Brazlis fuels Cuban transition with deals and loans

BY JOHANNES WERNER

Just as Cuba’s economy is going through a vulnerable moment amid a complex transition towards more market and currency unification, Brazil is providing a billion-dollar lifeline of infrastructure investments, loans for food purchases, and cash for doctors.

“Brazil wants to become a first-order economic partner for Cuba,” Brazilian President Dilma Rousseff said Jan. 27 during the inauguration of a Brazil-funded container port at Mariel.

Venezuela and China still surpass Brazil as trade partners. However, Brazil was the No. 1 source of foreign direct investment in 2013.

The Brazilian government is prodding companies to invest on the island, with some results. Among others, state oil company Petrobras seems to be eyeing a comeback to offshore drilling in Cuba (see Ex-Florida governor, page 15), and construction and agribusiness giant Odebrecht is investing on the island, as are a handful of midsize companies.

Brazil’s engagement comes as the economy of Venezuela, Cuba’s main source of outside support for the past decade, has hit a rough patch and the successor of Hugo Chávez is struggling to gain political momentum. Meanwhile, Venezuelan mega-projects on the island, such as a refinery in Matanzas, a ferro-nickel plant in Moa, and offshore oil drilling, are lingering.

Contrasting with Venezuela’s rhetoric of solidarity, Rousseff emphasizes Brazil’s economic self-interest and the role of the private sector.

“It’s a win-win — Cuba wins, and Bra-

British entrepreneur gives Cuban coffee, private growers a jolt

BY JOHANNES WERNER

A British company started by ex-treasury and trade minister Phillip Oppenheim signed an agreement to invest in Cuban coffee.

The $4 million investment by Oppenheim’s Cuba Mountain Coffee Co. Ltd. is not only one of the first by a foreign company in Cuban coffee, but also a rare example of a foreign investor engaging private entities in Cuba.

In an effort to revert declining yields and to curb food imports, the Cuban government encourages the opening of private businesses, Deputy Minister of Agriculture Moraima Céspedes told British businesspeople at a forum in Havana in January.

“We are making progress in granting land to producers, improving the productive base and in the commercialization,” she said, according to Prensa Latina. Harvest yields of Cuban coffee have been in decline, although recently the quality has increased thanks to an emphasis on higher-end organic varieties that were bought by a Japanese company.

Under a letter of intent signed with regional coffee producers’ association GEAM — via the agriculture ministry (Minagri) — and state export agency Cubaexport in January, Oppenheim’s company will buy top-of-the-line arabica coffee and invest in small-scale, private coffee farming in southeast Cuba over five years. Oppenheim expects to sign a final agreement in February.

The $4 million investment will go into nursery, root stocks, and improvement of coffee bean processing to raise qual-

See Domingo on Cuba column, page 4

See Brazil, page 2

See Coffee, page 2
Phillip Oppenheim, a former trade and finance minister of Britain, is heading Cuba Mountain Coffee Co., which just signed a trailblazing coffee venture. The following is a shortened version of an interview by CubaNews Editor Johannes Werner.

There are wonderful Colombian and Guatemalan varieties. Why Cuban coffee?
First of all, we have quite high mountains, and they are close to the sea, so there’s the combination of mountains and sea breezes. If you grow coffee in altitude, and particularly if you grow it under the shade of natural trees rather than in big, industrial plantations, the effect is that the coffee cherry grows less quickly, it ripens more slowly and develops more complex flavors. It’s a combination of geology, altitude and latitude that makes Cuban coffee so good.

Secondly, there aren’t many areas in the world left that are suitable for development of high-quality coffee. There’s plenty of base arabica around, grown at sea level, but the market is leaning towards high-quality gourmet, single-origin coffee.

Before the Revolution, Cuba was the world’s largest exporter of quality coffee. Since then, for a variety of reasons, things began to decline. What we are trying to do is revive this as a great coffee-growing area, where the coffee is intrinsically good. Of course, there’s also magic to the Cuban name. People like Cuba, and therefore Cuba as a country of origin makes it a very saleable proposition.

What’s your history with Cuba?
I’m quite familiar with most Communist countries. I worked as a journalist and traveled widely, including North Korea, but I’d never been to Cuba. About 15-16 years ago, I opened a bar-restaurant [in London], and for a variety of reasons, we decided upon doing a Cuban one. So we went to Cuba. I didn’t really like what we saw very much, we couldn’t find any nice cocktails. Eventually, we chanced upon mojitos, and we were the first people to bring the mojito to Europe.

So I got together with [David Matthew], a friend of mine from university and an emerging-markets specialist who was responsible for the first joint-venture in China.

We set up a small fund. We didn’t raise a lot of money, but we were already looking for investment opportunities. We decided not to go into big, brash projects where we would put hundreds of millions into condominiums, hotels and golf courses. We decided to go to where we had a natural comparative advantage, where we could feed into a growing middle class and tourism, ... mineral water and fruit juices, bakeries, agricultural processing, animal feed. A lot of these areas were still closed, or big multinationals had already gotten into that, such as rum and cigars.

Coffee was an interesting one. We knew there was some coffee; we knew the Japanese bought small quantities of very high-quality coffee. But most of the coffee there was pretty poor and difficult to get a hold of anyway. By a lot of chance, we were introduced to Pete de Bruyne, who was Blue Mountain’s distributor in Europe and had a coffee farm in Jamaica. We had many negotiations with Cubans that went on and on and on, but little by little, we gained their trust and they realized the coffee industry did need some help. We began to make progress, and this is the result.

Who are your partners in this coffee investment?
I am a shareholder and managing director of the company. The other big shareholders and directors are Matthew and de Bruyne. We have outside investors as well. We’ve raised a fair bit of money, and we’ve got more fundraising to come, for various stages of the project.

No bank loans involved?
No bank loans at all, it’s all funded.

How is the agreement structured?
The farmers are the primary partner we deal with. We’re investing a great amount in the coffee farms, in the farmers, and in the processing plant. In return, we get a deal to buy certain grades of coffee. Elements of that are still being negotiated. We secured initially the best-quality coffee, which used to go to Japan. As production from southeastern Cuba grows, we will almost certainly have the right to buy most, if not all, of the high-quality stuff. This is still under negotiation. We have an option to buy the remainder of the coffee as well. At the moment, they’re producing about 1,500 tons a year, which isn’t a lot. We aim to get them up to 5,000 tons in five years.

These are individual growers...
...working together in a state entity. There’s no private body at that level in Cuba at the moment.
As port opens, Brazil grants new loan

BY JOHANNES WERNER

Describing it as “the principal port of the Caribbean,” Brazilian officials highlighted the importance of the Port of Mariel as President Dilma Rousseff led the opening ceremony of a new, billion-dollar container terminal.

During her opening speech, Rousseff announced that Brazil will fund infrastructure projects at the Chinese-modified Mariel Special Development Zone (ZEDM) with a $290 million loan.

Phase 1 of the new deepwater port features a 700-meter wharf that allows for handling of up to 1 million containers per year.

Construction of the container terminal cost $957 million, $682 million of which was financed by Brazilian development bank BNDES and the remainder was funded by Cuba. To get the loan approved, Cuba agreed that at least $802 million in construction business would go to Brazilian suppliers.

The container terminal will be operated by Singapore-based PSA International.

According to the presidential blog, Subsecretary of Foreign Affairs Antonio José Ferreira Simões said the Mariel Zone could be an export platform for Brazilian glass, tobacco and pharmaceutical products.

“When completed, [Mariel] will be the principal port of the Caribbean,” Simões told journalists.

The presidential blog said that Brazilian companies are in a “privileged position” to benefit from Mariel.

During her opening speech at Mariel, Rousseff announced that a Brazilian business delegation will travel to Cuba soon. Three Brazilian companies are currently studying to open operations at the Mariel Zone. (see sidebar).

Meanwhile, Mariel Zone officials say they have received investment proposals from companies in Mexico, Spain, Italy, Argentina, Chile and the Dominican Republic as well. Companies operating in the Mariel Zone benefit from 100-percent ownership, capital gains tax exemption in the first 10 years, no employment or local taxes, and a streamlined one-stop approval process.

“The terminal is a fact. With this, we will begin operations not only of the port, but also of the Zone,” said ZEDM general director Ana Teresa Igarza Martínez in an interview with official business weekly Opciones.

“When the expansion [of the Panama Canal] is opened and post-Panamax vessels can travel from the Pacific Ocean, Mariel will already have been in operation for more than one year, equipped with First-World technology and enough depth to receive these vessels, which will allow us to become a transshipment hub for the rest of the region.”

The first shipment dispatched at Mariel was a cargo of frozen chicken from the United States, in Crowley containers.

BRAZILAN COMMITMENTS IN CUBA

$682 million in loans for a container terminal at the Port of Mariel

$290 million in loans for construction at the Mariel Special Economic Development Zone (ZEDM)

$176 million for five airport modernization projects

More than $500 million in payments per year for 11,000 Cuban doctors under Mais Medicos

A $400 million rotating credit facility for food purchases

$200 million in loans for Cuban farmers under Mais Alimentos

Source: CS
Brazil: Reconsidering Cuba

BY DOMINGO AMUCHASTEGUI

Brazil has, finally, become one of Cuba’s most important economic partners.

Why now and not before?

After all, since 1959 Cuba was always very much inclined to build special relations with Brazil. But post-dictatorship Brazilian presidents, from José Sarney to Fernando Henrique Cardoso, did not implement any initiatives aimed at creating a closer and economically important partnership with Cuba. Even Fidel Castro’s close friend Luiz Inácio ‘Lula’ da Silva did not bring into play any significant ideas or projects aimed at building a relevant relationship with Cuba.

In recent years, though, the pattern has changed, and today Brazil’s partnership with Cuba is becoming increasingly important for both countries. What seems pretty obvious is that Brazil is reconsidering Cuba.

THE LONG WAY TO PARTNERSHIP

Since the days of the Revolution, one of Cuba’s foreign policy priorities was Brazil. Jânio Quadros, the short-lived Brazilian president in 1961, was very supportive and friendly. In the spring of 1960, he visited Cuba with a huge delegation of more than 100 officials, experts, businesspeople, and media representatives. Even military cooperation was in the making (in 1959, Cuba had agreed to train its military police in Brazil).

Quadros’ political collapse in 1961 was a major setback. Cuba made efforts to seek continuity with the new president, João Goulart, but the military coup in 1964 brought to a close Cuban-Brazilian relations for more than 20 years.

Brazil’s military dictatorship ended in 1985. But regardless of Cuba’s overwhelming need of new friends in the late 1980s and 90s, the civilian presidents through Cardoso kept a rather discreet and low profile in their approach to the island.

Lula, who was president from 2002 to 2010, had cultivated a 20-year personal friendship and alliance with Fidel Castro. Political relations improved, and there was some increase in trade and cooperation, but nothing spectacular took place. Despite Lula’s assertion that Brazil would become “Cuba’s Number One partner,” numbers and projects kept a low profile.

That changed, when in October 2008, state oil companies Petrobras and CUPET signed an offshore agreement at a ceremony in Havana attended by Lula and President Raúl Castro. In a private conversation with Fidel Castro, Lula, according to Granma, had “vowed that Petrobras would find oil.”

But less than three years later, in March 2011, right after Dilma Rousseff’s election as president, Petrobras relinquished its offshore oil blocks in Cuba and closed its offices in Havana. Rousseff adviser Marco Aurélio Garcia personally conveyed an apologetic message to the Cuban authorities, saying that the exploratory work off Cuba’s northern coast had not shown good results and that Brazil wanted to concentrate on its own oil fields.

Even so, among Cuban authorities and experts, a feeling of having been betrayed seems to prevail. The unexpected withdrawal created a very negative image of Cuba’s oil and gas potentials at that moment. Petrobras’ decision was way too far from Lula’s promises, and the ghost of U.S. pressures on the new Brazilian government was not to be dismissed. It was as if Brazil’s promising commitments with Cuba were vanishing into thin air.

MARIEL: SECOND THOUGHTS?

But then came the most unusual and surprising decision from Brazil — to

See Brazil, next page

Cuba’s new foreign investment law — what to expect

BY DOMINGO AMUCHASTEGUI

When the National Assembly gathers in late March to discuss a new foreign investment law, we should be aware of some history.

Cuba’s current law (Law 77, 1995) was born with a flaw: In the course of the parliamentary debates, Fidel Castro became its Number One opponent. He said it publicly: he objected to the term “foreign direct investment” (Article 12) and the possibility of 100-percent ownership by foreign investors (Article 15), and he even stated that he preferred the short-sighted predecessor law.

Although he said he would not object to the passing of the new law, everybody knew that it would remain “frozen,” as it did for the most part until his retirement. Between 1995 and 2007, various investment projects were declined; but most projects were simply “ignored” by the Cuban authorities — they did not utter a yes or a no. Even though the new law clearly defined that the Cuban authorities were committed to provide an answer within 60 days, it was like a kafkaesque limbo. Foreign investors complained about this again and again, yet the state of paralysis tended to prevail until Fidel Castro’s unexpected retirement.

A few years after Raúl Castro took over in 2008, foreign investment became a growing priority, especially in tourism, oil, and in some industrial projects. In 2011, various officials — including Raúl — made the announcement concerning a new law seeking to promote an expansion of foreign investment. The guidelines (lineamientos) the Communist Party adopted that year highlighted the importance of foreign investment. Yet the new law remained in “the occult” for more than three years.

At some point in 2012 or early 2013, Cuban officials said that rather than a new law, it would be just amendments and additions to the existing Law 77. The tug-of-war and contradictions on this issue were more than obvious, especially the recurrent objections coming from Fidel Castro in his active retirement.

Finally, evidence of who was gaining the upper hand was made quite visible last fall when Decree-Law 313 was enacted, regulating the operations of the Zona Especial de Desarrollo de Mariel (ZEDM). A few weeks later, in December, during the winter session of the National Assembly, Raúl Castro announced that, at an extraordinary session of this legislative body to take place in late March, a new investment law — not amendments or additions — would be discussed, voted, and enacted.

See Foreign investment law, page 6
VENEZUELA, CUBA OUTLINE JOINT PROJECTS
During a meeting in Havana, Venezuelan Vice President and Oil Minister Rafael Ramírez and Cuban Foreign Trade and Investment Minister Rodrigo Malmierca signed an agreement outlining 56 projects in 2014. The projects, under the 14-year old Convenio Integral de Cooperación Bilateral, total $1.259 billion, President Nicolás Maduro said on Cuban television. Venezuelan-Cuban projects in 2012 totaled $1.6 billion.

The new projects include investments in oil, energy and petrochemicals, Maduro said. They also include assembly in Cuba of four vessels for the Venezuelan navy.

Maduro said that 35,000 Cubans are providing healthcare and other services in Venezuela.

MEXICAN DELEGATION TO VISIT CUBA
Following Mexico’s pardoning of much of Cuba’s $500 million debt and a recent visit by President Enrique Pena Nieto in Havana, a Mexican business delegation will visit Cuba this month.

The delegation, organized by the Consejo Empresarial Mexicano de Comercio Exterior (COMCE), will be led by Trade Minister Ildefonso Guajardo.

The business executives will be looking at investment opportunities in oil, tourism, manufacturing, food processing, agriculture, healthcare and pharmaceuticals.

Péña Nieto had initially proposed bringing along five executives of large corporations, but he dropped the idea because his visit was too short, Mexican daily La Jornada reported.

LAND DISTRIBUTION CROSSES MARK
The government has granted 1 million hectares of agricultural land in usufruct since Decree-Law 259 was enacted in 2008, in order to increase food production.

Cuba’s arable land consists of 6.342 million hectares. Of this, 1 million hectares (16%) remain idle.

D-L 300, which replaced D-L 259 last fall, raised the land limit given to private farmers to 67.10 hectares and added members of Credit and Service Cooperatives (CCS) as beneficiaries.

TRADEMARK REGISTRATIONS RISING
Private business owners are registering the trademarks and brands of their companies in rising numbers, the head of a state law firm told official media.

The law firm’s new clients include privately owned information technology companies, restaurants, and graphic design firms, said Reimier Amarán, director of LEX S.A., the state law firm in charge of industrial property. LEX is now expanding into privately owned cooperatives, Amarán said, according to AIN. Registrations include business names, advertising slogans, labels and signs, and logos.

LABIOFAM SIGNS RUSSIAN AGREEMENT
Cuban state company Labiofam signed an agreement with Russian pharma producer Microgen in Moscow for joint development of cancer-battling peptides, Prensa Latina reported.

Microgen is Russia’s largest pharmaceutical company.

Labiofam Chief Executive José Antonio Fraga told the news service the partners’ approach is novel, seeking not only improved quality of life, but a cure and even prophylactic use.

Labiofam has experience with cloning of escherichia coli.

SUGAR TYCOON ENGAGES WITH CUBA
Alfonso Fanjul, the Cuban American sugar tycoon who has been a major contributor to the pro-embarazo cause, is now eyeing the possibility of investing on the island.

“If there is some way the family flag could be taken back to Cuba, then I am happy to do that,” Fanjul, 76, said in an interview with the Washington Post, in which he first publicly discussed his engagement with Cuba.

“But it has to be under the right circumstances,” he cautioned, saying that political and diplomatic advances are needed. He declined to tell the Post what kind of political changes in Cuba he would expect before investing.

“Cuba has to presumably satisfy the requirements that investors need, which are primarily a return on investment and security of the investment, so they feel comfortable with what they’re doing,” he told the Post.

Saying he would like to “reunite the Cuban family,” Fanjul, who is based in Palm Beach, Fla., visited Cuba twice recently, where he met with the foreign minister and toured state farms and a sugar mill with Cuban agriculture officials, according to the Washington Post.

Brazil — From Previous Page
Along with the Mariel beacon project, Brazilian investment is moving into Cuba’s sugar industry — biomass projects and ethanol production — and other agribusiness initiatives. Also, Brazilian companies are expected to get involved with the ZEDM project.

Since last year, various high-level Cuban delegations have criss-crossed the Brazilian financial triangle (Rio de Janeiro-São Paulo-Porto Alegre) explaining the potentials and incentives of the ZEDM. Partly as a result of these investments, trade with Brazil has crossed the half-billion dollar bar.

Knowing perfectly well how Brazilian corporations have successfully expanded abroad over the past 40 years, it’s rather difficult to imagine that the Brazilian government may be throwing away big money in Cuba, just for the sake of being nice and friendly, or out of past political affinities. I could speculate over Brazil’s strategic reasons for investing in Cuba — the island nation’s reinsertion in the Interamerican system and the Revolution’s appeal among Latin Americans, the European Union’s rapprochement to Cuba, the reforms and changes taking place in Cuba, the economic potentials of Cuba within the Caribbean region, the close relationship of Cuba with some of Brazil’s most important partners (China, Venezuela, Bolivia, Ecuador, South Africa, Angola, Russia, India), not to mention special Brazilian domestic considerations.

But the fact remains that between the Petrobras withdrawal and the support of Mariel, a significant change in Brazilian policies toward Cuba has taken place.

See Brazil, page 7
FOREIGN INVESTMENT — FROM PAGE 4

But there is something more profound.

For 20 years, Cuban officials, as well as Law 77, characterized foreign investment as secondary, as a complement, to help revive the state economy.

Foreign investment was described, again and again, as of limited importance, in order to gain access to fresh capital, new technologies and markets, but not a word on other potentials such as a major source of jobs (Cuba’s workforce employed by foreign investors does not exceed 3 percent).

Now, for the first time, the government’s No. 1 man has dropped this sort of official rhetoric and replaced it with a much more realistic approach. President Raúl Castro said it quite bluntly: “Foreign investment is of crucial importance to speed up the economic and social development of the country.”

And now everyone acknowledges the importance of foreign investment as a potentially major source of employment.

WHAT TO EXPECT

Based on a series of recent laws and statements by Cuban officials, we can extrapolate some possible components of the new law:

1. The notion of foreign direct investment (FDI) and 100-percent ownership will be a major priority; other ownership arrangements will not necessarily follow the previous absolute pattern of 51/49 percent, but two-thirds/one third or three-quarters/one-quarter may be some of the different formulas to be put in place.

2. Investment arrangements will encompass different forms: In addition to joint ventures (empresas mixtas), the law may recognize international economic associations (contratos de asociación económica internacional); cooperative production contracts (contratos de producción cooperada, close to what is known as maquiladoras in Mexico); management contracts (contratos de administración, widely used in the tourist industry); risk contracts (oil companies); and wholly foreign-owned companies (empresas de capital totalmente extranjero).

It may recognize the option of investing in Cuban shares and bonds; as well as joint ventures of Cuban entities with foreign partners abroad (as with nickel processing in Canada, hotels in China, oil in Angola and Venezuela, and several JVs in the field of biotechnology and pharmaceuticals in Asia, Latin America and Africa).

3. Foreign investment/FDI property rights of personal items, all other assets, and real estate, including usufruct and surface rights (1987 Surface Law) will enjoy full protection and security under the agreements for protection and promotion of investments already signed with most countries.

4. Foreign investors will be charged virtually no labor or local taxes and will be granted a 10-year reprieve from paying a 12-percent tax on profits. Considerable tax and customs breaks will be extended to foreign investors and Cuban companies as well.

Export-oriented industrial park activities and entrepot operations will benefit from duty-free policies, lower taxes and exemptions, as well as benefits for all equipment and materials imported to set up businesses, on import/export of raw materials and similar items.

5. The current 25-year contracts will be extended to 50 years, with the possibility of renewal. Previous legislation extends land-lease (D-L 273) surface rights for 99-year periods, including in specific mining areas (Mining Act, December 1994).

6. Net profits and dividends will be transferable abroad in convertible currency, at no charge; investors may keep their hard-currency accounts in Cuba’s banking system and abroad. Cuban experts stress the notion of rapid return on investments.

7. Although a few areas will be off limits, such as education, public health, and the armed forces (not its economic and commercial entities), Cuban officials have announced attractive portfolios in mining, tourism, renewable energy, real estate, agribusiness, infrastructure, construction, manufacturing, and others.

AREAS STILL UP FOR DEBATE

Areas subject to controversy include:

1. Hiring through state agencies and wages in Cuban pesos (CUP), a major objection by investors. Some flexibility is expected in this field. Already, the legislation regarding the Mariel Zone includes a special system of wages through which Cuban workers will be paid in hard currency.

2. The establishment of reserves charged on profits, to cover contingencies and insurance policies.

3. Previous legislation is absolutely clear against any kind of expropriation, except for the common good (eminente domain). In that case, both parties will agree on a price for the assets in question, in convertible currency, and equal to their commercial value. In case of disagreement, the final compensation will be set by a mutually recognized international entity.

4. At any moment, subject to the consent of all parties involved, foreign investors can sell or transfer, totally or partially, to a third party.

5. How expeditious the Cuban government will behave when examining and deciding investment projects (Law 77 established a maximum of 60 days). Expediency has not been thus far an attribute in the means and ways of operating by Cuban authorities. In recent times, again and again, Cuban top officials have shown special concern in reassuring that delays, or no decision at all, are things of the past.

6. How to deal with U.S. sanctions, followed in recent years by severe punishments of banks and companies conducting business with Cuba. Obviously, when investing in Cuba, reprisals by Washington and efforts to bypass U.S. sanctions will continue to be a major problem. This is why Cuban authorities prefer big projects and investors with the backing of their respective governments.

Recently, Cuba has been conducting negotiations with a host of countries seeking to achieve significant commitments in terms of investments: China and Japan, Brazil and Spain, UK, France, Italy, the Netherlands, Mexico, and Russia. The CELAC summit in Havana provided a new opportunity to expand such negotiations. Meanwhile, Cuba’s financial credibility has gained considerable ground after dutiful debt service throughout a recent cash crunch and the successful debt forgiveness and rescheduling with Germany, Japan, Russia, and Mexico. Yet it remains to be seen how potential investors, Cuban authorities, and the U.S. embargo enforcers will deal with the issues at stake.

Former Cuban intelligence officer Domingo Amuchastegui has lived in Miami since 1994. He writes regularly for CubaNews on the Communist Party, Cuba’s internal politics, economic reform, and South Florida’s Cuban community.
Brazil doubles number of Cuban doctors

BY JOHANNES WERNER

Brazilians will double the number of Cuban doctors contracted under the Mais Médicos program to 11,400, Cuban and Brazilian officials announced.

The increase from currently 5,400 doctors is a welcome boost to Cuba's hard-earned trade surplus, which is becoming increasingly important as the country's economy continues to suffer from a downturn in the oil price.

Cuban Health Minister Roberto Morales Ojeda and his Brazilian counterpart Alexandre Rocha Santas Padilla announced on the sidelines of the CELAC summit in Havana that by March, Brazil will contract an additional 6,000 Cuban doctors, for a total of 11,400. In a ceremony in Havana, the two health ministers sent 2,000 doctors on their way to Brazil, raising the total to 7,430.

Pre-empting criticism among medical associations in Brazil, Rocha said that the Cuban doctors' dedication and sacrifice have been recognized by the Brazilian people, and Morales emphasized the Cuban doctors' experience, saying that 69.7 percent of those serving in Brazil have more than 15 years' experience, all have served abroad at least once, and 31.9 percent have been deployed abroad more than once.

The program, aiming at improving health services in underserved rural and urban areas, is eminently popular and has helped boost President Dilma Rousseff's political standing, after massive street protests swept the country in summer.

The Cuban doctors are supposed to fill gaps in Brazil's public healthcare system until the country's medical schools produce enough Brazilian doctors fit and willing to serve in areas of poverty.

Currently, 5,400 of the 6,500 doctors in the program are contracted under an agreement between Brazil, the Pan American Health Organization (PAHO) and the Cuban government. Brazil has been struggling to find enough Brazilian and foreign doctors contracted on an individual basis.

And in regards to the internal issues of Cuba, he did stress that, "We will not tell [the Cubans] what to do." This is an explicit and most unusual statement, contrary to the United States’ and European Union's policy of interference in domestic affairs of Cuba.

Many Cuban exiles in Miami face a syndrome of recurrent failed predictions. Here is another good example: Widespread hostility against the Catholic Archbishop of Havana, Cardinal Jaime Ortega y Alamino (bishop in 1998; cardinal in 1994) among exiles has been skewing many predictions.

Since Ortega reached the age of 75 in 2011, there’s been a lot of chatter about him being retired by the Vatican. After Pope Benedict XVI visited Cuba, such predictions increased, and when Ortega stopped being the chair of Cuba’s Bishops Conference early last year, the chatter gained momentum. The most common assessment was that his retirement was imminent, and that it would be a "healthy development." But it didn’t happen. Benedict retired, and Francis was elected pope. One year later — after Francis appointed 19 new cardinals recently — Ortega has not been replaced, and his “soon-to-be” successor is nowhere in sight. The ‘experts’ in Miami keep ignoring one simple fact: Cardinal Ortega y Alamino has been, and continues to be, the Vatican’s best interlocutor in its constructive relationship with the Cuban government. The Vatican is not ready to dismiss such an asset, who, by the way, also happens to have an excellent relationship with Francis since the latter accompanied Pope John Paul II on his visit to Cuba in 1998.

Cuba's Council of Ministers passed a piece of legislation (Decree 322), creating the General Directorate for Financial Operations, attached as an agency of Cuba’s Central Bank. It will be an intelligence unit in the field of financial operations, and its functions and authority will be nationwide. This intelligence unit is aimed at preventing illegal operations such as money laundering, funding of terrorist activities, gun-trafficking, and other illicit capital operations.

Former Cuban intelligence officer Domingo Amuchastegui has lived in Miami since 1994. He writes regularly for CubaNews on the Communist Party, Cuba's internal politics, economic reform, and South Florida's Cuban community.
WATERFRONT PLANS

The deindustrialization of Havana Bay is about to make a leap, now that the Port of Mariel has opened. Container operations will move out of the Havana Harbor gradually, and this may open up the 18-hectare container yard at Luyano, very close to Old Havana, for different use.

As part of Havana Bay’s transition towards recreation and tourism, the Havana Harbor State Working Group (GTE-BH) and the Office of the City of Havana Historian (OHCH) are suggesting construction of four water treatment plants, and the shutdown of the Nico López refinery and the Tallapiedras power plant, which would not only eliminate major sources of water, soil and air pollution but open up space for alternative use.

The latest version of the City Historian’s annually updated Special Integral Development Plan (PEDI) suggests adding a continuous walkway and green space along Avenida del Puerto and the Bay, from the cruise terminal in the former Customs building to the railroad station.

Creating the potential for larger-size development, PEDI says a marina should be built in the southwestern segment of the bay, and the existing cruise terminal should add a second berth to accommodate four ships, turning Havana into “the home port for cruise tourism in the Caribbean.”

PEDI also suggests adding a parking garage at the Customs building, malls and markets for restaurants and retail, as well as two convention centers and office space in the former warehouses along Avenida del Puerto and old tobacco factories in the port area. Finally the Avenida del Puerto stretch near the railroad station could accommodate higher-density hotels, according to PEDI.

One of the warehouses has already been turned into the San José Cultural Center, with gallery space for private businesses and a craft-beer brewery and pub.

The next project along Avenida del Puerto likely to materialize is a complete re-do of the dilapidated ferry terminal on the Muelle de la Luz. In its place will be a two-story steel-and-glass structure, with the ferry station downstairs and a café-bar upstairs (see photo, left). ❑

REAL ESTATE

Golf projects have yet to materialize

BY VITO ECHEVARRÍA

In May 2013, London-based Esencia Group reached a formal agreement with the Cuban government to build the $350 million Carbonera Club golf course community, with construction planned to begin in 2014.

As the National Assembly is expected to pass a new foreign investment law in March, things have been quiet at the site near Varadero where Carbonera is supposed to be built. There’s been no activity to suggest that the construction of the 650 apartments and villas, hotel, country club, and golf course at the Carbonera site will happen anytime soon.

Esencia suggests that everything is on track. “The project is still in the planning stages, but is still the first and only (golf) project to be agreed and signed off,” Esencia spokesman Johnny Considine told CubaNews.

Carbonera is the most advanced of four golf resort projects whose plans have been ready to go since 2011. In summer of that year, Cuban officials concluded negotiations with four foreign consortia — Esencia, Canada’s Standing Feather International, British Virgin Island-based Coral Capital Group, and a Spanish investor group that planned to build a golf resort at Las Alturas in western Cuba. The Council of Ministers approved their respective projects, and the foreign companies formed joint ventures with Cuban state company Palmares S.A.

Another Spanish developer, La Playa Golf & Resorts S.L., is proposing a mega-resort on the western tip of the island, but it apparently hasn’t advanced as far as the other four groups. Also, Vox 360 Corp., a Canadian group, has proposed a golf and marina resort at Jibacoa, a 40-minute drive east of Havana (which was to include a golf course, condos and a marina).

Two and a half years after the conclusion of negotiations, none of the projects has materialized.

While Esencia responded to questions, other golf-centric resort developers are mum about their status.

Standing Feather International, an Ottawa-based investment firm, publicized plans to build the $815 million Loma Linda Golf Estates, at a site just a short drive from Holguín. Standing Feather’s website mentioned that the project was to be designed by internationally renowned Canadian golf course architect Graham Cooke. Neither Standing Feather nor Cooke’s office responded to CubaNews requests for comments on its progress.

Montreal-based 360 Vox Corp. (formerly known as Leisure Canada) is holding its cards close to the chest. “Both of the joint venture partners are committed to the exceptional Jibacoa Village destination resort project,” said Guy Chartier, CEO of 360 Vox’s Cuba division, referring to his firm and its Cuban state partners.

In the most public move of any of the golf developers in Cuba, 360 Vox has filed a $25.5 million lawsuit against PGA of America in Palm Beach County, Florida, over allegations that it blocked the former’s right to use the PGA brand in Cuba. Back in 2011, 360 Vox’s predecessor Leisure Canada signed a licensing agreement with the British-based PGA Ltd. for the right to use the PGA brand in Cuba.

Others have fallen off the radar altogether. A one-time promising project, Bellomonte Golf and Country Club, was supposed to have been built at Playas del Este, just a short distance east of Havana.

The Bellomonte venture collapsed when two top executives of the British investment firm that was putting it together, Coral Capital Group Ltd., spent months in pre-trial detention at a Havana prison on various charges, before being let go on minor charges and permitted to return to the UK. Coral Capital’s assets were reportedly confiscated by the Cuban government. Meanwhile, La Playa Golf & Resorts S.L. has not left any other trace than a promotional video.

Observers are speculating that golf development in Cuba has not materialized because of uncertainty over the property rights of buyers. Two years ago, Cuba announced it would grant 99-year rights to foreign purchasers of golf-course houses and apartments — a term banks around the world consider very close to Old Havana, for different use.

The Carbonera site, seen here in 2012, does not look much different today.

Cartographer Armando Portela designed this map for CubaNews
GOLF PROJECTS — FROM PREVIOUS PAGE

meeting our vaunted ‘Rule of Laws’ requirements. Yet everyone wants to own a piece of China, whatever the extent of that ownership may be,” he wrote in an e-mail message to CubaNews.

THE UNCERTAINTY PROBLEM

Even so, investors may also be reluctant, due to uncertainty over where the country is going. Cuba has to overcome a perception among investors of “moving the goal posts” and selective enforcement when it comes to its own laws. Some would-be investors noted the chilling effect after Havana-based foreign investors were jailed as part of in the country’s ongoing anti-corruption efforts.

Also, a previous foray of Cuba into luxury residential construction in Havana during the late 1990s and early 2000s ended with the government aborting luxury condo sales and a developer buy-out by state companies. No new luxury residential projects have been approved by the government since.

“Intelligent investors are not looking to Cuba for investment potential,” noted a European consultant, who spoke on background. “Cuban officials have and continue to shoot themselves in the foot, and the very investment community that stood by them in the past years, has been shut out and short-changed.”

What’s more, historical claims could be looming over some golf properties.

“I advise all my clients to understand the legal risks before signing any agreement,” said Jean-Michel Aublet, of Carrera Consulting in Guadeloupe. Aublet, who advises French companies and entrepreneurs on doing business in Cuba, expresses caution on buying properties there, because of possible legal action by pre-Castro landowners at some point in the future.

Even so, Aublet believes that golf real estate ventures are likely to move forward, one way or another. “Golf in Cuba would not be a bad thing indeed,” he said.

Meanwhile, competitors in the Dominican Republic are rubbing it in.

“Buyers from any part of the world keep in perpetuity what they buy in the DR – no exemption, no time limit”, said real estate agent Cesar Herrera of the Santo Domingo-based firm Provaltur International (an affiliate of luxury property marketer Christie’s). “They own the land and property until they resell it – a very big difference with Cuba.”

Vito Echevarria, a New York-based freelance journalist, has written for CubaNews since our establishment in 1993 about business, music, culture and sports, and more recently e-commerce.

COFFEE HARVEST RISING AGAIN

Exceeding last year’s yield considerably, Cuban growers produced 6,211 tons of coffee beans this seasib, Reuters reported.

The last harvest, estimated at less than 4,000 tons, was wrecked by Hurricane Sandy, but coffee farming has also suffered from years of neglect and poor management.

The season before the storm yielded 7,000 tons.

Cuba exports most of its coffee, while importing some $38 million worth of beans from Vietnam in 2012.

The government has leased abandoned coffee plantations over the last few years to hundreds of farmers to grow coffee, nearly tripled the price it pays farmers for their beans, is renovating some 36,000 hectares in old plantations, and has installed 15 Colombian-made processing machines.

Farmers are now growing coffee in the lowlands with the ambition of both selling to the state and directly to consumers, according to local media.

Plans call for eventually producing 28,000 to 30,000 tons a year.

Cuba’s 35,000 growers in the mountains, in exchange for low-interest government credits and subsidized supplies, must sell all of their coffee to the state at prices that historically have been below what the beans fetch on the black market. Local analysts said 10 to 20 percent of the crop was diverted to the black market, though recent increases in state prices may have lessened the flow.
But your ultimate partners are private farmers in southeastern Cuba?
That’s right. Indirectly, yes. We put the money into GEAM, and they make the investment in the private farmers. All the coffee is produced through private farmers. There are no state farms involved at all. But the Cuban state buys up the coffee from the farmers, and the Cuban state also has the sole right to export the coffee. That’s where you have to deal with the state entities, though the coffee is produced by small, independent producers in the mountains.

At what level will you get involved with these farmers?
We’re at quite a close level. Our agreement means we send our technical experts to oversee things and to get involved. We’re allowed under the agreement to inspect the coffee plants. We are on joint committees, which decide where the money is spent, exactly how it’s spent, so it’s not wasted. We have a right to veto.

So you are involved in the decision-making where the money will go?
Very much so. There’s an enormous reservoir of expertise in Cuba. When you go on the ground in Southeastern Cuba, not only among the farmers, but also among all the people in the processing and sorting plants, they’re technically very good, indeed. What they lack is the harvesting and processing equipment. Although we will provide them with technical expertise, we see our role primarily as enablers. It’s a very good group of people to get the job done properly.

Why did you decide to do the roasting and packing in Britain?
Coffee, once it’s roast, will grow stale very quickly, even if it’s vac-packed. The best coffee is roasted, rested a few days packed, and drunk within a month. That’s impossible when you roast in Cuba. Brands that are roast in Cuba are not very common, they’re not high quality, and often they’re not in great shape by the time they’re on the market. So we decided to roast in the UK.

We bring the coffee in the shape of green beans — green beans keep a long time under good conditions — we store these in the UK, we then fast-roast small quantities, we pack, and then we e-commerce around the world. If you order in Australia, you will get your coffee within a few days; in the UK it’s a day or two. We’re setting up a few retail outlets, but primarily we are in e-commerce.

Retail outlets in Britain?
No, all over the world. We’re looking at flagship outlets in hotels, restaurants, coffee shops, cigar shops, to appeal to the sort of people interested in a high-quality product, where our product will fit. Probably, we’re talking about a few hundred outlets in the world.

You’re breaking new ground as a mid-size foreign investor in dealing with private entities, even if it’s just indirectly. What significance does this have? And how did you achieve this?
I wouldn’t say it’s groundbreaking. I would say this: Up until now, it’s very easy if you’re a huge multinational like Pernod Ricard, to tell the Cubans ‘We’re going to do this, we’re generous, and we’re prepared for a deal.’ At the other end of the market, very small operations — garages, mechanics, restaurants — if you want to go in with a Cuban partner and set up small-scale enterprises, you can do it. But in the middle, and particularly in agriculture, the [small-medium enterprise] market of $1 million to $5 million investments, it’s impossible. Keep in mind that agriculture is one of the most conservative parts of the Cuban system. The fact that we’ve been allowed to go in and do this indicates that things are really changing. They are changing slowly and carefully, because the Cubans don’t always trust foreigners; they have memories of the Americans’ involvement in Cuban agriculture before the Revolution.

How we managed to do it? We’ve been there for many years. It’s a small country, everyone knows each other. They get to know you, and they get to realize after a few years whether you’re a lifestyle businessman who wants to have a bit of fun in Cuba, or whether you’re serious. It’s a combination of the system changing and us being known as guys who have been there for a long time, and particularly the expertise our partners bring in regards to coffee has earned us respect in Cuba. It’s all of those factors that came together.

It looks like you are trying to be the Pernod Ricard or Imperial Tobacco of Cuban coffee... would it be correct to say that you will have a stranglehold on Cuban coffee exports?
I wouldn’t say that. We have a very strong position in the top end of Cuban coffee at the moment. Once the coffee industry in Guantánamo increases its supply, we’ll be in a very strong position, in terms of having the first right of buying that coffee. We’re not trying to get a stranglehold of Cuban coffee. What we’re trying to do is make sure production increases, quality is getting back to where it used to be, that the product is beautifully roasted and packaged, and that the brand is marketed globally. And yes, in that sense we will have a strong position. We will also be trading green beans to roast.

And we hope to sell in the United States as well, because at the moment we can’t do that. There are well-known brands such as Pilon and Bustelo, which are Cuban in origin. But they can’t use Cuban coffee because of the embargo. So we are looking very much forward to eventually working with those people.
Investor pushes Sherritt to invest more in Cuba

BY JOHANNES WERNER

Weakened by a three-year drop in share prices, due to low nickel prices and a lagging mining project in Madagascar, Sherritt International Corp. has become the target of an activist investor who is headed for a proxy fight.

The Toronto-based mining and energy concern — Cuba’s largest private foreign investor — announced it will hold a special meeting May 6 to deal with investor Clarke Inc.’s request to revamp the company’s board.

Halifax-based Clarke Inc., which trades on the Toronto Stock Exchange, buys shares in what it believes are undervalued companies and tries to boost their price, with the goal of selling its holdings at a profit. Entities controlled by Clarke President George Armoyan own 5.11 percent of Sherritt shares, allowing them to call for a special meeting under Canadian regulations. The Clarke investors are focusing their criticism on what they describe as neglect of Sherritt’s Cuban core business, and excessive executive compensation.

“We invested in Sherritt because we felt the market was undervaluing its asset base,” Dustin Haw, vice president investments of Clarke, told Cuba Standard. “We ask for a board shuffle because we feel the shareholders should have a say in how the company is run. As of now, there is very minimal ownership among the current directors.”

Most significantly for the company’s direction, Clarke suggests to refocus the company on its Cuban roots. Over the past five years, Sherritt has invested hundreds of millions of dollars in a large nickel mining project in Madagascar, which just began commercial production, according to a Jan. 22 press release. Sherritt is also looking at starting another nickel mining project in Indonesia.

CUBAN ASSETS UNDERVALED?

“We believe the Cuban assets are very much under appreciated,” Haw says. “We think the Cuban assets are Sherritt’s strongest assets, and they should be the primary focus of the company. We think Sherritt has neglected these assets in recent years, and they should be allocating more capital to them going forward.”

A Sherritt spokesman said proxy solicitation rules limit what the company can say about its Cuban operations. However, he pointed at a passage of a Dec. 24 press release announcing that part of the proceeds from the sale of Sherritt’s coal assets will benefit the company’s oil business in Cuba.

“Rationalizing the asset base and significantly enhancing .. liquidity […] gives Sherritt the capacity and flexibility to pursue opportunities to develop and grow its core businesses,” the release said, adding that Sherritt will extend the term of an onshore oil block in Cuba and add four new blocks, “which together would provide a low-risk, high-return opportunity that would capitalize on proximity to our existing infrastructure.”

On Christmas Eve, the company announced it will sell its coal operations and assets for $946 million, “to significantly enhance the liquidity of the Corporation and give Sherritt the capacity and flexibility to pursue opportunities to grow and develop its core businesses” of oil and nickel, the company said in a press release.

Even so, Sherritt shares have continued to linger. Share prices dropped throughout 2013, from a high of $6 in the beginning of the year to a low of $3 in December. Apparently jolted by the asset sale in December, stocks rose temporarily to $4; the price is now hovering slightly below that mark.

At the May meeting, Armoyan wants Sherritt to remove five directors, reduce the board from nine to seven, and appoint three new directors, including Armoyan, Haw and a third Clarke employee.

Clarke, according to a letter to Sherritt, also wants the company to scrap a compensation paid to executives and directors for possible hardship, should the U.S. government prohibit them to enter the country under the U.S. Helms-Burton Act. The payments should only be made if Sherritt executives are actually banned from entering the U.S., Clarke says in the letter.

Sherritt’s non-executive directors were paid Helms-Burton allowances between CDN$ 90,000 and CDN$150,000 for 2012, according to Bloomberg Businessweek, making up more than half the compensation for some of the directors.

Irish company offers landline payment services

Appealing to Cubans living abroad, Cuban state telecom ETECSA is offering a new online payment service for landlines in Cuba through Website www.ezetop.com, in addition to mobile phone payment services.

Emigrants in the United States and elsewhere often pay hard-currency phone bills for relatives and friends on the island.

Ezetop.com is headquartered in Dublin and has regional offices in major migration hubs such as Miami, Dubai, San Salvador, Bucharest and Dhaka.

The company website doesn’t say whether the Cuba services are licensed by the U.S. government, to comply with sanctions against the island.

Aside from sending recharge to Cuban mobiles, ezetop.com allows to send prepaid recharge to Cuban landline phones and pay Cuban landline phone bills.

The prepay landline service is available for residential customers who pay their bills in national currency (CUP). Cuban recipients must be able to receive invoices in CUC for other services such as caller ID. The service is available to residential and business customers with ETECSA landline service who pay in convertible currency (CUC). It is also available for customers who pay in national currency (CUP) but receive invoices in CUC.

The landline bill service is available to residential and business customers with ETECSA landline service who pay in convertible currency (CUC). It is also available for customers who pay in national currency (CUP) but receive invoices in CUC for other services such as caller ID, international calls and more. Minimum transaction is 10 CUC; if the transaction amount exceeds the total due amount of the invoice, ezetop.com will hold the remaining balance as credit towards the future invoices.

—JOHANNES WERNER
EU seeks cooperation accord with Cuba

Following a visit by the foreign minister of the Netherlands to Cuba, the European Union has begun moving towards resumption of full relations with Cuba.

EU diplomats told Agence France Presse and Reuters, on condition of anonymity, that the foreign ministers of all 28 member states, including the Czech Republic and Poland — which have long resisted normalization — will agree Feb. 10 to begin formal talks over a cooperation agreement with Cuba.

A EU source told Reuters there is consensus “to give momentum to the market-oriented reforms [in Cuba] and to position European companies for any transition to a more capitalist economy in the longer term.”

The EU’s change of mind comes after more than a decade of latent conflict over human rights that escalated in 2003, when the Cuban government imprisoned 75 dissidents, accusing them of being agents of the United States. Underlying the conflict is the EU ‘Common Position’ that conditions full relations on human rights. Cuba rejects the Common Position as meddling in its internal affairs.

EU governments resumed talks with Cuba in 2008, after the government had released all 75 prisoners, resulting in bilateral agreements with 15 EU member nations.

Dutch Foreign Affairs Minister Frans Timmermans suggested during a Cuba visit in early January that it is time for the European Union to update its relationship with Cuba, due to the changes taking place on the island.

Cuba has “started a political and economic reform process that deserves our attention,” Timmermans said in a press release. “The Netherlands wants to be part of these positive changes.”

During a meeting with Vice President Ricardo Cabrisas — Cuba’s point man for strategic economic relationships — Timmermans said his visit was also an “opportunity for our businesses.” A delegation of Dutch businesspeople received a briefing in Havana on the Mariel Special Development Zone and a summary of coastal protection and dredging projects around the island.

Despite political obstacles, the Netherlands has maintained strong business ties with the island. An entity owned by Rotterdam businessman Willem van ‘t Wout is one of the largest buyers of Cuban nickel, Dutch shipping line Nirint connects the island with Europe, and Dutch shipbuilder Damen is 100-percent owner of a shipyard in Santiago.

Thanks mainly to nickel purchases, the Netherlands is the EU’s second-largest trade partner of Cuba, after Spain.

The President of the European Commission (EC), José Manuel Barroso, has confirmed that Europe is presently in the process of debating a significant change in its policy towards Cuba.

Speaking recently to journalists in Madrid, Mr. Barroso, who is a former Portuguese prime minister, said that the European Union (EU) is discussing the possibility of modifications to its Cuba policy, and that this will require the blessing of all of Europe’s 28 member countries. He also reaffirmed the EU’s long-standing wish for there to be change in Cuba in relation to human rights, and its continuing desire to see the adoption of Western democratic norms.

Although Mr. Barroso did not elaborate, his reference was to the likely agreement when Europe’s Foreign Affairs Council meets on Feb. 10 to the Commission’s proposals that Europe negotiate a form of association agreement with Cuba.

While this will be welcome in Havana and in the Caribbean, taken...
DUTCH SOCCER CLINIC IN HAVANA

Dutch shipping company Nirint Shipping, a major cargo line connecting Cuba with Europe, is sponsoring soccer clinics for talented youth in Cuba.

The workshops ran from Jan. 6-10 and were arranged by De Feyenoord Academy, which is connected to Feyenoord Rotterdam, one of the Netherlands' most successful professional soccer clubs.

The initiative comes from Rotterdam Topsport and Nirint.

The workshops at Havana's Estadio Pedro Marrero, for 500 boys and girls ages 6-16, were led by two Feyenoord coaches and former professional players.

Mr. Timmermans said that the Netherlands is a staunch advocate of human rights and democracy and actively supports dissident organisations in Cuba.

Mr. Timmerman's visit, like President Barroso's remarks, coincide with changing U.S. thinking on Cuba, although the pace at which U.S. exchanges with Cuba on functional issues will move forward, and their breadth, are still far from certain.

Some Europeans suggest that Europe's interest in an association agreement with Cuba is being driven by a desire to have an agreement in place before any improvement takes place in U.S.-Cuba relations.

Whether this is true or not, a formal association agreement with Europe would enable not only a much closer relationship with Cuba but also mean that the EU would have reached agreement with the only Latin American and Caribbean country with which it has no form of broad-based political and economic arrangement.

Recent developments in Europe and the United States in relation to Cuba point once again to the Caribbean needing to consider carefully how it will respond to the possibility that a neighbour and friend may slowly emerge as a competitor after a long period of economic isolation.

David Jessop is the Director of the UK-based Caribbean Council and can be contacted at david.jessop@caribbean-council.org. Previous columns can be found at www.caribbean-council.org
Cuba plans to resume deepwater drilling, former Florida Gov. and U.S. Sen. Bob Graham, a longtime supporter of the embargo, told the Sun Sentinel after traveling to Havana in January.

Cuba is negotiating with Brazilian state oil company Petrobras and Angolan state company Sonangol to resume drilling in 10 blocks near the U.S. maritime border as early as 2015, in depths of up to 12,000 feet, according to Graham.

Graham told the Sun Sentinel that while Cuba is aiming for high safety standards, it may lack the capacity to contain a major spill.

He was in Cuba as part of a U.S. delegation to talk with Cuban officials about offshore oil drilling safety.

The five-day trip came half a year after a custom-made deep-sea drilling platform pulled out of Cuban waters, due to lack of success. Russia’s Zarubezhneft said last year it plans to resume near-shore drilling in 2014.

The group, consisting of about a dozen experts, was put together by Julia Sweig of the Washington-based Council on Foreign Relations (CFR).

Graham told the Naples (Fla.) Daily News that the intent was to understand Cuban offshore plans and capabilities, as well as “how the international community can cooperate in a way to ensure that Cuba drills at the highest level of international safety standards.”

Graham was co-chair of the National Commission on the Deepwater Horizon Oil Spill and Offshore Drilling after the 2010 disaster in the Gulf of Mexico.

According to a CFR press release, the group included former EPA administrator William K. Reilly; Jason Eric Bordoff of Columbia University’s School of International & Public Affairs; Michael R. Bromwich of Goodwin Procter, LLP; David L. Goldwyn of Goldwyn Global Strategies; Richard J. Lazarus of Harvard Law School; Megan Reilly Cayten (Catrinka); Vicki Seyfert-Margolis (MyOwnMed); and Dan Whittle of Environmental Defense Fund.

The delegation is part of a longer-term “Study Group on Marine Disaster Prevention and Preparedness in the Gulf of Mexico” set up by the CFR.

This is not the first time a U.S. group was in Cuba to talk about oil safety. In 2010, the Houston-based International Association of Drilling Contractors (IADC) sent a group to Havana, just after the Deepwater Horizon blowout.

The U.S. government has refrained from any direct contact with Cuba over oil safety. However, as part of a multilateral initiative in the Caribbean and Gulf of Mexico, U.S. and Cuban officials met in July in Florida, together with officials from other nations in the region. The meeting in St. Petersburg was the continuation of talks begun in 2011 under the auspices of the UN Regional Marine Pollution Emergency Information and Training Center (REMPEITC); they involve officials from the United States, Cuba, Bahamas, Jamaica and Mexico.

The goal of the meetings is to elaborate preventive regulatory frameworks, safety standards for drilling platforms, and best practices in oil spill containment.

In a rare exhibit on the island of a Cuban artist who lived abroad, the Museo Nacional de Bellas Artes in Havana on Jan. 17 opened “Una Raza • One Race.”

The exhibition, scheduled to run through March 23, shows the work of Mario Sánchez, a Key West native. Sánchez, born to Cuban parents in 1908, developed a technique of carving and painting to capture the life of Key West and its cigar workers, with a sharp eye for detail and a sense of humanity.

“The Sánchez exhibition raises issues related to gender, racial and religious freedom fought for by utopian Creole Cubans who came to Key West during their struggle for independence from Spain, and embodied to some extent by the society they joined and helped produce in Key West,” writes curator Nance Frank in the catalog.

The exhibition consists of 30 intaglios, many on loan from the original families that purchased them from Sánchez. It includes works that have been seen at the American Folk Art Museum, The Museum of the City of New York and the South Street Seaport Museum.

The curators are Nance Frank in Key West and Hortensia Montero in Havana.

By Johannes Werner

Politics

Ex-Florida governor travels to Cuba for talks about oil safety

New York collectors create new award

In January 2015, Howard and Patricia Farber Foundation announced two new awards for Cuban artists, both on and off the island.

Applicants must have “demonstrated exceptional creativity in the past two years,” according to a Foundation press release.

The Cuban Artist of the Year Award, doted with $10,000, recognizes the achievements of Cuban artists.

The $3,000 Young Artist of the Year Award goes to an artist age 35 and younger.

The awards will be granted every other year; the first one will be announced in January 2015.

“In the past few years, Cuban art and artists have become increasingly active in the global arts arena,” said Howard Farber in a prepared statement. “Our goal in presenting the Cuban Art Awards is to offer additional recognition for outstanding individual artists, and for the field of Cuban contemporary art in general.”

The Farbers have been patrons and collectors of Cuban art since 2001; they created the foundation in 2010. For more information, see www.cubanartnews.
If your organization is sponsoring an upcoming event, please let our readers know! Send details to CubaNews at johnneswerner@cubastandard.com.


March 15-23: Feria Internacional Agropecuaria (FIAGROP) — Cuba’s largest agribusiness fair at Boyeros, in suburban Havana. Includes a cattle fair and the national rodeo championship. Information: feryexpo@minag.cu.


April (date TBA): Gibara Low Budget Film Festival — a rare festival for off-off mainstream films from Latin America, in Gibara, a provincial town in eastern Cuba. www.festivalcinepobre.cult.cu.

May (date TBA): Feria Internacional del Turismo 2014 (FITCuba) — Cuba’s largest tourism industry fair. Yulier Ávila Varona, jeventos@cbtevent.cbt.tur.cu.

May 8-9: Cuba 2014 — What the U.S. Legal and Business Communities Need to Know. Loews Portofino Hotel, Orlando. Contact: Tony Zamora, arzlaw@att.net.

June 3-6: 8th Cuban Cardiology Congress — Cariovascular Disease: Our Challenge in the 21st Century. Palacio de Convenciones, Havana. Contact: Dr. Eduardo Rivas Estany, moval@icccv.sld.cu.

June (date TBA): Expomatanzas — regional trade fair of the province that includes tourist resort Varadero, the city of Matanzas, and many of the island’s onshore oil and gas fields. Centro de Convenciones Plaza América, Varadero. Information: www.expomatanzas.cu.


Sept. 22-25: International LABIOFAM Congress 2014 — event that focuses on Cuba’s pharmaceutical products, held in conjunction with the 3rd International Symposium of Cancer Therapy Products. Palacio de Convenciones, Havana. Contact: Lirka Rodríguez Pérez, labiofamcte@infomed.sld.cu.

Nov. 3-9: 32nd International Havana Fair (FIHAV 2014) — Cuba’s largest trade fair with major presence of Cuba’s foreign partners. PABEXPO, Havana.

December (date TBA): Festival Internacional del Nuevo Cine Latinoamericano — one of the largest film festivals in Latin America.