



BabunGroup Consulting, Inc

# CUBA CHANGE NEWS ALERT

## U.S. Takes First Shot Toward Reconciliation *Waiting for Havana's response*

**EXCLUSIVE NEWS OF POTENTIAL INTEREST TO OUR CLIENTS & FRIENDS**

### Inside this issue:

Our Analysis	1
White House Fact Sheet: Cuba Policy	3
Bills on Cuba finding their way through the U.S. Congress	5
Change in Cuban Government	7
International Business News on Cuba	8

### Our Analysis

The components of President Barack Obama's April 13<sup>th</sup> Cuba policy announcements which allow U.S. telecom companies to bring technology to Cuba were unexpected. However, the decision to relax the rules governing travel and cash transfers fulfill an Obama campaign pledge (see *CUBA CHANGE-News Alert* January 2009).

The impact of the policy changes once accepted and implemented by the Cuban government, will affect various business sectors in Cuba, and to some degree in the U.S.

Cuba's remittances, tourism and agriculture are immediate beneficiaries. Expanding the scope for exporting certified seeds, fishing equipment, and veterinary medicine will impact the rice, citrus, tobacco, cattle, and fishing industries. In fact, it would not surprise us to see these industries more than double their yield within the next two years.

Authorizing greater telecommunications links with Cuba will improve the country's access to international databanks with direct positive consequences for the pharmaceutical and medical industries. While U.S. companies may benefit from the administration's lifting of restrictions for companies to provide cellular and television services to Cubans. And consortiums that build undersea cable networks in the Caribbean may see business opportunities in connecting to the island.

Still to be determined will be the impact of the authorization to expand the export or re-export to Cuba of computers and software, gift parcel donations, soap-making equipment, and personal hygiene items. Additionally, the president directed the secretaries of state, commerce and treasury to look at the possibility of starting regularly scheduled commercial flights between the United States and Cuba.

President Barack Obama urged Cuba to show signs of change, implying that for any further change to occur, the Cuban government would have to make reciprocal gestures. Such as putting an end to fees and other obstacles it imposes on Cubans who want to leave. Such as freeing more political prisoners; such as making the Internet more accessible to average Cubans.

"The United States seeks a new beginning with Cuba," he said. "I know there is a longer journey that must be traveled in overcoming decades of mistrust, but there are critical steps we can take toward a new day." Obama, in his remarks renewed his promise for his administration to engage with the Cuban government "on a wide range of issues."

#### **Reaction and the role of the U.S. Congress and the Department of State**

Secretary of State Hillary Clinton said this is the first step in the US Government revision of its Cuba policy...and that others are being considered. Clin-



**“ Raul responded... saying he’s ready to discuss “human rights, freedom of the press, political prisoners— everything.”**



**Raul Castro**

ton noted that the White House announcement Monday to lift travel restrictions on Americans with family in Cuba was the first step in an ongoing policy review.

"We're continuing to explore ways to further democracy in Cuba and provide the Cuban people with more opportunities but we haven't made any further decisions yet," she said.

There are also bipartisan measures in both houses of Congress that would effectively allow all Americans to travel to Cuba. Bill HR874 Freedom to Travel to Cuba Act - Prohibits the President from regulating or prohibiting travel to or from Cuba by U.S. citizens or legal residents or any of the transactions ordinarily incident to such travel, except in time of war or armed hostilities between the two countries. A similar Bill S. 428 is in the U.S. Senate.

**Reaction and expectations by the Cubans**

In Cuba, the U.S. advances are being debated at the highest levels. The President of the State Council of Cuba has expressed his willingness to have a dialogue with Obama and to normalize relations with the United States, on the basis of the strictest respect for the sovereignty of our country. Younger officials want changes.

Fidel is still First Secretary of the Communist Party and he is not so happy to see the day's of the Revolution come to an end. Castro, 82, derided the remittances gesture and called for more comprehensive changes. The measures sought by Fidel Castro include abolishing the US economic embargo and ending special treatment given by the United States to immigrants arriving from Cuba, a policy which Havana says fuels illegal emigration and exacerbates the country's brain-drain. In general, Fidel Castro is absolutely opposed of any improvement of the relationships between Cuba and the USA and he trying his best at sabotaging the process, threatening a division

within the ranks of the Cuba’s Communist Party, something Raúl is trying to avoid.

Raul responded within hours of President Obama’s comments, extending Cuba’s most open offer for talks since the Eisenhower administration and saying he’s ready to discuss “human rights, freedom of the press, political prisoners — everything.”

But the recent firing of a half-dozen top functionaries — including the surprising firing of two internationally prominent ministers — showed that under Mr. Castro, politics and decision-making are likely to remain as centralized and tightly controlled as they were under his brother, Fidel. Mr. Castro removed the two noteworthy officials — Felipe Pérez Roque, the foreign minister, and Carlos Lage, the vice president and de facto economics czar — in advance of a party congress in the fall, the first in many years at which a Cuban leader will have to gather support for his plans. In doing so, he appears to want to improve the economy (mainly the agriculture and energy sectors), which is in shambles, and Cuba’s dialogue with the United States, which is expected to increase under President Obama.

Rather than dismantling Cuba’s socialist framework, Raúl Castro seems to be trying to make it work more efficiently, although some of our analysts believe that he is just busy taking control of a divided Party, in that endeavor certainly he cannot count on his brother, who continues to be an anti – American crusader, no matter at what price for the Cuban people.

**Summary**

In our *CUBA CHANGE-News Alert* of January 2009, we noted that coming U.S. policy changes could develop into a “frenzy of well-intentioned but chaotic activities that could lead to less,

instead of more influence on a Cuba in transition". We still believe that that is possible. However, depending on the circumstance, it could be argued that the exact opposite could also be true. That is, the forces of change could create unstoppable momentum and ultimate transition changes in Cuba.

In Cuba, the Castro brothers have clearly adopted different tones, if not openly policy positions. That could mean there is a division within Cuba's collective communist leadership over whether detente is moving too fast. The differences amongst the two brothers are not just on the U.S. – Cuba relations, but also in many other

issues, such as private property, compensation and wages based on work productivity, social inequality based in work results, how to deal with Chavez, etc. Fidel Castro is not as vocal in these issues, but he also opposes the changes introduced by Raúl in those matters.

The bottom line is that no one should be blind to the obstacles ahead. Bad faith by the Cuban government and an uninformed approach by the U.S. government could stop the process of reconciliation.

*Respectfully yours,  
BabunGroup Consulting, Inc.*



**Fidel Castro**

**April 13, 2009**  
TEXT

### **White House Fact Sheet: Cuba Policy**

The White House announced that it is abandoning longstanding restrictions on family travel, remittances and gifts to Cuba, and is also taking steps to open up telecommunications with the island, a significant shift in policy that fulfills a promise President Obama made during his election campaign. Following is a fact sheet provided by the White House:

#### **FACT SHEET: REACHING OUT TO THE CUBAN PEOPLE**

Today, the Obama administration announced a series of changes in U.S. policy to reach out to the Cuban people in support of their desire to freely determine their country's future. In taking these steps to help bridge the gap among divided Cuban families and promote the freer flow of information and humanitarian items to the Cuban people, President Obama is working to fulfill the goals he identified both during his presidential campaign and since taking office.

All who embrace core democratic values long for a Cuba that respects basic human, political and economic rights of all its citizens. President Obama believes these measures will help make that goal a reality.

Cuban American connections to family in Cuba are not only a basic right in humanitarian terms, but also our best tool for helping to foster the beginnings of grassroots democracy on the island. There are no better ambassadors for freedom than Cuban Americans.

Accordingly, President Obama will direct the Secretaries of State, Treasury, and Commerce to support the Cuban people's desire for freedom and self-determination by lifting all restrictions on family visits and remittances as well as taking steps that will facilitate greater contact between separated family members in the United States and Cuba and increase the flow of information and humanitarian resources directly to the Cuban people. The President is also calling on the Cuban government to reduce the charges it levies on cash remittances sent to the island so family

***"The Obama Administration announced a series of changes in U.S. policy to reach out to the Cuban people..."***





**“We will  
remove  
restrictions on  
remittances to  
a person’s  
family member  
in Cuba to  
increase  
Cuban’s access  
to resources...”**



**Repairs needed in  
Havana**

members can be assured they are receiving the support sent to them.

Specifically, the President has directed the Secretaries of State, Treasury, and Commerce to take the needed steps to:

- Lift all restrictions on transactions related to the travel of family members to Cuba.
- Remove restrictions on remittances to family members in Cuba.
- Authorize U.S. telecommunications network providers to enter into agreements to establish fiber-optic cable and satellite telecommunications facilities linking the United States and Cuba.
- License U.S. telecommunications service providers to enter into roaming service agreements with Cuba's telecommunications service providers.
- License U.S. satellite radio and satellite television service providers to engage in transactions necessary to provide services to customers in Cuba.
- License persons subject to U.S. jurisdiction to activate and pay U.S. and third-country service providers for telecommunications, satellite radio and satellite television services provided to individuals in Cuba.
- Authorize the donation of certain consumer telecommunication devices without a license.
- Add certain humanitarian items to the list of items eligible for export through licensing exceptions.

#### REACHING OUT TO THE CUBAN PEOPLE

Supporting the Cuban people's desire to freely determine their future and that of their country is in the national interest of the United States. The Obama administration is taking steps to promote greater contact between separated family members in the United States and Cuba and increase the flow of remittances and information to the Cuban people.

#### Lift All Restrictions on Family Visits to Cuba

We will lift all restrictions on family visits to Cuba by authorizing such transactions by a general license, which will strengthen contacts and promote American good will. We will ensure the positive reach of this effort by:

- Defining family members who may be visited to be persons within three degrees of family relationship (e.g., second cousins) and to allow individuals who share a common dwelling as a family with an authorized traveler to accompany them;
- Removing limitations on the frequency of visits;
- Removing limitations on the duration of a visit;
- Authorizing expenditure amounts that are the same as non-family travel; and
- Removing the 44-pound limitation on accompanied baggage.

#### Remove Restrictions on Remittances

We will remove restrictions on remittances to a person's family member in Cuba to increase Cubans' access to resources to help create opportunities for them by:

- Authorizing remittances to individuals within three degrees of family relationship (e.g., second cousins) provided that no remittances shall be authorized to currently prohibited members of the Government of Cuba or currently prohibited members of the Cuban Communist Party;
- Removing limits on frequency of remittances;
- Removing limits on the amount of remittances;
- Authorizing travelers to carry up to \$3,000 in remittances; and
- Establishing general license for banks and other depository institutions to forward remittances.

#### Authorize Greater Telecommunications Links with Cuba

We will authorize greater telecommunications links with Cuba to advance people-to-

through which Cubans on the island can communicate with each other and with persons outside of Cuba.

- Authorize U.S. telecommunications network providers to enter into agreements to establish fiber-optic cable and satellite telecommunications facilities linking the United States and Cuba.
- License U.S. telecommunications service providers to enter into and operate under roaming service agreements with Cuba's telecommunications service providers.
- License U.S. satellite radio and satellite television service providers to engage in transactions necessary to provide services to customers in Cuba.
- License persons subject to U.S. jurisdiction to activate and pay U.S. and third-country service providers for telecommunications, satellite radio and satellite television services provided to individuals in Cuba, except certain senior Communist Party and Cuban government officials.
- Authorize, consistent with national security concerns, the export or re-export to Cuba of donated personal communications devices such as mobile phone systems, computers and software, and satellite receivers through a license exception.



**Cuban Airline**

#### Revise Gift Parcel Regulations

We will expand the scope of humanitarian donations eligible for export through license exceptions by:

- Restoring clothing, personal hygiene items, seeds, veterinary medicines and supplies, fishing equipment and supplies, and soap-making equipment to the list of items eligible to be included in gift parcel donations;
- Restoring items normally exchanged as gifts by individuals in "usual and reasonable" quantities to the list of items eligible to be included in gift parcel donations;
- Expanding the scope of eligible gift parcel donors to include any individual;
- Expanding the scope of eligible gift parcel donees to include individuals other than Cuban Communist Party officials or Cuban government officials already prohibited from receiving gift parcels, or charitable, educational or religious organizations not administered or controlled by the Cuban government; and
- Increasing the value limit on non-food items to \$800.

***“It calls for the complete lifting of the travel ban on American legal residents.”***

## ***Bills on Cuba finding their way through the U.S. Congress***

### 1. Cuban Reconciliation Act – HR 188

This bill was introduced by Rep. José Serrano (D-NY). It too makes provisions for direct mail, lifting the American travel ban, the embargo by repealing the Cuban Democracy Act and Cuban Liberty and Democratic Solidarity Acts, allowing for credit, and to conduct telecommunications ventures in Cuba.

It was introduced on January 6, 2009, has no co-sponsors, and has thus far only been referred to the appropriate Committees.

### 2. Freedom to Travel to Cuba Act –

### HR 874

This bill was introduced in the House on February 4, 2009 by Rep. William Delahunt (D-MA). It calls for the complete lifting of the travel ban on American legal residents.

It was introduced with 8 original co-sponsors, and at the current moment, co-sponsors have grown to 127, from both parties. This bill, along with its corresponding bill in the Senate (below), has received much public support and endorsements.

It has a related bill in the Senate. It is S. 428, and holds the same name.

The House version has been referred





**“HR-1530...It is a bill proposing to end the embargo with Cuba.”**



**Cuba Tourism**

to the House Foreign Affairs Committee.

3. Freedom to Travel to Cuba Act – S. 428

Senator Dorgan (R-IN) introduced this bill soon after the Senate Foreign Relations Committee released a report by two of its senior staffers who traveled to the island and made several foreign policy recommendations, including a lifting of the embargo and the travel ban.

This bill was introduced on February 12, 2009 with three original co-sponsor including Senator Lugar who is the Ranking Member of the Senate Foreign Relations Committee, Senator Dodd (D-CT), a senior member of the SFRC, and Senator Mike Enzi. It has been read twice and referred to the Senate Foreign Relations Committee. It currently has 22 co-sponsors.

4. Free Trade With Cuba Act - HR 1530

This bill introduces annually by Rep. Charlie Rangel (D-NY). It is a bill proposing to end the embargo with Cuba. If successful, it would repeal the travel ban on Americans, and permit direct mail, and business ventures between the US and Cuba. It would also repeal the Cuban Democracy Act and Cuban Liberty and Democratic Solidarity (Helms-Burton), therefore affecting democracy and governance funding for Cuba via the State Department and USAID, and allow for US telecommunications industries to do business on the island.

It has been co-sponsored by Barbara Lee (D-CA), Steve Cohen (D-TN), and Jane Harman (D-CA). It was introduced on 3/16/09, and has only been referred to the various Committees under which it is germane. Has no corresponding legislation in the Senate, at the moment.

5. Promoting American Agricultural and Medical Exports to Cuba Act of 2009'- HR 1531

This bill was also introduced by Rep. Charlie Rangel (D-NY), and sponsored

by Barbara Lee (D-CA), Steve Cohen (D-TN), and Jane Harman (D-CA). While its title simply discusses Agricultural and Medical sales to Cuba, it reaches beyond that and attempts to affect other matters as well. Specifically with regards to Agriculture, its main objective is to remove the restriction of “cash sales only” to Cuba, and allow for the use of credit by the Cuban government, and direct transfer of funds between US and Cuban financial institutions. It also makes provisions for Cuban nationals to be permitted visas to the US when traveling on official business, while also proposing a full lifting of the American travel ban, the creation of a program through the USDA to promote exports to Cuba, along with an Agricultural Export Promotion Trust Fund, and raising Airport Taxes on travel between US and Cuba.

This bill was introduced on 3/16/09, and has thus far, only been referred to Committees of its jurisdiction.

6. Export Freedom to Cuba Act of 2009 – HR 1528

Introduced by Rep. Charlie Rangel (D-NY) in an effort to lift the American travel ban.

It was introduced on 3/16/2009, and has only been referred to its pertinent Committees. The bill has four co-sponsors: Barbara Lee (D-CA), Jane Harman (D-CA), Steve Cohen (D-TN), and Loretta Sanchez (D-CA).

7. Agricultural Export Facilitation Act of 2009 – HR 1737

This bill was introduced by Jerry Moran (R-KS) in an effort to facilitate agricultural sales with Cuba by allowing visas for Cuban officials conducting business travel, direct transactions between financial institutions, and removing the requirement of “cash in advance” for sales to Cuba.

The bill was introduced on March 26, 2009 with 17 original co-sponsors, and has gained an additional two, with support from both sides of the aisle. It is currently been referred to the pertinent Committees of its jurisdiction.

## Change in Cuban Government

Raul Castro ousts top Cubans loyal to Fidel Castro

(Reproduction of March 3, 2009 story by Will Weissert of the Associated Press)

HAVANA (AP) — President Raul Castro abruptly removed some of Cuba's most powerful officials Monday, putting a personal stamp on the government in the biggest shakeup since he took over from his ailing brother Fidel Castro a year ago.

The changes replaced some key Fidel loyalists, including the longtime foreign minister and the secretary of the Council of State, with men closer to Raul. They also reduced the enormous powers of a vice president credited with saving Cuba's economy after the fall of the Soviet Union.

But analysts saw no immediate indication that the changes are related to hopes for closer U.S.-Cuban ties now that both countries have new presidents.

The abrupt shakeup, which also consolidated some of Cuba's many ministries to create a "more compact and functional structure," was the first major reorganization under Raul Castro. It was announced at the end of the midday news, after the weather and sports.

The most prominent of those ousted, Foreign Minister Felipe Perez Roque, was the youngest of Cuba's top leaders and had been widely mentioned as a possible future president. Perez Roque, 43, had been Fidel Castro's personal secretary before becoming foreign minister almost a decade ago.

"He was someone who was very close to Fidel Castro and built his career working directly for Fidel Castro," said Phil Peters, a Cuba specialist at the Lexington Institute near Washington.

Perez Roque was replaced by his own deputy, Bruno Rodriguez, who once served as Cuba's ambassador to

the United Nations.

Peters said it was too early to say whether the changes could affect relations with the new administration of President Barack Obama, whose proposals for easing U.S. restrictions on Cuba have created hopes for the resumption of negotiations between the two countries on ending decades of hostilities.

"There is nothing that indicates it's a reaction to anything in the United States," Peters said, noting that Raul Castro has long spoken of streamlining Cuba's government.

Vice President Carlos Lage, 57, apparently kept his job as vice president of the ruling Council of State, but was replaced as Cabinet Secretary by Gen. Jose Amado Ricardo Guerra, who had been a top official in the military that Raul Castro ran for decades. Lage was credited with helping save Cuba's economy by designing modest economic reforms after the Soviet Union collapsed. Peters said there was no sign Lage's economic role was being reduced.

Longtime Economy Minister Jose Luis Rodriguez was replaced by Internal Commerce Minister Marino Murillo Jorge; Finance Minister Georgina Barreiro Fajardo was replaced by Lina Pedraza Rodriguez of the Communist Party's secretariat; and Labor Minister Alfredo Morales Cartaya was replaced by Vice Minister Margarita Marlene Gonzalez Fernandez.

Fidel Castro has not been seen in public since July 2006, when he underwent emergency intestinal surgery. Who's in and who's out in Cuba government shakeup:

FOREIGN MINISTER: Bruno Rodriguez Parrilla, No. 2 in the ministry, replaces Felipe Perez Roque.

SECRETARY OF COUNCIL OF MINISTERS: Brig. Gen. Jose Amado Ricardo Guerra, long Raul Castro's secretary at the defense ministry, replaces Carlos Lage.



**Carlos Lage**

***“The changes replaced some key Fidel loyalists, including the longtime foreign minister and the secretary of the Council of State...”***





**VICE PRESIDENT OF THE COUNCIL OF MINISTERS:** Government Vice President Ramiro Valdes Menendez takes over the functions of Otto Rivero Torres. It is unclear whether he gets the title as well.

**SECRETARY OF COUNCIL OF STATE:** Homero Acosta Alvarez replaces Jose Miyar Barrueco, pending ratification.

**SCIENCE, TECHNOLOGY AND ENVIRONMENT MINISTER:** Barrueco takes on this position, vacant since Rosa Elena Simeon died in 2004.

**ECONOMY MINISTER:** Marino Murillo Jorge, who had been minister of internal commerce, replaces Jose Luis Rodriguez Garcia.

**INTERNAL COMMERCE MINISTER:** Jacinto Angulo Pardo, the No. 2 in the ministry, replaces Murillo Jorge.

**EXTERNAL COMMERCE AND FOREIGN INVESTMENT MINISTER:** Former U.N. ambassador Rodrigo

Malmierca Diaz replaces External Commerce Minister Raul de la Nuez Ramirez; Malmierca had replaced Foreign Investment Minister Marta Lomas in November.

**FOOD AND FISHING MINISTER:** Maria del Carmen Concepcion Gonzalez, who had been a member of the Communist Party's food industry committee, replaces Food Minister Alejandro Roca Iglesias and Fishing Minister Alfredo Lopez Valdes.

**FINANCE MINISTER:** Lina Pedraza Rodriguez, a member of the Central Committee of the Communist Party's Secretariat, replaces Georgina Barreiro Fajardo.

**HEAVY INDUSTRIES MINISTER:** Brig. Gen. Salvador Pardo Cruz replaces Fernando Acosta Santana.

**LABOR MINISTER:** Margarita Marlene Gonzalez Fernandez, a top ministry official, replaces Alfredo Morales Cartaya.



Nuevitas Port

## International Business News on Cuba

- **Cuba to limit foreign companies' cash transactions**

HAVANA (Reuters) - Cuba's central bank has said it will limit cash withdrawals and deposits in Cuban bank accounts held by foreign companies and joint ventures. No immediate explanation was given for the central bank move, which was set out in a letter sent to customers this week by Banco Metropolitano, one of the state-controlled banks on the communist-ruled island that handles corporate accounts. Accountholders were informed that starting on May 7, cash transactions by foreign companies and associations would be restricted to withdrawals to pay salary supplements to Cuban employees. Based on government figures, Cuba's trade deficit was estimated to have totaled \$11.8 billion last year, up from \$6.9 billion in 2007. Foreign businessmen have reported some payments problems and delays on the Cuban side, reflecting the effects of the liquidity squeeze.

- **Foreign businesses say Cuban cash crunch worsening**

HAVANA, April 22 (Reuters) - A cash crunch that began last year for Cuba appears to be getting worse as state-run banks insist they have little foreign currency for international money transfers or for significant withdrawals, western diplomats and businessmen said this week. They said they feared the communist-led island could be near insolvency, but hoped the government could keep the country's financial head above water and avoid the serious consequences of not being able to pay its bills. In over a dozen off-the record interviews, they said the liquidity crisis, which began after three major hurricanes bit Cuba late last year, had become more critical in recent weeks. At one bank this week, officials told an international business the

**“Cuba’s trade deficit was estimated to have totaled**

**\$11.8 billion last year, up from \$6.9 billion in 2007.”**



offshore as much as possible. Sources said authorities have not been forthcoming on why the crisis developed nor how serious it is, but Cuban economists said the country was headed for trouble even before the three hurricanes caused \$10 billion in damages, and the international financial crisis exploded.

They described a perfect storm in which Cuba was hit by last year's spike in fuel and food prices, stuck with big contracts signed in 2006-2007 to supply infrastructure projects and unable to make its state-run economy's produce and react quickly to changing circumstances.

- **Cuba to build ferronickel plant despite low prices**

HAVANA, Apr 27 (Reuters) - Cuba will proceed with plans to build a ferronickel plant with its ally Venezuela, even though a dramatic drop in international prices has drained the island's foreign income, a government official said on Monday. Cuba produced some 70,000 tonnes of unrefined nickel plus cobalt in 2008. The mineral is mostly exported to China. The new \$600 million ferronickel plant will be located in Las Camariocas, in Cuba's eastern province of Holguin where the island's nickel industry is based. Cuban officials have said in the past the plant could produce annually up to 68,000 tonnes of ferronickel, an alloy used in making stainless steel.

- **Russia says considers \$20 mln loan to Cuba**

MOSCOW, Jan 19 (Reuters) - Russia is considering loaning \$20 million to Cold War ally Cuba, Prime Minister Vladimir Putin said on Monday, adding that the money would be spent on buying Russian goods. Rising import costs, falling prices for key export nickel and three hurricanes meant that 2008 was one of the worst years in Cuba's recent history [ID:nN27285223]. "We need to make a decision on giving Cuba a loan of \$20 million... That money would be spent at our companies because the plan is for Cuba to use the funds for buying Russian-made goods," Putin told a government meeting

- **Cuba's Raul Castro to issue licenses for private cabs in cities**

Jan. 12 (Bloomberg) -- Cuba's government will begin licensing private cab drivers to operate in cities for the first time since 1999 in the latest effort by President Raul Castro to liberalize the communist island-nation's economy. Urban cab drivers will be allowed to negotiate rates with passengers, based on "supply and demand," according to a resolution passed Dec. 22 by the transportation minister, published today on the government's Official Gazette Web site.

- **Iran expands credit to Cuba**

HAVANA -- Iranian Industries and Mines Minister Ali Akbar Mehrabian said here that his government had expanded the credit it granted Cuba from 200 million euros to 500 million euros (\$272 million to \$680 million) and was implementing "very important" bilateral agreements. Iran "decided to extend the financial ceiling of the credit it had granted Cuba up to 500 million euros" and reached an agreement to "make this credit operative as soon as possible," Mehrabian said.



**Cuba Oil**

***“Russia is considering loaning \$20 million to Cold War ally Cuba...”***





**“AirTran  
Airways wants  
to be one of the  
first airlines to  
operate  
scheduled  
flights into  
Cuba...”**

- **Brazil fin min asks IMF to open doors for Cuba to join**

WASHINGTON -(Dow Jones)- Brazilian Finance Minister Guido Mantega on Saturday called on the International Monetary Fund to "open its doors" to allow Cuba to join. "All we're saying is that we have to open the doors so Cuba can join," Mantega told reporters on the sidelines of the IMF's spring meeting.

- **US looking at possible commercial flights with cuba**

WASHINGTON, April 13 (Reuters) - U.S. President Barack Obama has directed officials to look at the possibility of starting regularly scheduled commercial flights between the United States and Cuba, the White House said. Dan Restrepo, special assistant to the president, said there was a possibility that existing charter flights between the United States and Cuba could be expanded to accommodate more passengers. Pressed by a reporter on whether the government would allow commercial airlines to start more regularly scheduled flights, Gibbs said that was one of the issues the president had directed the secretaries of state, commerce and treasury to look at.

- **AirTran wants to fly to Cuba, CEO Says**

AirTran Airways wants to be one of the first airlines to operate scheduled flights into Cuba if restrictions on tourism to the country are eased, said AirTran chief executive Bob Fornaro. AirTran is based in Orlando and has its largest hub in Atlanta. "We'd like to be one of the first ones for scheduled flights, and certainly that would include Atlanta and probably other points in Florida as well," Fornaro said. "I think a lot of airlines are going to have a lot of interest." He estimated five or more airlines may pursue flights to Havana but speculated that the number of carriers granted rights may be limited.

- **Cuba mulls reduction in nickel output**

HAVANA, March 3 (Reuters) - Cuba may soon join a growing list of countries shutting down nickel plants in the face of slumping prices, sources close to the industry said this week, in the latest indication the international economic crisis has begun to bite. Unrefined nickel and cobalt production at two state-run processing plants are under review due to their inefficiencies. "With prices below \$10,000 per tonne and an average 117 barrels of fuel oil needed to produce a tonne for market, it is only logical they would be considering cutting back," a foreign businessman said Tuesday, asking his name not be used. Cutbacks are being considered at two state run plants.



**Cuba cement production**

## ***Cuba Geopolitical Outlook*** BabunGroup Consulting, Inc.



- **Access to professional Staff:** BGC is known as a business-driven watch group that informs/updates/advises multinationals throughout the world to understand the goings on in Cuba. Our company has substantial expertise in Cuba issues; we often provide independent feasibility analysis and other business consulting and research assignments to multinational corporations. Our company has under contract to two former ministers and over 40 experts on different industries/expertise related to Cuba. ***-Contact us for a full brochure.***
- **Customized executive briefings:** BGC conducts informal discussions/briefings on Cuba issues with client's staff. The briefing sessions are general and informal business focused (not academic) presentations and discussions regarding current Cuba and US-Cuba subjects. The number and timing of the sessions is at the discretion of the client. ***-Contact us for rates.***
- **Business reports:** BGC is experienced in preparing reports to help provide a preliminary strategic plan and overview of issues related to a possible economic opening of Cuba to allow the client to conduct business operations in the emerging (future) new market. This "Analysis for Strategic Direction" could be drafted as a "Quick-Response Business Plan" in the event that things suddenly change in Cuba and it becomes permissible to do business in the Island. Our first step is to conduct a confidential meeting to help develop a scope of work at no cost to the potential client; following the scope of work we would determine the cost of such assignment. ***-Contact us for an appointment.***

**For More information Contact:**

BabunGroup Consulting, Inc.

P.O. Box 546135

Miami, Florida 33154

Phone: 305.884.0441

Fax: 305.260.4214

E-Mail: [teo@babungroup.com](mailto:teo@babungroup.com)

[WWW.CUBADATA.COM](http://WWW.CUBADATA.COM)

We have  
the information  
you need



on opportunities in a new Cuba

**CUBADATA.com**

**OVER 2,000 TIMELY  
RESEARCH TOPICS ON LINE**

*BabunGroup Consulting, Inc. is regarded as one of America's largest providers of strategic services related to Cuba. Since 1991, BGC has been engaged by a number of companies who are planning to expand or who for competitive or strategic reasons need to know more about future opportunities in a post-transition Cuba.*