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Government Of Cuba Reportedly Seeking Investors, Financing For State-Owned Companies. U.S. Entrepreneurs Waiting Since May 2022 For Cuba Regulations To Deliver Investment And Financing To Private Companies In Cuba.

“Diaz-Canel urges Cuban entrepreneurs to seek alliances: Havana, Apr 26 (Prensa Latina)

President Miguel Díaz-Canel has reportedly urged representatives of the country's investment sector to seek alliances with Latin American and Caribbean countries to create cooperative productions. During a meeting with executives from companies that develop investments, Díaz-Canel learned about their experiences and noted that the most important thing is to keep factories producing. Meanwhile, Deputy Prime Minister and Minister of Economy and Planning Alejandro Gil called to increase investments and do it well, as the financing that does not guarantee sustainability in time of their inputs and raw materials can ruin the agreement made. Gil urged to prepare the investments and investors to comply with the execution schedules and “put industries into production once the investment is completed. The generation of goods for national consumption or export depends on it, and with it, the country’s development.” During the meeting, several state entrepreneurs shared the state of investments in their institutions, their strengths, and weaknesses in this field.”

Background

On 10 May 2022 the **Biden-Harris Administration** (2021-) through a two-year license issued by the Office of Foreign Assets Control (**OFAC**) of the United States Department of the Treasury authorized the first direct investment in and direct financing to a privately-owned company in the Republic of Cuba owned by a Republic of Cuba national. The OFAC license application was submitted on 10 June 2021.

- LINK: [Biden-Harris Administration Approves First Equity Investment Since 1960 In A Private Cuban Company May 10, 2022](#)
- LINK: [With U.S. Government Authorization For First Direct Equity Investment Into A Private Company In Cuba, Here Is Important Context And Details. About The Parties; About The Message. May 16, 2022](#)
- LINK: [Biden Administration Will Use Cuba's Authorization Of SMSE's As Means To Expand Support For Cuba Private Sector- U.S. Investments And Loans May Be Next June 02, 2021](#)

In 2023, after nearing three years, Denver, Colorado-based [Western Union Company](#) (2022 revenue US\$4.5 billion) recommenced electronic transfers from the United States to the Republic of Cuba through an agreement with Republic of Cuba government-operated *Orbit S.A.* which in February 2022 received authorization from the Central Bank of the Republic of Cuba as a “*non-banking financial institution to process money transfers.*” Electronic transfers may be sent from more than 4,400 locations in the United States “*receivers with bank and debit card accounts*” at these three Republic of Cuba government-operated financial institutions:

Banco Popular de Ahorro

Banco Metropolitano S.A.

Banco de Credito y Comercio (Bandec)

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

Western Union Company and Orbit S.A. have not yet authorized electronic transfers for commercial transactions by Micro, Small, and Medium-size Enterprises (MSMEs) and to authorize U.S. Dollar electronic transfers from accounts in the Republic of Cuba to recipients in the United States.

- LINK: [Who Or What Is Delaying Western Union From Authorizing Commercial Transfers From U.S.-Cuba And From Cuba-U.S.? Biden? Diaz-Canel? MSME's Waiting With U.S.-Based Companies And Entrepreneurs](#) Apr 22, 2023
- LINK: [Western Union Goes National For U.S. Transfers To Cuba.... When Will Cuba Permit U.S. Investment And Financing For MSMEs In Cuba? No Excuse For Delays.](#) Mar 3, 2023

In April 2023, Republic of Cuba government-operated financial institutions again accepted U.S. Dollar currency deposits. ***“It is very useful for us as a company and more than now we need a lot of capital injection to face the crisis with the purchase of professional machinery. This gives us the possibility of having currency input that currently could not be exchanged into currencies other than USD.”*** Owner of an officially-registered MSME located in the Republic of Cuba and owned by a Republic of Cuba national.

- LINK: [Cuba Banks Again Accepting U.S. Dollar Deposits. That's Good. Better Would Be Providing Regulations For U.S.-Sourced Direct Investment And Direct Financing To MSMEs. First OFAC License Waiting...](#) Apr 11, 2023

Wholesale marketplaces are re-opening in the Republic of Cuba, some constructed and operated by companies located in Argentina, Italy, Spain, and potentially Russian Federation, where owners, managers, and employees of MSMEs may purchase inputs. The existence of a wholesale marketplace for MSMEs is a required component for a private sector- the distance between the price of a product purchased by an MSME and the price of the product and service produced and sold by the MSME is the profit- which hopefully the government of the Republic of Cuba will not seek to tax and fee to minimize as such would harm the ability of MSMEs to expand- both revenue and employees.

On 17 November 2022, the Biden-Harris Administration approved a license application submitted on 22 October 2022 by Columbia, Maryland-based [Premier Automotive Export, Ltd.](#) (PAE) to the Bureau of Industry and Security (BIS) of the United States Department of Commerce to export electric vehicles and chargers to republic of cuba nationals with the ***“ULTIMATE CONSIGNEE: Privately owned companies in the Republic of Cuba owned by Cuba Nationals.”*** The BIS license is valid until 30 November 2026.

- LINK: [Ten Months After Denial, Biden-Harris Administration Approves Exports Of Electric Motorcycles, Electric Scooters To Cuba Nationals And To Privately-Owned Companies In Cuba October 05, 2022](#)
- On 28 September 2022, the BIS issued a license to PAE for the export of electric scooters and electric bicycles to Republic of Cuba nationals and to MSMEs.
- On 15 December 2021, the BIS denied a license application submitted on 30 September 2021 by PAE to export electric vehicles and chargers to republic of cuba nationals. From the license application: ***“Specific End Use- Ordinary Cuban Nationals would be the specific End User and purchasing electric vehicle for their own personal transportation.”***

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

[Home Delivery For Electric Scooters To Cuba: As Biden-Harris Administration Expands U.S. Export Opportunities, A U.S. Company Responds Quickly To Customer Requests. Next Correspondent Banking? December 04, 2022](#)

- Potential customers of PAE have inquired about installment payments for the purchase of EVs. As monthly payments would be minimal in value, the cost for sending the funds through a third country financial institution would be larger than the installment amount. Flexibility to provide installment payments will further enhance the cashflow of an MSME and further connect the MSME with the United States-based company.

Granma
Havana, Republic of Cuba
26 April 2023

Meeting held in April between the country's leadership and business representatives analyzes the execution of the investment process and its impact on exports. It was led by the First Secretary of the Central Committee of the Party and President of the Republic, Miguel Díaz-Canel Bermúdez.

Díaz-Canel insisted that Antillana de Acero must be clear about export markets, as well as develop strategies that allow it to guarantee the supply of raw materials. Photo: Revolution Studios

As what it is: a transcendental issue for the development of the economy, the current investment process in the nation was analyzed, especially the one carried out in the business sector and its impact on exports. The evaluation took place during the April meeting of the country's leadership with representatives of the business system, which was held as usual in the Palace of the Revolution under the leadership of the First Secretary of the Central Committee of the Party and President of the Republic, Miguel Diaz-Canel Bermudez.

The exchange was also headed by the members of the Political Bureau, Manuel Marrero Cruz, Prime Minister, and Salvador Valdés Mesa, Vice President of the Republic, in addition to the Vice Prime Minister and Head of Economy and Planning, Alejandro Gil Fernández, who moderated the dialogue. In a summary of the behavior of the investment process and its impact on the state company in recent years, Gil Fernández stressed that the discussion was to contribute to continue solving deficiencies that are not new.

Among other examples, he brought up that from 2015 to date the investment plan for each year has not been met, which has been below 90% most of the time. He explained that, according to consensus, to have an adequate rate of development it is necessary to invest between 20% and 25% of the Gross Domestic Product annually; however, in the period the amount invested has remained below these margins and the investments put into operation have not yielded the expected return. When making an evaluation of these processes, including the behavior of executions, vulnerabilities and post-investment studies, Gil Fernández emphasized the urgency of resolving inefficiencies in this area, while ratifying the need to continue investing as a way of Never give up on development. "We must invest more, but we have to do it well," he said. The meeting with the state business community was held through videoconference with managers from the territories, who were called upon to reflect on what to do new to really consolidate what the country needs, and within it the socialist state company, to efficiently and effectively develop the investment process.

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

The engineer Reinier Guillén Otero, general director of the José Martí steel company, also known as Antillana de Acero, reported on the execution of the million-dollar investment in that plant and the export capacity that it will acquire, in order to cover the amounts of the credit that granted by the Russian Federation. The First Secretary of the Central Committee of the Party, Miguel Díaz-Canel Bermúdez, insisted that Antillana must be clear about export markets, as well as develop strategies that allow it to guarantee the supply of national raw materials, especially scrap metal, of in such a way that their productions are sustainable in volume and over time.

Engineer Lissette Alonso Morales, vice president of the Chemical Industry business group (GEIQ), commented on the productions of the new Chlorine Soda plant of the Sagua la Grande Electrochemical Company. This is one of the newest industries in the country, with a high level of automation and highly qualified personnel, and it has managed to enter the international market. The export was not conceived in the initial order of the entity, but the quality of its productions and the training of its personnel have allowed it to make sales of assortments and services abroad.

Chlorine Sosa, explained the directive, covers the national demand with its productions and exports its surpluses, in order to sustain the plant with its own income. The President of the Republic supported the company's initiatives: "propose bold initiatives", he told them. Vice Prime Minister Gil Fernández praised the entity's results and stressed that the country should not have idle productive capacity that does so under competitive conditions and can cover unsatisfied domestic demand or export.

We must look for alternatives, added Gil Fernández, who put the entity as a good example of the possibility that these have, based on the 43 measures implemented to strengthen the socialist state company, to manage cooperative productions with foreign companies or obtain external financing, without looking to the central financing account. "Generate foreign exchange for self-sustainability, that is the way," he said. The head of Economy and Planning also referred to the strength of having the National Economic and Social Development Plan until 2030, within which investments must be conceived. The vice prime ministers, Commander of the Revolution Ramiro Valdés Menéndez, Inés María Chapman Waugh, Jorge Luis Perdomo Di-Lella and Jorge Luis Tapia Fonseca, as well as heads of portfolios, among other executives, participated in the meeting with the national state business community. .

Granma
Havana, Republic of Cuba
26 April 2023

Encuentro del mes abril de la dirección del país con representantes del empresariado analiza ejecución del proceso inversionista y su impacto en las exportaciones. Fue liderado por el Primer Secretario del Comité Central del Partido y Presidente de la República, Miguel Díaz-Canel Bermúdez

Díaz-Canel insistió en que Antillana de Acero tiene que tener claridad sobre los mercados de exportación, así como desarrollar estrategias que le permitan garantizar el abasto de materias primas. Foto: Estudios Revolución

Como lo que es: un asunto trascendental para el desenvolvimiento de la economía, fue analizado el actual proceso inversionista en la nación, en especial el que se realiza en el sector empresarial y su impacto en las exportaciones. La evaluación transcurrió durante el encuentro del mes de abril de la dirección del país con representantes del sistema empresarial, que se realizó como de

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

costumbre en el Palacio de la Revolución bajo el liderazgo del Primer Secretario del Comité Central del Partido y Presidente de la República, Miguel Díaz-Canel Bermúdez.

El intercambio también fue encabezado por los miembros del Buró Político, Manuel Marrero Cruz, primer ministro, y Salvador Valdés Mesa, vicepresidente de la República, además del vice primer ministro y titular de Economía y Planificación, Alejandro Gil Fernández, quien moderó el diálogo. En una síntesis del comportamiento del proceso inversionista y su impacto en la empresa estatal en los últimos años, Gil Fernández subrayó que la discusión era para contribuir a continuar resolviendo deficiencias que no son nuevas. Entre otros ejemplos, trajo a colación que desde 2015 a la fecha no se ha logrado cumplir el plan de inversiones para cada año, que ha quedado por debajo del 90 % la mayoría de las veces.

Explicó que, según los consensos, para tener un ritmo adecuado de desarrollo es necesario invertir anualmente entre el 20 % y el 25 % del Producto Interno Bruto; sin embargo, en el periodo el monto invertido se ha mantenido por debajo de esos márgenes y las inversiones puestas en marcha no han dado el rendimiento previsto. Al hacer una evaluación de estos procesos, incluyendo el comportamiento de las ejecuciones, las vulnerabilidades y los estudios de posinversión, Gil Fernández enfatizó en lo imperioso de resolver las ineficiencias en esta área, a la vez que ratificó la necesidad de seguir invirtiendo como forma de no renunciar nunca al desarrollo. «Debemos invertir más, pero tenemos que hacerlo bien», sentenció.

El encuentro con el empresariado estatal se desarrolló mediante videoconferencia con directivos de los territorios, quienes fueron convocados a reflexionar sobre qué hacer nuevo para consolidar realmente lo que necesita el país, y dentro de él la empresa estatal socialista, para desarrollar con eficiencia y eficacia el proceso inversionista. El ingeniero Reinier Guillén Otero, director general de la siderúrgica José Martí, conocida también como Antillana de Acero, informó sobre la ejecución de la millonaria inversión en esa planta y la capacidad de exportación que adquirirá, para de esa forma cubrir los montos del crédito que otorgó la Federación de Rusia.

El Primer Secretario del Comité Central del Partido, Miguel Díaz-Canel Bermúdez, insistió en que Antillana tiene que tener claridad sobre los mercados de exportación, así como desarrollar estrategias que le permitan garantizar el abasto de materias primas nacionales, en especial la chatarra, de forma tal que sus producciones sean sostenibles en volumen y en el tiempo. La ingeniera Lisette Alonso Morales, vicepresidenta del grupo empresarial de la Industria Química (GEIQ), comentó sobre las producciones de la nueva planta Cloro Sosa de la Empresa Electroquímica Sagua la Grande.

Es esta una de las industrias más nuevas del país, con un elevado nivel de automatización y personal altamente calificado, y ha logrado incursionar en el mercado internacional. La exportación no estaba concebida en el encargo inicial de la entidad, pero la calidad de sus producciones y la formación de su personal le han permitido hacer ventas de surtidos y servicios en el exterior. Cloro Sosa, explicó la directiva, cubre con sus producciones la demanda nacional y exporta sus excedentes, para de esa forma sostener la planta con ingresos propios. El Presidente de la República apoyó las iniciativas de la empresa: «propongan iniciativas audaces», les dijo.

El vice primer ministro Gil Fernández ponderó los resultados de la entidad y subrayó que el país no debe tener ociosa ninguna capacidad productiva que lo haga en condiciones competitivas y pueda cubrir una demanda interna insatisfecha o exportar.

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

Hay que buscar alternativas, añadió Gil Fernández, que puso a la entidad como un buen ejemplo de la posibilidad que tienen estas, a partir de las 43 medidas implementadas para fortalecer la empresa estatal socialista, de agenciarse producciones cooperadas con empresas extranjeras o conseguir financiamiento externo sin mirar hacia la cuenta central de financiamiento. «Generar divisas para la autosostenibilidad, ese es el camino», dijo. El titular de Economía y Planificación también se refirió a la fortaleza que se tiene al disponer del Plan nacional de desarrollo económico y social hasta 2030, dentro del cual deben concebirse las inversiones. En la reunión con el empresariado estatal nacional participaron los vice primeros ministros, Comandante de la Revolución Ramiro Valdés Menéndez, Inés María Chapman Waugh, Jorge Luis Perdomo Di-Lella y Jorge Luis Tapia Fonseca, además de jefes y jefas de carteras, entre otros ejecutivos.