

Cuba Trade & Investment News

A service of NORTH AMERICAN PARTNERS, Tampa, FL, USA,
a marketing management firm connecting business to new markets.



Vol. V, No. 11

November 2003

Embargo Update

CONGRESS WINS TRAVEL BAN BATTLE

Barely a month after the House of Representatives passed an identical bill, the Senate voted 59-36 for an amendment that would effectively suspend the travel ban against Cuba during the coming fiscal year.

With 19 Republican Senators voting against the Bush administration, this is an important symbolical step ahead for travel ban and embargo foes. Richard Lugar (R-Ind.), chairman of the influential Senate Foreign Relations Committee, said before the vote that the embargo hasn't worked, calling for a reexamination of U.S. policy.

The president has said he would veto the bill to which the amendment is attached. This would be George W. Bush's first veto in office, and holding up the \$90 billion Transportation

What the amendment did

- Demonstrate Congress' desire to change Cuba policy
- Isolate the White House's hard-line policy
- Give more momentum to travel ban lifting efforts

What it won't do

- Provide a sound base for doing business with Cuba

and Treasury appropriations bill would come at some political cost for the White House.

However, the Republican leadership in Congress announced it would do everything to keep the bill from Bush's desk. While identical bills passed by both the House and Senate cannot be stripped in conference, Congress has often broken the rule.

The amendment could also be scrapped because the Senate is behind in voting on a number of budget bills. This increases the likelihood of the creation of an "omnibus bill" similar to that of the 2002/2003 fiscal year, which consolidated all federal budgets in one gigantic bill. Controversial amendments typically are stripped from an omnibus bill.

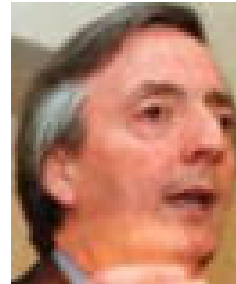
Also, the amendment, which is only valid for one financial year, does not provide substantial change. U.S. citizens traveling to Cuba in the coming year still might become subject to enforcement later if next year's Treasury appropriations bill does not include a similar amendment. The amendment prohibits the use of funds for enforcement of the travel ban by the Treasury Department's Office of Foreign Assets Controls (OFAC). About 10 percent of OFAC's budget go to enforcement of the Cuban embargo and travel ban.

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Economy

NEXT: ARGENTINA

During a visit of Argentinean foreign minister Rafael Bielsa to Cuba, the two nations agreed on a visit by President Néstor Kirchner to the island, likely in February, and to renegotiate Cuba's \$1.9 billion debt with Argentina. Relations between the two nations have gone through a thaw since populist Kirchner assumed the presidency. Argentina is following the recent lead of Venezuela, Ecuador, Brazil, Paraguay and Mexico in forming closer political and economic ties with Cuba.



Kirchner may visit Cuba in February

Cuban officials offered no details about the debt renegotiation, but according to Argentinean reports, Cuba asked for 75-percent debt relief. This reflects a recent suggestion by the Argentinean government to private holders of defaulted sovereignty bonds to accept a 75-percent write-off. Argentina also proposed to tie Cuban bonds to investments in the island's

lucrative tourism sector. There was no information if Cuba accepted negotiating that suggestion.

Fidel Castro said during a meeting attended by Cuba Trade & Investment News that Cuba immediately agreed to an Argentinean proposal to repay \$50 million of the debt by providing over a five-year period medical services to poor Argentines with complicated diagnoses. The arrangement is

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BUSH STICKS TO HARD LINE

In a move widely interpreted as pandering to the anti-Castro exile voting bloc, President George W. Bush Oct. 10 announced a series of initiatives intended to accelerate regime change in Cuba. The measures include making unlicensed travel more difficult, increasing the number of visas for Cubans on the island, and setting up a high-profile panel on Cuban transition.

Since the announcement, all outgoing and incoming passengers on direct charter flights from Miami to Cuba have been questioned thoroughly by U.S. Customs and immigration agents. Charter operators are complaining about harassment, but the additional bureaucracy has not visibly curbed the number of travelers yet.

“The Treasury Department is now questioning every passenger on my flights,” said Tom Cooper, chairman of Miami-based charter operator Gulfstream International Airlines Inc. “I would call it harassment, but my lawyer suggests ‘severe questioning.’”

The Department of Homeland Security also said it would crack down on Cuba travelers via third countries, using “intelligence and investigative resources.”

Critics say the measures are more significant for what they omit than for what they include. Bush did not announce any further political or financial assistance to dissidents on the island and stopped short of ending the U.S. practice of returning would-be migrants caught on sea. The most tangible initiative is the creation of an advisory board on regime change in Cuba. The Commission for the Assistance to a Free Cuba is headed by Secretary of State Colin Powell and Housing Secretary Mel Martinez, a Cuban American.

OFAC STRENGTHENS ENFORCEMENT

The Department of the Treasury’s embargo and travel ban enforcement arm has placed at least one administrative law judge to hear cases of U.S. travelers to Cuba. The move breaks 11 years of forbearance of administrative prosecutions by the Office of Foreign Assets Controls (OFAC). The first hearings may be held in four months.

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Argentina, from page 1

similar to an agreement with Venezuela, under which Cuba pays part of oil deliveries with medical services.

About \$600 million of the debt dates back to 1973, and another portion comes from 1985 or 1986.

One week before Bielsa’s visit, the two countries ratified an agreement of economic complementation. Just after the visit, Cuba announced it would buy 50,000 metric tons of wheat in Argentina, for \$7.5 million in cash. The Cuban ambassador in Buenos Aires said his country is looking at more purchases if the price is right. Argentina would like to raise its exports to Cuba from currently \$30 million to \$150 million within three years. Argentina for the first time is represented at the Havana International Fair this month with a national pavilion.

Bielsa also said he will promote Cuba’s interest in a “4+1” association arrangement with the Mercosur trade bloc. (Brazil and Paraguay are supporting a Cuban association, but Uruguay’s president Jorge Batlle is opposed)

Bilateral relations took a dive two years ago when Argentina voted in the United Nations condemning Cuba’s human rights record. Castro at the time called President Fernando de la Rúa a “Yankee bootlicker.”

CUBA CRACKS DOWN ON FAKE CIGAR TRADE

Habanos S.A., the joint venture company that markets all Cuban cigars abroad, announced new customs regulations meant to curb the wave of fake cigars reaching foreign markets. When leaving the country, all Cuban and foreign travelers must now verbally declare at customs if they are carrying cigars. Travelers with more than 23 cigars must present a copy of the original bill of purchase from an authorized outlet such as Casa del Habano. Cigars must be in their original packaging, including the recently introduced holographic sticker. Habanos is a joint venture between French-Spanish tobacco giant Altadis S.A. and the Cuban state.



Show me your cigars!

More economy news on page 5

Cuba Trade & Investment News is a monthly publication of **North American Partners (NAP)**, Tampa, FL, USA. CTIN is the official publication of the U.S.-Cuba Trade Association and is distributed to subscribers.

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SUBSCRIPTIONS Call 813 839 6988. One year \$215. In Canada and Mexico, add \$15 postage.

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Cuban officials at the U.S.-Cuba Travel Conference in Cancún Oct. 16-19 tried their best to promote the island as a “peaceful, healthy and safe destination” for American travelers, and convince the audience that Cuba’s tourism infrastructure is up to the task. The 71 representatives of U.S. tour operators, travel agencies, airlines, cruise lines and other tourism-related businesses had constant access to the 20-member delegation headed by Tourism Minister Ibrahim Ferradaz during the three-day conference. Thirty-eight of the participants also got royal treatment and a two-hour reception by Fidel Castro during a fully-hosted one-day trip to Havana after the conference.

Here are some of the highlights of the event:

Americans: Low-season types?

“We don’t fear an avalanche,” Antonio Díaz, vice president of state-owned Havanatur S.A., said about the 1.2 million U.S. tourists expected to flood the island in the first year after the U.S. travel ban is lifted. “As of now, we have the necessary infrastructure to accommodate 3 million tourists.” Cuba currently hosts around 2 million foreign tourists every year.



Díaz:

No fear of avalanches

Also, Cuban officials point at pre-revolution travel data. Before 1959, 64 percent of Americans visited Cuba in the low-season period of May through August. Cuba’s high season lasts from November through April. (If recent Cancún travel data from a U.S. tour operator is an indicator, half Americans travel during the summer months.) To accommodate an additional 2.5 million Americans — the number expected five years after a travel-ban end — “we’ll have to build a little faster,” said Miguel Figueras, Special Adviser to the Tourism Minister.

Havanatur to be main conduit for U.S. tourism

Not too different from the arrangement in the food and agricultural products sector, where Alimport S.A. is Cuba’s one-stop shop for American sellers, Havanatur and its Celimar and Tour & Travel subsidiaries will likely channel the bulk of U.S. tourists to the island. Cubanacan S.A. and smaller Cuban tour operators such as Habaguanex S.A. may offer “a la carte” service to U.S. tourists.

Economic relations with the United States “aren’t normal,” Ferradaz explained the Alimport model. “It’s very different from trade with other countries. There are many restrictions. That’s why there is this concentration on Alimport.”

“In my opinion, that’s just a stage,” he added. “When relations are normalized, that could be changed.”

“Everything is political in U.S.-Cuban relations,” said Cuba consultant Kirby Jones. “My hunch is, (the Cuban government) will want to manage that relationship.”

Politics aside, scheduled flights within 17 days

If a U.S. airline were to apply for a landing permit, from an operational standpoint Cuban aviation authorities could give the green light within 17 days, said Mayda Molina Martínez, vice president of the Cuban Civil Aviation Institute. Most of the island’s airports are currently underused, she said.

The U.S. government likely will not permit immediate scheduled direct service after the travel ban is lifted. The two nations will first have to sign a new bilateral aviation agreement. Cuba will insist any agreement is reciprocal, allowing Cubana de Aviación or another Cuban airline access to U.S. airports.

Tourism minister may study B&Bs

Asked why “casas particulares,” the privately-run bed-and-breakfasts in Cuba, could not play a bigger role in accommodating foreigners and enjoy membership in some formalized system, Tourism Ministry officials responded that casas particulares were competitors of regular hotels and not part of their jurisdiction. However, Tourism Minister Ferradaz said he would like to know how the United States government supports the Bed-and-Breakfast system. “We could study it and see what we can do,” he said. The Cuban government has cracked down repeatedly against semi-legal operators of casas particulares and charges high taxes.



Ferradaz:

“We could study it”

Cuba wants more foreign hotel owners

The Cuban government wants more new hotels to be financed by foreign investors, as opposed to the traditional arrangement where a state-owned company raises the capital and a foreign partner manages the hotel. Only 12 of Cuba’s 266 hotels operate under such new-style joint ventures, but at least eight more such joint-venture hotels are expected to be

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built by the end of 2004. "We have to invest a lot in airports and attractions, shops and restaurants," Figueras said. "That's why we prefer that 50 percent of investments should come from foreign investors."

And where are the big guys?

Bob Whitley, president of the U.S. Tour Operators Association, attributed the conspicuous absence of large airlines and cruise lines in the anti-travel ban effort to the airlines' recent financial troubles and government subsidies, and the fact that all major cruise lines are based in politicized Miami. Also, the anti-travel ban forces must yet convince other Florida tourism companies, a crucial constituency for any tourism trade organization, that opening up to Cuba isn't all bad for them, said Matt Grayson of the National Tour Association. "There's a potential loss, but there are also gateway opportunities," Grayson said.

Companies represented at the conference: ABC Charters, Continental Airlines, Cuba Travel Services, Gogo Worldwide Vacations, Gulfstream International Airlines, Iberostar Hotels & Resorts, Intropa Tours, MarAzul Charters, Royal Caribbean Cruises, Sol Meliá, and more.

Tourism back on growth track

The aftermath of 9-11 seems to be history. Visitor numbers for September and October are looking good, according to Cuban tourism officials. Growth through the end of September was 14 percent, with a somewhat slower pace expected for the last three months of the year. The total will clearly surpass 1.9 million this year.

Based on those recent trends, the Cuban Tourism Ministry expects 10 to 11 percent growth in 2004.

2003: Back to fast growth
(% change in visitors over same month one year ago)

Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.
+35.2	+18.7	+6.1	+20.8	+6.5	+2	+6	+16

Source: Tourism Ministry

Cubans avoid low-price trap

After a short period of wavering in the aftermath of 9/11, the Cuban government took an executive decision to hold the line on prices, at the cost of temporarily shutting down 30 percent of its hotel capacity. "Even the foreign operators cooperated," Figueras said. "Once they grab you, it will be very difficult to climb out the low-price hole." The ministry also decided to continue new-hotel construction at a 1,500-rooms per year rate.

Cuba rolls out red carpet for U.S. group

During a two-hour meeting with 38 U.S. tourism representatives who visited Havana after participating in the U.S.-Cuba Travel Conference in Cancún, Fidel Castro confirmed Cuba's interest in welcoming American tourists.

The Oct. 20 meeting was also attended by Parliament President Ricardo Alarcón, Central Bank President Francisco Soberón, and Tourism Minister Ibrahim Ferradaz.

"We appreciate a lot what you are doing," Castro said, referring to recent lobbying efforts in Congress to lift the travel ban.

Poking fun at skeptics who fear that the island's infrastructure isn't prepared to cope with 1 million additional visitors, he joked that the Cuban population could move to South America or Africa.

Castro also

emphasized the importance of ecotourism and environmentally sound tourism to Cuba.

"We're trying to be cautious," he said. "We don't want things to happen like in Spain. We don't want excessive



On a recent Sunday in Havana: U.S. tour operators and El Che

density or high buildings. We have the advantage of learning from the mistakes of others."

highlighted the potential of U.S. medical tourism to Cuba, mentioning the example of costly bypass surgery. Cuba would charge 30 to 50 percent of the U.S. cost of cardiovascular surgery, Castro said, adding that in the future medical tourism could bring in more foreign exchange than traditional tourism.

said that Cuban tourism workers are well prepared. Most employees speak a foreign language and have a good knowledge on a broad range of subjects, and many have a university degree.

"We want every tourism employee to be a university graduate," he said.

Castro said that Cuba depends on tourism to fund its free education and health programs.

At the same time, education programs, such as foreign language instruction via an educational TV channel, feed into the interests of the tourism industry.

Miami lawyer starts Florida-Cuba business group

In an effort to provide a support organization for Florida businesses interested in trading with Cuba, Miami lawyer Antonio Zamora is launching the “Florida-Cuba Business Council.” The not-for-profit, partly modeled after a similar organization founded this year in Texas, will mainly try to help its members with hands-on information and contacts. According to Zamora, Cuban government officials have expressed interest in funneling purchasing contracts through the group.

Over the past decade, Zamora - a Bay of Pigs veteran and former counsel of the Cuban American National Foundation - has made a political U-turn to become an opponent of the U.S. embargo. Three years ago, Zamora initiated the US/Cuba Legal Forum. He also is executive director of The Time is Now Coalition, organizers of the annual National Summits on Cuba.

What’s the focus of your new organization?

Florida is the Number One state in potential business with Cuba, and — I believe — the state already is the number two in actual sales. The largest delegation to the (U.S.) Agricultural Fair in Havana (last year) was Florida’s. The Cuban government is very aware of this, and they want to continue developing a relationship. We want to start organizing people in Florida who want to do business in Cuba.

How about political activities?

It’s going to be a business organization. We need to find out what can be sold to Cuba, what business can be done. There’s not only selling of goods, there’s telecommunications, charter flights and more. We know there are people in Tampa trying to get a license to fly to Cuba. All of these things should be part of this business council. But as a business organization we’ll also have a collateral political function.

Who should join the association?

I would like to have people from all over the state. I would like to have people from the ports, from all industries in Florida – not only agriculture, because we have to look forward to what is possible in two years. Certainly, we would want to have people from South Florida, particularly Cuban Americans. But this is something that will happen from all over the state.

Who has committed so far?

We now have about 10 people who said they would want to join. It’s premature to say who they are.

Did you come up with this idea?

I’m one of the people who thought about it, and I assume I’m going to be in some function with the council. But I’m not ambitious because I’m a lawyer. I hope that the board of directors will consist of active businessmen. I’m sure some attorneys will join, but I think this is something that actual businesspeople would need.



Antonio Zamora

What’s the role of the council vis-à-vis national business groups?

Very complementary. (The US-Cuba Trade Association and the U.S. Cuba Trade and Economic Council), which are national, are operating on a different level. We don’t have a board of directors yet, but I assume we’ll be seeking the advice of those associations and working with them. We will help in events they may have. There’s a business alliance in Texas, and that’s a statewide organization. We hope to do something similar. We’re not going to compete with anybody. We need to learn how to complement each other.

Would you expect your members to also be members of one of the national associations?

Why not? Or we could join one of the national associations. •

More on the Embargo

U.S. AVIATION SAFETY OFFICIALS VISIT CUBA

A delegation of the Transportation Safety Administration (TSA) met with civil aviation officials in Cuba in late August to talk about security-related issues and see how international standards are carried out at Cuban airports.



*José Martí International:
Safer than U.S. airports?*

“They found we’re safer than U.S. airports,” one Cuban aviation official told Cuba Trade & Investment News. A TSA spokeswoman wouldn’t comment on that assessment.

LEGAL FORUM PLANS SCALED-DOWN EVENT

The Miami-based US/Cuba Legal Forum is planning a legal workshop in January in Havana. Earlier this year, the U.S. Treasury Department denied the group a license to hold a larger event in Cuba in July, similar to a previous Forum conference in 2002.

The new format leaves the responsibility of U.S. licensing in the hands of each participant, making attendance more difficult.

U.S. participants of the workshop — the organizers expect two dozen U.S. and Cuban attorneys to attend — would have to apply for individual travel licenses. Participants must either perform professional research in Cuba, or be part of an academic institution with a license.

Section 211 repeal: Big backers, little movement

An impressive group of corporate backers has joined a legislative effort to repeal Section 211, the law that blocks recognition of Cuban trademarks in the United States. But the bill they propose still has little chances to pass. What's more, House Majority Leader Tom DeLay (R-Tx.) is apparently determined to expand Section 211. According to Capitol Hill publication Roll Call, DeLay is planning to slip a similar amendment into the annual defense authorization bill. Four members of the House Judiciary Committee, in charge of trademark law, have protested against the unusual step.

Corporations fear that Section 211 threatens more than 5,000 American trademarks registered in Cuba by some 400 companies, undermining international agreements.

If enacted as a law, the House bill would repeal Section 211 of the 1999 Omnibus Appropriations Act, which helped Bermuda-based liquor giant Bacardi Ltd. in its trademark battle against a French-Cuban joint venture.



*Tom DeLay:
Mixing trademarks
and defense*

USA*Engage, Grocery Manufacturers of America, the National Foreign Trade Council as well as CapNet, the political voice for technology companies such as Microsoft, AOL Time Warner, and AT&T, have joined the growing group of backers of the U.S.-Cuba Trademark Protection Act of 2003.

Washington-based USA*Engage represents 670 U.S. companies and trade organizations that oppose unilateral economic sanctions against foreign nations.

General Motors Corp., Ford Motor Co., DaimlerChrysler AG, DuPont Corp., Eastman Kodak, Caterpillar Corp. as well as Halliburton Corp., the Houston-based oil services company formerly headed by Vice President Dick Cheney,

have backed the act.

The bill has 11 co-sponsors, including Reps. Jeff Flake (R-Az.) and Charles Rangel (D-N.Y.). It is currently sitting in a House subcommittee on courts, the Internet and intellectual property.

More on the Embargo

CUBA CHARTERS EXPECT DRAMATIC DROP

As more restrictive people-to-people regulations by the Treasury Department kick in, U.S. charter companies and educational exchange organizations are expecting a dramatic drop in Cuba travel next year and are refocusing on religious and professional groups.

Bergen, N.J.-based Marazul Charters Inc. predicts a 50-percent drop in business, after a 28-percent rise this year. New Rochelle, N.Y.-based Insight Cuba expects bookings to drop dramatically next year. The non-profit brought 2,000 Americans to Cuba this year through October, up from 500 last year.

On the receiving end, Cuba's Havanatur S.A. has handled 700 U.S. groups this year. Havanatur Vice President Antonio Díaz expects the number of U.S. tourists it receives to be "well below that" in 2004.

A bill recently passed by Congress would reinstate people-to-people exchanges. However, the fate of the bill, sponsored by Jim Davis (D-Fla.) is far from clear.

U.S. TO PAY DISSIDENTS \$7 MILLION

The United States will provide \$7 million to dissidents in Cuba in 2004, if a proposed foreign operations appropriations bill passes Congress. A House committee in charge of the bill is backing the measure. USAID has provided a total \$20 million to selected Cuban exile organizations who distribute the funds to dissidents on the island. The Cuban government accuses the United States to funnel additional millions to the island covertly via private entities.

U.S. FREEZES ACCOUNT LINKED TO DISSIDENT

A little more than one month after dissident Eloy Gutiérrez Menoyo decided to return from exile in Miami to live in Havana, the Cuban government has not taken any action. However, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) ordered Ocean Bank in Miami to freeze the bank account of Fundación Cambio Cubano at Ocean Bank in Miami. Gutiérrez Menoyo founded the moderate organization to advocate change in Cuba.

OFAC's action is apparently related to the dissident's decision to stay in Cuba, which has been condemned by hardliners in Miami.

Daughter Patricia Gutiérrez told Cuba Trade & Investment

News that the group is planning to sue the U.S. government and/or Ocean Bank. OFAC "screwed up," she said. Embargo rules prohibit residents of Cuba to maintain bank accounts in the United States. However, the rules also allow for a six-month stay in Cuba, which Gutiérrez Menoyo hasn't reached. Furthermore, she said, the bank account was Cambio Cubano's and not her father's.

She said she believes the move came after the bank reported the issue to the Department of Treasury. OFAC's Miami office operates a hotline to report embargo violations.

Gutiérrez said there were less than \$10,000 in the account, but that Cambio Cubano's activities are now severely restricted.



Eloy Gutiérrez Menoyo

CONFERENCES & EVENTS

- 21st International Havana Fair (general trade fair), Havana, Nov. 2-9
- 3rd International Conference on Science and the Environment, Santa Clara, Nov. 22-28
 - Feria Comercial del Tabaco (tobacco trade fair), Pinar del Río, Nov. 25-28
 - Latin American Film Festival, Havana, Dec. 2-12
 - SubastaHabana art auction, Havana, Dec. 8-10
 - US-Cuba Legal Forum workshop, Havana, January, dates TBA
 - Havanabel International Beauty Fair, Havana, March 2-6
 - Nación y Emigración Conference, Havana, May 27-29
 - 3rd Intl. Conference of the Society of Orthopaedic and Traumatological Surgery, Havana, Sept. 23-29, 2004

Call (941) 330-0303 or send an e-mail to huitzi@aol.com for more information on events

More on the Economy

UN STUDY: CUBA SHOULD SUPPORT SMALL BIZ

Cuba must support small businesses and cooperatives to revive its economy, a soon-to-be published study by the United Nations Economic Commission on Latin America and the Caribbean (ECLAC) will recommend, according to Reuters.

Growth in Cuba has slowed to 3 percent in 2001 and 1.1 percent last year, after fast growth in the second half of the 1990s.

ECLAC prepared the study in conjunction with Cuba's state-run National Institute for Economic Research.

The study's conclusions are similar to research published earlier this year by the Center for Study of the Cuban Economy, a University of Havana think tank.

According to ECLAC, Cuba's foreign debt was unchanged in 2002 at just under \$11 billion. Pushed by a cash crunch, the government has slashed imports. Foreign purchases shrunk \$700 million in 2002 from \$4.8 billion in 2001, according to the report.

The debt is expected to grow this year because of a weakening U.S. dollar. Two-thirds of Cuba's debt is in non-U.S. dollar currencies.

Meanwhile, debt ratings firm Moody's Investors Service maintained in its annual report on Cuba the country's Caa1 foreign-currency rating. The rock-bottom rating is due to Cuba's debt moratorium, in place since 1986, "continued evidence of a flawed payments record, extreme dependence on imported goods, and limited access to long-term external financing." The report emphasizes the needs for a "transfer of political power to a new generation, and .. to define a regime capable of responding to greater economic expectations and increased social demands."

News from the Sales Department

++**Alimport S.A.** chief Pedro Alvarez announced in October that the Cuban food importer would soon begin to purchase fertilizer, paper, wood, cotton, recycled clothing and other goods from U.S. companies for sale in the **dollar sector** on the island. Responding to criticism in the United States, Alvarez said that 95 percent of the U.S. food products the island has been buying in recent months ends up in the peso sector and therefore in the hands of the population at large.++

++An **Indiana** delegation led by the state Farm Bureau signed a memorandum of understanding with Alimport S.A. for the sale of \$15 million worth of goods. Alimport. agreed to buy retail brand food products, pork, soybeans, corn, cattle and poultry products over a six month-period. Sen. Evan Bayh (D-Ind.), who headed the delegation, was the fourth member of Congress to visit Cuba within a four-week period. The Farm Bureau also said it will work on Congress to ease trade and travel restrictions.++

++A **Vermont** trade official said that after repeated efforts, the state has failed to sell Cuba any agricultural goods. Despite Cuba's good-faith efforts, Vermont apple and egg producers' prices were too high to compete with other states, said Brad Broadwell of the Vermont World Trade Office.++

++A delegation from the **Alabama** agriculture department plans a return visit to Cuba in December. An 18-member delegation visited the island for a week in August.++

++A delegation from the **Beaumont, Tx.** area returned from a visit to Cuba with empty hand, but with hopes of rice sales to Alimport S.A. within six to 12 months.++

++Naples, Fla.-based **J.P. Wright & Co.** announced that Alimport S.A. agreed to buy 250 head of Florida beef cattle. The company arranged two earlier shipments of U.S. cattle to Cuba, but this is the first sale of Florida beef cattle to the island in more than 40 years. The sale is estimated to be worth \$450,000.++

++The first two shipments of goods to Cuba cleared the **Port of Corpus Christi** in mid-October, three months after the Texan port signed a strategic memorandum of understanding with Cuba's Alimport S.A.++

++**Port Manatee**, located just South of Tampa, Fla., is planning to send a trade mission to Cuba in mid-November. The port authority also hired Washington, D.C.-based Kirby Jones as a consultant to lead the trip.++

++Although 10 Senators appealed to the Department of State and Treasury Department to allow a second **U.S. agricultural fair** in Havana, the government refused to reconsider a June 2 license denial. A 2002 trade fair organized by Connecticut-based **PWN Exhibicon International** generated \$92 million in deals. Company President Peter Nathan is considering to sue the Treasury Department because it has denied him a license while granting licenses to companies to exhibit at the **Havana International Trade Fair** in November.++

Company Briefs

Norwegian drilling rig operator **Ocean Rig ASA** received a letter of intent from Spanish oil company **Repsol YPF SA** to contract the semi-submersible drilling rig **Eirik Raude** for offshore use in Cuban waters. The contract would cover the drilling of one well for a day-rate of \$195,000.



Eirik Raude

Repsol YPF and Canada's **Sherritt International** are currently the only foreign oil companies with offshore exploration rights in Cuba. **Petrobras** is likely to join the group soon.

Melfi Marine Lines established a triangular container ship service between Cuba, the Mediterranean and Canada, according to Tradewinds magazine. Melfi in September began to operate three chartered 900-ton ships on a fortnightly service. The Panama-registered carrier is owned by Cuba's **Corporación Cimex S.A.** Port calls include Valencia, Barcelona, Genoa, Naples, Halifax, Nova Scotia and Havana.

Cuba's **Gran Caribe S.A.** has franchised an offshoot of its famous **Tropicana Cabaret** to a Chilean entrepreneur. **Manuel Cuesta** is planning to open his three-story version of the Tropicana in Santiago de Chile in November.

This latest opening bring the number of Tropicana offshoots outside of Cuba to four. Gran Caribe has also franchised 13 **Bodeguita del Medio** bars worldwide.

A British court of appeal ruled in favor of a claim by New York City-based **Peer International Corp.**, which bought the British copyrights of Cuban composers Antonio Fernández Ortíz and Ignacio Pineiro during the 1930s and '40s. A post-revolution Cuban law forfeited Peer's rights and allowed them to be acquired by Cuban music publisher **Editora Musical de Cuba**, which licensed them exclusively to German music group **Termidor Musikverlag GmbH & Co. KG**. Peer was the only foreign music publisher doing business in Cuba before the revolution. "There were complaints of the failure of Peer to account to musicians," according to court filings.

In a move similar to the Bacardi-Pernod battle over the Havana Club name rights in the United States, Peer tried to reacquire the copyrights from the composers' heirs between 1999 and 2002.

Panama-based ferry operator **Dodero Cruceros S.A.** is launching a "diving adventure" cruise leaving from Cancún and visiting Cuba's key scuba diving spots. Regular service will begin in December. Dodero, in Cuba since 1999, has established operations in the cruise terminal at the Port of Havana and is offering ferry service from Havana to Varadero and in the South of Cuba.



Havana cruise terminal

The company, which is owned by Argentinean investors, has cast an eye on establishing the first direct link from Havana or nearby Mariel to Key West. Dodero would bring its 700-passenger **Lynx** fast ferry from Scandinavia to Havana once the travel ban is lifted.

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