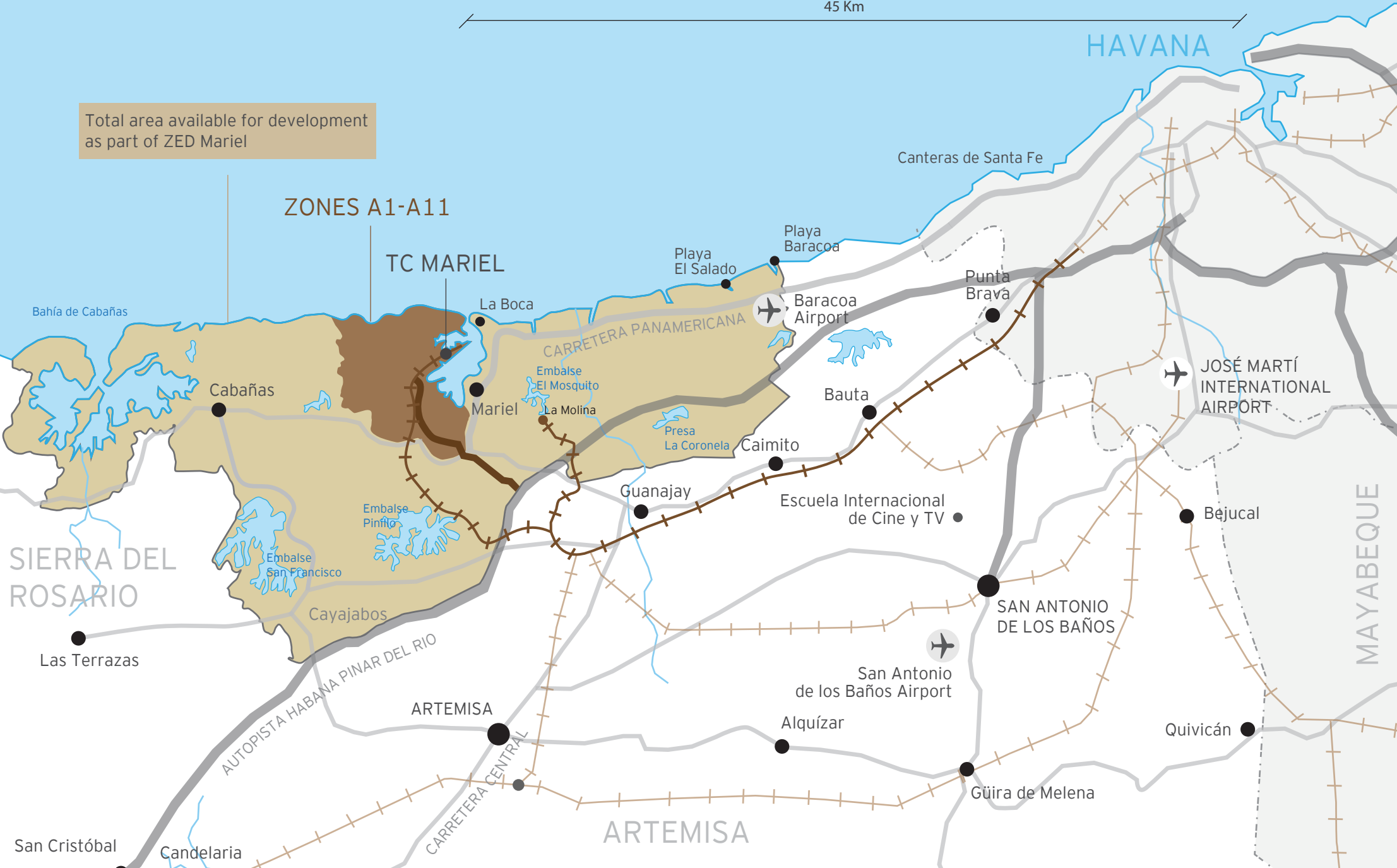
45 Km

HAVANA

Total area available for development as part of ZED Mariel

ZONES A1-A11

TC MARIEL



SIERRA DEL ROSARIO

San Cristóbal Candelaria

ARTEMISA

ARTEMISA

MAYABEQUE

JOSÉ MARTÍ INTERNATIONAL AIRPORT

SAN ANTONIO DE LOS BAÑOS

Alquízar

San Antonio de los Baños Airport

Escuela Internacional de Cine y TV

Bauta

Baracoa Airport

Guanajay

Caimito

La Molina

Mariel

La Boca

Cabañas

Embalse San Francisco

Embalse Pinillo

Embalse El Mosquito

Presa La Coronela

Playa El Salado

Playa Baracoa

Canteras de Santa Fe

Punta Brava

Bejucal

Quivicán

Güira de Melena

AUTOPISTA HABANA PINAR DEL RIO

CARRERA CENTRAL

CARRERA PANAMERICANA

# 12. ZED Mariel

## Overview

Created in November 2013 by Decree-Law 313, the Mariel Special Development Zone is Cuba's first special development zone. It covers a total area of 465.4 km<sup>2</sup> and is located in the northern part of Artemisa Province, 45 km west of Havana.

ZED Mariel is not a free trade zone; it is an area of the national territory regulated by special regimes and policies, designed to attract investments in the production of goods and services with added value, using knowledge, innovation and clean technologies, and generating industrial concentration to substitute imports, boost exports and create new sources of employment. This is being done in coordination with the rest of the domestic economy.

ZED Mariel is open to Cuban and foreign companies. Its incentives are universal and even more attractive than those provided by Law 118. These apply to all of the users and concessionaries of the Zone.

Products and services generated in ZED Mariel may be traded with other legally established companies in Cuba inside and outside of ZED Mariel. Exports from Cuba are free from any customs tariffs.

ZED Mariel has a fast approval evaluation process, ranging from 35 to 65 days, with only two levels of decision approvals: the General Director of the Office of ZED Mariel and the Council of Ministers for those cases explicitly listed in the law.

*ZED Mariel offers a world-class production and logistics platform that will facilitate a greater level of domestic production while reducing import costs, boosting growth, providing employment and facilitating foreign direct investment.*



**Projects should meet the following general objectives:**

- ▶ Generate exports/promote import substitution
- ▶ Use modern, environmentally-friendly technology
- ▶ Provide employment
- ▶ Develop links with the wider Cuban economy outside ZED Mariel



# 13. Legal Framework

## Law 113/2012 on the Taxation System

Law 113 on the Taxation System dated July 23, 2012, entered into force on January 1, 2013. Council of Ministers Decree 308/2012 on General Rules and Tax Procedures was also adopted.

Law 113 details the general tax rules for all economic activities in Cuba, including for Cuban and non-Cuban nationals and Cuban and foreign companies.

It establishes the gradual application of certain taxes, such as sales tax, services tax and a special tax on products and services over the next five years from its entry into force.

## Decree-Law 313/2013 on the Special Development Zone of Mariel

The Council of State adopted Decree-Law 313 on the Special Development Zone of Mariel on September 23, 2013.

This law establishes a special regime for investment in the area of 465.4 km<sup>2</sup> within the province of Artemisa, which pertains to ZED Mariel.

In addition, the following complementary regulations were adopted:

- ▶ Council of Ministers Decree 316/2013
- ▶ Banco Central de Cuba Resolution 82/2013
- ▶ General Customs of the Republic of Cuba Resolution 278/2013
- ▶ Ministry of the Interior Resolution 14/2013
- ▶ Ministry of Labor and Social Security Resolution 49/2013
- ▶ Ministry of Finance and Prices resolutions 384/2013 and 149/2014
- ▶ Resolution 1097/2015 of the Ministry of Finance and Prices
- ▶ Ministry of Science, Technology and the Environment Resolution 397/2015

## Law 118/2014 on Foreign Investment

The National Assembly (Parliament) adopted Law 118 of 2014 on Foreign Investment dated March 29, 2014.

It establishes the legal framework for the implementation of foreign investment projects in Cuba, provides for the protection of investments and sets out general rules for foreign investors.

The following complementary regulations were also adopted:

- ▶ Council of Ministers Decree 325/2014 dealing with procedural rules
- ▶ Central Bank of Cuba resolutions 46/2014 and 47/2014
- ▶ Ministry of Foreign Trade and Foreign Investment resolutions 128/2014 and 129/2014
- ▶ Ministry of Labor and Social Security Resolution 16/2014 dealing with labor matters

This sets out the principal legal structures for the implementation of foreign investment projects in Cuba, including investment protection and the general rules relevant to foreign investors.

# 14. Fiscal Rules

APPLICABLE TAX REGIME	LAW 113/2012 ON THE TAXATION SYSTEM	LAW 118/2014 ON FOREIGN INVESTMENT	DECREE-LAW 313 & 316 OF 2013 ON ZED MARIEL
TYPE OF FOREIGN INVESTMENT COMPANY	100% FOREIGN-OWNED COMPANIES & BRANCHES	JOINT VENTURES / IEA	ALL COMPANIES IN ZED MARIEL
Income Tax (on net profits)	35%. May be increased up to 50% when involving natural resources (oil/minerals). Exemptions may be negotiated on a case-by-case basis.	Exempt for first 8 years as of date of incorporation, then taxable at 15%. May be increased by 50% (up to 22.5%) when involving natural resources. Profits reinvested are tax exempted.	Exempt for first 10 years then taxable at 12%. Exemption may be extended. Profits reinvested are tax exempted.
Social Security (employer)	The Law on the State Budget establishes the rate on an annual basis—Law 117 on the State Budget for 2014 establishes a rate of 14% payable by employer and 5% by employee (withheld by employment agency) if salary over specified level.		
Payroll Tax	12% in 2015, will be gradually reduced to 5% in 2017.	None	None
Personal Income Tax (non-Cuban residents)	15% of all income obtained or generated as a result of economic activity in Cuba. Dividends are exempt from taxation. Payable within first 20 calendar days following settlement period.		
Services tax (Gross Receipts Tax)	10% of gross sales value.	Exemption during first year of operations. Payable at 50% of the rate (10%) established by law.	Exemption during first year of operations. 1% flat rate established.
Sales Tax	2% gross sales value for wholesale and 10% for retail sales. Gradual application.	Exemption during first year of operations. Payable at 50% of the rate (2%) established by law on wholesales.	Exemption during first year of operations. 1% flat rate established.
Goods & Services Tax	Applied on certain goods and services intended for use or consumption, such as alcoholic beverages, cigarettes, luxury goods, transmission of electricity, etc. The rates for taxable goods and services are established in the Law on the State Budget or via resolution of the Ministry of Finance & Prices (MFP).		
Territorial Contribution	1% gross income. Raw materials for industrial production & goods for export exempt.	Exempted during investment recovery period.	* None
Environmental Protection Taxes (beaches, fauna etc.)	Defined in the Law on the State Budget annually.	50% reduction during investment recovery period.	
Customs Duties	Exemptions may be negotiated on a case-by-case basis on capital investment.	Not payable on capital equipment imported for investment.	
	Customs duties are payable in accordance with the established tariffs for raw materials. Existing scheme in place to exempt goods subsequently re-exported.		
Land Transportation & Document Tax	Rate is dependent upon type of vehicle/document—amounts are relatively low.		
Advertisement Tax	Applies to the public display of commercial announcements and advertising signs—rates are dependent upon dimensions of sign and location.		

\*Users and concessionaires of ZED Mariel must pay 0.5% of the gross income earned in each quarter as a contribution to the ZED Mariel Development Fund.

# 15. Administrative Procedures

## Legal status of users/concessionaries

ZED Mariel is open to Cuban and foreign companies, as well as cooperatives and individuals.

Companies and non-Cuban nationals may act either as concessionaires or as users of the zone.

Concessionaires need to obtain approval from the Council of Ministers, which will grant an administrative concession for the temporary management of a public service, execution of public works or exploitation of government property, for up to 50 years, which may be extended.

## Administration of ZED Mariel

The Mariel Special Development Zone Office is an entity attached to the Council of Ministers and commissioned to administer the Zone, control its activities, prepare and conduct the Development and Business Program, and effectively process all applications, licenses, permits and authorizations carried out or needed by concessionaires and users of the Zone or by those interested in becoming established in it, by means of a one-stop shop system.

## Investor Guarantees

Cuba has signed Agreements for the Reciprocal Promotion and Protection of Investments (ARPPi) with over 63 countries (see page 19).

Cuba is a member of the International Chamber of Commerce (ICC) and its International Court of Arbitration with headquarters in Paris.

Law 118/2014 on Foreign Investment provides for protection against expropriation and ensures the free transfer abroad of dividends, profits or other income associated with the realization of a foreign direct investment (FDI) project.

Foreign investments in ZED Mariel enjoy the same level of protection as foreign investments elsewhere in Cuba, as regulated by Law 118/2004.

## Application and approval process

The Mariel Special Development Zone Office is able to provide the necessary approvals for a new project, including all licensing, permits and authorizations from other Cuban State entities. From an investor perspective, there is only one point of contact and the process functions as a one-stop shop. The *ventanilla única* (one-stop shop) is located in the Pelicano Business Center and allows international investors to deal with all of the pertinent regulatory authorities in a single place.

Preliminary assessment	The investor will submit to the Oficina de la ZED Mariel a fact sheet of his business proposal in accordance with the established model (which can be downloaded from <a href="http://www.zedmariel.com">www.zedmariel.com</a> ). The Office will determine whether it meets the Zone's requirements or not and will notify in writing whether the proposal is of any interest or not. Should the proposal be of any interest, the investor will be asked to submit the documentation required under Article 9 of Decree-Law 313/2013.
Submission of the file	The Oficina de la ZED Mariel will have five working days to notify in writing that it has accepted the file.
Assessment of the project	This process will take from 30 to 60 days depending on the level of approval (either the ZED Mariel Director General or the Council of Ministers) required for the project's nature under articles 11 and 12 of Decree-Law 313/2013.
Approval	At the end of the established term (35-65 days), the Oficina de la ZED Mariel will notify the investor on the decision made in relation to his application.





The ventanilla única (one-stop shop) is located in the Pelicano Trade Center and allows investors to deal with all of the pertinent regulatory authorities in one place.

*Photo courtesy of Zed Mariel*

# 16. Master Plan

Development of ZED Mariel has started by Sector A, located west of Mariel Bay occupying an area of 43.7 km<sup>2</sup>, approximately 9% of the total surface of the Special Development Zone.

This sector enjoys multimodal connectivity by sea, road, railway and air. Plus, the modern Mariel Container Terminal is located inside this sector.

The Development Program for Sector A is governed by a Master Plan designed in cooperation with the prestigious French company Bouygues Bâtiment International, with a futuristic vision, using the highest international standards and the concept of high environmental quality.

## It will be implemented in three stages:

- ▶ **Launching Stage.** Short-term stage that will see to the industrial and logistic development around the port.
- ▶ **Consolidation Stage.** Medium-term stage that will incorporate economic activities of higher added value.
- ▶ **Maturation Stage.** Long-term stage in which ZED Mariel shall be acknowledged as an important urban center, combining industrial activities with high technology.

The pillar industries to be developed in Sector A are:

- ▶ **Logistics services**
- ▶ **Biotechnology and pharmaceutical industry**
- ▶ **Advanced manufacturing** (priority given to food, packing and packaging, construction materials and technologies, steel works, and consumer goods)

## Infrastructure & Logistics

### Modern container terminal and deep-water port

### Access motorway and secondary roads

**Railway infrastructure:** The two-track railway connected to the national network started operations in July 2014, transporting cargo and passengers to and from the Zone.

**Utilities:** The Zone ensures a stable supply of drinking water (300 l/sec) and electric power (130 MWh). There is a system in place for sewage collection and disposal, as well as a drainage system. A fiber optic info-communication system and a redundant radio link provide high-speed Internet access and Wi-Fi. Bottled gas is also available.

**Warehousing:** The first Logistic Block has a storage capacity of 10,000 m<sup>2</sup> for dry cargo and 5,000 m<sup>3</sup> for refrigerated cargo, and provides modern cargo management and handling services.

Logistics Block 2 is under construction, incorporating eight new warehouses with a total capacity of 27,000 m<sup>2</sup> and an open yard with the same capacity.

**Business centers:** During March 2016 the Pelicano Business Center was opened. In addition to 4,000 m<sup>2</sup> of office and warehouse spaces for lease, it provides a wide range of services including restaurants, banking services and a commercial telecoms office.

Plans are in place to develop various other business centers with more offices, shops and other facilities soon.

## General Services

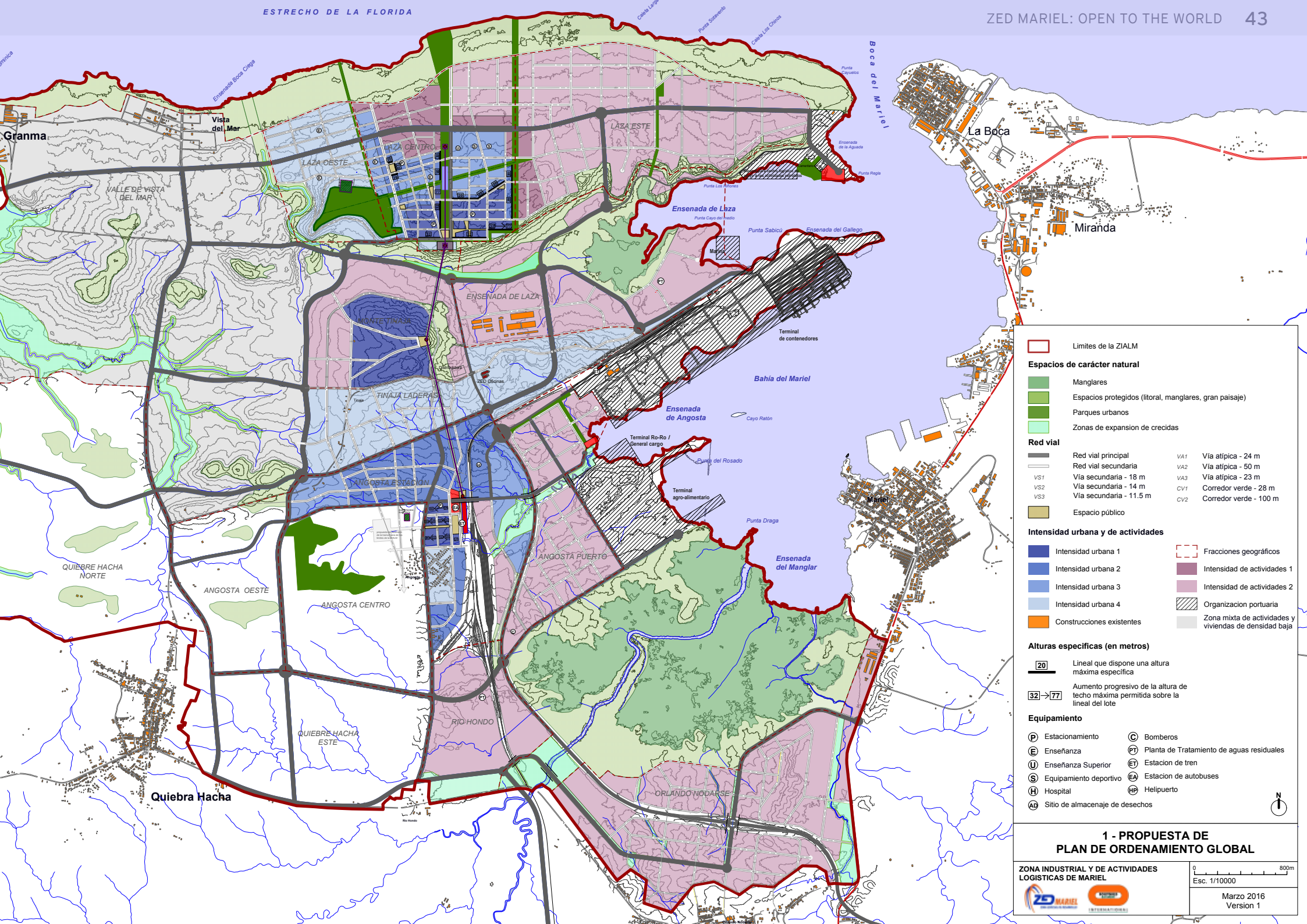
- ▶ Customs
- ▶ Port authority
- ▶ Banking
- ▶ Logistics
- ▶ Cargo handling and sea, rail and road transport
- ▶ Dry and refrigerated cargo storage
- ▶ Fire station
- ▶ Five employment agencies
- ▶ Passenger transport
- ▶ Catering, restaurant and cafeteria
- ▶ ETECSA business office
- ▶ Security, and physical and technical protection

## Construction services

- ▶ Engineering studies and geological and land surveys
- ▶ Design
- ▶ Construction
- ▶ Supply of concrete and prefabricated units
- ▶ Engineering and construction turnkey projects
- ▶ Construction management

The construction and engineering companies listed below operate in ZED Mariel:

- ▶ Empresa de Construcción y Montaje Mariel (ECM Mariel): engineering, construction, turnkey projects
- ▶ Companhia de Obras e Infraestrutura, S.A. (COI): engineering, construction, turn-key projects
- ▶ Bouygues Construction Cuba, S.A. (BCC): engineering, construction, turnkey projects
- ▶ EMPROY 2: engineering and design company



**Limites de la ZIAlM**

**Espacios de carácter natural**

- Manglares
- Espacios protegidos (litoral, manglares, gran paisaje)
- Parques urbanos
- Zonas de expansion de crecidas

**Red vial**

- Red vial principal
- Red vial secundaria
- Via secundaria - 18 m
- Via secundaria - 14 m
- Via secundaria - 11.5 m
- Espacio público

**Intensidad urbana y de actividades**

- Intensidad urbana 1
- Intensidad urbana 2
- Intensidad urbana 3
- Intensidad urbana 4
- Construcciones existentes
- Fracciones geográficas
- Intensidad de actividades 1
- Intensidad de actividades 2
- Organización portuaria
- Zona mixta de actividades y viviendas de densidad baja

**Alturas específicas (en metros)**

- Lineal que dispone una altura máxima específica
- Aumento progresivo de la altura de techo máxima permitida sobre la lineal del lote

**Equipamiento**

- Estacionamiento
- Enseñanza
- Enseñanza Superior
- Equipamiento deportivo
- Hospital
- Sitio de almacenaje de desechos
- Bomberos
- Planta de Tratamiento de aguas residuales
- Estacion de tren
- Estacion de autobuses
- Helipuerto

**1 - PROPUESTA DE PLAN DE ORDENAMIENTO GLOBAL**

ZONA INDUSTRIAL Y DE ACTIVIDADES LOGISTICAS DE MARIEL

Esc. 1/10000

Marzo 2016  
Version 1

View of the site of the new intermodal terminal currently under development. When complete this will facilitate the transport of personnel within the special development zone and the port.

The two-track railway started operations in July 2014, transporting cargo and passengers to and from the zone. 21 km of railway have been constructed and 57 km renovated.

*Photo: Ana Lorena and Mene*



Aerial view of the logistic activities zone, which has undergone considerable growth and development over the past 12 months.

*Photo courtesy of Zed Mariel*



# 17. TC Mariel

## A Regional Logistics Hub

The Terminal de Contenedores de Mariel, S.A. (TC Mariel) is an ISPS certified, world-class container terminal located 45 km from Havana. This is one of the best natural harbors in the region with ample greenfield development opportunities going forward.

TC Mariel is a Cuban terminal operated by Singapore-based PSA International, with a design capacity to receive New Panamax ships.

Following the lifting of the US blockade (specifically the Torricelli Act), TC Mariel is poised to become a major transshipment hub given its almost perfect location within the Caribbean triangle, where multiple major commerce routes intersect. For traffic transiting the Panama Canal from Asia to the East Coast of North America, TC Mariel has a low deviation and the shortest distance of all the competitors to the final location of US cargoes.

**Facilities:** Mariel is a deep-water port, enabling the operation of a 702-meter jetty covering an area of 27.7 hectares. It has in operation four ship-to-shore cranes (STS), twelve yard cranes and two railway cranes, all of which combine to deliver an estimated current annual capacity of 800,000 twenty-foot equivalent units (TEU).

A future expansion to meet import/export and transshipment demand in a post-US blockade scenario could see the quay line increased to 2,400 meters with a yard area of 128 hectares, which would increase the potential annual capacity to over 3 million TEU.

The entrance channel has a depth enabling the operation of Panamax vessels (5,100 TEU at 12.1-meter draft) and is being dredged for New Panamax vessels, which are capable of carrying as many as 13,500 TEU.

Warehousing, transport and distribution centers are being developed to meet the current ongoing needs generated from the container traffic that is entering the port.

**Current performance:** The volume of containerized cargo rose 35% in 2015 to reach approximately 330,000 TEU. During the first quarter of 2016, volumes rose by 29% suggesting a year-end target of 360,000 TEU is feasible.

Mariel is now a destination for many major shipping companies offering scheduled services, including Cuban state company Melfi Marine, along with Maersk Line, MSC, CMA CGM, Hamburg Sud, Hapag Lloyd, ZIM Line, COSCO, Evergreen, Crowley Marine and Nirint Shipping.

Maersk Line started a service from Northern Europe to Central America via Cuba in 2016. The first 2,500-TEU container vessel of the Danish shipping giant arrived on April 22, 2016 at the Port of Mariel. The service, CRX, calls at Mariel southbound from Cork, Tilbury, Rotterdam and Bremerhaven, before proceeding to Big Creek (Belize) and Manzanillo (Panama).

Other carriers such as COSCO, Evergreen, ZIM Line, Hapag Lloyd, as well as Maersk Line, connect Mariel with Asia, Latin America, Europe and the Mediterranean via weekly feeder services that connect Mariel to Santiago de Cuba, Cristóbal (Panama) and Manzanillo (Panama).

French CMA CGM, which has connected to Cuba since 2000, offers a Kingston-Mariel-Santiago-Kingston feeder service, while Swiss-based MSC, the world's second-largest shipping line, connects its global network to Mariel via Freeport, Bahamas.

Dutch shipping company Nirint offers a 14-day fixed-line route connecting Mariel and the nickel port of Moa in eastern Cuba with Halifax, Canada, Europe and other Caribbean ports.

US shipper Crowley Marine offers a liner service from Port Everglades in South Florida to Mariel, sailing on to Santo Tomás (Guatemala) and Puerto Cortés (Honduras).

### Facilities:

- ▶ *702-meter jetty*
- ▶ *27.7-hectare container yard*
- ▶ *650-meter rail yard*
- ▶ *Scanner operated by the General Customs Authority of Cuba*
- ▶ *Control scale*
- ▶ *Automatic doors*

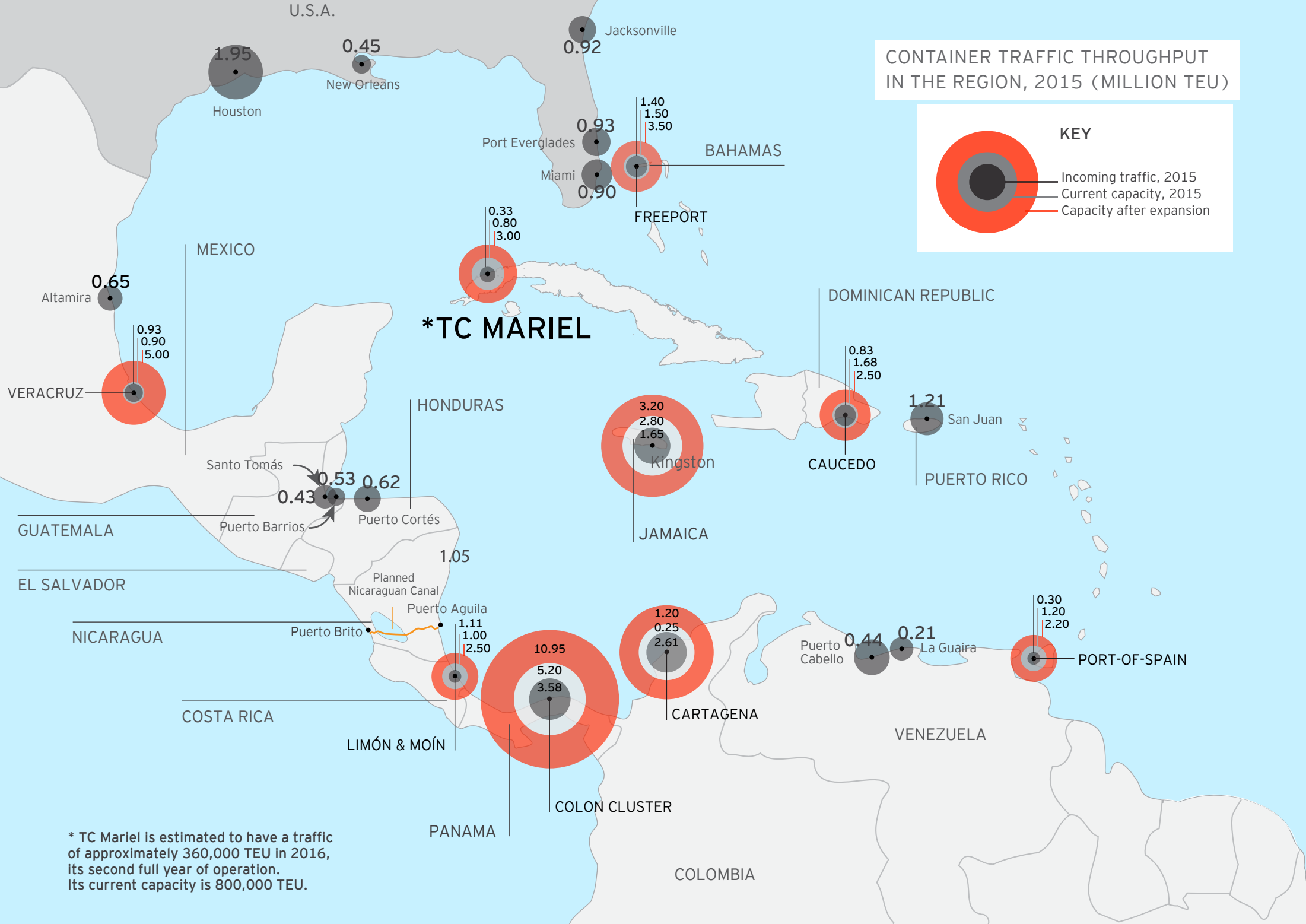
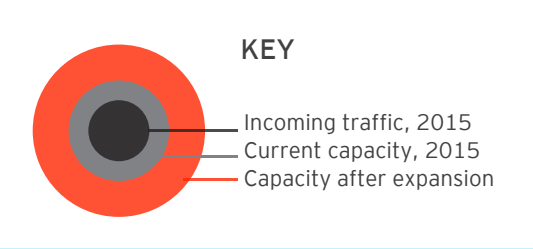
Photo courtesy of Zed Mariel



#### Equipment:

- ▶ 4 ship-to-shore (STS) cranes
- ▶ 12 yard (RTG) cranes
- ▶ 2 RMG cranes, which increase rail transport capacity by up to 20%

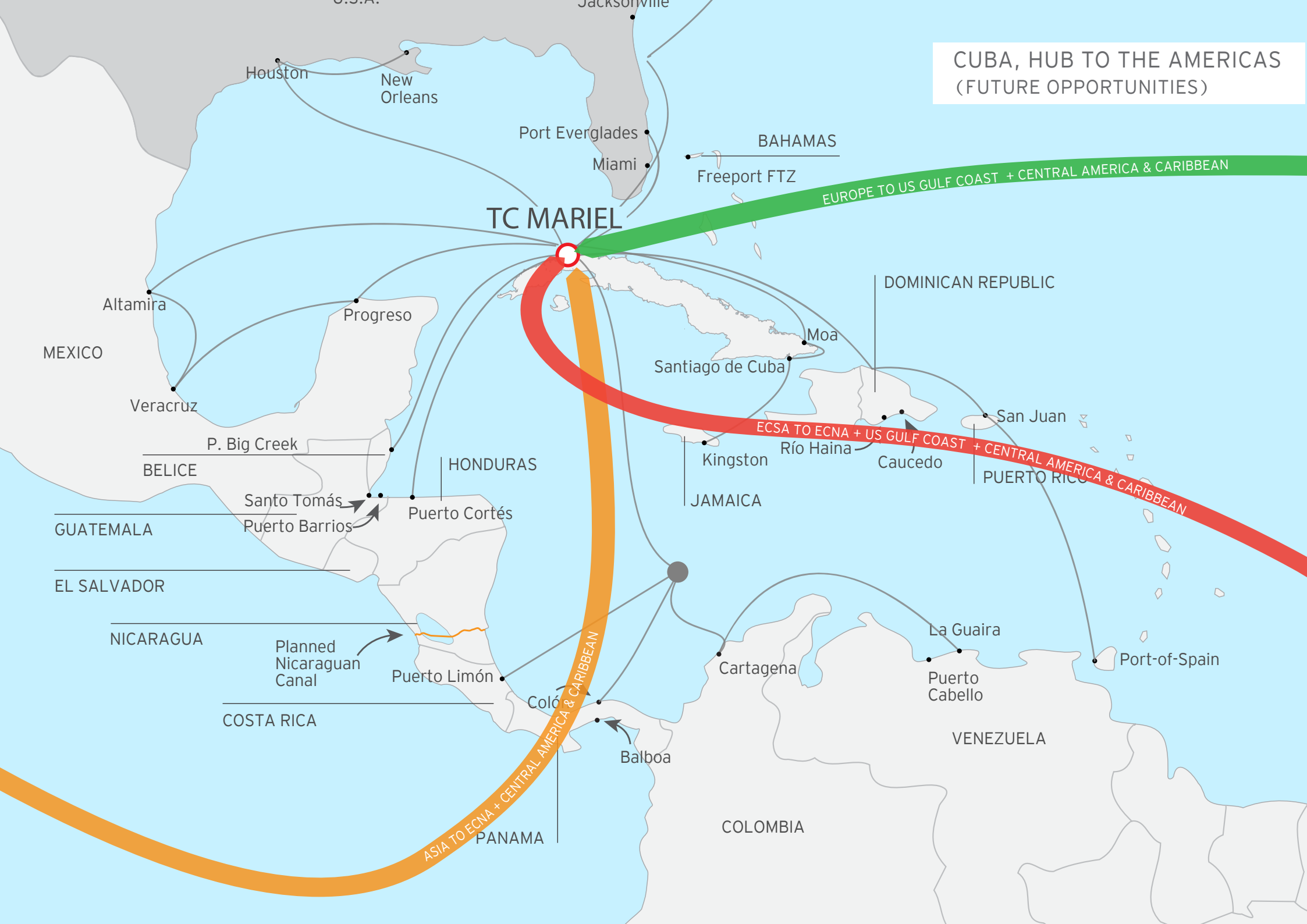
# CONTAINER TRAFFIC THROUGHPUT IN THE REGION, 2015 (MILLION TEU)



\* TC Mariel is estimated to have a traffic of approximately 360,000 TEU in 2016, its second full year of operation. Its current capacity is 800,000 TEU.



CUBA, HUB TO THE AMERICAS  
(FUTURE OPPORTUNITIES)



# 18. Employment Agencies

There are five employment agencies that provide service to companies based in ZED Mariel. These said agencies may charge up to 20% of the total salary costs for the provision of the following services:

- ▶ Recruitment and selection of appropriately qualified personnel.
- ▶ Payroll processing of staff including payment of all social security and income tax contributions on behalf of employee and employer.
- ▶ Resolution of labor-related disputes.
- ▶ Relevant proceedings in relation to occupational accidents, etc.
- ▶ Administrative processing of residency and work permits for expatriates.

Workers for one of the state employment agencies receive their salaries with a coefficient of ten (10). This implies that they will receive ten times the amount in Cuban pesos that the employment agency charges the company in US dollars (less the commission and relevant taxes). This provides a significant level of incentive for Cuban staff.

EMPLOYMENT AGENCY	MAIN PROFESSIONS AVAILABLE	CONTACT
<b>Almacenes Universales S.A.</b>	Professional, technical and skilled workers linked to activities in warehousing, transportation and port activities.	Centro de Negocios Pelicano, planta baja, Zona A-5, Sector A, ZED Mariel, Mariel, Artemisa Tel: 047-397320 & 047-397321 email: dtor.ae@cnph.ausa.cu
<b>BIOCUBAFARMA</b>	Chemical & industrial engineer, pharmacy, chemistry, biology and microbiology professionals, technicians in biological processes, industrial chemistry and industrial pharmacy technicians.	100 y Boyeros, Edificio B, Boyeros, La Habana Tel: 7-265-3749 email: rhmariel@oc.biocubafarma.cu
<b>CUBATABACO</b>	Skilled agricultural workers, and technician and engineer in any field.	Calle Nueva No. 72, e/ Universidad y Pedroso, Cerro. Tel: 7-879-0250 to 7-879-0256 email: cubatabaco@cubatabaco.cu
<b>Empresa empleadora de la construcción</b>	All occupations in the field of construction, assembly and design as well as work related to construction materials.	Factor No. 5, e/ Masó y Ayestarán, Cerro, La Habana Tel: 7-879-9567 or 7-879-9614 email: empleadora@netcons.com.cu
<b>TECNOSIME</b>	Manager, technician and skilled workers in industrial processes.	Calle 36 A No. 712 e/ 7ma y 42 Miramar, Playa, La Habana. Tel: 7-202-1344 ext. 117 and 7-206-5644 email: tecnosime@tecnosime.cu



TC Mariel's current capacity of 800,000 TEU could potentially increase to 3,000,000 TEU to meet future demand in a post-US blockade scenario.

*Photo: Ana Lorena and Mene*

# 19. 2016 Projects Portfolio

Twenty-three projects have been developed by the relevant Cuban companies for development within ZED Mariel with foreign participation. Foreign investors are in no way limited to the selection of the projects detailed in the Cartera de oportunidades (Projects Portfolio). They may prefer to develop their own projects in line with the guidelines and priorities outlined in the previous section.

## Agrofood industry

### ZONE A8

Manufacture of:	Description of project	Investment type	Cuban Partner of:	Estimated Investment
1 Soy Processing (Refined Oil Factory)	Assembly of a new plant to mill 500,000 tons of soy beans per year to obtain 85,000 tons of refined oil and 375,000 tons of soy flour for animal consumption.	Joint Venture	Corporación Alimentaria S.A. (CORALSA) <i>Contact:</i> negocios@coralsa.com.cu	US\$149 million

## Industry

### ZONE A10

Manufacture of:	Description of project	Investment type	Cuban Partner of:	Estimated Investment
1 Economical and luxury bathroom fixtures	Assembly of a new plant to produce economical and luxury bathroom fixtures, valves and iron fittings.	Joint Venture	Grupo Empresarial de la Industria Sideromecánica (GESIME) <i>Contact:</i> Carmen Herrera Prieto negocios.gesime@sime.cu Empresa Industrial de Herrajes (EIH) <i>Contact:</i> Leduán Hernández dir.negocios@iherrajes.cu	US\$15 million
2 Air conditioning equipment	Air conditioning equipment for central systems, commercial and home air conditioning equipment and the production of parts, spare parts and accessories and post-sale and warranty service.	Joint Venture	Grupo Empresarial de la Industria Sideromecánica (GESIME) <i>Contact:</i> Carmen Herrera Prieto negocios.gesime@sime.cu	US\$15 million
3 Light automobiles	Assembly and manufacture of a minimum of 10,000 light automobiles per year in association with Havana-based industries to manufacture parts, spare parts and accessories, and create a domestic network for the provision of technical assistance.	100% Foreign Capital	Oficina de ZED Mariel <i>Contact:</i> Wendy Miranda, ventanillaunica@zedmariel.co.cu	<i>To be negotiated</i>
4 Glass bottles for beverages	Assembly of a new plant to annually produce over 210 million of glass bottles for beverages (beer, foods, rum), medicine and food preserves	Joint Venture	Grupo Empresarial de la Industria Química (GEIQ) <i>Contact:</i> William Marrero Chi william@geiq.cu	US\$70 million

Manufacture of:	Description of project	Investment type	Cuban Partner of:	Estimated Investment
5 Glassware items	Assembly of a new plant to manufacture various assortments of tableware, glassware, goblets, water jars	100% Foreign Capital	Oficina de ZED Mariel Contact: Wendy Miranda, ventanillaunica@zedmariel.co.cu	US\$10 million
6 Disposable items for medical purposes	Creation of a new plant to manufacture and sell disposable items for medical purposes.	100% Foreign Capital	Oficina de ZED Mariel Contact: Wendy Miranda, ventanillaunica@zedmariel.co.cu	US\$5 million
7 Footwear	Assembly of a new plant to manufacture 20 million pairs of shoes, including plastic shoes, sandals, and casual and smart footwear for children, adults and babies.	Joint Venture	Grupo Empresarial de la de la Industria Ligera, Empresa Nexus S.A. Contact: Ramón García Castellano ramong@compacto.co.cu	US\$23 million
8 Plate-glass and its manufactures	Assembly of a new plant in ZED Mariel to manufacture plate-glass, mirrors and manufactures thereof, such as safety glass (both toughened and multilayer) used in the civil construction and automotive industries.	Joint Venture	Grupo Empresarial de la Industria Química (GEIQ) Contact: Lissette Alonso Morales Lissette @geiq.cu	US\$65 million

## Biotechnological Sector: developing and producing medicine

### ZONE A3

Manufacture of:	Description of project	Investment type	Cuban Partner of:	Estimated Investment
1 Peptides for pharmaceutical purposes	Creation of a subcontracting company and construction of a multipurpose facility to produce 100 kg of peptides annually for third-party pharmaceutical purposes.	Joint Venture	Centro de Ingeniería Genética y Biotecnología Contact: Eulogio Pimentel, eulogio@cigb.edu.cu	US\$30 million
2 Antibodies for medical purposes	Construction of a new industrial biotechnological facility to produce monoclonal antibodies for medical purposes to treat cancer and other chronic non-communicable diseases, from their active ingredients to the final products.	Joint Venture	CIMAB S.A. Contact: Dr. Agustín Lage Dávila, lage@cim.sld.cu	US\$75 million
3 Cancer treatment vaccines	Construction of a new industrial biotechnological facility to produce recombinant proteins to treat cancer and other non-communicable diseases, from their active ingredients to the final products.	Joint Venture	CIMAB S.A. Contact: Dr. Agustín Lage Dávila, lage@cim.sld.cu	US\$60 million
4 Enteral medication (tablets, capsules, oral contraceptives, antiretroviral drugs), aerosols and dry powder inhalers	Construction of a pharmaceutical industrial complex to produce generic enteral medication.	Joint Venture	Laboratorios Medsol Contact: Luis Armando Alarcón Camejo, alarcon@ms.medsol.cu	US\$250 million
5 Blood-based products	Construction of a state-of-the-art complex to produce medication from human blood. This project includes the creation of a domestic network of plasmapheresis centers and three regional centers for virus analysis through molecular biology.	Joint Venture	Empresa de Sueros y Productos Hemoderivados Adalberto Pesant Contact: Yaramis Armenteros Medina Llamo, yara@pesant.biocubafarma.cu	US\$160 million

## ZONE A8

Manufacture of:	Description of project	Investment type	Cuban Partner of:	Estimated Investment
6 Production of and filling of flasks, and analysis of products for the biopharmaceutical industry	Construction of a pharmaceutical complex to produce injection drugs and ophthalmic water, and to supply formulation, filling and control services to third parties.	Joint Venture	Laboratorios AICA+ <i>Contact:</i> Antonio E.Vallin García vallin@aica.cu	US\$160 million
7 Cytostatic drugs	Construction of a plant to produce cytostatic drugs.	Joint Venture	Laboratorios AICA+ <i>Contact:</i> Antonio E.Vallin García vallin@aica.cu	US\$60 million
8 Injectable cephalosporin and carbapenema, and oral penicillin-based antibiotics	Building a pharmaceutical industrial project to produce high-quality, value-added generic medication.	Joint Venture	Empresa Farmacéutica 8 de Marzo <i>Contact:</i> Nancy Oña Aldana, nancy@8marzo.biocubafarma.cu	US\$120 million
9 Items ready for use (mlpu)	Supplying plates containing culture medium ready for use for the pharmaceutical and food industries.	Joint Venture	Centro Nacional de Biopreparados (BIOCEN) <i>Contact:</i> Julio César Portuondo Vázquez, portuondo@biocen.cubiocubafarma.cu	US\$10 million
10 Biopharmaceutical logistics operator	Construction of a logistics platform for the export and import of raw materials and products for the biopharmaceutical industry.	Joint Venture	ENCOMED <i>Contact:</i> Miguel Francisco Prado Muñoz, prado@esines.cu	US\$60 million
11 Validation and assessment of critical operations, areas and equipment for the biopharmaceutical industry	Creation of a company specializing in certifying and validating critical areas facilities, such as clean and sterilized rooms in the biopharmaceutical industry, hospitals and laboratories.	Joint Venture	ESINES <i>Contact:</i> Nancy Oña Aldana, nancy@8marzo.biocubafarma.cu	US\$20 million
12 Associations for investment providing auxiliary services for the biopharmaceutical industry	Investment projects providing auxiliary and support services in the biopharmaceutical industry.	Joint Venture	BioCubaFarma <i>Contact:</i> Jorge Sotolongo Peña, jsotolongo@oc.biocubafarma.cu	To be determined
13 Biomaterials	Construction of a pharmaceutical plant to manufacture biomaterials in compliance with NC-ISO 13485 and NC-ISO 14971. The plant will produce TISUACRYL, BIOGRAFT-G and APAFILL-G.	Joint Venture	Centro de Biomateriales, BIOMAT Vicerrectoría de Investigaciones de la Universidad de La Habana vilmah@rect.uh.cu dzaldivarsilva@rect.uh.cu	US\$1.5 million

## Wholesale Trade

Manufacture of:	Description of project	Investment type	Cuban Partner of:	Estimated Investment
1 Wholesale store	Financing, supplies and know-how for the construction and operation of a wholesale food and industrial goods store.	Joint Venture	CIMEX <i>Contact:</i> Iset Vázquez iset@cimex.com.cu	To be determined



The Zone has 19 approved users. Over the past year, several projects have begun their investment processes with a number of other companies in the preparation phase.

*Photo courtesy of Zed Mariel*







## 20. Approved Users

At present, ZED Mariel has 19 approved users, 11 more than during FIHAV 2015.



Terminal de Contenedores Mariel S.A.  
100% Cuban, operated by PSA International



CARILOG  
Contract between SL Mariel and  
French CMA CGM LOG



Bouygues Construction Cuba S.A.  
100% French capital.  
Engineering and construction



Servicios Logísticos Mariel S.A.  
100% Cuban. Logistic Services



BDC Log S.A.  
100% Belgian capital. Transport and logistics



Tecnologías Constructivas S.A.  
Spanish-Cuban Joint Venture.  
Construction systems



Womy Equipment Rental B.V.  
100% Dutch capital.  
Heavy and lifting equipment



Companhia de Obras e Infraestrutura  
100% Brazilian capital. Engineering and construction



Thai Binh Global Investment Corporation  
100% Vietnamese capital. Disposable diapers



Unilever Suchel, S.A.

Uniliver Suchel, S.A.  
Dutch-Cuban Joint Venture.  
Toiletries and cleaning products



BDC Tec S.A.  
100% Belgian capital. Electronics



Devox Caribe S.A.  
100% Mexican capital. Paints



Brascuba Cigarrillos, S.A.  
Cuban-Brazilian JV.  
Cigarette production



Richmeat de Cuba S.A.  
100% Mexican capital.  
Food processing



Profood Service S.A.  
100% Spanish capital. Food processing



Industrial Biotecnológico CIGB-Mariel S.A.  
100% Cuban. Biotechnology



ArCo 33 S.A.  
100% Republic of Korea capital.  
Medical devices



Banco Financiero Internacional S.A.  
100% Cuban. Banking



Financiera Iberoamericana S.A.  
Cuban-Spanish Joint Venture. Financial services

# Building a better working world for companies doing business in Cuba

## HIGHLIGHTS

- ▶ We work closely with other EY offices both regionally and globally to ensure that our clients receive the best service possible in accordance with EY's Vision 2020.
- ▶ We have over 20 years of experience assisting clients doing business with Cuba.
- ▶ We maintain a strong relationship with Consultores Asociados S.A. (CONAS), with whom we share quality office facilities in the Miramar Trade Center. We work with Cuban staff from CONAS on clients where this is the client's preference to do so. This enables us to perform work in accordance with both local regulatory requirements and international best practice.
- ▶ We have extensive insights to the Cuban macro-economic environment, deep experience on a sector level and an up-to-date understanding of the legal, regulatory and fiscal environment.
- ▶ We are committed to bringing EY best-in-class experts from within the worldwide EY network to Cuba to provide best practice benchmarking and expertise in multiple areas.
- ▶ We have a team of 15 qualified expatriates dedicated full time to Cuba. Our staff, who are from the UK, Canada, Australia, France, Italy, Spain, Argentina, Guatemala and Mexico, are able to provide an international outlook to a diverse client base.

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# CONSULTORES ASOCIADOS S.A.

The consulting firm of choice for foreign investment and international business



## HIGHLIGHTS

- ▶ We are the main Cuban professional services firm with over 140 well qualified professional staff specialized in audit, business consultancy, services for foreign branches and professional development.
- ▶ In addition to our main Havana head office, we maintain five regional offices in Matanzas, Cienfuegos, Camagüey, Holguín and Santiago de Cuba, which allows us to provide services throughout the island.
- ▶ We provide professional services to over 400 clients including the most prestigious state-owned companies as well as the leading international companies developing investment opportunities in Cuba.
- ▶ We assist our clients through consultancy and auditing services based on a competitive approach. Our multidisciplinary, integrated and innovative team will meet the expectations of interested parties.
- ▶ We maintain a strong relationship with EY. Working with an integrated CONAS/EY team on clients, we are able to prepare complementary deliverables that meet both local regulatory and international requirements.

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Photo courtesy Zed Mariel



THANK YOU FOR YOUR INTEREST  
- COME TAKE A LOOK FOR YOURSELF -

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