



Assessing Emerging Opportunities in Cuba.

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Key Analytical Points:

- ▶ Cuba is a complex and challenging market, for both trade and investment.
- ▶ Cuba nevertheless, has unique advantages as an emerging market.
- ▶ Cuba is presently in a process of fundamental systemic and pragmatic change within a socialist context.

Advantages that Cuba offers

- ▶ Massive room for growth, after 25 years of economic crisis.
- ▶ Projections of huge tourism growth, following end of US travel ban.
- ▶ Simply political decisions hold back major economic growth.
- ▶ Political stability
- ▶ Best educated population in Latin America.
- ▶ Huge agricultural potential.

The difficulties and challenges of doing business in Cuba

- ▶ Cumbersome bureaucracy and decision making processes.
- ▶ Difficulty with financing for projects.
- ▶ No direct employment of Cuban workers.
- ▶ US embargo.

Important recent developments

- ▶ Cuba returning a focus on Western investors after BRIC “honeymoon” over.
- ▶ Removal from the terrorist list.
- ▶ Pending removal of the travel ban.
- ▶ New investment law.
- ▶ Mariel Special Economic Zone.

Most promising sectors for trade and investment in Cuba.

- ▶ Tourism.
- ▶ High value added manufacturing.
- ▶ General import substitution for light industry production.
- ▶ Health sciences and biotechnology.
- ▶ Construction materials and supplies.
- ▶ Agriculture.
- ▶ Real estate.
- ▶ Cuban private sector – cooperatives.
- ▶ See CEPEC list of prioritized investment opportunities.

Legal issues

- ▶ Importance of negotiating process with Cubans.
- ▶ Key elements for structuring of business venture.
- ▶ Dispute resolution and arbitration.
- ▶ Intellectual property rights.
- ▶ US embargo due diligence and FEMA.

Position of Gowlings in Cuba

- ▶ First international law firm to take visionary and pioneering strategy towards Cuba.
- ▶ Importance of boots on the ground.

Final comments

- ▶ Uniqueness of Cuba – politics before economics.
 - ▶ Nationalism
 - ▶ Social equity.
 - ▶ Country on verge of massive growth.
 - ▶ Canada - Cuba bond.

Final Comments continued.

- ▶ No short cuts or influence peddling in Cuba.
- ▶ Need for patience and open mindedness with Cuba.
- ▶ Need for Canadian companies to take advantage of window of opportunity to enter Cuban market, develop relationships and understand, and strategically position themselves for the pending economic boom.
- ▶ Cuba will be the economic “socialist” tiger of the Caribbean Basin in the coming years.