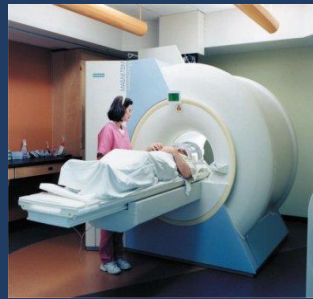
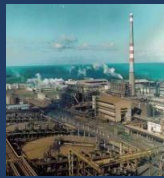


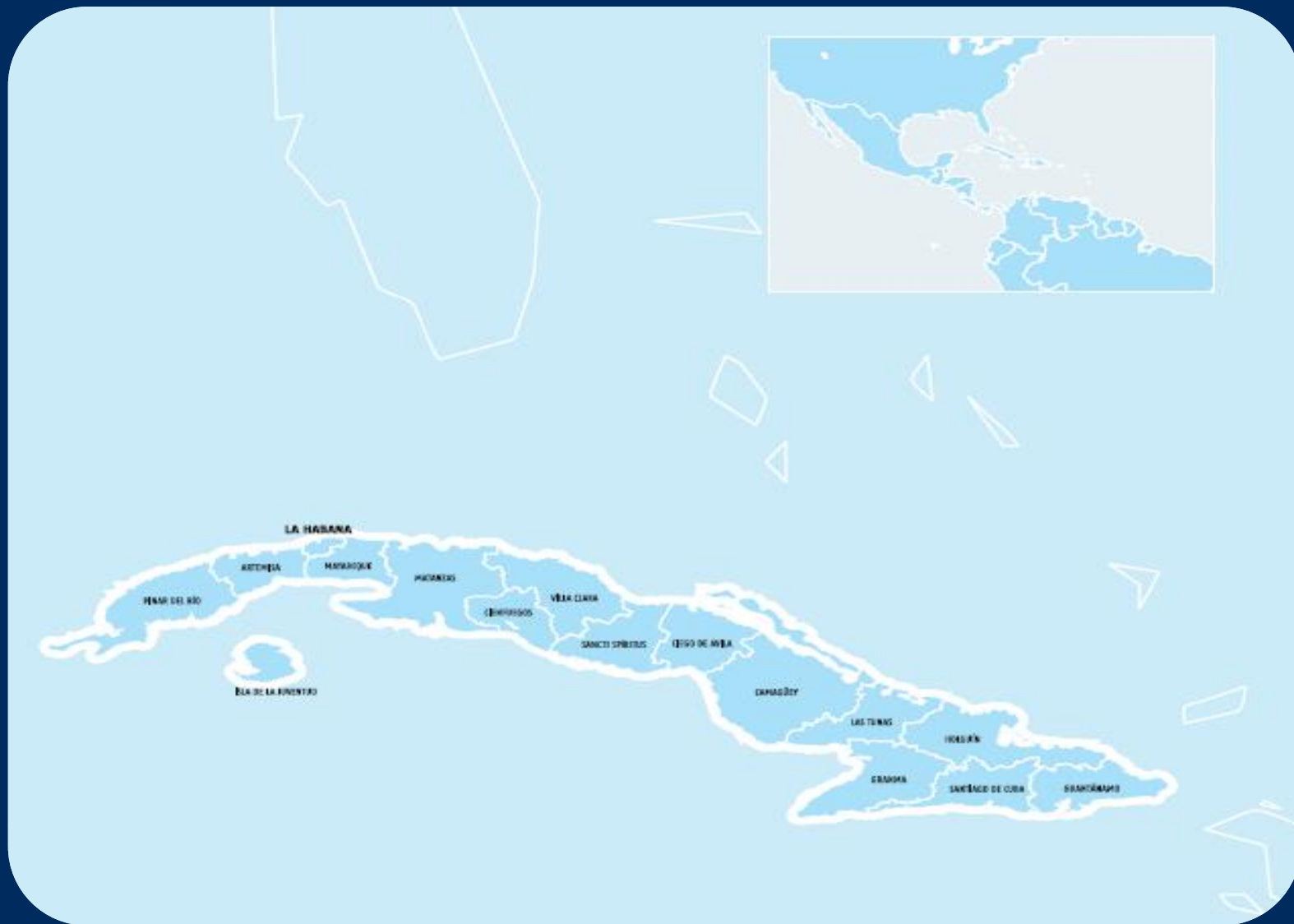


CÁMARA DE COMERCIO  
DE LA REPÚBLICA DE CUBA  
*Nuestra Misión es su Empresa*

# FOREIGN TRADE AND INVESTMENT IN CUBA

## PORTFOLIO OF OPPORTUNITIES 2016-2017





## GENERAL DATA OF THE COUNTRY

**Official name:** Republic of Cuba

**Area:** 109 884,01 km<sup>2</sup>

**Capital:** Havana

**Official Language:** Spanish

**Time zone:** GMT -5

**Main cities:** Havana, Santiago de Cuba, Holguin, Camagüey, Cienfuegos, Matanzas, Pinar del Río and Ciego de Ávila.



### **Political and administrative division:**

Cuba is divided into 15 provinces and 168 municipalities, including the special municipality of the Isle of Youth.

**Population:** 11 239,004 inhabitants (2015).

**Population density:** 102,3 inhabitants/km<sup>2</sup> (2015).

**Population growth rate:** 0,1 per 1 000 inhabitants (2015).



CÁMARA DE COMERCIO  
DE LA REPÚBLICA DE CUBA

*Nuestra Misión es su Empresa*

# Foreign trade

## Foreign trade

- Cuba's economy is open and **highly dependent** on foreign trade.
- Founder member of GATT and belongs to the WTO.
- Cuba is a signatory of the UN (Vienna) Convention on Contracts for the International Sale of Goods.
- More than 3,000 foreign companies are involved in Cuban foreign trade.

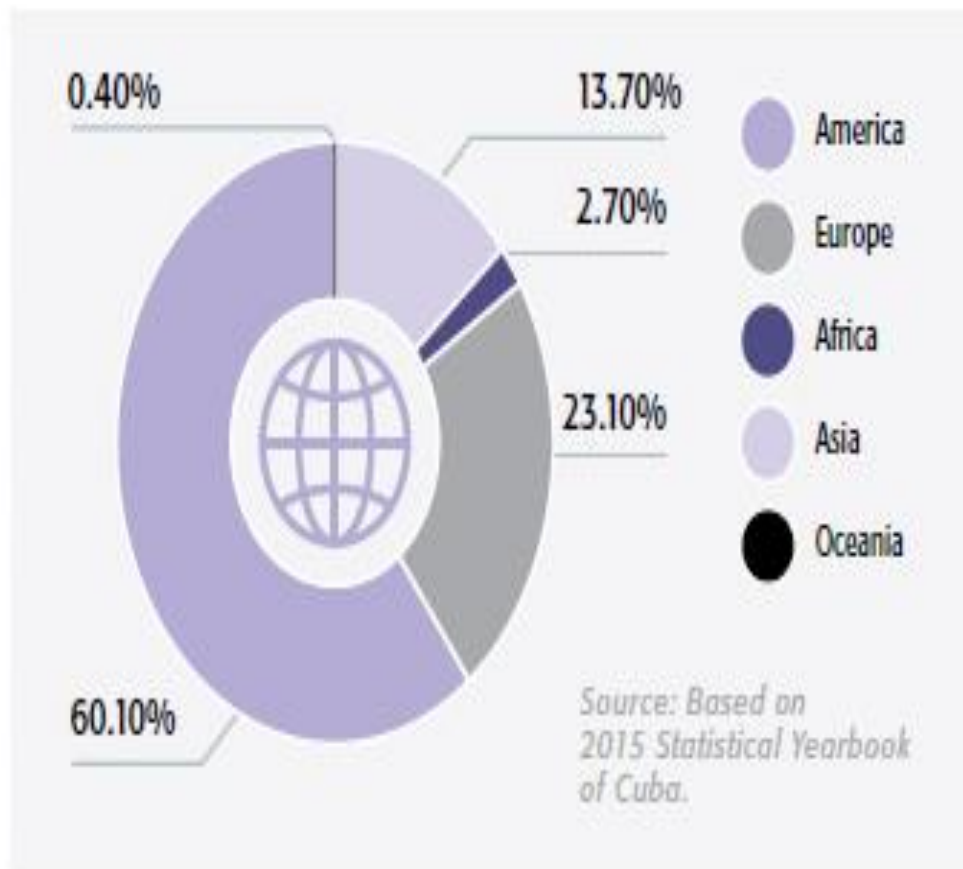
## CUBA HAS EXPANDED AND DIVERSIFIED ITS ECONOMIC RELATIONS



- ▶ Increased exchanges in trade, finance, investment and cooperation.
- ▶ Trade relations with over 75 countries.
- ▶ The trade has been tripled in the last 10 years.
- ▶ Active role in the Latin American and Caribbean integration.



## STRUCTURE OF COMMERCIAL EXCHANGE PER REGION IN 2015





CÁMARA DE COMERCIO  
DE LA REPÚBLICA DE CUBA

*Nuestra Misión es su Empresa*

# FOREIGN DIRECT INVESTMENT



# FOREIGN DIRECT INVESTMENT IN CUBA

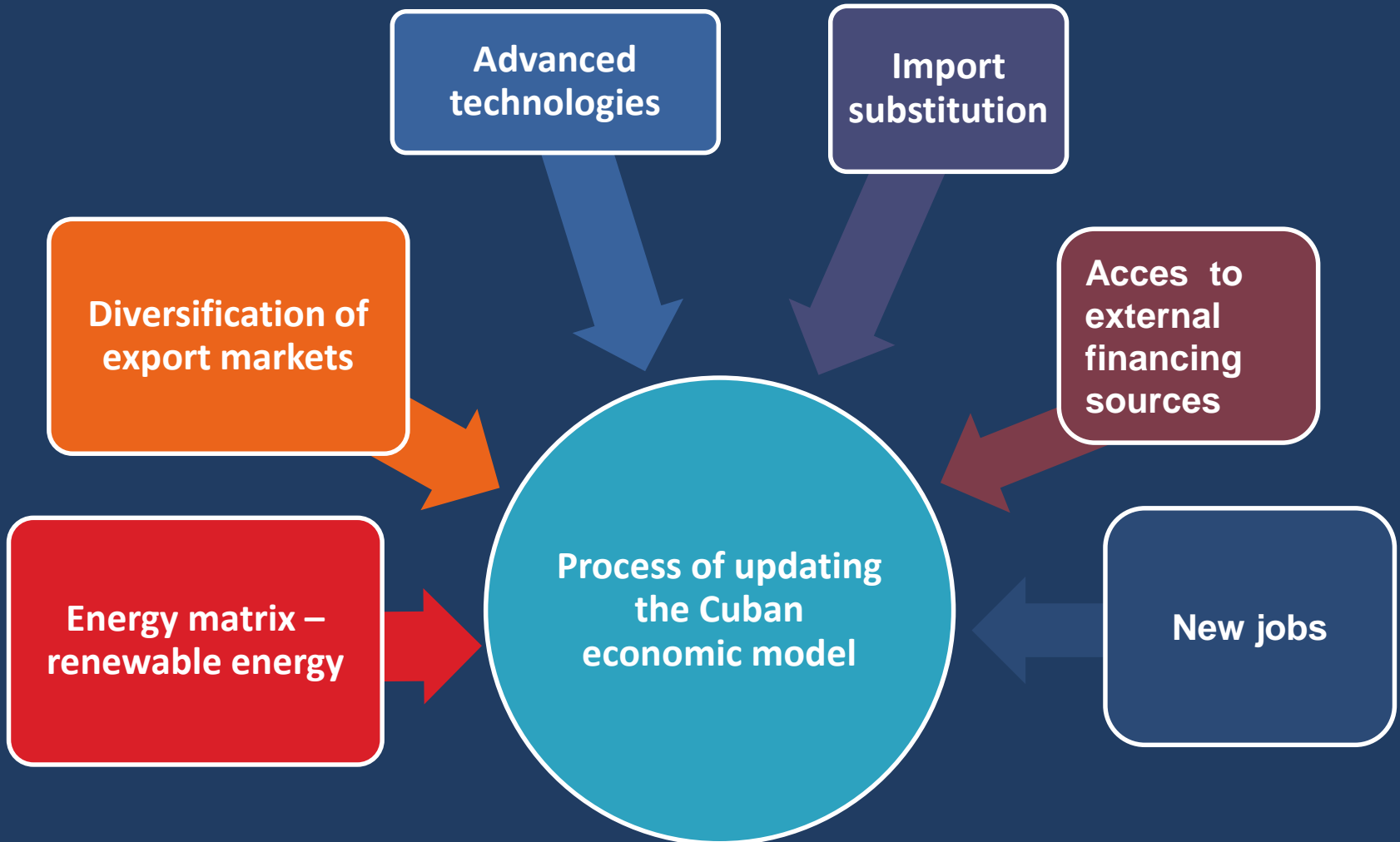
- The promotion of foreign investment is one of the most important tasks in the process of updating the Cuban economic model.
- This statement is based on the importance of attracting external resources through FDI, because domestic savings are not enough to achieve accumulation rates over 20%, allowing to increase steadily the growth rate of GDP.
- It has been estimated that to achieve growth rates of GDP from 5 to 7%, it is required to attract substantial foreign investment flows annually.

In line with the recognition of foreign investment's importance for economic development of the country, we have taken actions to enhance it, such as:

- The approval of the Foreign Investment Policy.
- The creation of the Special Development Zone Mariel.
- The approval of Law 118, Law on Foreign Investment, and the issuing of its supplementary regulations.
- The conformation of the Portfolio of Opportunities for Foreign Investment.



# INVESTMENT POLICY





CÁMARA DE COMERCIO  
DE LA REPÚBLICA DE CUBA

*Nuestra Misión es su Empresa*

# INVESTMENT ENVIRONMENT



## LEGAL FRAMEWORK

Political,  
social and  
legal stability



## INFRASTRUCTURE

Unique  
geographic  
location

Highly skilled  
workforce



## INSTITUTIONS

Security

Natural  
resources

## THE NEW LEGAL FRAMEWORK FOR FOREIGN INVESTMENT INCLUDES:

- ✓ Law No. 118/2014 “Law of Foreign Investment”.
- ✓ Decree No. 325/2014 “Regulations of the Law on Foreign Investment”.
- ✓ Resolutions No. 46/2014 and No. 47/2014. Central Bank of Cuba.
- ✓ Resolutions No. 128/2014 and No. 129/2014. Ministry of Foreign Trade and Foreign Investment.
- ✓ Resolution No. 16/2014 and 42/14 Ministry of Labour and Social Security.
- ✓ Resolution No. 920/14 Ministry of Economy
- ✓ Resolution no. 535/14 Ministry of Finance
- ✓ Agreement No. 7567 of the Council of Ministers in May 2014.



It was published in the Official Gazette of the Republic of Cuba (Special Issues No. 20 and No. 53) from April and December 16<sup>th</sup>, 2014.

## SOME PARTICULARS OF THE LAW

- ✓ Foreign investment may be authorized in all sectors except health and education to the population as well as the military sector. The exceptions do not include their enterprise systems.
- ✓ Foreign investors can make their contributions in cash or in tangible and intangible assets.
- ✓ Foreign investments shall adopt one of the following modalities:

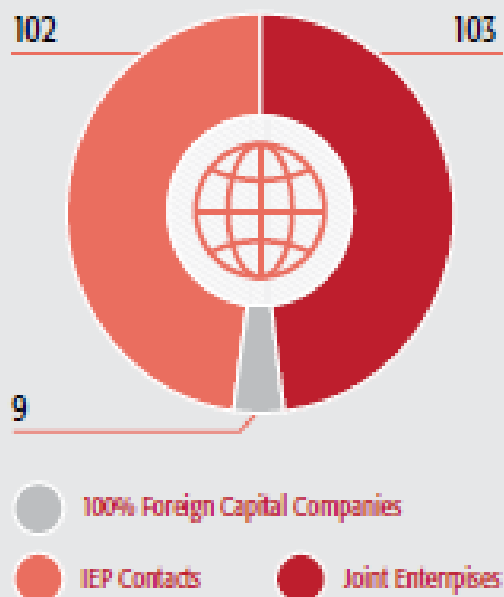
- Joint ventures
- Totally foreign capital companies (subsidiary, branch office, natural person)
- International economic association agreement



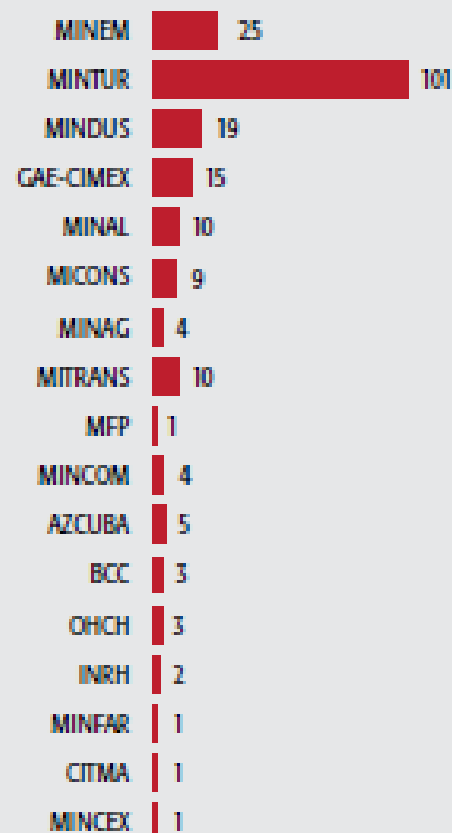
## Foreign Investment Figures

At the close of 2015, joint enterprises and international economic partnership agreements were the preferred types, while hotel management contracts were very important. According to the foregoing, the most attractive sector for foreign capital has been in the tourism sector, followed by mining and activities in energy and the industrial field.

### FOREIGN INVESTMENT BUSINESS TYPES 2015



### FOREIGN INVESTMENT BUSINESSES 2015. THE MOST ATTRACTIVE SECTORS



## GUARANTEES TO INVESTORS

- ✓ The Cuban State shall see to it that the benefits granted to foreign investors and their investments are maintained throughout the entire period for which they were granted.
- ✓ They enjoy all-out protection and legal security and could not be expropriated, unless such action is executed for reasons of public or social interest as previously stated by the Council of Ministers.
- ✓ The State shall guarantee foreign investors the free transfer abroad, in freely convertible currency, free from taxes or any other fees associated to said transfer, of dividends or profits.
- ✓ They shall be protected against legal claims by third parties or the extraterritorial implementation of other States' laws.
- ✓ The term of the authorization granted for the development of operations could be extended by the very authority that granted it.



# SPECIAL TAXATION SYSTEM \*

| TAX  | SPECIAL REGIME<br>LAW 118/2014  | SDEZ Mariel   | TAX SYSTEM ACT<br>LAW 113/2012   |
|--|---|---|--|
| On Profits   | 0% for 8 years, and exceptionally for a longer period. Then 15%.<br>0% for reinvested profits.<br>If natural resources are exploited, it can rise up to 50% (maximum 22.5%) | 0% for 10 years and exceptionally for a longer period. Subsequently 12%.<br>Application of Law 118 for profits reinvestment | 35%  |
| On using labor force                               | Exempted  | Exempted  | Progressive reduction from 20% (2012) to 5% (2016)                                   |
| On imports of equipment, machinery and other means | Exempted for the investment process.  | Exempted for the investment process   | It is fixed in the Customs Tariff  |
| On sales and services                              | 0% for the first year, then 50% bonus on wholesale (1%) and services (5%).  | 0% during first year of operations, subsequently 1%   | 2% on wholesale and 10% on services. New table items shall be gradually incorporated |

## SPECIAL TAXATION SYSTEM (\*)

| TAX   | SPECIAL REGIME LAW 118/2014             | SDEZ Mariel     | TAX SYSTEM ACT LAW 113/2012   |
|---|---|-----------------|---|
| On personal incomes to partners or parties  | Exempted                                | Law 118 applies | 15%   |
| Land tax to contribute to local development | 0% during investment recovery           | Exempted        | It is gradually setting in the Budget Act.  |
| Environmental taxes                         | 50% discount during investment recovery | Law 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 |

**\*Applies only to joint ventures and foreign partners involved in International economic association agreement. Excludes Totally foreign capital companies .**

## TAXES APPLICABLE TO TOTALLY FOREIGN CAPITAL COMPANIES

|                                   |  |
|-----------------------------------|--|
| <b>Profit tax</b>                 | <b>35% that may go up to 50% for the exploitation of natural resources</b>   |
| Workforce tax                     | It is gradual reduce until 5% in 2016  |
| Sales tax                         | 5% on wholesale sales, 10% on retail sales.  |
| Services tax                      | 10% gradual application until 2016   |
| Special products and services tax | No tax is paid on sales, specially for products and on services for: goods constituting raw material for industrial production; goods and services destined for export   |
| Environmental tax                 | For the use or exploitation of beaches, approved waste disposal in hydrographic basins , for the use or exploitation of bays,, forestry resources, the right to use terrestrial waters. Most of this taxes to be establish in the Annual Budget Law. |
| Territorial contribution          | Gradually established in the Budget Law  |
| Customs                           | To be set in the Customs Tariffs   |



CÁMARA DE COMERCIO  
DE LA REPÚBLICA DE CUBA

Nuestra Misión es su Empresa



SUMMARY  
OF BUSINESS  
OPPORTUNITIES

The projects included in the portfolio are allocated in all provinces, including the special municipality of Isla de la Juventud



The Special Development Zone Mariel has an important weight in the portfolio of opportunities

## PROJECTS BY SECTORS

### 395 Projects :

- ✓ Agro - Foods - 76 ( 1 in ZED Mariel )
- ✓ Industrial sector- 16 ( 8 in ZED Mariel )
- ✓ Tourism – 114
- ✓ Energy, including renewable energies – 23
- ✓ Mining sector – 13
- ✓ Transportation – 10
- ✓ Pharmaceutical and biotechnology - 15 ( 13 in ZED Mariel )
- ✓ Health – 3
- ✓ Construction – 10 ( 1 in ZED Mariel )
- ✓ Business – 7 ( 1 in ZED Mariel )
- ✓ Audiovisual – 3
- ✓ Sugar industry \_ 13
- ✓ Oil \_ 87
- ✓ Hydraulic – 5



## FOREIGN INVESTMENT TECHNICAL SPECIFICATIONS



### PRODUCTION AND COMMERCIALIZATION OF CAR BATTERIES, UPS, SOLAR PANELS AND OTHERS.

|                                     |   |
|-------------------------------------|---|
| <b>DESCRIPTION:</b>                 | To increase production capacities of car batteries by at least 300,000 equivalent units per year, by modernization of the existing facility, promoting import replacement |
| <b>INVESTMENT TYPE:</b>             | Joint enterprise  |
| <b>CUBAN PARTY:</b>                 | SIMEN AUT, S.A.   |
| <b>ESTIMATED INVESTMENT AMOUNT:</b> | 13.8 million USD  |
| <b>LOCATION:</b>                    | Manzanillo municipality, Granma province  |
| <b>MARKET POTENTIAL:</b>            | To meet domestic demands estimated at some 315,000 batteries per year.  |
| <b>CONTACTS:</b>                    | Dirección de Negocios del Grupo Empresarial de la Industria Sideromecánica.<br>E-mail: negocios.gesime@sime.cu<br>Tel.: (53) 7263-3411/ 7263-3511                         |



### PRODUCTION AND COMMERCIALIZATION OF TINPLATE CONTAINERS.



|                                     |  |
|-------------------------------------|--|
| <b>DESCRIPTION:</b>                 | Modernize the entire technological set-up of the company by acquiring two lines for electric welding with one single body, bottoms and bound necks.<br>Provide responses for competitiveness, quality and low manufacturing costs for the Cuban domestic market demand, destined for containers for paint, solvents and other similar items and to encourage exports.<br>Manufacturing these types of containers: 5-gallon, cookie tins, 10L & 20L buckets, ¼-gallon (1 liter), one gallon 3.8 liters. |
| <b>INVESTMENT TYPE:</b>             | Joint enterprise   |
| <b>CUBAN PARTY:</b>                 | SIMEN AUT, S.A.  |
| <b>ESTIMATED INVESTMENT AMOUNT:</b> | 10 million USD.  |
| <b>LOCATION:</b>                    | Guarebacoa municipality, La Habana province  |
| <b>MARKET POTENTIAL:</b>            | The principal client would be the domestic market with demand identified at around 3.368 MM containers per year.   |
| <b>CONTACTS:</b>                    | Factory Director<br>Email: amdiretor@envasesmirabal.co.cu<br>Tel.: (53) 77974525   |

Future vision of ZED Mariel.

# ZED MARIEL

## *OPEN TO THE WORLD*



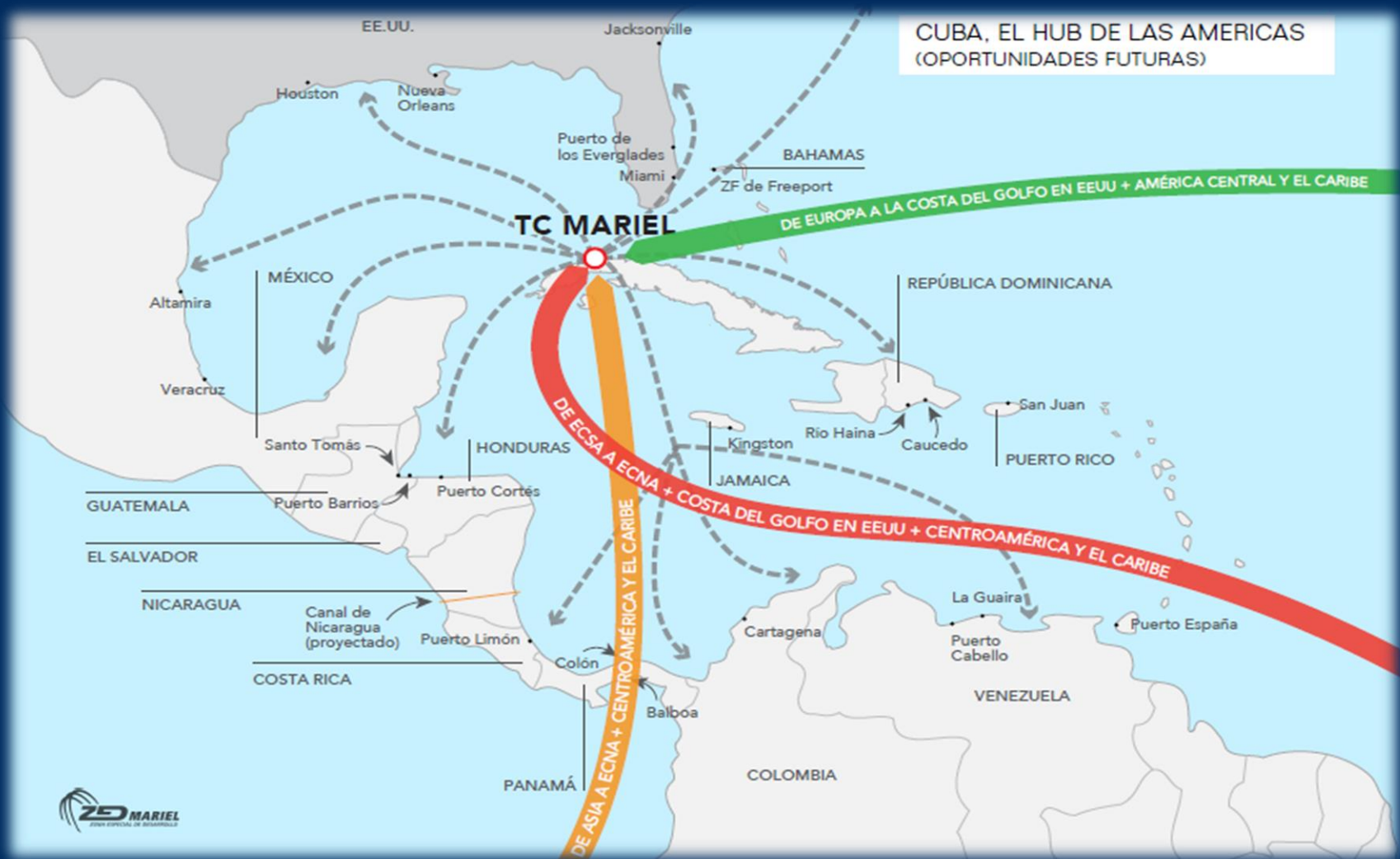




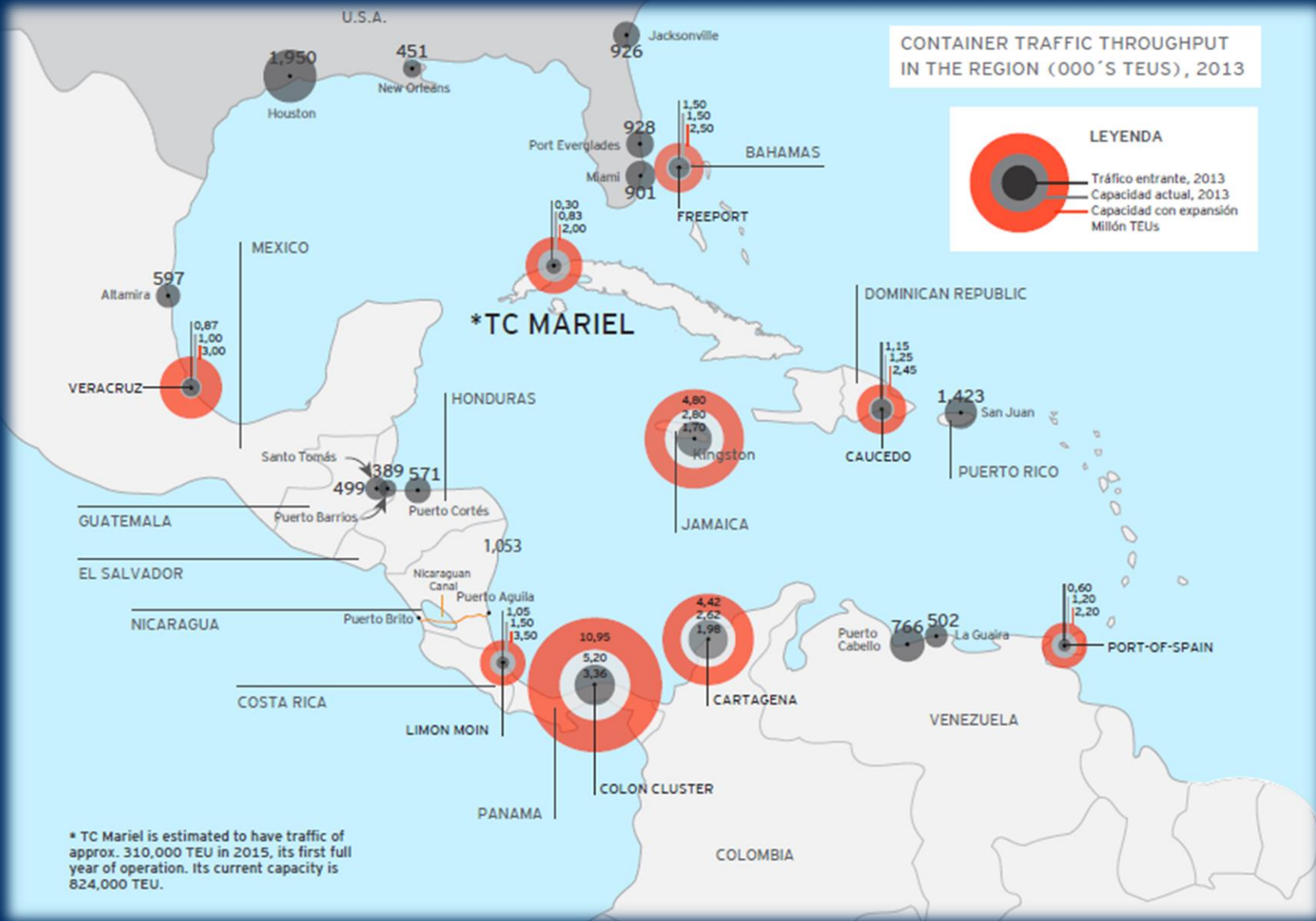
**ARTICULATION WITH THE DOMESTIC ECONOMY**



## Privileged location on the crossing of the international commercial maritime traffic axis.



**CONTAINER TRAFFIC THROUGHPUT  
IN THE REGION (000'S TEUS), 2013**



\* TC Mariel is estimated to have traffic of approx. 310,000 TEU in 2015, its first full year of operation. Its current capacity is 824,000 TEU.

## PILLAR INDUSTRIES

They are interested in attracting companies of high and clean technologies.

The pillar industries for ZED Mariel:

- ✓ *logistics services*
- ✓ *biotechnology and pharmaceutical industry*
- ✓ *advanced manufactures (food, packing and packaging, construction materials and technologies, steel transformation and consumer goods).*

In order to achieve those objectives ZED Mariel has a particular regulatory framework and offers significant advantages to investors.

# INVESTMENT MODALITIES IN ZED MARIEL

In ZED Mariel investors can establish themselves as:



Foreign and Cuban

**CONCESSIONAIRE**



**USER**

Foreign investment operates under the three modalities:

**Joint Venture**

**International Economic Association**

**100% Foreign capital Company**

In ZED Mariel 100% foreign capital benefit from the Zone's special taxation regime, in equal conditions with the other investment modalities.

## SUPPORT TO INVESTORS

### FAST APPROVAL SYSTEM

- ✓ Only 2 levels of approval: The General Director of ZED Mariel's Office and the Council of Ministers.
- ✓ The approval process takes from 35 to 65 days.

### ONE STOP SHOP

- ✓ Processes all documents, licenses, permits and authorizations on behalf of investors.
- ✓ Relieves the investor from bureaucratic loads.

### OFFICE SUPPORT

- ✓ The Office has a team of professionals who assist the investor throughout the process of preparing and submitting the project, the investment process and its further operation.

#### VENTANILLA ÚNICA ONE STOP SHOP

- 1** **Oficina ZED Mariel**  
ZED Mariel Office
- 2** **Planificación Física**  
Physical Planning
- 3** **Registros Mercantil y de la Propiedad**  
Commercial and Property Registers
- 4** **Administración tributaria**  
Tax Administration
- 5** **Tecnología y Medio Ambiente**  
Technology and Environment
- 6** **Construcción**  
Construction
- 7** **Inmigración**  
Immigration
- 8** **Estadísticas e información**  
Statistics and Information

# USERS





Oficina de la Zona Especial de Desarrollo Mariel  
Centro de Negocios Pelicano  
3er Piso  
Zona A-5, Sector A  
Mariel, Artemisa

Tel. +53-47 397360 to 63

[ventanillaunica@zedmariel.co.cu](mailto:ventanillaunica@zedmariel.co.cu)

[www.zedmariel.com](http://www.zedmariel.com)





# SUMMARY

- ✓ Cuba strongly bets to use the benefits associated with foreign investment to boost the development of its economic model and achieve a prosperous and sustainable socialism.
- ✓ Important steps have been taken to stimulate the attraction of foreign capital and to promote the business environment in the country. We are committed to solve obstacles that may hinder the fulfillment of our goals.
- ✓ The Portfolio of Opportunities that we provide will be an useful tool for authorities and entrepreneurs interested in developing business in Cuba.

## Investment Promotion Institutions



### **CHAMBER OF COMMERCE OF THE REPUBLIC OF CUBA**

Address: Calle 21 no. 661 esq. a calle A, El Vedado, La Habana, Cuba

Tel.: (53 7) 838 1321 / 838 1322 / 838 1452

E-mail: [proinversion@camara.com.cu](mailto:proinversion@camara.com.cu)

Web: <http://camaracuba.cu>



### **CENTER FOR TRADE AND INVESTMENTS PROMOTION - PROCUBA**

Address: Calle 10 no. 512 e/ 31 y 5ta. Ave., Playa, La Habana, Cuba

Tel.: (53 7) 214 4345 / 214 4340

E-mail: [sic@mincex.cu](mailto:sic@mincex.cu)

Web: <http://www.cepec.cu>



CÁMARA DE COMERCIO  
DE LA REPÚBLICA DE CUBA

*Nuestra Misión es su Empresa*

# BUSINESS DIRECTORY



**ProCuba**

**DIRECTORIO COMERCIAL  
DE LA REPÚBLICA DE CUBA**

**BUSINESS DIRECTORY  
OF THE REPUBLIC OF CUBA**

**2015-2017**



CÁMARA DE COMERCIO  
DE LA REPÚBLICA DE CUBA

*Nuestra Misión es su Empresa*



**Cuba**

INVESTOR  
GUIDE



CÁMARA DE COMERCIO  
DE LA REPÚBLICA DE CUBA

*Nuestra Misión es su Empresa*

THANK YOU!

