

Economic Update November 20



Over 3.2 Billion Cuban Pesos Granted in Loans

In keeping with the updating process of the Cuban economic model, a total of 378 011 loans were granted to individuals at the end of September this year, according to Francisco Mayobre Lence, vice president of Cuba's Central Bank (BCC by its Spanish acronym).

In an interview with *Granma* newspaper, the manager stated that the amount of the loans amounted to 3 231 million pesos and 63% of them were for housing construction activities.

Until that date, over 10 million pesos had been awarded for the purchase of equipment for cooking food at currency stores, and loans to individual farmers were of 1 100 million pesos, Mayobre Lence noted.

He added that although the *Decree Law 289* allows self-employed to open bank accounts and receive funding, granting of credits; however, the opening of bank accounts by this sector has not happened as expected.

Surveys have been done and have shown that self-employed have many doubts and dissatisfaction with the bank work. Their views have been taken into account and since last year, there have implemented measures to be more flexible, especially when granting credits, Mayobre Lence explained.

So far, no problems of unrecoverable loans have been reported and the guarantees most used are the guarantors, agricultural goods and cars.

The manager also talked about the extension of hours to care people in 76 banking branches, the opening of specialized offices to meet loan applications and the conversion of the called savings banks into branches; all with the goal of meeting the demands of the population.

Mayobre likewise mentioned the extension of the network of ATMs in the country, reaching the amount of 581,396 of them in Havana, while it is expected the arrival of over 175 new equipments next year.

Cuban Tourism Offers Important Opportunities to Foreign Investors

Cuba is now offering important foreign investment opportunities in its tourist sector, which is the second major hard-currency earner after the export of professional services.

In a commentary, *Xinhua* news agency recalls that these opportunities were announced during the launching of the *Foreign Investment Portfolio* of the tourist sector which was drawn up after the implementation of the new *Foreign Investment Law* earlier this year.

Tourism Ministry's business director, Jose Reinaldo Daniel, told local reporters that hotel management contracts will be implemented with the Cuban partner acting as the owner of the facility, which hires a foreign manager for its commercialization under a given brand for a five-year renewable term.

Another way includes previous bilateral negotiations in which the foreign investor may allocate the financing to refurbish the facility that he will later manage. This case offers more benefits aimed at recovering the initial investment.

Daniel said that this later modality has raised the interest in hotel chains already operating in the country and of others that expect to begin operations here.

At present, the Cuban tourist sector counts on significant foreign investment projects through 26 joint ventures in 15 hotels that offer over 5 600 rooms throughout the island.

Cuba currently has over 61 thousand hotel rooms with international standards, 66.5% of which are 4 and 5-star hotels.

Most foreign investment interests are coming from Europe and Asia, particularly from China said the tourist executive, who noted that Russia has begun to show interest as well as entrepreneurs from Dominican Republic, Brazil, Colombia and other nations in this part of the world.

Cuba Participates at Shanghai Int'l Tourism Fair

Cuba promoted its tourist destination in the recent concluded *Shanghai International Tourism Fair*, the biggest event of this kind in Asia, and attracted the interest of the participating travel agencies and tour-operators.

A press release from Beijing announced that the Caribbean country participated thanks to a joint effort from the Ministry of Tourism, the Gaviota Group, and the Cuban consular representation in Shanghai.

Printed materials and other promotional means supported the Cuban tourist offers known for its beautiful landscapes and places, declared World Heritage sites by the U.N. Education, Science and Culture Organization.

Cuban consul in Shanghai, Ariel Lorenzo, stated that a package designed for Chinese tourists including stays in Canada (main tourist market of the world and Cuba) was offered for the first time.

That tourist option has been part of Cuba's joint work with the *Receptive Association of Chinese Tour-operators* in Ontario province, he said. The 9th edition of this Fair, held from November 14th to 16th,

gathered 23 tourism ministers and more than 250 travel agencies and tour-operators, representing 106 countries and regions.

Cuba and Costa Rica Open Direct Air Connection

Cubana de Aviacion airline company inaugurated last week its first direct flight between Havana and San Jose, Costa Rica. The two-flight weekly connection uses Russian-Ukrainian *Antonov 158* planes with capacity for 85 passengers.

According to Costa Rica's Tourism Ministry, Alberto Lopez, the Central American nation has become a highly competitive destination, thanks to increase of flights by several airline companies.

Meanwhile, Daniel Mendez, manager of *Cubana de Aviacion* airlines said that Costa Rica is an important market so they are remodeling the Cuban flight to include the new connection and strengthen commercial links that favor two-way tourism.

Costa Rica reported the visit of 3 372 tourists from Cuba in 2013, and the new connection is expected to increase the tourist activity.

European Market Demands Cuban Charcoal

Cuban charcoal is reporting stable demand on the European market given its high quality, with Portugal, Italy and Spain being the main importers of the product.

The Central Cuban province of Ciego de Avila is a major exporting source as some 22 thousand tons were exported from that territory to the European market this year.

Alejandro Hernandez, director of a farm in the Ciego de Avila locality of Ceballos told local *Prensa Latina* news agency that charcoal is made from a bush called *Marabu*, which grows and even infests large areas in the central and eastern part of Cuba. Marabu-stemming charcoal burns smokeless and blue, with no ash, said the executive.

Charcoal burning for cooking is considered more beneficial for human health since it helps increase the nutritional properties of food.

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