



Foreign &
Commonwealth
Office



Embassy of Cuba



UK Trade
& Investment

**British Trade and Investment Mission to Cuba
led by the Cuba Initiative's Chairman, Rt. Hon. Lord Hutton of Furness**

Monday 27 April – Thursday 30 April 2015

Invitation to participate

The Cuba Initiative invites you to participate in a unique high level Trade and Investment Mission to Havana, Cuba. The Mission has the support of both the British and Cuban Governments and will enable participants to meet Cuban Ministers and senior decision makers involved in trade and investment opportunities.

The visit comes at an important time, when Cuban relations with the US, the EU and the UK are evolving. Now is the time for businesses to consider seriously the many opportunities for trade and investment in Cuba, with a population of over 11 million; a highly educated workforce; significant prospects in a range of sectors including energy, mining, tourism, biotechnology, agribusiness, manufacturing, transport and industry; growing interest from companies in Europe and the US; and a renewed effort from the Cuban Government to attract and welcome foreign investment.

Specific investment opportunities

The Cuban Government has identified specific projects for foreign investors in a range of sectors, including:

- 1) Oil and gas exploration
- 2) Renewable energy including wind, biomass, photovoltaic, hydropower and biogas
- 3) Mining of iron, nickel, gold, silver, zinc, lead, cobalt and other minerals
- 4) Tourism: real estate development, golf courses and hotel management
- 5) Biotechnology: building plants for the production of medicines
- 6) Agribusiness: commercialisation of pork and beef, soy, sugar and others
- 7) A range of industry and manufacturing opportunities
- 8) Transport and construction including marina and port construction, railways and urban transport

A summary of these projects by sector can be found towards the end of this document.

It is also possible to suggest other opportunities to the Cuban Government, its agencies and autonomous enterprises.

An important visit at a transformative moment for Cuba

The visit will be led by Lord Hutton, the Chairman of the Cuba Initiative and will take place under the auspices of the Cuban side of Cuban Initiative which is chaired by the Minister of Foreign Investment and Trade, Rodrigo Malmierca. As such, companies will have the rare opportunity to meet Cuban Ministers and senior decision-makers in state-owned and autonomous enterprises.

The trade and investment Mission follows the first visit by a British Minister to Cuba in nearly a decade last October by the Rt Hon Hugo Swire MP, Minister of State at the Foreign and Commonwealth Office.

It also follows the US announcement in December 2014 of a change in policy towards Cuba involving full restoration of diplomatic relations, freer travel by US citizens to Cuba under specified categories, and a review of Cuba's designation as a state sponsor of terrorism which, it is hoped, will have wide-ranging and positive consequences for companies looking to do business in Cuba.

Normalisation of economic relations with the US is now a matter of time and leading US business organisations are already in the process of exploring future investment and trade opportunities. There may be only a relatively short period during which UK companies wishing to enter the market can position themselves before their US competitors arrive.

The visit also comes as Cuba is placing increasing importance on attracting foreign investment. The adoption of Cuba's new Foreign Investment Law last March, which establishes foreign investment as a priority for the future development of Cuba, allows foreign investment in all sectors except education, health and the armed forces and will offer tax exemptions to overseas companies.

Additionally, the Cuban Government has invested some US\$900m (mainly Brazilian finance) in creating a major new port, transshipment and logistics centre and associated special economic development zone of over 400 sq km at Mariel, just outside Havana. The necessary road, rail, energy and water infrastructure are now being put in place. The port is being managed by Ports of Singapore (PSA) and the project is the biggest of its kind in Cuba and one of the largest in the Caribbean today. The Zone will form an important part of the Government's new emphasis on Special Economic Development Zones, as they seek to put in place new joint ventures with foreign companies.

Furthermore, Cuba has recently agreed to re-pay its short-term debt to the UK, and in addition, the British Government has been working to provide short-term export credit insurance in support of UK exports to Cuba.



The Rt Hon Hugo Swire MP, Minister of State at the Foreign and Commonwealth Office, and Antonio Carricarte, Cuban Vice Minister for Trade and Foreign Investment in Havana, November 2014

Programme

Introduction briefing meeting on Monday 27 April in the evening Core programme Tuesday 28 April – Thursday 30 April

There will be a briefing meeting for all delegates on Monday 27 April in the evening from 6pm and the core programme of meetings during the Mission will take place between Tuesday 28 and Thursday 30 April.

An official programme of meetings will be organised for delegates participating in the Mission. The visit will offer meetings for companies in sectors including but not limited to energy (oil and gas as well as renewables), mining, tourism, manufacturing, agribusiness, finance and biotechnology.

The full programme will include general meetings for all delegates with Ministers and senior officials from: the Cuban Ministry of Foreign Trade and Investment (MINCEX); the Ministry of Foreign Affairs (MINREX); the Ministry of Economy and Planning; Ministry of Industries (MINDUS); the Cuban Chamber of Commerce; the Central Bank; and a welcome briefing by the British Ambassador to Cuba, HE Mr Tim Cole.

Depending on the business sector of participating companies, there will also be briefing meetings and seminars arranged with Cuban Ministers, senior officials, and business leaders from: the Ministry of Energy and Mines; the Ministry of Tourism; the Ministry of Agriculture; the state sugar company Azcuba (which replaced the Ministry of Sugar in 2011); the Ministry of Transport; the Biotechnological and Pharmaceutical Industries Business Group, Biocubafarma; and officials responsible for the Mariel special development zone. Other meetings with relevant Ministries and/or state enterprises can be facilitated according to your company's particular objectives.

There will be site visits allowing participants to see the Mariel special development zone; the Centre for Biological and Genetic Engineering (CIGB); examples of successful joint venture operations with foreign companies; and other sites, as relevant to companies' interests.

The British Embassy in Havana will host an evening drinks reception with a range of senior guests from the Cuban Government, Cuban state enterprises and representatives of the British business community in Havana.

Eligibility

To be eligible to join, the company must be UK registered or have a demonstrable UK presence.

One place will be guaranteed to each company at all core meetings, with spaces for additional company representatives dependent on availability. Meetings for additional company representatives may be organised outside the official programme in conjunction with the Cuban Chamber of Commerce.

Flights and accommodation

Delegates are expected to organise their own flights to and from Havana.

Participants leaving from London are advised to arrive in Havana on Monday 27 April for the briefing meeting in the evening from 6pm. The main programme of meetings will take place on Tuesday 28 April to Thursday 30 April.

The official delegate hotel will be the Melia Cohiba hotel, Planta Real. A group booking will be made for the delegation but participants will need to confirm a booking request via the Cuba Initiative. Rates will be approximately US\$140 for junior suites and master suite options are available at US\$300.

Rates

Companies participating will be charged a fee to cover administration costs for the programme of the visit. *Please note that this does not include the cost for flights or accommodation.*

Members of the Caribbean Council and the Cuba Initiative:

Premier members: £350 per person

Corporate members: £500 per person

Regular members: £1,250 per person

Non- members: £1,500 per person. This includes 1-year complimentary Corporate Membership of the Cuba Initiative which is worth £500.

One place will be guaranteed to each company at all core meetings, with spaces for additional company representatives dependent on availability. Meetings for additional company representatives may be organised outside the official programme in conjunction with the Cuban Chamber of Commerce.



Rodrigo Malmierca, Cuban Minister for Trade and Investment and Chair of the Cuban side of the Cuba Initiative; HE Dianna Melrose, former British Ambassador to Cuba; and Ian Taylor, former Chairman of the Cuba Initiative, at the 2011 Cuba Initiative trade mission



Reception at the British Ambassador's Residence in Havana for UK business delegates participating in the 2011 Cuba Initiative trade mission

About the Cuban Market

Cuba has significant economic potential with a population of over 11m people, a highly educated workforce of over 5m and a stable political environment.

Organisations such as the World Bank and the UN have estimated that in 2012 Cuba had a GDP of over US\$70bn and a GDP growth rate of 3%. At the end of 2014, President Raúl Castro announced that, although GDP growth for 2014 had been lower than expected – at 1.3% – due to lower than anticipated foreign income, adverse weather conditions and poor economic management, he expected a growth rate of 4% in 2015, with an economic plan that envisaged stronger growth through improvements in efficiency, revival of manufacturing, more efficient use of energy, and greater investment in infrastructure.

Cuba imported over US\$13bn of goods in 2013 and is heavily reliant on imports of food, oil, machinery and chemicals, with much of its imports coming from Venezuela and China. The country is keen to diversify its economic relations and to build closer trade and investment links with Europe.

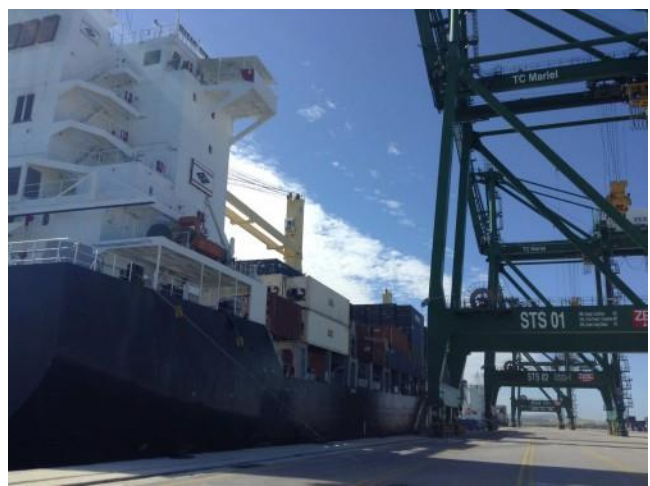
Cuba exported over US\$6bn of goods in 2013. Its main domestic produce for export include sugar, tobacco, coffee, minerals such as nickel, medicinal products from its leading biotechnology sector, and oil.

Levels of UK-Cuba trade are relatively low with the UK exporting to Cuba £25m in 2012 and £22m in 2013, and importing from Cuba £33m in 2012 and £105m in 2013.

There are a range of opportunities for UK businesses in Cuba including in: energy (oil and gas as well as renewables), mining, tourism, biotechnology, agribusiness, industry, manufacturing and transport. More information about these opportunities can be found below.



Building the railway to Mariel



Container port at Mariel

Opportunities by sector

ENERGY

There are opportunities for foreign investors both in oil and gas exploration as well as renewable energy. Renewable energy is a priority for the Cuban Government, which it sees as essential for modifying the energy matrix of generation and consumption of electricity, decreasing the inefficiencies in the electrical system and contributing to environmental sustainability. Some examples of projects include:

Name of project	Investment required	Description
Oil exploration in national territory shallow waters (8 blocks); Exclusive Economic Zone in the Gulf of Mexico (52 blocks); and on national territory (25 blocks)		To define the potential of oil and gas in these areas and in the event that this is positive, to start exploiting those energy resources. The market would firstly be domestic, then surplus for export. The Port of Mariel located in the Special Economic Development Zone of Mariel has conditions to be a logistical base for supporting offshore operations.
Generating Energy from Forestry Biomass	Macurije US\$32.3m Minas de Matahambre US\$14.4m	To build and set up plants to generate electricity (bioelectrical plants) in Macurije and Minas de Matahambre with capacity 7MWh and 3 MWh on the basis of the forestry biomass obtained from agro-industrial waste associated with exploitation of forest plantations, wood and marabu.
Maisi Wind Farm Project for 174 MW	US\$285m	To develop a project with regional scope to install a power of 174 MW, along the coastal strip of the Maisi Peninsula. For this purpose, to set up contiguous 4 wind parks (PE), developing 2 of 51 MW on the basis of 200 m of the coastline and the other 2 of 35 MW further inland and behind the first two.

There are also opportunities in the installation and operation of photovoltaic solar farms, the modernisation of hydroelectric plants, energy from waste/biogas and further biomass and wind projects.

MINING

The Cuban archipelago has a broad range of diversity in metal raw materials as well as industrial rock and minerals. At present 45% of national territory is organised into geological maps to the scale of 1/50,000 and 100% of Cuban land area has been geophysically surveyed by air.

The principal value of Cuban minerals is that they lie close to the surface and can be exploited in open pit mines at a relatively low cost.

The principal mineral metal resources include: iron (Fe), nickel (Ni), cobalt (Co), copper (Cu), lead (Pb), zinc (Zn), gold (Au), silver (Ag), manganese (Mn), tungsten (W) and chromium (Cr).

The Grupo Empresarial Geominsal has companies for developing geology and mining throughout the country which have a high level of experience in the sector: Empresa GeoMinera Pinar del Rio; Empresa GeoMinera Isla de la Juventud; Empresa GeoMinera Centro; Empresa GeoMinera Camagüey; Empresa GeoMinera Oriente; Empresa Minería de Occidente; Empresa de Ingeniería, Construcción y Mantenimiento; and Empresa Central de Laboratorios "José Isaac del Corral".

In the case of the nickel and cobalt industry the Grupo Empresarial Cubanique has two production plants and other companies that provide services to producers; some of these are mechanical products maintenance and construction, port services, employment agency, employee services, engineering research centre and others. Some examples of projects include:

Name of project	Investment required	Description
Geological investigation (Prospecting-Exploration) at risk in various deposits of Mica and Kaolin on the Isle of Youth	Estimated at US\$5.3m	The Isle of Youth has dozens of deposits of Cuban kaolin. Most have some degree of study, even some with resources assessed at high categories.
Exploitation, processing and commercialization of products obtained from the "Hierro Mantua" copper deposit, Mantua municipality of Pinar del Río.	US\$154.7m	Completion of technological studies and drawing up the Feasibility Study for the copper deposit in the Mantua zone in Pinar del Río. Projected production of 18,000 tons of 99.99% pure copper cathodes a year.
San Felipe Project, Camagüey Province	US\$59.7m for the first stage and a total project cost of between US\$4-4.5bn	Some 300 million tons of laterite nickel and cobalt mineral are deposited in this zone; it can be processed in order to obtain nickel and cobalt products for commercialization. The project's objectives include doing studies for the development and future exploitation of the deposit, including geological investigation, development of technology, elaboration of basic engineering and the Technical Economic Feasibility Study. Expected annual production of 50,000 to 60,000 tons of nickel and cobalt, metallurgical recovery: Ni: 88%, Co: 86%.

There are a range of other prospects which are outlined in the mining section of [Cuba's Portfolio of Foreign Investment Projects](#) p84-97.

TOURISM

Cuba is the largest island in the Caribbean with a vibrant tourism industry. In 2013, over 2.8m visitors arrived in Cuba and numbers have been increasing over the last few years. Daily income per client averaged US\$100, totalling over US\$2bn in 2013. A large proportion of visitors come from Canada, followed by the UK and other European countries such as France, Germany and Italy, as well as from Russia and Latin American.

With the gradual easing of US travel restrictions to Cuba, there is expected to an increase in demand for hotels and tourism-related facilities. As such there are many opportunities for business and investment in tourism and related industries. Some of these are outlined below.

Name of project	Investment required	Description
Real Estate Development associated with the Golf Course at El Faro/El Jagüey. Rancho Luna Pasacaballos Resort Area	US\$580m	Development of the Golf Real Estate Tourism Complex at the El Faro/El Jagüey Lot, Cienfuegos province on an area of about 517 hectares that will include 2 18-hole golf courses, 1 practice course, 1 Clubhouse, 2 5-star hotels with a total of approximately 240 rooms and Spa, 3,600 real estate units (360 houses or villas and 3240 apartments) for sale.
Real Estate Development associated with the Golf Course at Loma Linda	US\$380m	Development of the Golf Real Estate Tourism Complex at Loma Linda, Holguin province that will include two (2) 18-hole golf courses, one (1) practice course, one (1) Clubhouse, one (1) 5-star hotel with a total of approximately 170 rooms and Spa, 1,300 real estate units (400 houses or villas and 900

		apartments).
Management and Commercialization of 33 Hotel Facilities		At the close of 2013, 17 foreign companies were operating in Cuba, managing over 31,000 rooms through 64 Hotel Management and Commercialization Contracts. Other existing hotels are available for management contracts and will have the possibility of including financing by the managing foreign company for reconstruction of the facility.

Overall hotel capacity is more than 61,000 rooms. 65% of the rooms are under 4 and 5-star categories.

For further information about business opportunities in Cuba, please refer to the official government documents at the following links: [Business opportunities in Cuba Part 1](#); [Business opportunities in Cuba Part 2](#).

BIOTECHNOLOGY

Cuba has a leading biotechnology sector, with the pharmaceutical group, BioCubaFarma, made up of: 16 large manufacturing enterprises with 78 production facilities; 8 commercialising enterprises; 11 enterprises abroad; and establishments in all the provinces of Cuba. It has over 21,000 employees with advanced education levels.

Cuba is looking to expand this sector internationally by promoting projects in Cuba with strategic partners for the production of the finished forms and active pharmaceutical ingredients in generic medicines as well as the creation or enlarging of production capacities. Some opportunities are listed below:

Name of project	Investment required	Description
Vaccine production plant	US\$65m	Building a closed cycle plant to obtain bacterial vaccines from pathogenic micro-organisms, enteric vaccines, and vaccines based on external membrane protein, attenuated and conjugate vaccines. Some of the vaccines to be produced: cholera, meningococcal, meningococcal conjugate and salmonella variants, etc.)
Plant for oral solid medicines (tablets and capsules)	US\$100m	Building a plant to manufacture generic medicines in solid oral forms. Production plant to have a nominal capacity of 4500m tablets and 500m capsules per year.
Blood-based products plant	US\$160m	Building a production plant to process 100,000 liters of plasma a year, with yields of 18 gr to 23 gr of protein/liter of plasma. Incorporation via transference technology of producing Blood-Clotting Factor VIII and Factor IX.
Plant to produce injectable medicines	US\$160m	Building a production plant for injectable liquids, (Injectable ampoules, Injectable liquid bulbs, Pre-filled syringes). Installation plans are for a production capacity of 20 million ampoules per year, 20 million vials with liquid and lyophilized products and 10 million pre-filled syringes per year.

There are also opportunities in building plants for the production of homeopathic products, monoclonal antibodies, antiretroviral medicines, contraceptive products, measured dosage sprays, and oral penicillin-based antibiotics.

AGRIBUSINESS

There is a range of opportunities for investors in the agriculture sector given that: the country has 6.3m hectares of agricultural land yet only 2,640,000 hectares are being cultivated; domestic market potential according to import levels is around US\$1.9bn; and Cuba also has a good strategic position for access to Caribbean markets.

Cuba's leading agricultural products are: tobacco (cigars), citrus fruits, coffee, cacao, and honey.

Land ownership remains to a large degree in the hands of the State even though only 29.4% of the land is managed by state entities while 70.6% is managed by non-state formats such as Basic Production Units (UBPCs), Credit and Service Cooperatives (CCSs) and Agricultural Production Cooperatives (CPAs). Some of the projects available to foreign investors can be found below.

Name of project	Investment required	Description
Pig farming for commercialisation	US\$190m	Building and setting up facilities for the primary production of hogs, their slaughter and industrial processing, with vacuum-packing system, refrigeration chambers and freezers as well as genetic development, semen production and the production of 675,000 metric tons of balanced feed for the animals. The processing plant will have a capacity of 59 metric tons per day.
Plant for soy processing (refined oil factory)	US\$149m	Setting up a plant to mill 500,000 tons of soy beans per year in order to obtain 85,000 tons of refined oil and 375,000 tons of soy flour for animal consumption. Currently, both refined soy oil and soy flour production for animal consumption is below the country's level of demand.
Plant for development for producing top quality confectionary goods, candies, sherbets, sweet, salty, soda and cream biscuits and breakfast cereals with the emphasis on nutritional value	US\$15.3m	Setting up a plant to produce confectionary goods (sherbets, sweet, salty, soda and filled biscuits, candies and breakfast cereals, etc.)
Sugar mill production management (4 projects)	US\$40m for each project	The aim of investing in sugar mills is to recover production figures from the 1980s of around 90,000 tons of sugar on average or more, during at least 150 harvest days with a yield of 65 tons per hectare. The "Management" foreign partner would deal with finding the necessary financing and contribute with modern business administration tools and the necessary resources.

There are also opportunities in the production of vegetables, instant dry yeast, beef, grains, milk, peanuts, rice, shrimp, pasta, carbonated drinks and water, animal food for the domestic market and export.

MANUFACTURING AND INDUSTRY

The industrial sector is related to the production of bottles and packaging, recycling raw materials, manufacturing electronic equipment and electrical appliances, chemical products and its byproducts, medical equipment, textiles, clothing and accessories, hygiene products, perfumes and cosmetics, all of which will be helped by foreign investment in the aim of generating production linkage, allowing imports to be replaced and exports to be increased.

Cuban plans in the metal and recycling industry include association with foreign enterprises for items such as producing and commercialising long and special stainless steel products, car batteries and UPS, aluminium cans, metal structures as well as comprehensive solid urban waste handling systems. Some of the projects are listed below:

Name of project	Investment required	Description
Solid urban waste handling integrated system	US\$115m	The project's scope would cover the entire country and be carried out in stages. It will begin in the western area, specifically in La Habana province since its waste generation levels are estimated at 2,585.01 tons per day. The first priority would be to broaden the project and build similar plants in the centre and eastern parts of the island.
Production and Commercialization of Long Products made of Stainless Steel and Alloys	US\$222.5m	To create production capacities for long products made of stainless steel and alloys, basically directed to exportation, to a nominal capacity of 180,000 tons per year, by modernization and enlarging equipment in the Acinox Tunas steel plant and installing a new laminator to cover domestic demands and encourage exports.
Plant to manufacture radial tyres	US\$223m	Setting up a plant within the Mariel zone running on clean cutting edge technology to manufacture 1.2 million radial tires
Plant to manufacture aluminium cans	US\$40m	Setting up a plant within the Mariel zone running on clean technology to replace imports of aluminum cans for beverages (beer, soft drinks, malt drinks, juice, etc.) at levels over 600 million units per year.
Plant to manufacture air conditioning equipment	US\$15m	Setting up a plant within the Mariel zone running on clean cutting edge technology to manufacture air conditioning equipment for central systems, commercial and home air conditioning equipment and the production of parts
Plant to manufacture project for glass bottles for beverages	US\$70m	Setting up a plant running on clean technology to replace imports of glass bottles for beverages (beer, foods, rum), for medicines and food conserves, at over 210 million units yearly

There are also opportunities for foreign investment in the light industry, to modernise existing technology in order to develop products that will replace imports on a large scale such as those in the textile industry (footwear and garments), cleaning and cosmetics industry, glassware for the tourism sector, printing industry and other products such as paint, furniture and packaging.

TRANSPORT

Cuba has a broad-based transport infrastructure that includes road, rail, maritime-port and air and is currently being organised, modernised and technologically updated to improve the efficiency and the country's overall development.

Foreign investment is seen by the Cuban government as essential in modernising the country's roads, network of ports and airports, and transport services, all of which require technical improvement.

There is a growing domestic market for the transport of passengers and goods. Some of the projects available can be found below.

Name of project	Investment required	Description
Building, remodelling, naval operations and management of Astillero Casablanca	US\$34.8m	To provide naval repair and construction services; repairs and maintenance of fuel storage tanks; production of bottled oxygen and acetylene and technical services
Comprehensive Management of an Urban Transportation Base in Havana	US\$4.8m	To organise the services of the public transportation of passengers according to international operations standards, with suitable maintenance and repairs schedules and the necessary logistics system allowing for the proper yield of principal assets, fundamentally the transportation means and greater efficiency in management.
Comprehensive Management for a Base for Tourism Employee Transportation in the cays of the central region of Cuba	US\$9.5m	To organise transportation services for employees of the tourism industry who are working in the hotel network in the central cays region with proper maintenance and repairs schedules and the necessary logistics system allowing for the proper yield of principal assets, fundamentally the transportation means and greater efficiency in management.
Railway		The Cuban government has been looking at modernising and extending their railway system and so there may be opportunities for UK companies.

Cuba's Portfolio of Foreign Investment Projects

For further information and document with the full list of investment opportunities issued by the Cuban Government in November 2014, please click on the following link: [Cuba's Portfolio of Foreign Investment Projects](#)

About the Cuba Initiative



The Cuba Initiative was founded in 1995 in response to a request from the Governments of the United Kingdom and Cuba for an independent, bi-lateral, non-governmental body able to support and develop programmes that enhance the UK/Cuban relationship.

As such, the work of the Cuba Initiative complements the official UK/Cuban government-to-government relationship. The principal focus of the Cuba Initiative is on trade and investment.

The present Chairman of the UK-side of the Initiative is the Rt. Hon. Lord Hutton of Furness, who was an MP until 2010 serving in the last Government as Secretary of State for Business and then as Secretary of State for Defence. A parallel and similar body in Havana is chaired by Rodrigo Malmierca, Minister for Trade and Investment.

The Cuba Initiative seeks to enhance bilateral relations by facilitating for its members and others, regular meetings with Cuban ministers and officials; the exchange of delegations between ministries, governments and parliaments; the organisation of seminars and conferences; the dissemination of information; and the provision of services to a broadly based membership.

The Cuba Initiative fosters a closer economic, trade and investment relationship and to deliver a sustained increase in trade and investment in all sectors.

How to participate in the Mission:

*If you would like to participate in the Trade and Investment Mission to Havana, Cuba, being led by the Cuba Initiative's Chairman, Lord Hutton, please register your interest by emailing Catherine.hickey@caribbean-council.org or call +44 207 583 8739 by **27 March 2015**.*