

Economic Update September 17



President Obama Reauthorizes Cuba Listing On 'Trading With the Enemy Act'

President Obama has reauthorized Cuba's listing on the *Trading with the Enemy Act*, --an obsolete Act only in force against Cuba--, a move that allows him to continue to use executive authority to improve ties with Havana.

Obama's action follows a unilateral decision last December 17th to re-establish diplomatic relations between the U.S. and Cuba, paving the way to embassies being opened in both countries.

The Act, which must be reauthorized every year, gives the president the power to make changes to U.S. relations with listed countries, in this case, Cuba.

Obama "continues to believe Congress should lift the blockade on Cuba and has already taken a number of steps to normalize relations and empower the Cuban people," National Security Council spokesman Peter Boogaard told ABC News. "That said, until the Congress acts, the Administration will continue to take prudent and responsible steps to allow commerce and travel, consistent with its authorities and within the continuing constraints of the blockade."

Officials say that in order to do regulatory changes, like those taken by the administration in January to allow expanded travel under 12-specific licenses, the president needs the authority embedded in the *Trading with the Enemy Act*.

Without the Act, the standing U.S. law with respect to Cuba is the *Helms-Burton Act*, or the blockade, which limits nearly all transactions, travel and business with the island nation.

Even though when US Congress has made no effort to change the blockade, a legislation was introduced to the Committee earlier this year that would allow for all travel restrictions to be lifted.

Last month, for instance, ABC News learned that the administration has plans underway to make it easier for people to visit and do business with Cuba, through regulation changes at the Treasury Department and the Federal Aviation Administration.

Those changes; however, wouldn't be possible without the fully power granted to the administration under the *Trading with the Enemy Act*.

Cuba to Present Report Against US Blockade

Cuban foreign minister Bruno Rodriguez presented on Wednesday, before the local and foreign media, the annual report "*Necessity of ending the economic, commercial and financial blockade imposed by the United States of America against Cuba.*"

The report, which will be submitted to the United Nations General Assembly, denounces the huge damage inflicted on the Cuban people by the unilateral and extraterritorial US policy over the past 50 years.

The blockade, which US authorities insist in describing it as a trade embargo, has affected Cuban society in all sectors and has had severe impact on the rights of the Cuban people to health, education, food, sports and culture.

The US's anti-Cuba policy, maintained by subsequent US administrations as a violation of international law, has also affected third parties and companies based in other countries, which have had commercial or financial links to Cuba after Washington has imposed huge fines as punishment on them for doing business with the Caribbean island.

Following the reestablishment of diplomatic relations between Cuba and the United States, both sides defined an agenda towards the normalization of bilateral relations, but the Cuban government has made it clear that it is not possible to talk about normal relations while the blockade is in force.

The unilateral US policy has been condemned for over 20 years in a row by the international community at the UN General Assembly by overwhelming majority of votes, only the US and Israel have been repeatedly against the permanent world demand for the lifting of the blockade.

Cuba to Host World Tourism Organization Regional Meeting in 2016

When Cuba's popularity grows in the global tourism market; this Caribbean island was elected venue of the 60th meeting of *UNWTO Regional Commission for the Americas*, convened for May 2016.

The Caribbean nation was chosen to host the important event, unanimously, in the framework of the *UNWTO General Assembly*, which runs by these days in Medellin, Colombia, and is attended by a Cuban delegation headed by Manuel Marrero, Cuban Tourism Minister, and according to an official press release, the fact is irrefutable proof of the prestige and backing won by Cuba among UNWTO member countries.

The note refers that Cuba has a large potential to develop in the current scenario of this sector, which grew by 17% so far this year regarding the arrival of foreign visitors, while it also increased the interest of investors from abroad.

"Cuba will continue offering tourism of peace, health and safety to our visitors and attaches great

importance to the advancement of tourism and the bonds of friendship and cooperation that tourism allows to establish between the peoples and governments," added the document.

After reaching the desired goal in 2014 of 3 million --record in the arrival of travelers--, reports of the current year are equally flattering to Cuba. According to official data, more than 2 million vacationers arrived in the Caribbean country from January to August, and it is expected to be doubled by the end of 2015.

With a housing capacity that today is of 63,000 rooms --of which almost 70% are Four and Five stars-- the island will continue investing to add new and better hotels in the coming years. Estimates indicate that by 2020, this infrastructure will reach 85,000 rooms.

The Caribbean archipelago also treasures 253 protected areas, 257 national monuments, 7 sites declared Cultural Heritage of Humanity by UNESCO, 6 Biosphere Natural Reserves and 13 Wildlife Refuges, among many other areas of preferential tourism.

It is also connected by air with more than 50 cities worldwide through 36 international airlines operating to the main poles, including Havana, Varadero, Santa María Cay, Jardines del Rey, Holguin and Santiago de Cuba.

Also it has 3 cruise terminals, 39 international marinas, 7 international diving centers, facilities mostly immersed today in a strong investing process to revive the nautical mode in the country.

Cuba and Vietnam Discuss Cooperation on Agriculture

Santiago Perez, head of the food department of the Central Committee of Communist Party of Cuba, recently spoke with authorities in Ho Chi Minh City on aspects of updating the economic model in the agricultural sector, reports Prensa Latina news agency from Vietnam.

During the meeting with Nguyen Thanh Pong, Deputy Secretary of Party Committee of that territory, the Cuban official mentioned some measures to increase production at home and the delivery of land and loans to companies and farmers.

He also expressed interest in learning from the experience of Ho Chi Minh City in this field to promote agricultural development in the Caribbean nation.

As part of the program in the aforementioned city, the Cuban delegation visited a high-tech farm and other entities qualified as efficient, according to reports.

The sector is included in bilateral cooperation programs with a view to increase food production in Cuba.

Panama Seeks to Negotiate Investment Protection Agreement with Cuba

In search of greater economic complement with Cuba in key issues such as attracting foreign capital, Panama expressed interest in negotiating an agreement on investment protection with the Caribbean nation.

This was confirmed last Friday by Meliton Arrocha, Minister of Commerce and Industry of Panama, in statements to Cuban ACN news agency minutes before the beginning of a bilateral business forum held in Havana, on the occasion of the official visit of Panamanian President Juan Carlos Varela.

This agreement would "serve as a catalyst so greater flows of investment, not only from Panama but from the entire region, find in Cuba an open and secure door to do business," explained the Minister.

Also contributing to that strengthening of economic relations both countries pursue is the Partial Scope Agreement (AAP), the expansion of which Panama adopted in recent days to include new products in the trade balance, Arrocha said.

He announced that today Cuban authorities confirmed the conclusion of the legislative process corresponding to the island, in order to be able to expand the AAP, which establishes tariff preferences so the goods of both nations increase presence in their markets.

To deepen regional ties, the visitor said they will continue exploring opportunities in complementing auxiliary maritime services, and in the emerging industry being born in Mariel.

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