



# THE DIPLOMATIST TRIBUTE

I want to thank the Journal **DIPLOMATIST** for dedicating this page to the honor of the historical leader of the Cuban Revolution.

In India we received many messages of solidarity and support from the people and also from our colleagues of the Diplomat Corp, that shows the love and affection towards Fidel. This in itself is a reflection of the legacy of the Cuban and world leader.

- H.E. Oscar I. Martinez Cordovés

**FIDEL CASTRO**  
(AUGUST 13, 1926 - NOVEMBER 25, 2016)

The President of India, Shri Pranab Mukherjee has condoled the passing away of former President of Cuba, Fidel Castro Ruz.

"It was with great sadness that I received the news of the passing of your brother and Former President of Cuba, President Fidel Castro Ruz, Leader of Cuba's Revolution. Please accept my heartfelt condolences.

President Castro was a friend of India. The people of India admired him for his struggle for the liberty and progress of his people. India was amongst the first to recognize Cuba after the success of his 1959 Revolution. Under his charismatic leadership, Cuba has made commendable achievement – particularly in the field of education, health, bio-technology and sports. He has long been a towering figure on the world stage – including at the helm of the Non-Aligned Movement.

We shall always cherish President Castro's personal contribution to the close relations between India and Cuba. Memories of President Castro's visit to New Delhi for the NAM Summit in 1983 are still fresh in our minds. India mourns with the people of the Republic of Cuba".

**- President of India, Pranab Mukherjee**

In a message to His Excellency Mr. Raul Castro Ruz,  
the President of the Councils of State and Ministers, the Republic of Cuba

"Fidel Castro was one of the most iconic personalities of the 20th century. India mourns the loss of a great friend," PM Modi said. "I extend my deepest condolences to the Government & people of Cuba on the sad demise of Fidel Castro. May his soul rest in peace."

"We stand in support with the Cuban Government and people in this tragic hour."

**- Prime Minister of India, Narendra Modi**

I Convey my grief and condolence on the passing away of Comrade Fidel Castro, former President of Cuba. In his demise, the world has lost a great revolutionary hero, and a statesman. He was a great friend of India and shared a special relationship with the leadership of the Indian National Congress.

India's relations with Cuba began with the historic meeting of Fidel Castro with Prime Minister Jawaharlal Nehru at the Harlem Hotel in New York in 1960 which he described as a magnificent gesture. India was one of the first countries to recognise Fidel Castro's Socialist Government after the Cuban revolution. He maintained very close relations with Mrs. Indira Gandhi and the two leaders worked together tirelessly to fashion an independent international order. We fondly remember his visits to India in 1973 and also for the NAM Summit in 1983. In the eighties, Fidel Castro and Rajiv Gandhi coordinated their efforts in the decisive phase of the struggle against Apartheid. I cherish the memories of Rajiv Gandhi's visit to Cuba in 1985 and the gracious hospitality of Fidel Castro.

Comrade Castro and the Cuban revolution have been, and will continue to be, an inspiration for the humanity. Under his leadership, Cuba played a stellar role in supporting many developing countries throw off the yoke of imperialism. His vision, support and commitment to the Third World Solidarity and the Non Aligned Movement across Asia, Africa and Latin America will be cherished and celebrated forever.

President Castro may have gone but his legacy shall continue to live on and inspire generations to come. May his soul rest in peace.

Viva Fidel! Viva Cuba! Viva la Revolucion!

**- Sonia Gandhi,  
President  
All India Congress Committee**



# CUBA & INDIA 'HISTORICAL RELATION OF ROMANTICISM AS GOOD FRIENDS'

H.E. Oscar I. Martinez Cordovés,  
Ambassador Extraordinary and  
Plenipotentiary of the Republic of Cuba to  
India, speaks to Diplomatist Editor-at-Large  
Alankar Srivastava on various aspects of  
Cuba-India bilateral relations. Excerpts...



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India has a rich culture and heritage.  
Cubans love Indian culture. We love  
music, dance, art, and painting. Culture is  
the fundamental part of our two nations

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**Excellency, with India amongst the first countries to recognise Cuba after the 1959 Revolution, give us a sense of the value that the Cuban system attaches to its relationship with one of Asia's top economies.**

Few weeks after the 1959 Revolution, Cuban and Indian leaders got in touch and established diplomatic relations in 1960.

Both the countries have warm and friendly relations, and they have cooperated in various international fora such as the UN, NAM, WTO, etc. We have received good support from India against the economic blockade by the US. In fact, India supports resolutions in the UN General Assembly calling for lifting of US sanctions against Cuba.

We share the concept of new international economic order. There is a historical relation of romanticism as good friends. We support India's inclusion as a permanent member in the restructured UN Security Council, and will continue the relations at the bilateral level.

**Excellency, shed some light on the Cuban Economic Model. What are the business and investment opportunities for Indian firms in Cuba?**

We must understand that the world has changed; Cuba and India have also changed.

Biotech is one area where we can complement each other. There are tremendous opportunities for Indian companies in new renewable energy, Information Technology (IT), agriculture, and healthcare.

Cuba has the finest healthcare system; we have 1 doctor for every 130 Cubans. India and Cuba must work together. More and more Indian companies should invest in Cuba.

Tourism is a major branch of Cuban economy. We have received 3.5 million foreign tourists, mainly from Canada, Europe, Russia and Latin America. We need investment for the modernisation of ports, airports, hotels, etc and Indian companies must grab the opportunity.

**How is Cuba meeting its energy needs?**

Eighty percent of oil-based needs are imported by Cuba. We need modern technology and investment to drill for oil deep in the Gulf of Mexico.

Cuba is trying to reduce dependence on oil, and move to renewables. By 2030, our target is to meet 20 percent of energy needs from renewables. India has experience and technology to help us in solar, wind, and biomass.

**It's been 10 years since the Agreement on Sports Cooperation was signed between Cuba and India. How do you look back?**

Cuba has world's best boxers. The Agreement is more than 10 years old, though too little has been achieved. We must join hands in the promotion of athletics, judo, and grass hockey. We must talk and negotiate more.

**Despite good and long political relations, Indians have little knowledge of Cuba. Given the popularity of Indian culture in Cuba, do you agree that cultural diplomacy can take the relationship to the next level?**

India has a rich culture and heritage. Cubans love Indian culture. We love music, dance, art, and painting. Culture is the fundamental part of our two nations.

**Last but certainly not least – your thoughts on Cuba's relationship with the US.**

The economic blockade by the US has badly hit the relations between the two countries:

- We cannot export our goods to US
- US cannot export goods to Cuba
- No financial support to Cuba by US enterprises
- No transaction in US dollar
- Americans cannot visit Cuba as tourists
- No American company located in third country can have business with Cuba

US President Barack Obama realises that the policy of blockade has failed. I hope that President-elect Donald Trump will continue with Obama's policies. ■

# FUTURE PROJECTION OF CUBA

H.E. OSCAR I. MARTINEZ CORDOVÉS

Cuba faces a change of an unedited economic model since the triumph of the 1959 Revolution.

It finds itself in a historical stage of the construction of socialism, according to our own features and with the current international context and existence in spite of the economic, commercial and financial blockade from the Government of United States. At this moment, it constitutes a complex and prolonged process of deep transformations, based on the concept that socialism is a society of equality of opportunities for all, with social justice. From these premises is shaping up the Cuban Economic and Social Model of Socialist Development with a program of development from medium-term until the year 2030.

The guidelines of the Economic and Social Policy constitutes the fundamental basis for the conceptualisation of the model, where the efficient performance of the economy is foreseen, as the main principal, with a view of the creation of the essential sustenance material that permits the socially just distribution of wealth.

The social policy will continue ensuring the free access to the fundamental social services of education and health, culture, sports, security and social assistance, important advances in the elimination of all types of discrimination, the existence of internal stability and an effective system of protection to the population.

To dedicate the potentialities of the Cuban Economy in order to achieve its international competitive inclusion, such as the high level of general instruction of the population, the development of international services of health and tourism, renewable sources of energy, agro-industrial productions and the high level attained by science, technology and innovation in certain sectors and generating high added value activities, is one of those fundamental purposes.

The Socialist attribute of all the people on the fundamental medium of production, is the main form of the economy and the socio-economic system, and is recognised the complementary role of other forms of attribute, as the cooperative, mixed, private and the attribute of political organisations, of masses, social and other associative forms. ■

*The writer is the Ambassador Extraordinary and Plenipotentiary of the Republic of Cuba to India*

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SPECIAL REPORT



# CUBA A PLACE TO INVEST



## SPECIAL REPORT

**T**hirty-five hundred exhibitors from 75 countries attended the 34th edition of the Havana International Trade Fair (FIHAV 2016) between October 31st and November 4th, a reflection of the confidence of Cuba's trading partners in the Cuban market.

This important fair not only contributed to promoting Cuban exports and attracting foreign capital, but also to strengthening the policy set out by the island's government to diversify international economic relations to the maximum.

As part of this important event, Cuba announced the need to attract \$2.5 billion annually. For this purpose, a new portfolio of opportunities was adopted. This document includes 395 projects and represents a potential investment of \$9.5 billion.

### Advantages of Investing in Cuba

With the passing of Law No. 118, Law of Foreign Investment, and its complementary norms, a favourable business climate has been set up in Cuba. Other advantages are added to tax incentives and these invite foreign investors to choose Cuba as investment territory. Among these advantages are:

- Formulation of sectorial policies for identifying investment opportunities with foreign capital that permits access to the Cuban market and its consumers;
- Secure and transparent legal framework;
- Political, social and legal stability;
- Geographical location at the centre of an expanding market;
- Climate of safety for foreign personnel;
- High indicators for education, social security and health of the population;
- Highly qualified workforce;
- International agreements signed by Cuba with the Latin American Integration Association (ALADI, by its acronyms

in Spanish), the Caribbean Community (CARICOM, by its acronyms in Spanish), the Bolivarian Alliance for the Peoples of Our America (ALBA, by its acronyms in Spanish), the Common Market of the South (MERCOSUR, by its acronyms in Spanish), the European Union (EU), the World Trade Organization (WTO, by its acronyms in Spanish);

- Governmental policy that prioritises research and technological innovation;
- Institutions at the service of investors with highly qualified personnel;
- Basic infrastructure throughout the country: communications networks; over 20 airports; ports admitting deep-draft vessels; over 95 percent of national territory with electrical power; rail and highway communication.

The Foreign Investment in Cuba, based on the Law No. 118 establishes the types of business that can be adopted within the foreign investment concept:

- Joint enterprise;
- International economic partnership agreements including, among others, contracts for hotel management, production or services, contracts to provide professional services, risk contracts to explore non renewable natural resources, for construction and agricultural production;
- Enterprises with 100 percent foreign capital; foreign investors can set up on national territory as:
  - a. Natural persons acting on their own behalf;
  - b. Juridical persons constituting a Cuban affiliate of the foreign entity which they own; or
  - c. Juridical persons setting up a branch of a foreign entity.

A general principle to grant new tax incentives for joint enterprises and parties in international economic association contracts was approved; the Special Taxation Regime has been established in the new regulatory framework for foreign investment, as follows:

| TAXES   | LAW NO. 118 FOREIGN INVESTMENT   | SPECIAL ECONOMIC DEVELOPMENT ZONE OF MARIEL  | LAW 113 TAXATION SYSTEM  |
|---|--|--|--|
| <b>ABOUT PROFITS</b>  | 0% during 8 years and as an exception for a longer period. Subsequently 15%. 0% on reinvested profits. It may be increased to 50% for exploitation of natural resources. | 0% during 10 years and as an exception for a longer period. Subsequently 12%. (Concessionary and users) Application of Law No. 118 for profits reinvestment. | 35%. May increase to 50% for exploitation of natural resources.  |
| <b>FOR USING LABOR FORCE</b>  | Exempt   | Exempt   | Progressive reduction from 20% (2012) to 5% (2016).  |
| <b>CONTRIBUTIONS TO LOCAL DEVELOPMENT</b>   | 0% during investment recovery  | Exempt   | Is being established gradually in the Budget Law.  |
| <b>ABOUT SALES OR SERVICES</b>  | 0% during first year of operations, subsequently 50% discount on wholesale sales and on services.  | 0% during first year of operations, subsequently 1%.   | 2% on wholesale sales and 10% on services. New taxable items shall be gradually incorporated.  |
| <b>ABOUT PERSONAL INCOMES TO PARTNERS OR PARTIES</b>                                      | Exempt   | Law No. 118 applies  | 15%  |
| <b>FOR USING OR EXPLOITING NATURAL RESOURCES AND PRESERVING THE ENVIRONMENT (5 TAXES)</b> | 50% discounts during investment recovery   | Law No. 118 applies  | For the use of beaches, waste disposal into hydrographic basins and terrestrial waters: defined in the annual Budget Law. Use of bays and forestry resources according to taxable items in Law 113 |
| <b>CUSTOMS</b>  | Exempt during the investment process   | Exemptions for importation of means, equipment and goods   | Taxable items are established in the Customs Duties  |



# SPECIAL REPORT

## TAXES APPLICABLE TO ENTERPRISES WITH 100% FOREIGN CAPITAL

|  |   |
|--|---|
| <b>PROFIT TAX</b>                        | 35% that may go up to 50% for exploitation of natural resources, or up to 50% of the 35% that is the tax type established.  |
| <b>WORKFORCE TAX</b>                     | It is gradually reduced until 5% in 2016.   |
| <b>SALES TAX</b>                         | 5% on wholesale sales, 10% on retail sales. Gradual application until 2016.   |
| <b>SERVICES TAX</b>                      | 10% gradual application until 2016.   |
| <b>SPECIAL PRODUCTS AND SERVICES TAX</b> | No tax is paid on sales, especially for products and on services for: (1) goods constituting raw material for industrial production and for goods and (2) services destined for exportation   |
| <b>ENVIRONMENTAL TAX</b>                 | For the use or exploitation of beaches, for approved waste disposal in hydrographic basins, for the use and exploitation of bays, for the use and exploitation of forestry resources and wildlife and for the right to use terrestrial waters: gradual application of these taxes and the majority of their taxable types shall be established in the Annual Budget Law |
| <b>TERRITORIAL CONTRIBUTION</b>          | Gradually established in the Budget Law.  |
| <b>CUSTOMS TAX</b>                       | To be set in the Customs Tariffs.   |

### Business Opportunities

#### 1. Mariel Special Development Zone

The Special Economic Development Zone of Mariel (ZED Mariel in the Spanish acronym) is a visionary project, directed towards contributing to the sustainable economic development of Cuba. It is located in Artemisa Province, just 45 Km west of Havana covering an area of 465.4 square kilometres.



ZED Mariel has its own regulatory framework, covered in Decree-Law 313/2013 and its complementary regulations. Decree-Law 313 grants it a group of special regimes, which is very attractive for investments by Cuban and foreign companies. ZED Mariel tax incentives provide equal benefits for all the companies being established in the Zone.

An efficient 'One-Stop Shop' system is at work at ZED Mariel. It frees investors from bureaucratic charges and it processes all needed documents, permits, licenses and authorisations on their behalf.

Development of ZED Mariel began with Sector A, with an area of 43.7 km<sup>2</sup>, located on the western edge of the Port of Mariel. The French company Bouygues Bâtiment International was in charge of the Master Plan for the urbanisation of this area, applying the best environmental quality standards and concepts.

The Cuban government has invested over a billion US dollar on the development of basic and auxiliary infrastructure

to ensure multi-mode connections by air, sea and land, the power supply, water supplies, sewage systems, waste treatment and info-communications, etc, which are now at the disposal of the investors.

ZED Mariel is located at the centre of the Caribbean Sea, on the crossroad of the principal sea traffic routes for goods. It has the most modern container terminals in the region, located in a deep-waterport that permits the entry of the Neo Panamax vessels using the Caribbean when the new Panama Canal is completed. This will strengthen its goal of becoming the transfer port and regional logistical hub.

#### 2. Agriculture, Forestry and Food Sector

**Sectorial Policy:** To promote comprehensive agro-industrial projects that increase food production and efficiency, encourage sustainable development, quality and competitiveness in different forms of production management at work in this sector, with the aim of replacing food imports and to increase and diversify exports.

Foreign investment shall be fundamentally directed towards fruit, vegetables, grains and cereals, beef, pork, poultry, animal food and milk, as well as integral products including intensive management of forestry products having a commercial nature.

It excludes tobacco agricultural products and the premium cigar industry. Land ownership shall not be transferable. In joint business ventures, the contribution of the Cuban Party may include the real right of usufruct for the land.

Agriculture is a factor adding dynamics to the Cuban economy since it requires growth in the other branches that complete the cycle of its products.

To promote sector performance, the Cuban government has implemented agricultural policies regarding economic incentives and access for the producers to funding,

## SPECIAL REPORT

consumables, agricultural markets, technology, etc.

Land ownership remains to a large degree in the hands of the State even though only 30 percent of the land is managed by state entities while 70 percent is managed by non state formats such as Basic Production Units (UBPCs), Credit and Service Cooperatives (CCSs) and Agricultural Production Cooperatives (CPAs).

### **3. Sugar Industry Sector**

**Sectorial Policy:** Businesses with foreign capital in this sector should promote projects directed towards modernising and increasing the use of installed capacities, promoting their efficiency and yield, sugar quality, growth and diversification of exportable funds, by-product availability and the growth of by-product production with a focus on energy. We will prioritise businesses to manage the production chain, always accompanied by the building of bioelectrical plants.

Ever since sugarcane was introduced into Cuba, the sugar industry sector has always been extremely important to Cuban agro-industrial production. AZCUBA is the sugar industry group in charge of governing the entities that make up the sugar agro-industry for developing sugar productions, electrical energy, sugarcane by-products and food for human consumption and for agriculture.

AZCUBA manages 56 sugar mills and almost 100 other entities involved in the production of sugar, electricity, alcohol, rum, yeast, boards, animal feeds, sorbitol and CO<sub>2</sub> fundamentally, as well as a number of mechanical workshops to produce and repair industrial and agricultural equipment.

Heir to a long tradition, the human capital at work in the sugar agro-industry is experienced, well trained and has excellent quality. It includes some 10,000 university graduates, 16,000 middle technicians and 13,000 skilled workers.

Two research centres and one training centre ensure the development of research with results in obtaining new technologies and products as well as the growing use of automation and overall computerised systems.

### **4. Industrial Sector**

**Sectorial Policy:** To promote projects to modernise and create new capacities in the aim of covering national demand, replace importations and generate exportations. It includes the branches of Mechanical-Metal, Light, Chemical and Electronics Industry.

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

Therefore, priorities are set for the production of aluminium and glass bottles for beverages, preserves and medicines, tin cans for food, enlarging capacities for the design and production of metallic structures, the production of different assortments of paper, car batteries, industrial development of moulds for the plastics industry, manufacturing decorative lamps for tourism, and other varied industrial products directed towards meeting the demand ascertained by market studies and calculations of economic feasibility studies as well as various products made up of consumer goods for the population.

### **5. Energy Sector**

**Sectorial Policy:** To create, enlarge and modernise production capacities, and promote projects to generate energy from renewable sources. Biomass, Wind Power Resource, Photovoltaic Energy, Hydroenergy and Biogas are the resources of interest in this sector.

**Oil:** In geological terms, south of Cuba there is the volcanic Caribbean arc and to the north is the southern rim of the North American platform. The greater part of oil production in Cuba is found in a sector between La Habana and Matanzas provinces where the largest field possessing geological reserves of around 6,000 million barrels is located. Almost all of Cuban territory, some 100,000 km<sup>2</sup>, is a prospect for oil exploration as is the zone of shallow waters and its extension towards the deep water zone.

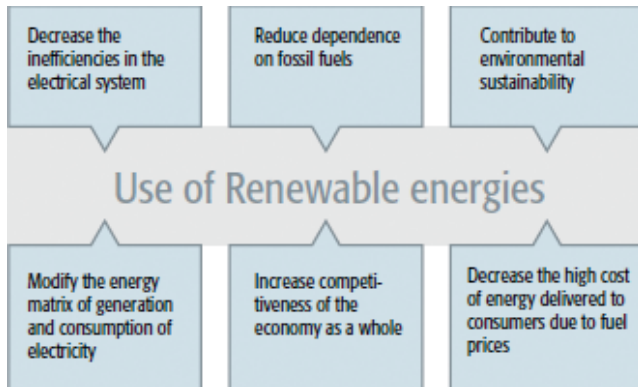
In Cuba, we have discovered several dozen oil fields; most of them have extra-heavy oil although there is also light, medium and very light oil. The oil fields are basically found at sea and can be reached from land by horizontal drilling; this permits us to not only reach the fields, but also to attain greater productivity.

Cuba's Exclusive Economic Zone (EEZ) in the Gulf of Mexico, shares the same scenarios, the same source rock, reservoirs and seals of the prolific oil basin of the Gulf of Mexico where gigantic oil fields have been discovered and one of the greatest world-level industries has been developed.

**Economic Information:** Total oil and gas production is equivalent to approximately 4 million tons per year (25 million barrels a year); of these, 3 million tons per year (19 million barrels per year) of crude oil and approximately 1,100 million cubic meters of natural gas per year. The EEZ has 20 prospects capable of producing between 10,000 and 20,000 extractable barrels in the zone.

**Renewable Energy Sources:** Use of Renewable Energy Sources is one of the principal priorities for the country and it is essential for achieving the following objectives:

Making use of renewable energy is part of the country's long-term Economic and Social Development Program. Currently, the rate of using renewable energies is low, only producing 4.3 percent of the country's electricity.



## 6. Mining Sector

**Sectorial Policy:** To create, broaden and modernise production capacities, and promote projects for exploration, extraction and processing minerals.

The Cuban archipelago has a broad range of diversity in metal raw materials as well as industrial rock and minerals. This is due to the fact that it is constituted by a mosaic of geological structures, which include sequences of the continental margin, volcanic island arcs and oceanic crust, put together into a unique ensemble as the result of the geological processes of subduction and collision. On top of this mosaic, there is a succession of young sedimentary rock formed during the last 40 million years in a tectonic regime of platforms. The principal mineral metal resources are - Fe, Ni, Co, Cu, Pb, Zn, Au, Ag, Mn, W and Cr.

In the case of Industrial Rock and Minerals (RMI) of non-metal minerals, in Cuba we have identified resources of laterite clay, asbestos, sand, quartz sand, barite, basalt, bentonite, limestone, quartzite, quartz, kaolin, cyanite, calcarenite, feldspar, phosphorite, garnets, gabbros, graphite, marble, magnesite, mica, olivine, semiprecious stones, mineral salt, serpentine, talcum, tobes, plaster and zeolite.

## 7. Transportation Sector

**Sectorial Policy:** To develop port infrastructure, the building and repairing of vessels in shipyards, the purchase and/or management of ships, technical assurance activity and the exploitation of automotive transport, manufacture and repairing of spare parts and accessories, management of workshops and other rail system activities and in everything regarding commercial and agricultural aviation.

It is important to get foreign investment into this sector in order to accelerate attaining these objectives and with them the competitiveness of cargo and passenger transportation demanded by the various production spheres and national economy services; all of the foregoing will be supported by the following strengths existing today:

Qualified human resources in a wide range of transportation specialties, in all branches, with the education base necessary to quickly assimilate new technologies and develop transportation products and services (sailors, plane crews, railroad specialists, planners, scientists, etc).

- Vast roadways network of over 60,000 kilometres of roadways for automobile transportation lines interconnecting by Loading and Unloading Centres that exist throughout the country; even though they require technical improvement, they also interconnect the main economic and population centres with a network of ports and national and international airports, having all the port and airport services according to world standards;

- Installed capacity for ship repairs in more than 40 shipyards and dry docks all over the country which, although they need to be modernised, are an important departure point for taking advantage of existing opportunities for this service in the Caribbean; this is complemented by the existence of the International Quality Classifying Company 'Registro Cubano de Buques' with over 30 years of experience in this sector;

- Installed capacity of workshops and industries for automotive and rail transportation that can be modernised and adapted to new technologies with minor investments in order to develop the manufacture of spare parts and accessories for all the branches of transportation;

- Strategic location for developing transportation services and products to the Latin America and the Caribbean region;

- Growing domestic market for passenger and merchandise transportation as well as for their auxiliary and connected services.

## 8. Biotechnology and Drug Industry Sector

**Sectorial Policy:** To promote projects in Cuba with strategic partners for the manufacture of finished products and active drug ingredients for generic medicines. In the case of biotechnological products, we will be evaluating specific businesses that would complement domestic projects, thereby preserving intellectual property and looking out for the proper use of what may be jointly generated, as well as the creation or extension of production capacities.

The Grupo de las Industrias Biotecnológica y Farmacéutica, BioCubaFarma, produces highly technological medicines, equipment and services on the basis of the country's scientific-technical development, to improve the health of the Cuban people and to generate exportable goods and services, as well as the production of foods with state-of-the-art technology.

Over 21,700 people are employed in the organisation; of these over 6,300 are university graduates, over 200 are Doctors of Sciences, over 1,000 are Masters in Sciences, over 1,000 hold technologist qualifications and over 600 are in the research category.

## SPECIAL REPORT



These workers are the organisation's most precious resource because they are the creators of knowledge. They contribute added value to the results and are the element making the difference in providing a competitive edge in the industry.

### **9. Telecommunications, Information Technologies and Communication and Postal Services Sector**

**Sectorial Policy:** To promote the development of software, informatics applications and their associated services for the aim of contributing to the increase in exportations and to the country's development.

#### **The following may be created:**

Scientific-technological parks, support types and on-line technical assistance (contact centres), international service certification centres, technologies and human capital, software R&D centres. Not included are foreign partnerships with services involving the operation and commercialisation of telecommunications.

For Postal Services, foreign investment is directed towards improving the quality and commercialisation of services on the domestic and international markets via developing and updating technologies destined for the processing of international postal packages (BPI in its Spanish abbreviation), express messenger services and postal graphics.

We exclude the investment type of 100 percent foreign capital enterprises in this sector.

The Telecommunications Sector (TIC) is a fundamental item in the Cuban economy, characterised by high added value and high scientific- technical-professional potential in its human resources associated with telecommunications services, production of software apps, commercialisation and connected services, for the use of TICs, in the development of society, security and the technological sovereignty of the country. In Cuba, the telecommunications/TIC sector basically revolves around telecommunications services and software development, with a minor presence in the production of equipment inside the industrial sector.

### **10. Banking and Financial Sector**

**Sectorial Policy:** The aims of foreign investment in the banking and financial sector are the contribution of foreign capital, access to external funding sources, acquiring banking techniques and those of business information analysis, which fulfil international efficiency and security standards, development of banking/financial relations, access to new products, services and international financial markets.

Foreign investment in the banking and financial sector may be undertaken via the purchase of shares in the banking institutions created under the Law of Foreign Investment, the constitution of joint capital or 100 percent foreign capital institutions as Affiliates. Not included are investments in the capital of 100% Cuban capital financial institutions, as well as establishing branches of foreign banks. ■

*Inputs from the Embassy of Cuba in India*