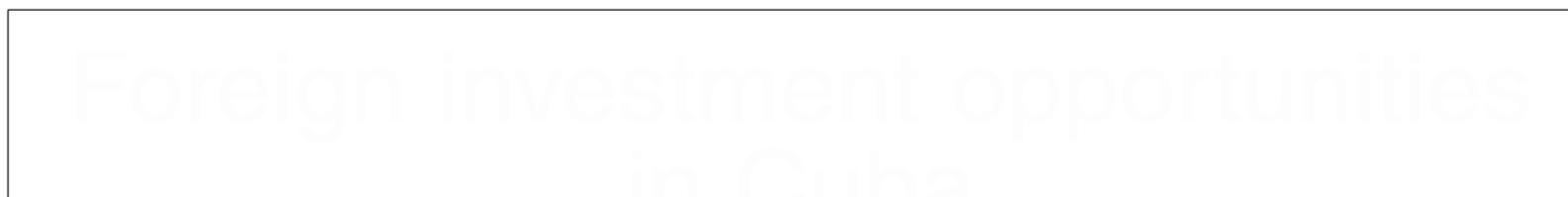


Foreign investment opportunities in Cuba



Cuba is looking to attract foreign investment in the Mariel Special Development Zone (ZEDM).



A total of 156 new projects, representing investment of three billion dollars, were added to the new foreign investment portfolio

Yisel Martínez García

• **TRANSFORMING** the economy and achieving a prosperous, efficient and sustainable society is Cuba's aim. In order to do so, foreign investment is a fundamental source of development and an essential part of the country's current strategy, stated Minister of Foreign Trade

and Investment, Rodrigo Malmierca Díaz, during the presentation of the latest edition of the country's Portfolio of Foreign Investment Opportunities 2017-2018, as part of the 35th Havana International Fair. This year the Cuban Parliament approved the bases to elaborate the National Economic and Social Development Plan through 2030. The minister noted

that this portfolio is more comprehensive than previous editions, divided according to sectors on the basis of the National Plan. "Today foreign investment ceases to be a complement and has become an essential issue for the country. Work is centered on increasing the diversity of previous portfolios, in line with the general and sectoral policies that have been approved. "We are transforming our economy, updating our model; we have defined the core ideas and the strategic sectors, and all this must be taken into account in the case of foreign capital investment. This portfolio is a reflection of the priorities identified in the bases for the elaboration of the (National) Plan," the Minister of Foreign Trade and Investment insisted.

of the Cuban market, which in turn can be exported. Likewise, the hydraulic sector policy has been broadened in response to the country's drought situation.

Below we provide a summary of the different sectors and main projects to be developed:

Industrial sector - 33 projects: Production and commercialization of electrical conductors and metal structures. Production of LED lighting and disposable material for medical use. Production and manufacture of flat glass. Management of a comprehensive Solid Waste Management system in the ZEDM.

Agricultural, Forestry and Foods sector - 104 projects: Pork production for the commercialization of finished pork products. Development and production of fresh vegetables in protected crops destined for export and the hard currency domestic market. The creation of a center for the elaboration of foods and a catering service in the ZEDM. Comprehensive project to raise beef cattle in stables with capacity for 5,000 heads. Production and commercialization of high quality coffee.

Sugar industry sector - 7 projects: Management of sugar mills with bioelectrical power. The creation of an alcohol distillery with capacity to produce 200,000 liters per day. Expansion and modernization of rum distilleries. Modernization

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The latest edition of the country's Portfolio of Foreign Investment Opportunities 2017-2018 was presented during the 35th Havana International Trade Fair.

and increased scope of boiler factories.

Tourism sector - 152 projects: Building and marketing top-quality villas and hotels in various regions. Hotel management and commercialization contracts. Marina management agreements. Creation of a network of fishing and diving centers in protected areas, a water park, the Abra de Canasí nature and adventure park, and the establishment of an international equestrian club.

Energy sector - 13 projects: These are priorities and based on the development of renewable energy sources. Among them are wind farms, 11 bioelectrical plants, and 100MW photovoltaic solar farms, with 50MW accumulation.

Mining sector - 10 projects: Geological recognizance or investigation (prospecting/exploration) for precious metals (gold, silver), base metals (copper, lead, zinc) and other minerals of interest in various regions.

Transportation sector - 8 projects: Repair and maintenance services of naval vessels. Operation and management of Casa Blanca shipyards. Remodeling of the Bahía de Cabañas shipyard. Light vehicle rental services for ZEDM users.

Pharmaceutical industry and biotechnology sector - 15 projects: Production of vaccines for cancer treatment. Plants for blood-based products, biomaterials, cytostatics, oral contraceptive pills and hormones, and avian vaccines.

Health sector - 2 projects: Quality of life services. The creation of an international clinic for sports medicine, anti-doping control and education.

Construction sector - 14 projects: Modernization of engineering systems for construction and assembly. Capital repairs service for construction equipment. Rental, maintenance and repairs of construction and hauling equipment. Increasing the

potential of marble. The last two projects are located in the ZEDM.

Business sector - 4 projects: Logistical operator to manage chains of refrigerated foods suppliers. Wholesale textiles, dry goods and accessories.

Hydraulic sector - 7 projects: Modernization of the production of spare parts, accessories and other plastic elements. Deep well drilling services. Production management of smooth or corrugated pipes. Hydro-geological services applied to the control of the water table.

Cultural sector - 2 projects: Linked to the promotion and commercialization of products and services in this field.

Audiovisual sector - 3 projects: Building and setting up of a forum for high-definition audiovisual productions and co-productions. Establishing a system of pay-per-view channels for Cuban TV. Informatics and educational audiovisual productions.

Oil sector - 78 projects: Risk oil exploration and shared production contracts in blocs of the Cuban Exclusive Economic Zone in the Gulf of Mexico. Secondary recovery contracts for deposits being exploited.

Real estate sector - 1 project: Building and management of standard warehouse facilities in the ZEDM.

Logistics sector - 1 project: Building and operating comprehensive logistical facilities and services in the ZEDM.

"In total this portfolio has 456 projects for a capital amount of 10.7 billion dollars. The projects are distributed throughout the country and reflect the bases of the National Development Plan through 2030," Malmierca Díaz reported.

"Right now, there are 80 projects in the negotiation phase with real possibilities of materializing, of them, 15 are in a very



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Twenty nine of the 156 new foreign investment projects are located in the Mariel Special Development Zone (ZEDM).

advanced stage of negotiation and could be approved before the end of the year, for an investment amount of over one billion dollars," he added.

Since the passing of the Foreign Investment Law in 2014, 22 reinvestments, 25 new businesses in the Mariel Special Development Zone, and 85 more outside it, have been approved, with companies from more than 20 countries.

The Minister for Foreign Trade and Investment explained the advantages of investing in Cuba. He noted the importance of having a well-defined general and sectoral policy, as well as a safe and transparent body of law, that fosters a stable climate for foreign personnel.

He also highlighted the relevance of Cuba's strategic position, a government policy that prioritizes innovation and research, and the maintenance of basic infrastructure that allows any investor to develop in the Cuban market.

In order for the Cuban economy to dynamically grow, capital accumulation rates of over 20% are required, representing foreign investment inflows of about 2 billion dollars a year. This will not be achieved overnight, and it is necessary to create a business and commercial environment attractive to foreign investment, which is only possible by ensuring this sector is recognized as an essential source in Cuba's future plans. •

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