

# CLIENT ALERT

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## Cuba-US Business Environment...Treading Water

The historic U.S. policy changes jointly announced by Presidents Barack Obama and Raúl Castro on December 17, 2014 paved the way for a dramatic shift in diplomatic relations between Cuba and the United States during the course of 2015. This process of normalization included the opening of embassies in the capitals of both countries on July 20, 2015 and culminated in Obama's historic visit to Havana on March 20-22, 2016.



Cuba Investment Forum in Fort Lauderdale, FL.

Important changes in U.S. policies towards Cuba have sparked an enormous interest by U.S. businesses in the Cuban market, which has given rise to a series of conferences aimed at explaining to the U.S. business community the emerging terrain, the challenges and opportunities of investing in Cuba. The conferences are serving to educate the business community but not much more.

Although the U.S. government is adding ways such as allowing the use of U.S. credit cards, and expanded sales of telecommunications devices, restaurant equipment and construction supplies from only agriculture and medical supplies just a short time ago, this has not materialized into any significant business deals. One reason may be fear linked to policies of isolation from the past, hard for financial intuitions to overcome combined with complicated new policies plus an unprecedented surge of customers interested in Cuba. The ultimate reason is the U.S. economic embargo which is still very much the law.

In the meantime, trade missions continue to visit the island country, while everyone seems to want to visit the Port of Mariel. Businesses continue to study the Cuban portfolio of opportunities known as the "*Cartera de Oportunidades*" for possible business ventures, and apply for business visas to meet key government deal makers. But for now it seems like the Cuba-US business environment is treading water. We're all waiting for the next move.