



NOUVELLES ECONOMIQUES ET FINANCIERES

BULLETIN DE L'AMBASSADE DE SUISSE A CUBA

La Havane, le 31 octobre 2008

No. 5 - 2008

Septembre- Octobre 2008

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HURRICANES HIT HARD AND HURT CUBA'S CITRUS INDUSTRY

Source: Reuters, Marc Frank; September 11, 2008

Cuba's already hurricane and plague-damaged citrus industry took a hard hit from Hurricane Ike just one week after Hurricane Gustav felled fruit and damaged groves and processing plants, state-run media reported Thursday.

Workers rushed to salvage for processing and animal feed at least 50,000 tonnes of downed grapefruit ready or near ready for harvest, while tonnes of immature oranges were declared a total loss. "Once again citrus has been battered by a hurricane," the official daily Granma reported from the 23,000-hectare state-run Jaguey Grande orchard in western Matanzas province. "This time the storm felled 35,000 tonnes of grapefruit and around 3,500 tonnes of oranges," it said.

Jaguey Grande was devastated by Hurricane Michelle in 2001, Hurricane Dennis in 2005 and drought from 2005 through 2006. In June it reported serious problems with plague and disease. The picking season runs from late August through June, with grapefruit harvested into December and oranges after that. Category-four Gustav destroyed processing facilities and groves and wiped out the entire crop on the Isle of Youth less than two weeks ago, while felling tonnes of fruit in western Pinar del Rio and Havana provinces, the state-run media reported at the time.

Ike entered eastern Cuba Saturday, felling fruit, damaging trees and a processing facility in the entire eastern part of the country, according to local sources. It then moved along the entire length and breadth of the island, exiting in the west on Tuesday. In central Cuba, tonnes of fruit were downed in Ciego de Avila, where a processing plant reported only light damage.

The government reported a 2007 citrus crop of 469,000 tonnes, compared with more than 800,000 tonnes in 2004. Orange output was 302,000 tonnes in 2007, while grapefruit weighed in at 140,000 tonnes. The lime crop came in at 6,000 tonnes. Output from January through April of this year declined around 35 percent from with the same period in 2007, the National Statistics office recently reported.

In the 1980s Cuba was the world's biggest citrus fruit exporter, producing more than a million tonnes of mainly oranges and grapefruit on 120,000 hectares, most destined for the former Soviet Union. Today, 80 percent of the crop is processed into juice by five plants across the country, 5 percent exported fresh or sold to the tourism industry, and the rest used for domestic consumption, the Agriculture Ministry reported. The Jaguey Grande orchard, just east of Havana, accounts for around 60 percent of Cuba's citrus crop and 70 to 80 percent of all citrus exports.

STORM DAMAGE IN CUBA TOPS \$5 BILLION

Source: Miami Herald Staff, Frances Robles; September 16, 2008

Losses from two back-to-back hurricanes in Cuba that wiped out housing, crops, electrical lines, schools and hospitals from coast to coast will cost about \$5 billion, the Cuban government announced Tuesday. An approximately 3,000-word statement published in Tuesday's Cuban newspaper Granma marks the first time the Cuban government has quantified the nationwide damage of Hurricanes Gustav and Ike. The figures published paint a daunting figure for a nation that was already facing a housing crisis, low agricultural production and shortages of key materials.

- The government said more than 444,000 homes were damaged, 63,249 destroyed. The number is slightly lower than the figure released by the government over the weekend. That figure includes 120,105 homes damaged in the western province of Pinar del Río when Category 4 storm Gustav hit the region hard on Aug. 30.
- Pinar del Río lost 137 electrical towers, 4,500 electrical posts and 530 transformers.
- 100 percent of the Isle of Youth's electrical lines are down.
- 80 percent of the Isle of Youth's poultry was affected.
- 4,355 tons of food in warehouses and stores were lost.

- Western Cuba saw damage to 314 medical facilities, including 26 hospitals, 18 clinics and 191 doctors' offices.
- 1,160 schools were damaged, including 599 in Pinar del Río alone.
- Ike's Sept. 9 attack on eastern Cuba was nearly as brutal. Seven deaths were blamed on that hurricane, which also caused severe damage.
- Almost 80,000 acres of bananas were lost and 25,000 acres of other products.
- More than half a million chickens died, among them 100,000 were quickly sold to the public.
- 40,000 tons of sugar has to be reprocessed because it got soaked, and 1.2 million acres of cane are flooded.
- More than 2,500 schools are totally or partially damaged, mostly with damage to roofs and windows.

"You don't need statistics to tell you how bad it is," said Cuba expert Philip Peters, vice president of the Lexington Institute think tank in Virginia. ``I don't think we have a clear picture yet of how much aid Venezuela will provide, and how soon Cuba can find its way out of this."

LOS SUPERMERCADOS DE LA HABANA PRESENTAN PROBLEMAS DE ABASTECIMIENTO

Source: EFE; 16 de septiembre, 2008

Los supermercados de La Habana presentan problemas de abastecimiento en productos cárnicos y embutidos, después de que los huracanes Ike y Gustav causaran la pérdida de más de 5,300 toneladas de alimentos, según el ministro de Comercio Interior, Marino Murillo, citado por medios de comunicación oficiales.

Se salvaron otras 20,000 toneladas de productos de la canasta básica "por la acción de los trabajadores del sector", afirmó el ministro pero, hay escasez de alimentos. Esther Díaz dijo que viajó sin suerte desde Guanabacoa, pueblo situado al este de La Habana, hasta el centro de la ciudad, "rastreando perros calientes" y que pensaba seguir camino a las tiendas del oeste, ``que siempre están mejor surtidas".

La demanda de carnes, embutidos y pastas es alta en los mercados habaneros. El panorama oscila entre neveras vacías y el anuncio de la llegada gradual de nuevos surtidos. La situación varía de comercio en comercio, pues en algunos se anuncia la fecha de llegada de las mercancías, mientras en otros los dependientes no pueden dar una repuesta a los clientes sobre cuándo estarán disponibles. En una tienda de alimentos del barrio céntrico de El Vedado una empleada aconsejaba a varios compradores que no se molestaran en seguir caminando de tienda en tienda, ``pues todo está pelao".

En el centro de la capital la demanda se concentra en productos como pollo, salchichas y espaguetis pero, la oferta es pobre y muchas personas pasan de largo ante las neveras vacías o compran de mala gana paquetes de pavo o hígado. Otros hacen una fila inusual para entrar al área de productos congelados, como en el centro comercial de la calle Carlos III. Las enormes filas se repitieron también en panaderías y mercados agropecuarios en los últimos días. "Ha habido mucha demanda, colas, y los productos no han alcanzado, y ahora es que vamos recibiendo nuevos carros con mercancía", explicó a Arianna, empleada de un supermercado del barrio de Miramar. "No hay nada ahora, pero hemos surtido. Lo que pasa es que llega la gente y se lleva las cosas por cantidades, pero eso es normal después de un ciclón", dijo una cajera en un mercado del centro de La Habana.

ANALYSIS-STORM DAMAGE MAY SPEED CUBA REFORMS: ECONOMISTS

Source: Reuters, Marc Frank; September 16, 2008

Hurricanes Ike and Gustav largely spared Cuba's main economic engines while wreaking widespread damage to the island. But the communist government may have to speed up reforms to avoid public frustration during what is likely to be a slow recovery, local economists said. The storms in the last three weeks caused a minimum \$5 billion in losses, the government reported. They left 200,000 people homeless, destroyed buildings and crops and made a shambles of the communications and electricity grids.

"The \$5 billion represents around 10.5 percent of GDP (gross domestic product)," state-run television's top economic commentator, Ariel Terrero, said on Tuesday. "Last year the economy grew 7.5 percent, which means that in just 10 days this country lost more than everything it added to the economy last year," he said. The serious damage inflicted on sugar, tobacco, citrus and coffee might have been a death blow when they were the base for the Cuban economy in the 1990s, but the importance of those sectors has diminished as new economic foundations have been built.

These days, 74 percent of GDP and foreign exchange earnings come from services such as tourism and the sending of medical personnel to Venezuela and other countries. Nickel and pharmaceuticals have replaced old stalwarts such as sugar and cigars as the island's top exports. Of the new economic pillars, only nickel mining and processing took a direct hit, which came when Hurricane Ike made landfall in Holguin province. Nickel production has resumed and will gradually get back to full capacity the government said.

Tourism, drugs and services are centered mainly in Matanzas and in and around Havana, neither of which took head-on blows from Ike and Gustav. The country's oil industry, which produces half the fuel consumed in Cuba and is located in the same area, also escaped unscathed. Still, the bad news from the storms outweighs the good and may prod the government to launch economic reforms many have expected since Raul Castro formally replaced his ailing brother, Fidel Castro, as president in February, economists said.

EARLY CHANGES

Raul Castro came into office riding a recovery boosted by investment from socialist ally Venezuela and promising to improve people's "material and spiritual lives." He instituted several early reforms, such as freeing up the sale of computers and cell phones, but the promise of change was swiftly replaced by austerity measures as the rising costs of fuel and food imports depleted foreign reserves.

Now, with many people living in roofless homes and already stressed from two decades of hard times, Raul Castro may no longer have the luxury of time to implement change. "This is a before and after situation that will impact everyone and policy," a Cuban economist said, like others asking that his name not be used. "The people's expectations raised by Raul are dashed and now he must quickly react and produce concrete results." Since taking office Raul Castro has decentralized agriculture and granted local producers a bit more autonomy and land. He lifted wage caps in hopes of improving efficiency in an economy 90 percent dominated by the state.

"Plans to strengthen the economy suffered a serious setback (from the storms), but the situation may force the government to open up further to individual initiative and foreign investment," another Cuban economist said. "The storms left a solid base for recovery but the government must cut through bureaucratic delays and signal that it understands the need to act quickly before people lose patience," she said.

AIRE DE TRAGEDIA EN CUBA

Source: La Nación, Costa Rica; 20 de septiembre, 2008

Tras Ike y Gustav, los riesgos de un desastre humanitario son patentes. La índole del régimen conspira contra una recuperación que evite el colapso. El régimen cubano se ha vanagloriado, tradicionalmente, de su capacidad para movilizar a la población durante las arremetidas de los huracanes y, de este modo, salvar preciosas vidas humanas. Tiene razón. Gracias a la militarización de amplios sectores de la sociedad, al control vertical que ejerce el Estado sobre las personas y organizaciones, y a su capacidad de imponerse sin límites sobre la voluntad individual y social, el manejo logístico de la prevención ha sido, en general, muy eficaz: como conducir una pequeña guerra.

Pero, tras el éxito oficial en la llamada "defensa civil", que es un reflejo de la estructura militar, se esconde una debilidad fundamental: su mínima capacidad para la reconstrucción, reintegración y normalización de las actividades sociales y económicas tras los desastres naturales. Esta carencia, que es tan consustancial al sistema como su capacidad movilizadora puntual, parece a punto de adquirir características de tragedia tras el paso de los huracanes Ike y Gustav por la Isla, entre el 30 de agosto y el 9 de setiembre.

Se estima que 500.000 viviendas han sido destruidas o seriamente dañadas. Se han perdido alrededor del 60% de las cosechas. Los desplazados ascienden a centenares de miles. La infraestructura vial y eléctrica se ha visto seriamente diezmada, lo mismo que varias operaciones industriales; además, el turismo se ha reducido drásticamente. Según el Gobierno, el total de pérdidas podría llegar a \$10.000 millones, una quinta parte del producto interno bruto (PIB) estimado por la Comisión Económica para América Latina (Cepal).

Se trata de un demoledor saldo para cualquier país, pero peor aún en el caso de Cuba. Precisamente, debido al carácter controlador, totalitario y profundamente ineficiente de las estructuras socioeconómicas del régimen, no existen condiciones para una reconstrucción razonablemente rápida; tampoco, para una reactivación de la economía. Y a esto se añade la prepotente actitud oficial, de rechazar ayuda de Estados Unidos, con justificaciones estrictamente políticas, que se alejan de consideraciones humanas.

A pesar de sus excelentes condiciones para la agricultura, más de la mitad de las tierras cultivables cubanas están ociosas, debido a que no han existido ni organizaciones productivas adecuadas ni incentivos a los campesinos para que siembren más. Esta es la razón por la que el país debe importar un sorprendente 80% de los escasos alimentos que consume la población de casi 11,5 millones.

Raúl Castro, el nuevo controlador máximo, ha decidido apresurar la entrega de tierras en usufructo (no propiedad), con el propósito de estimular cultivos de ciclo corto, que permitan generar alimentos a corto plazo. Sin embargo, el proceso es sumamente engorroso, las solicitudes para otorgar parcelas tardarán entre 79 y 108 días para procesarse, y el 90% de los productos deberán ser vendidos al Estado, a los precios que este fije, todo lo cual reducirá cualquier posibilidad de reactivación productiva suficientemente rápida y significativa.

Para evitar hambrunas, será inevitable importar más alimentos, pero la generación de divisas para adquirirlos se ha reducido y la "solidaridad" internacional es totalmente insuficiente. A estos enormes problemas se unen el de un profundo deterioro en las condiciones sanitarias, sobre todo por la contaminación, fallas en el suministro de agua y electricidad, e incremento en el hacinamiento humano. La suma de todos esos factores es lo que levanta, con patente realismo, el espectro de una tragedia. El régimen podría evitarla si, de inmediato, impulsa un proceso amplio y valiente de apertura económica y social, al que siga la política, y se abre sin arrogancias a la ayuda externa. Hasta el momento, sin embargo, no parece en disposición de hacerlo, lo cual implica, ni más ni menos, que acumular presiones que podrían conducir al descalabro total.

RECONSTRUCCIÓN DE CUBA PODRÍA TOMAR AÑOS: ANALISTA

Source: El Universal, Sistema Nacional de Noticiarios del IMER; 23 de septiembre, 2008

Tras el paso del huracán Ike ya hay progreso en la reconstrucción de las zonas afectadas, "pero podrían pasar meses o quizás años para que Cuba vuelva a estar como antes", dijo la periodista Arleen Rodríguez. En Cuba ya hay progreso en la reconstrucción de las zonas afectadas por el huracán Ike, "pero podrían pasar meses o quizás años para que Cuba vuelva a estar como antes", dijo al IMER la periodista Arleen Rodríguez. Rodríguez, quien es coordinadora del programa Mesas Redondas que desde hace más de un lustro se transmite en la televisión cubana y que consiste en que académicos, artistas e intelectuales reflexionen rumbo a la posible transición o futuro del país, dijo que en las provincias como Olguín, Las Tunas, Camagüey, Pinar del Río o Isla de la Juventud en las que se perdieron más de 300 mil viviendas, "la situación tras el paso de los huracanes era dramática".

Rodríguez, editora de la revista "Tricontinental", actualmente realiza un reportaje de la situación en Isla de la Juventud y dijo que en esa localidad "las residencias de los estudiantes latinoamericanos, escuelas que habían durado más de 30 años, no resistieron el embate de los vientos que rebasaron los 300 kilómetros por hora". Esto, agregó Rodríguez quien ganó el premio de periodismo José Martí en 1993, no impidió que continuaran los cursos escolares en Cuba: "hasta en los lugares más devastados la gente ha brindado su hogar para que sirva de aula. En general todo mundo ha encontrado un espacio. Yo no puedo explicarte el milagro, pero se está dando". La periodista dijo que artistas, intelectuales y las fuerzas armadas se han involucrado en la reconstrucción, "todas las reservas del país se han dado a la gente. En Cuba no estamos viviendo las mismas condiciones que en Haití, aunque algunos medios se empeñen en contar la historia al revés".

CUBA SAYS MAY HAVE 20 BLN BARRELS OF OIL OFFSHORE

Source: Reuters, Jeff Franks; October 16, 2008

Cuban oil officials said on Thursday that Cuba may have more than 20 billion barrels of recoverable oil in its offshore fields, more than twice the maximum estimate of the U.S. Geological Survey. Such a large oil find would likely make Cuba an oil exporter and bring prosperity to the communist-run island that now imports half its energy needs. Officials said they hoped to drill the first production wells next year. The estimate, unveiled at a Cupapetroleo, or Cupet, news briefing, is sharply higher than the maximum of 9 billion barrels the U.S. Geological Survey has said may lie beneath Cuban waters.

Cupet exploration manager Rafael Tenreyro Perez said Cuba's estimate was higher because the Cubans had better information about their offshore geology. "We have more data. I'm almost certain that if they (U.S. Geological Survey) ask for all the data we have, (their estimate) is going to grow considerably." The U.S. agency has also said Cuba could have as much as 21 trillion cubic feet of gas, but Tenreyro said Cupet did not have an estimate for offshore gas reserves because they were too difficult to figure out.

Cuba's oil estimates are based mostly on comparisons to how much oil is being produced from similar geological structures off the coasts of Mexico and the United States, Tenreyro said. Cuba has undersea geology "very similar" to that in Mexico's giant Cantarell oil field in the Bay of Campeche, he said. Tenreyro said he expected the first production well to be drilled in mid-2009 and that several more wells could be started before next year is through. A consortium of companies led by Spanish firm Repsol <REP.MC> did earlier test wells and is expected to drill the first production well, which had been postponed from this year because of the difficulty of getting a drilling rig, Tenreyro said.

PRODUCTION-SHARING

High oil prices have prompted more drilling activity worldwide and made rigs very expensive and hard to find, he said. Even if drilling begins next year as planned, Tenreyro said it would be two to three years before oil actually began to flow into the market. Cuba has signed production-sharing contracts with oil companies from around the world to drill its offshore fields.

There are no U.S. companies involved because of the U.S. trade embargo imposed on Cuba since 1962 that prevents them from doing business with the island. Brazil's Petrobras <PETR4.SA>, which has years of deepwater-drilling experience, has been negotiating with Cuba for rights to exploit one of its offshore blocks, but Tenreyro said a deal had not been struck. "We hope to have good news soon," he said.

Tenreyro said Cuba was currently producing about 60,000 barrels of oil and 20,000 barrels equivalent of natural gas daily from onshore wells scattered mostly along its northern coast. He said that production covered almost 50 percent of Cuba's daily energy needs. The island imports about 90,000 barrels a day from oil-rich socialist ally Venezuela in exchange for the services of thousands of Cuban doctors.

Cuba is stepping up the pace of onshore drilling and is conducting a pilot project to increase secondary recovery from the aging Varadero field that has been Cuba's primary field since the 1970s, he said. Secondary recovery involves pumping gas into old wells to force out what is left of the oil.

REPSOL, PARTNERS TO DRILL SECOND WELL OFFSHORE CUBA IN APRIL 2009

Source: Platts, Leslie Moore Mira; October 21, 2008

Spanish-owned Repsol and its partners plan to begin drilling a second well offshore Cuba in April 2009, a Repsol spokesman said Tuesday. Partners, including India's ONGC Videsh Limited (OVL) and Norway's StatoilHydro, have teamed up with Repsol in the region and have been drilling for the past year in one well offshore Cuba, known as Jaguey, which is about 1,800 meters deep, Repsol's Kristian Rix said.

The three partners have held an exploration license for Jaguey since 2005, and will hold it through next year, Rix said. Repsol holds a 40% stake in its Cuba drilling venture, with OVL and StatoilHydro each holding a 30% stake. Rix said he had no details on comments attributed last week to Cuba's state-owned oil company Cupet that the island nation had 20 billion barrels of recoverable oil in its offshore fields. "We don't have these figures...We can't confirm them," Rix said.

CUBA'S OIL ESTIMATES DOUBLE, ON PAR WITH US RESERVES

Source: Newstex; October 19, 2008

Cubapetroleo, the state-run oil company has revealed that the country may have more than 20 billion barrels of oil in offshore fields. From BBC News - Cuba's oil estimates have doubled following the inclusion of offshore fields ripe for drilling.

Cubapetroleo's exploration manager Rafael Tenreyro Perez said that drilling would start in the middle of 2009. Cubapetroleo's estimates are derived from the data extracted from geographically similar oil reserves found off the coasts of the US and Mexico. According to the company, Cuba's undersea geology is "very similar" to the vast Mexican Cantarell and Poza Rica oil fields. Recent estimates by the US Geological Survey indicate that only 9 billion barrels of oil lie within Cuba's portion of the Gulf of Mexico. Tenreyro, however, believes his company has a better knowledge of Cuba's offshore geology. At a news conference in the capital Havana, he said: "I'm almost certain that if [USGS officials] ask for all the data we have, their estimate is going to grow considerably." If the estimates prove true, Cuban oil reserves will rival that of the US (with 21 billion barrels) and will be double that of Mexico's 11.7 billion barrels. Cuba currently produces 60,000 barrels of oil a day.

CUBA OIL CLAIMS RAISE EYEBROWS IN ENERGY WORLD

Source: Reuters, Jeff Franks; October 24, 2008

Cuba's announcement last week that its still untapped offshore oil fields may hold more than 20 billion barrels of oil has raised eyebrows among outside oil experts who say the big number is hard to believe but not out of the realm of possibility. Skip related content they said Cuba has excellent geologists, but they would like to see the findings verified by independent experts who have no stake in the Caribbean island's oil future.

Potential reserves of 20 billion barrels or more would put Cuba in the big leagues of world oil producers and bring new prosperity to the communist-run island that imports more than half its energy needs. The island, working with foreign partners, produces 60,000 barrels of oil a day, all of it from wells based onshore and most of them along Cuba's northern coast, said Rafael Tenreyro Perez, production manager at the state oil monopoly Cubapetroleo, or Cupet.

The oil world has generally assumed that Cuba's offshore fields, mostly in the Gulf of Mexico, may contain around 5 billion barrels of oil and 10 trillion cubic feet (283 billion cubic metres) of natural gas, based on a study by the U.S. Geological Survey. The USGS said those numbers were the mean of estimates that went no higher than 9 billion barrels of oil and 21 trillion cubic feet (595 billion cubic metres) of gas. But Tenreyro said Cuba's oil potential was much higher.

Speaking only about an oil belt north of the island, he told reporters on October 16 "this belt now has resources, calculated not hypothetical, of more than 20 billion barrels." They are the reserves. That could be multiplied several times," Tenreyro said.

EXTENDING NORTH

The geology of the oil belt extends to a basin further north where much larger structures hold the promise of oil, he said. "The effect of the (belt) is reflected in this zone in the presence of enormous structures -- enormous," Tenreyro said. "Here we're talking about structures of 80, 100, 120 square kilometres. Therefore, the reserves multiply practically several times and the resources, too."

Further out in the Gulf, Tenreyro said, there were structures that were part of the same geological formations off of Mexico and the United States that had produced giant finds such as Mexico's Cantarell and Poza Rica fields. All these "geological elements" indicate "that we are talking about a new oil province -- an oil zone that has not been drilled nor has it been touched," he said. The potential is there, Tenreyro said, for "giant and super giant oil fields." "The perspectives are very important," he said. "This is not a game."

Jorge Pinon, an expert on Cuban oil at the University of Miami, said there was room for doubt because Cuba was basing its claims on comparisons with other geological formations in the world, not on data from actual wells. "Where is it coming from? The number is very far-fetched," he said. "I have to question it because of the methodology." "Cupet is not an independent source. That's just like Exxon or anybody else selling their own product -- you have to have an independent source that comes in and evaluates it," Pinon said. Only one test well has been drilled in Cuban waters, that by a consortium led by Spanish-based Repsol. Tenreyro said Repsol plans to drill another well in mid-2009 and that if it goes as hoped, Cuban oil could be flowing into the market in three to four years.

EMBARGO PROHIBITS ACCESS

Christopher Schenk, who led the USGS study of Cuban oil, praised Cuba's geologists as "really good" and said the Cuban estimates could be correct but "you'd like to see how they did it."

Tenreyro said that Cuba's numbers were much higher than the USGS estimates because "we have more data."

He said if the USGS had Cuba's information, they would raise their numbers, but Schenk said the U.S. trade embargo against Cuba prohibited him from getting access. "I cannot even send e-mail down there," Schenk said. Another Cuba oil expert, Jonathan Benjamin-Alvarado at the University of Nebraska at Omaha, said, "I trust they (Cuba's) are legitimate claims, but they must be verified."

If Cuba's findings are borne out, pressure will rise in the oil-hungry United States to ease the trade embargo so U.S. oil companies can get a piece of the Cuban action, he said. "Does that necessarily imply that the embargo is lifted? No is my short answer," Benjamin-Alvarado said. But he said "we may see the interim development of an "embargo-lite" -- lifting "some export controls on oil technology and project management knowledge." At present, Cuba has leased onshore and offshore exploration blocks to a variety of companies, none of them American.

EXPERTOS EN PETROLEO DISCUTEN ANUNCIO SOBRE RESERVAS CUBANAS

Source: Reuters, Jeff Franks; October 24, 2008

Expertos de la industria del petróleo tomaron nota del anuncio de Cuba de que sus reservas marítimas podrían contener más de 20.000 millones de barriles, pero dijeron que hace falta una verificación independiente. Los analistas dicen que Cuba tiene excelentes geólogos, pero quisieran ver sus hallazgos confirmados por especialistas que no tengan intereses en el futuro petrolero de la isla caribeña.

Unas reservas potenciales de 20.000 millones de barriles o más situarían a Cuba en las grandes ligas de los productores mundiales de petróleo y llevaría nueva prosperidad a la isla de Gobierno comunista, que importa más de la mitad de los recursos que necesita para cubrir sus necesidades energéticas. La isla, que trabaja junto a socios extranjeros, produce actualmente 60.000 barriles de petróleo al día, provenientes de sus plataformas en tierra firme y la mayoría de ellas se ubica junto a la costa norte cubana, dijo el director de producción de Cubapetróleo, Rafael Tenreyro-Pérez.

El mundo petrolero generalmente ha asumido que las reservas mar adentro de Cuba, en su mayoría ubicadas en el Golfo de México, podrían contener cerca de 5.000 millones de barriles de petróleo y 10 billones de pies cúbicos de gas natural, de acuerdo a un estudio de la Inspección Geológica de Estados Unidos. La Inspección dijo que esas cifras son el promedio de estimaciones que no superan los 9.000 millones de barriles de petróleo y los 21 billones de pies cúbicos de gas natural. Pero Tenreyro-Pérez dijo que el potencial de petróleo cubano era mucho más grande. Refiriéndose sólo al cinturón petrolero del norte de la isla, el funcionario dijo el 16 de octubre: "Este cinturón ya tiene recursos calculados, no hipotéticos, por más de 20.000, exactamente 21.000 millones de barriles". "(Estas) son las reservas. Eso podría multiplicarse varias veces", agregó Tenreyro-Pérez.

La geología del cinturón petrolero se extiende a una cuenca más al norte, donde estructuras mucho más grandes podrían contener más reservas de petróleo, según explicó el funcionario de Cubapetróleo. "El efecto del cinturón se refleja en esta zona en la presencia de estructuras enormes. Aquí estamos hablando de estructuras de 80, 100 y 120 kilómetros cuadrados. Por lo tanto, las reservas se multiplican prácticamente varias veces y los recursos también", señaló el funcionario.

Sin embargo, el experto en petróleo cubano Jorge Piñón, de la University of Miami, dijo que hay espacio para la duda, debido a que Cuba está basando sus anuncios en comparaciones con otras formaciones geológicas del mundo, no en datos provenientes de pozos ya explotados. "¿De dónde viene la información? La cifra es muy inverosímil", declaró Piñón. "Debo ponerla en duda debido a la metodología usada", agregó. "Cupet no es una fuente independiente. Eso es como si Exxon o cualquier otra empresa vendiendo su propio producto. Tienes que tener una fuente independiente que vaya y lo evalúe", dijo.

Un consorcio liderado por la petrolera española Repsol-YPF <REP.MC> hizo en el pasado las únicas pruebas de exploración en aguas cubanas. Tenreyro-Pérez dijo que Repsol-YPF planea perforar otro pozo a mediados del 2009 y que, si todo sale como se espera, la producción en línea comenzaría en tres o cuatro años. Christopher Schenk, que dirigió el estudio de la Inspección Geológica de Estados Unidos sobre el petróleo cubano, elogió a los geólogos de la isla de "realmente buenos" y dijo que sus estimados podrían ser correctos, pero que "le gustaría ver cómo lo hicieron".

Tenreyro-Pérez dijo que el cálculo cubano es mayor que el de Estados Unidos porque "nosotros tenemos más datos". El especialista dijo que si la Inspección estadounidense dispusiera de la información que tiene Cuba, sus cálculos también aumentarían. Pero Schenk dijo que el embargo comercial de Estados Unidos contra la isla le prohíbe tener acceso. "Ni siquiera puedo enviar un mensaje de correo electrónico" a Cuba, dijo Schenk. Jonathan Benjamin-Alvarado, otro experto en petróleo cubano en la University of Nebraska, dijo que "confía en que ellos (los cálculos cubanos) son legítimos, pero deben ser verificados".

CUBA TO TRIPLE OIL REFINING WITH VENEZUELA ALLY

Source: Reuters, Marc Frank; October 28, 2008

Revolutionary allies Cuba and Venezuela will pour billions of dollars into downstream oil projects in Cuba with the goal of tripling its refining capacity to 350,000 barrels per day (bpd) by 2013, Cuban state-run radio said on Tuesday, citing the country's Basic Industry Minister.

Minister Yadira Garcia's announcement came despite falling oil prices which are expected to slow Venezuela's plans to build around a dozen refineries in the region. But oil-rich Venezuela is expected to prioritize Cuban investments in Cuba, which currently has the capacity to refine 130,000 bpd, local experts said. Garcia said the two countries planned to build a new refinery in central Matanzas province in addition to expanding a joint venture refinery in central Cienfuegos province and doubling the capacity of a refinery in eastern Santiago de Cuba.

The Cienfuegos refinery, opened a year ago, is producing 65,000 bpd, with plans to eventually produce 150,000 bpd and feed a series of joint venture petrochemical industries at a cost of \$3.6 billion. Investment in the refinery expansion in Eastern Cuba, begun earlier this year with the goal of reaching 50,000 bpd, was recently put at \$850 million by Venezuela. Garcia's announcement of plans to build a refinery in Matanzas was the first made in Cuba, though it was previously announced in Venezuela with a capacity of 150,000 bpd and price tag of \$4.3 billion.

Cuba consumes a minimum 150,000 bpd of petroleum products, of which up to 92,000 bpd comes from Venezuela. The rest is pumped from the northwest coast along with natural gas for power generation. Under President Hugo Chavez, Venezuela has become a close ally of Cuba which is an enthusiastic supporter of Chavez's regional integration proposal, the Bolivarian Alternative for the Americas, aimed at countering U.S. influence in the region.

As part of bilateral integration efforts, Venezuela is revitalizing Cuba's downstream operations and plans to use the island as a bridge to supply the Caribbean with crude and derivatives with preferential financing. The increased refining capacity would also be in place to process increased Cuban production if drilling in its Gulf of Mexico waters, scheduled to begin next year, proves fruitful. In addition to the Cienfuegos refinery, the two countries have formed joint ventures to operate a Soviet-built supertanker port on the northern coast, a cross-country pipeline from the port to the refinery, and a joint tanker company to move petroleum products in the Caribbean.

SHERRITT PROFIT HIGHER; PLANS SPENDING CUTS

Source: Reuters, Susan Taylor; October 29, 2008

Sherritt International Corp <S.TO>, a Canadian miner and energy producer, posted sharply higher third-quarter profit on Wednesday as strong results from its energy unit and one-time gains more than offset a sharp drop in nickel prices. But the company said it would suspend expansion work and cut spending due to weak market conditions.

Sherritt earned C\$133 million (\$105.5 million), or 45 Canadian cents a share, up from C\$65.4 million, or 28 Canadian cents a share, in the same period a year ago. Analysts polled by Reuters had expected 22 Canadian cents a share. The Toronto-based company, which has power, oil, metal and hotel investments in Canada, Cuba and Madagascar, said revenue rose 58 percent to C\$477.2 million.

Sherritt said it will suspend about C\$270 million in capital contributions to expansion work at Moa nickel operations in Cuba and its Fort Saskatchewan nickel refinery. It will also launch a review of its Ambatovy nickel project in Madagascar to rethink schedules and try to reduce costs. The company said it is targeting a 15 percent cut in forecast operating costs and plans a "significant reduction" in forecast capital spending in 2009. (\$1=\$1.26 Canadian)

CUBA Y BRASIL REFORZARÁN COOPERACIÓN CON VISITA DE LULA A LA ISLA

Source: Reutersr; October 30, 2008

Cuba y Brasil reforzarán sus lazos de cooperación con la visita el jueves del presidente Luiz Inácio Lula da Silva a La Habana, donde firmará un acuerdo para incorporar a la estatal Petrobras a la exploración petrolera en aguas de la isla, dijo la prensa oficial. Lula será recibido oficialmente por el presidente de Cuba, Raúl Castro, dijo Granma, el diario del gobernante Partido Comunista. "Durante la visita se firmará un contrato de participación en la producción de hidrocarburos entre Cubapetroleos y la filial Petrobras Middle East B.v., de Petrobras (...)", dijo el diario oficial.

También el mandatario brasileño inaugurará en la capital cubana la sede de la Agencia de Promoción de Exportaciones e Inversiones de Brasil, APEX. Esta es la segunda visita de Lula a Cuba este año, después de que enero viajó a La Habana para suscribir varios acuerdos de cooperación bilateral. La visita del presidente brasileño a la isla se realizará "con el propósito de expresar la solidaridad de Brasil al pueblo y Gobierno de Cuba, tras los daños causados por los huracanes Gustav e Ike", dijo Granma. Según el Gobierno cubano, ambos huracanes causaron pérdidas por alrededor de 5.000 millones de dólares.

FOOD & AGRICULTURE

CUBA SCRAMBLES TO SAVE STORM-RAVAGED COFFEE CROP

Source: Reuters, Marc Frank; September 11, 2008

Cuba began moving students and workers into eastern Cuba's mountains on Thursday to clear roads and coffee plantations of trees and save what it could of the crop hit hard by Hurricane Ike this week, state-run media said. "Brigades of forestry and agricultural workers, supported by mountain road repair crews, are working to clear access to plantations and trees that have fallen on the coffee plants," the official daily Granma said. Ike slammed into Eastern Holguin Province on Saturday as a powerful Category 3 Hurricane, its winds covering eastern Guantanamo, Granma and Santiago de Cuba provinces as well, home to 85 percent of the crop. Torrential rains followed for four days, washing away fallen beans and causing serious flooding that cut mountain roads.

Local media reported at least a tenth of the crop on the ground, and a similar amount in need of immediate picking, but camps for the thousands of students who harvest the crop and the rest of the infrastructure were seriously damaged. "Many local producers are trying to save what they can of the fallen beans, while working to repair damage to 44 student camps, 32 coffee processing plants, dryers and lunch rooms," Granma said of Guantanamo province.

Cuba produced a record low 4,200 tonnes of semi-processed coffee the previous harvest and said output would increase by 30 percent this year. The height of the picking season runs from September into December. "Coffee doesn't wait. When it matures it has to be picked a bean at a time," agricultural worker Marcelino Herrera said in a telephone interview from the mountains in Santiago de Cuba. "Imagine, with so much rain just as the harvest was getting under way, how much coffee has ripened -- and with no one to pick it, we are going to lose a lot," he said.

Around 10 percent of Cuba's coffee comes from the mountains of central Cuba, also hit by Ike as a Category 1 hurricane, and days of rain and flooding. There were no comprehensive damage reports from the area, which produces Cuba's best-quality coffee, mainly for sale to Japan. Communist Cuba's 35,000 growers, in exchange for low-interest government credits and subsidized supplies, must sell all of their coffee to the state at prices well below what the beans fetch on the black market. Local analysts said the system led to low production and the diversion of 10 to 20 percent of the crop.

CUBA BEGINS LEASING LAND IN KEY RAUL CASTRO REFORM

Source: Reuters, Marc Frank; October 9, 2008

Communist Cuba has begun leasing land to private farmers, cooperatives and state companies for the first time in decades in a step forward for one of President Raul Castro's main economic reforms, official media said this week.

The move could not come at a better time, local economists said, as the country struggles with food shortages after hurricanes Ike and Gustav devastated crops last month. "First parcels of vacant land handed over in Granma" said a headline in Demajagua, the Communist party newspaper for the southeastern province of Granma. The report was the first mention in Cuba that land has actually been turned over since the plan was announced in July and applications were opened in September. The weekly paper said 33 parcels totaling 350 hectares (865 acres) were leased to farmers, cooperatives, individuals and other entities.

Demajagua said applications had been submitted for 61,808 hectares (152,725 acres) of the 76,675 hectares (189,461 acres) of state lands in Granma. There has been no announcement at the national level that handovers have begun and it is not clear if the process has started in other provinces. Farmers in central Camaguey province told Reuters they had been advised that land leases there would begin within a few weeks.

The handovers are the latest of several limited reforms implemented by Castro to try to make Cuba's state-run economy more productive since he formally replaced his ailing brother, Fidel Castro, as president in February. Raul Castro's broadest reform has been in agriculture, where he has decentralized decision-making, reduced bureaucracy and increased prices to raise food production in the import-dependent nation. Getting more land into the hands of private farmers, who have been more productive than state farms, is a key part of his plan.

CROP DAMAGE

The issue has become more critical in recent weeks after hurricanes Gustav and Ike destroyed 30 percent of Cuba's crops when they struck a month ago. A decree law issued in July said private farmers who have shown themselves to be productive can increase their current land to a maximum of 40 hectares (99 acres) for a period of 10 years. The deal can be renewed.

Cooperatives and state farms also can request additional land to work for 25 years, with the possibility of renewing for another 25, according to the law. It did not specify how much more land the cooperatives can get. The Cuban state owns more than 70 percent of arable land, of which more than 50 percent is fallow.

For many years the government has leased land to individuals who want to farm for the first time, but balked at doing the same for private farmers and cooperatives, by far the country's most productive. The state-run National Information Agency said 5,692 land applications have been submitted in Granma, but figures for the entire country were not available. The process of handing over lands will take time because of the need to do land surveys and other issues, a local official told Demajagua.

CUBA PLANTARÁ SOJA CON APOYO BRASILEÑO

Source: AP; 27 de octubre, 2008

Cuba realizará plantaciones experimentales de soja en terrenos tradicionalmente utilizados para el cultivo de caña de azúcar, anunció el martes la Empresa Brasileña de Pesquisa Agropecuaria (Embrapa), que apoyará el proyecto. Según un comunicado de Embrapa, los cultivos de soja comenzarán en 2.000 hectáreas en la provincia de Ciego de Ávila y pretende alcanzar 40.500 hectáreas a largo plazo, con una productividad de entre 1 y 3 toneladas de granos por hectárea.

En el próximo mes comenzarán los experimentos con 20 variedades de la oleaginosa, según lo establecido en un acuerdo de Embrapa y la Agencia Brasileña de Cooperación con los ministerios cubanos de Industria Alimentaria y de las Fuerzas Armadas Revolucionarias. El acuerdo de cooperación entre Cuba y Brasil contempla también la capacitación del personal cubano involucrado en el proyecto. Al respecto, el investigador brasileño Antonio García comentó que el aprendizaje en los laboratorios de Embrapa permitirá a los técnicos cubanos aprender sobre la calidad de las semillas y determinar cuáles variedades de soja se adaptan mejor a las condiciones de la región de Ciego de Ávila.

SUGAR

CUBA REPORTS 90,000 HECTARES OF SUGAR CANE DAMAGED

Source: Reuters, Marc Frank; September 10, 2008

Hurricane Ike flattened 90,000 hectares of Cuban sugar cane and ripped off 100,000 pieces of roofing from infrastructure when it churned along the island for two days this week, the Sugar Ministry said on Wednesday.

A brief preliminary damage report read on state-run radio said another 6,000 hectares were under water and workers and farmers were out salvaging what they could. Cuba harvested 330,000 hectares of cane during the 2008 harvest, producing almost 1.5 million tonnes of raw sugar. There are 700,000 hectares devoted to sugar cane in the country.

"When wind flattens cane there is a big effect on yields," retired sugar worker Carlos Guevara said in a phone interview from Eastern Holguin. "We are screwed. There is going to be a big impact because the storm hit hard the most important sugar provinces like Holguin, Las Tunas and Camagüey," he said. The ministry in July said the 2009 crop would increase by 25 percent to 30 percent over 2008. "I worked in sugar for 40 years and you can forget any increase for the next harvest. With luck we might equal 2008, but I doubt it," Guevara said. Cuba consumes a minimum 700,000 tonnes of sugar per year, and 400,000 tonnes are destined for China.

CUBA SAYS ENTIRE SUGAR CROP AFFECTED BY HURRICANES

Source: Reuters, Marc Frank; September 15, 2008

Cuba's entire sugar crop was flattened and flooded by Hurricanes Ike and Gustav this month, according to a preliminary government report on the two storms damage to the country, broadcast by state-run television on Monday. "There were 156,600 hectares of cane flattened and 518,879 flooded," the report said.

Cuba harvested 330,000 hectares of cane during the 2008 harvest, producing almost 1.5 million tonnes of raw sugar. There are 700,000 hectares devoted to sugar cane in the country. The harvest is still three months away and flattened cane often recovers with some loss in yield, while flooded cane needs to be drained within two weeks to avoid significant losses. The report, read on the evening news, did not indicate how much of the flooded area had been drained.

Hurricane Ike passed over the entire island a week ago, followed by 24 to 48 hours of rain and extensive flooding. Gustav hit the westernmost part of the country the week before. The preliminary report on the two storms put damages at around \$5 billion and said 200,000 people lost the roofs over their heads. On the sugar industry the report said a little over 3,000 hectares of newly planted cane was lost and some 40,000 tonnes of stored sugar was soaked and would be refined again.

The Sugar Ministry said at the weekend at least 115 mills and factories were damaged, especially roofs, and 150 railway facilities and 132 warehouses. The Sugar Ministry also reported at least 430 miles (700 kilometers) of plantation roads were washed out and 14 rail and highway bridges linking plantations to mills. The ministry in July said the 2009 crop would increase by 25 percent to 30 percent over 2008. Cuba consumes a minimum 700,000 tonnes of sugar per year, and 400,000 tonnes are destined for China.

CUBAN SUGAR RECOVERY DEALT BIG BLOW BY IKE AND GUSTAV

Source: Reuters, Marc Frank; September 167 2008

The Cuban sugar industry's fledgling recovery from years of decline was dealt a huge blow by Hurricanes Ike and Gustav this month, according to the most recent damage reports from the ministry. Just as the industry prepared to increase output up to 30 percent after this year's 24 percent gain to 1.5 million tonnes, the storms set back the effort that has included large investments and the sugar minister working in the fields just about every Sunday for three years.

"One hundred and sixty industrial installations were effected, from mills to derivatives plants and major repair shops," Vice Minister Gustavo Rodrigues said in a presentation on state-run television Tuesday evening. Rodriguez said six mills were seriously damaged, including the Antonio Guiteras mill in Holguin province, where Ike first hit, Cuba's largest with a 100,000 tonne capacity. "Cane was also affected, with 190,000 hectares flattened and 108,000 hectares flooded," Rodriguez said.

Cuba harvested 330,000 hectares of cane during the 2008 harvest. There are 700,000 hectares devoted to sugar cane in the country. The harvest is still three months away and flattened cane often recovers with some loss in yield, while flooded cane needs to be drained within two weeks to avoid significant losses.

DAMAGE REPORTS VARY

Over the last week, the amount of flattened cane and industrial damage reported has increased, while data on flooded cane varied widely up to 500,000 hectares. Cuba's top sugar reporter Juan Varela Perez said in the official daily newspaper Granma on Wednesday that around 700 miles (1,575 kilometers) of plantation roads and their links to mills were damaged, twice the figure previously reported, along with damage to railway lines and bridges.

He said close to 4,000 hectares of newly planted cane were destroyed as well as work done on nearly 7,000 hectares to prepare it for sowing. "Never before has the sector faced such a huge challenge in industry and agriculture," he wrote. When Cuba downsized the industry by 60 percent in 2003 and 2005 it set the goal of raising average yield from 21 tonnes of cane per hectare to a minimum 54 tonnes. The average yield was 28 tonnes in 2006, 36 tonnes in 2007 and just over 40 tonnes per hectare this year. Cuba consumes a minimum 700,000 tonnes of sugar per year, and 400,000 tonnes are destined for China. The country usually signs export contracts in October.

CUBAN SUGAR MINISTER SEES 1.5 MLN TONNE HARVEST

Source: Reuters, Marc Frank; October 13, 2008

Cuba's sugar minister said at the weekend the coming sugar harvest would be similar to the previous one, around 1.5 million tonnes of raw sugar, despite damage inflicted by hurricanes, state-run media reported on Monday. "The recovery in the sugar sector in Cuba guarantees the coming harvest will reach at least an output similar to the last one," Minister Ulises Rosales del Toro was quoted as stating in central Sancti Spiritus province as he joined workers in the fields to plant cane on Sunday.

Hurricanes Gustav and Ike struck Cuba in a 10-day period starting Aug. 30, blowing off roofs and causing other damage to just about every mill in the country. The Sugar Ministry said at the time 190,000 hectares of cane were flattened and 108,000 hectares flooded. "Before the storms, conditions existed to increase output 20 percent to 30 percent, nevertheless we can still have a harvest superior to the previous one, not so much in terms of volume of cane but efficiency," the weekly trade union newspaper, Trabajadores, quoted the minister as stating.

Rosales del Toro, in his first statement since the storms hit, said resources were already present in the country to repair mills, which was not the case during the previous harvest. He expected all but two mills to open on schedule, beginning in December. The industry is run by the state. The minister said five of 13 sugar-producing provinces sustained particularly heavy damage.

Those would be Holguin, Las Tunas, Camaguey, Ciego de Avila and Pinar del Rio, which accounted for some 45 percent of the previous crop. Cuba harvested 330,000 hectares of cane during the 2007-2008 harvest, producing 1.5 million tonnes of raw sugar. There are 700,000 hectares devoted to sugar cane in the country. The harvest runs from December into May. Cuba consumes a minimum 700,000 tonnes of sugar per year, and 400,000 tonnes are destined for China.

INVESTMENTS

COMPANIES PAYING PRICE FOR CUBA DEALINGS. DENVER BUSINESS JOURNAL

Source: American City Business Journals Inc, Renee McGaw; September 2, 2008

Two Colorado companies have been caught recently in a tightening U.S. government net around communist Cuba — a reminder of a nearly 50-year-old economic embargo that's often easy to overlook.

Platte River Associates of Boulder, which makes geologic modeling software used by oil and gas companies, and Denver-based RMO Inc., which makes orthodontic equipment, have been accused of violating the embargo on the Caribbean island nation. Platte River is facing federal criminal charges. RMO, also known as Rocky Mountain Orthodontics, paid a \$941 penalty earlier this year. But despite the government's tough stance on Cuba, some Colorado business leaders are hoping to strengthen trade ties there.

Jim Reis, president of World Trade Center Denver, has been trying to organize a trade mission to Cuba for Colorado politicians and business people in the agricultural and medical industries — the two areas that are exempt from the embargo — for roughly the last three years. He still hopes to organize a trip by spring 2009. "I'm still hoping to get it together, although obviously not until after the election," Reis said. "It's not fair to ask a politician who's running for office to join a trade mission to Cuba. Some people have strong feelings about that." Although he hasn't spoken to Gov. Bill Ritter yet, Reis hopes Ritter would join a delegation.

The United States has imposed trade and travel restrictions on Cuba since the early 1960s, shortly after Fidel Castro came to power. Castro stepped aside earlier this year, and his brother Raul is now president. But the embargo remains. Penalties for breaking it range up to 10 years in prison, \$1 million in corporate fines and \$250,000 in individual fines. Exceptions are made for licensed exports of agricultural and medical products. In recent years, the Bush administration has significantly tightened travel restrictions and stepped up enforcement of the embargo. In 2006, a new interagency Cuban Sanctions Enforcement Task Force was formed to help prosecute embargo violations.

So far this year, U.S. companies have paid nearly \$2 million in fines for violating the Cuban embargo, up from \$445,744 in the same period of 2007, according to OFAC. Minxia Non-Ferrous Metals, a Maryland-based subsidiary of China's MinMetals Corp., recently paid \$1.2 million to settle charges of dealing in Cuban metals. Gate Gourmet, a Swiss-American airline caterer, paid roughly \$582,000 for supplying meals to Air Cubana, Cuba's national airline. But the Platte River Associates' case shows that a company doesn't have to deal directly with Cuba to get into trouble.

Government prosecutors haven't yet released details of the charges. But Platte River's attorney, Lee Foreman of Haddon/Foreman in Denver, said the company provided post-sale software training to an employee of Repsol, a Spanish oil and gas company. The U.S. government claims Repsol was involved in, or trying to become involved in, an oil-and-gas project in Cuba. "It's a couple of steps removed from doing business with Cuba directly," Foreman said. "They never had a contract with anybody from Cuba, they never sold their software to anybody associated with Cuba. They certainly didn't have anything to do with the Cuban government. And they had already sold the software to Repsol before this training exercise came up; the software wasn't being purchased expressly for use on a Cuban project."

In 2000, a few months after purchasing Platte River software, Repsol asked the Boulder company to provide additional training to a Repsol employee. That employee arrived with some seismic data that he wanted to use as a tool for learning more about the software. "It was recognized that it was seismic information that probably related to the western Caribbean," Foreman said. "People who were knowledgeable about it might have looked at it and recognized that it had something to do with Cuban waters, or areas close to Cuban waters."

Platte River isn't in trouble for selling the software to Repsol, but for going ahead with the training session, Foreman said. "I don't know if [Repsol has] ever used the software to help them ... develop an actual oilfield or to do exploration in Cuba," Foreman said. If convicted, Platte River could be fined up to \$1 million. But on July 16, one day after pleading not guilty in U.S. District Court in Denver, both parties filed court documents saying that a disposition had been reached, and a change-of-plea hearing was scheduled for Oct. 3.

Foreman wouldn't discuss how Platte River will plead in October. But a change-of-plea hearing typically gives a defendant a chance to plead guilty to negotiated charges. Meanwhile, RMO Inc. was fined \$941 for "initiating a funds transfer involving travel to Cuba" in June 2005, according to the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC). The fine, originally \$1,711, was reduced because it was the company's first offense, the employee responsible was fired and a compliance program was instituted for employees, according to OFAC.

Company officials couldn't be reached for comment; Rocky Mountain Orthodontics was closed from Aug. 25 through Sept. 1 for the Democratic National Convention and Labor Day holidays, according to a recorded phone message. Doug Jackson, president and CEO of Project C.U.R.E., a Centennial-based volunteer organization that delivers medical supplies to developing countries, traveled to Cuba several months ago. Project C.U.R.E. recently shipped three large cargo containers full of medical supplies to three Cuban hospitals, and is working on getting approvals to ship three more. "We operate under a license [exemption from the embargo], so it's a non-issue for us," Jackson said. But even the aid organization must tread carefully. For instance, "We can't ship eye surgery kits, because Castro has used eye surgery as a method of gaining favor with other countries," Jackson said.

RUSSIAN GOVERNMENT DELEGATION ARRIVES IN CUBA, MULLS SAID, ECONOMIC COOPERATION

Source: Channel One TV, Moscow, in Russian; September 16, 2008

A Russian government delegation which is to determine the scope of aid [needed] after a series of disastrous hurricanes has arrived in Cuba. Right after the arrival, the head of the delegation, Deputy Prime Minister Igor Sechin, was besieged by journalists. Answering a question about support from Russia, he said that, first of all, supplies of humanitarian aid, food products and equipment for restoring the power network are planned.

At the negotiations the representatives of the Cuban government thanked Russia for the help. Four aircraft with humanitarian aid had already flown from our country to Cuba. The outcome of the meeting with the Cuban leadership was a decision to step up cooperation between Russia and Cuba, specifically, economic [cooperation] in the spheres of energy, agriculture, transport and medicine.

CUBA TAKES DELIVERY OF 2,500 HEAVY VEHICLES FROM CHINA

Source: EFE; October 27, 2008

Cuba has received a new shipment of 2,500 trucks, buses, tractor-trailers and other heavy-duty vehicles from China, state media reported. The vehicles are destined for use in moving goods and people around the communist-ruled island and to support agriculture and the food industry, Transport Ministry officials told the government's official Prensa Latina news agency.

Deputy Transport Minister Damian Fernandez said last month that the government would continue its overhaul of Cuba's transportation stock despite the financial burden of recovering from Hurricanes Gustav and Ike, which caused around \$5 billion in damage. Havana announced in December 2007 the planned purchase of more than \$2 billion worth of railroad rolling stock, trucks and buses to address Cuba's chronic transportation woes.

Eleven out of a total of 100 locomotives bought from China arrived on the island in July and authorities said they plan to buy another 28 locomotives from Russia next year. China has become the main supplier of vehicles for Cuba, and the giant Asian nation is now Havana's No. 2 trading partner after Venezuela. Trade between Cuba and China totaled \$2.65 billion last year, up 17 percent from 2006.

NICKEL

CUBA WORKING TO RESUME FULL NICKEL PRODUCTION

Source: Reuters, Marc Frank; September 22, 2008

The second of three Cuban nickel plants was scheduled to open this week, according to local radio reports, as the industry struggles to resume full production after taking a direct hit from Hurricane Ike two weeks ago. "Repairs are moving forward at the Rene Ramos Latourt plant of Mayari ... it's hoped the plant can resume nickel production on the 25th," state-run Radio Angulo reported at the weekend.

The state-owned Rene Ramos Latourt is Cuba's oldest and produces around 10,000 tonnes of nickel plus cobalt per year. Category Two Ike entered Cuba at Holguin's northern coast, where the nickel industry is located, seriously damaging housing and buildings and swamping the area with torrential rains and a storm surge. The Pedro Sotto Alba plant in Moa Holguin, a joint venture between state-run Cubaniquel and Canadian Sherritt International <S.TO>, resumed operations a week ago.

The Pedro Sotto Alba plant is Cuba's largest and most efficient, producing 33,000 tonnes of unrefined nickel plus cobalt per year. The state-owned Ernesto Che Guevara plant in Moa Holguin, with a similar capacity, suffered the greatest damage from the storm and it was not clear when it would open. The Caribbean island is one of the world's largest nickel producers, at 75,000 tonnes per year, and supplies 10 percent of the world's cobalt, according to the Basic Industry Ministry.

Nickel is essential in the production of stainless steel and other corrosion-resistant alloys. Cobalt is critical in production of super alloys used for such products as aircraft engines. Nickel emerged as Cuba's biggest export-earner in 2000. It garnered more than \$2 billion in 2007, with almost all output destined for Canada, Europe and China.

Cuban nickel is considered to be Class II, with an average 90 percent nickel content. Cuba's National Minerals Resource Center reported that eastern Holguin province counted 34 percent of the world's known reserves, or some 800 million tonnes of proven nickel plus cobalt reserves, and another 2.2 billion tonnes of probable reserves, with lesser reserves in other parts of the country.

SECOND CUBAN NICKEL PLANT OPENS AFTER STORM

Source: Reuters, Marc Frank; September 23, 2008

A second Cuban nickel plant opened on Tuesday in Moa Holguin, state-run radio reported, as the country's most important export industry works to resume full production after taking a direct hit from Hurricane Ike two weeks ago. "At five in the afternoon smoke began coming from the Che Guevara plant, a sign that it had started up its machinery to begin production," Holguin province state-run Radio Angulo reported. The state-owned Ernesto Che Guevara plant has a 33,000 tonne capacity. Local radio said it had sustained heavy roof damage and was awaiting materials, while covering the most sensitive areas with roofing that was available. Category Two Ike entered Cuba at Holguin's northern coast, where the nickel industry is located, seriously damaging housing and buildings and swamping the area with torrential rains and a storm surge.

The Pedro Sotto Alba plant in Moa Holguin, a joint venture between state-run Cubaniquel and Canadian Sherritt International <S.TO>, resumed operations a week ago. The Pedro Sotto Alba plant is Cuba's most efficient, producing 33,000 tonnes of unrefined nickel plus cobalt per year. Radio Angulo said on Monday that "repairs are moving forward at the Rene Ramos Latourt plant of Mayari ... it's hoped the plant can resume nickel production on the 25th." The state-owned plant is Cuba's oldest with a 10,000 to 15,000 tonne capacity.

The Caribbean island is one of the world's largest nickel producers, at 75,000 tonnes of unrefined nickel per year, and supplies 10 percent of the world's cobalt, according to the Basic Industry Ministry. Nickel is essential in the production of stainless steel and other corrosion-resistant alloys. Cobalt is critical in production of super alloys used for such products as aircraft engines. Nickel emerged as Cuba's biggest export-earner in 2000. It garnered more than \$2 billion in 2007, with almost all output destined for Canada, Europe and China. Cuban nickel is considered to be Class II, with an average 90 percent nickel content. Cuba's National Minerals Resource Center reported that eastern Holguin province counted 34 percent of the world's known reserves, or some 800 million tonnes of proven nickel plus cobalt reserves, and another 2.2 billion tonnes of probable reserves, with lesser reserves in other parts of the country.

CUBAN NICKEL INDUSTRY AT 81 PERCENT CAPACITY

Source: Reuters, Marc Frank; October 22, 2008

Cuba's nickel industry was still operating at below capacity six weeks after taking a direct hit from Hurricane Ike, according to local media from the nickel region of eastern Holguin province. "Last week the three nickel plants in the region worked at 81 percent of their plan," Holguin's state-run Radio Angula said Wednesday. Local state-run television reported Tuesday that the two most important plants in Moa were operating "practically at capacity" while a third plant in Nicaro was still under repair.

The local Communist party newspaper put damage to the industry at 38 million pesos, without detailing what portion was in foreign exchange and what portion was in local currency. Industry sources said the Pedro Sotto Alba plant in Moa Holguin, a joint venture between state-run Cubaniquel and Canada's Sherritt International was operating at capacity. The Pedro Sotto Alba plant is Cuba's most efficient, with a capacity of 33,000 tonnes of unrefined nickel plus cobalt per year.

Cubaniquel also owns the Che Guevara plant in Moa, with a capacity of 33,000 tonnes, and the Rene Ramos Latourt plant at Nicaro Holguin, Cuba's oldest, which has capacity of 10,000 to 15,000 tonnes. The Caribbean island is one of the world's largest nickel producers, at 75,000 tonnes of unrefined nickel per year, and supplies 10 percent of the world's cobalt, according to the Basic Industry Ministry. Category Three Ike hit Cuba at Holguin's northern coast, where the nickel industry's three processing plants are located, seriously damaging housing and buildings and swamping the area with torrential rains and a storm surge. Nickel is essential in the production of stainless steel and other corrosion-resistant alloys. Cobalt is critical in production of super alloys used for such products as aircraft engines. Nickel emerged as Cuba's biggest export earner in 2000. It garnered more than \$2 billion in 2007, with almost all output destined for Canada, Europe and China. Cuban nickel is considered to be Class II, with an average 90 percent nickel content. Cuba's National Minerals Resource Center reported that eastern Holguin province accounted for 34 percent of the world's known reserves, or 800 million tonnes of proven nickel plus cobalt reserves, and another 2.2 billion tonnes of probable reserves, with lesser reserves in other parts of the country.

TOURISM

CUBA HOPES FOR GOOD TOURISM SEASON AMID PROBLEMS

Source: Reuters, Marc Frank; October 6, 2008

The two hurricanes that ravaged Cuba at summer's end won't keep tourists from the Caribbean island during the high season but global economic woes might, industry watchers said on Monday. They said there have been no cancellations of tours booked for the December-March peak season and that an expected increase in Canadian visitors should help offset any reduction in Europeans put off by rising air fares and other economic problems. That was good news for the country still recovering from Hurricanes Gustav and Ike, which struck within 10 days of each other starting on Aug. 30, causing extensive damage, including to hotels and infrastructure.

The government said tourism increased 13 percent through August and will be Cuba's second most important foreign exchange earner after the export of medical and other technical services, at around \$2.5 billion this year. "There will be some decline in tourism from Europe as air fares are up 30 percent, but we expect another big jump from Canada to make up at least part the difference, along with new markets like Russia," the representative of a European hotel chain told Reuters on condition his name not be used.

Immediately after the storms, some tours to hard-hit areas were cancelled, but not for the months ahead, he said. The hurricane season ends in November. "The hotels are completely taken by tour operators starting in late December and to date there have been no cancellations of flights or rooms." The bigger uncertainty now, he said, was the financial crisis roiling markets around the world. "We will have to see what happens with the global economy over the next months, but so far we see a good season despite it all. The number of tourists from Canada, already the top tourism country for Cuba, could rise as much as 20 percent to 30 percent because of the weakness of the U.S. dollar and increased marketing, the sources said. Cuba's currency is pegged to the dollar, which makes the country an inexpensive destination for Canadians seeking warm tropical beaches during their country's long winter.

Few citizens from the nearby United States travel to Cuba because of their country's sanctions on the Communist nation. While the hurricanes inflicted \$5 billion in damage on the island, key tourist areas like Havana and the Varadero beach resort were largely spared. Spanish firm Sol Melia < SOL.MC >, which has 24 hotels in Cuba and is the largest foreign tourism company in the country, said it was back up to full speed after the hurricanes. "Sol Melia's hotels and resorts are open and operating normally after complete recovery from minor damage," said Gabriel Garcia, the company's marketing director in Cuba.

VIETNAM MAY HELP CUBA BUILD GOLF COURSES, HOTELS

Source: EFE; October 22, 2008

Representatives of Cuban and Vietnamese companies agreed Wednesday to study the feasibility of a project to build golf courses, hotels and other tourist facilities on the Caribbean island, official media reported. The accord was signed during a bilateral business forum in Havana. Cuban Vice President Ricardo Cabrisas said during the forum - held to coincide with Vietnamese Vice President Nguyen Thi Doan's visit to the island - that business opportunities between the island and the Asian country were "limitless." "Year after year, Vietnam consolidates its position as one of the island's leading trade partners in the Asia-Oceania region and even occupies second place in that geographical region, with bilateral trade in goods of over \$450 million," Cabrisas was cited by state news agency AIN as saying.

He said trade between the two communist countries will continue to increase in "multiple spheres and disciplines," primarily "to guarantee rice supplies." Doan announced that Vietnam will donate \$300,000 to the island and a shipment of rice valued at \$200,000 for the benefit of those affected by two hurricanes that devastated the island a month and a half ago. Besides her talks with Cabrisas, Doan also met Wednesday with another of Cuba's vice presidents, Carlos Lage, during the second day of her visit to the island. In June 2007, the secretary-general of Vietnam's Communist Party, Nong Duc Manh, traveled to the island for a visit that included a meeting with the ailing Fidel Castro, who formally stepped down earlier this year and was succeeded by his younger brother, Gen. Raul Castro.