# *Head of Mincex explains effects of the U.S. blockade on foreign investment in Cuba*


Havana, January 31 (RHC)-- During an interview granted to Bohemia magazine, the head of the Ministry of Foreign Trade and Foreign Investment (Mincex), Rodrigo Malmierca Díaz, explained the problems that slow down or limit the expected impact of foreign investment in the Cuban economy and some important clarifications on how this type of business works in the nation.

Malmierca Díaz also highlighted the limiting effect of the economic, financial and commercial blockade of the U.S. government on the development of foreign investment. This asphyxiating policy - intensified in recent times- hinders capital transfers by threatening banks that host Cuban financial activity with sanctions, he said.

"They activated Title III of the Helms-Burton Act, which allows citizens or companies to sue any company, Cuban or foreign, in U.S. courts. All of these are real, objective obstacles that create a lot of fear," he said.

In his report presented at the Eighth Session of the National Assembly of People's Power (ANPP), in its 9th Legislature, the head of state pointed out as a dissatisfaction of investors the obligation to hire personnel through an employing entity.

He assured the Cuban magazine that this is a decision corresponding to internal policies, which seeks to prevent citizens employed by foreign companies from obtaining higher remuneration than others with a similar position in a state-owned company.

Another obstacle pointed out was the fact that many foreigners want to buy the land where the hotels are to be built. In Cuba, the Constitution states that the ownership of the land belong to the State: it is not sold, it is given in usufruct, and sometimes this makes it difficult for investors to come to the Island.

He pointed out that since the approval of Law 118 on Foreign Investment, up to the present time, there are deals agreed for more than 7 billion dollars.

This capital is not fully operational because sometimes the business is approved, but the capital does not arrive because the banks do not transfer it, a difficulty linked to the U.S. blockade, he said.

Malmierca Díaz affirmed that the new foreign investment to be generated must have sustainability from the point of view of liquidity in foreign currency, export, or sell in the Special Development Zone Mariel (ZEDM), which operates in foreign currency.

Regarding the medium and small foreign trade companies approved in the country, he stressed that they are not formed to associate with foreign capital, although they could eventually do so.

Regarding the stigma that Cubans living abroad cannot invest in Cuba, he clarified that Law 118 only talks about foreign capital, it does not restrict. A Cuban living in another country, with financial resources, can do so.

Bohemia emphasizes that, in order to eliminate internal obstacles, the Mincex made the methodological bases for the presentation of opportunities and the realization of feasibility studies more flexible and simplified. New regulations were established, such as Decrees 14 and 15, on pledges, mortgages and trusts, which allow the use of other types of guarantees in negotiations.

The corporate objects of businesses were expanded and an exchange control mechanism is being explored to provide greater financial autonomy within the economy and also from foreign capital.

In addition, professional consulting firms in economic matters were approved, as well as the use of remittances coming from abroad as sources of investment.

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