

Cuba's Report

On

Resolution 65/6 of the United Nations General Assembly entitled "Necessity of ending the economic, commercial and financial blockade imposed by the United States of America against Cuba."

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INTRODUCTION:

The economic, commercial and financial blockade imposed by the United States government against Cuba has been maintained and further tightened despite the growing and categorical demand by the international community — in particular the United Nations General Assembly— for its elimination.

While the current US government has taken some positive steps, they are insufficient and extremely limited in scope. Furthermore, they are not intended to alter the complex structure of laws, regulations and provisions that make up the blockade policy against Cuba.

The Trading with the Enemy Act of 1917, the Foreign Assistance Act of 1961, the Export Administration Act of 1979, the Torricelli Act of 1992, the Helms-Burton Act of 1996, and export administration regulations are all currently in force. These laws are part of the legal framework of a policy defined as an act of genocide by virtue of the Geneva Convention of 1948 on the Prevention and Punishment of the Crime of Genocide and as an act of economic warfare as outlined in the Declaration Concerning the Laws of Naval War adopted by the London Naval Conference of 1909.

As a consequence of the rigorous and fierce implementation of those statutes and other regulatory provisions, Cuba continues to be prohibited from freely exporting and importing goods and services to or from the United States, and it cannot use the US dollar in its international financial transactions or hold accounts in that currency in third country banks. Nor is Cuba permitted access to credit from US banks or any of their branch offices in third countries, or from international institutions such as the World Bank, the International Monetary Fund or the Inter-American Development Bank.

Despite the official rhetoric intended to persuade international public opinion into believing that the current US government has implemented a policy of positive changes, Cuba remains unable to trade with any subsidiaries of US companies based in third countries; and businesspersons from third countries interested in investing in Cuba are systematically harassed and blacklisted.

One of the distinctive characteristics of the current US administration's implementation of the blockade has been an upsurge in the persecution of Cuba's international financial transactions, including those that stem from multilateral organizations that cooperate with Cuba.

Currently, the leaders of the most vicious anti-Cuban groups in control of the US House of Representatives Committee on Foreign Affairs are preparing to deal a new blow as part of their incessant obsession with the island aimed at preventing and hindering the presence in Cuba of foreign companies interested in oil exploration in Cuba's exclusive economic zone.

One example of how the actions against Cuba recognize no borders or sovereignties is the request made to the US Secretary of State by Florida

Senator Bill Nelson. On May 19, Senator Nelson called on the US government to intervene before the Spanish government to force Spanish oil company Repsol to stop oil exploration works it had scheduled to carry out in Cuba. In addition, a top-level political delegation headed by US Secretary of the Interior Ken Salazar went to Madrid to pursue this same objective.

As stated in this report, the direct economic damages caused to the Cuban people by the implementation of the economic, commercial and financial blockade by the United States against Cuba up until December of 2010, at current prices and based on very conservative estimates, amounts to more than **104 billion dollars**.

Taking into account the extreme devaluation of the dollar against the price of gold on the international financial market during 2010 and this continual trend, the damages caused to the Cuban economy would exceed **975 billion dollars**.

CHAPTER I. Continued policy of economic, commercial and financial blockade against Cuba.

The United States' economic, commercial and financial blockade against Cuba continues to be fully applied. The legal basis behind this policy remains intact and the political, administrative and repressive mechanisms aimed at a more efficient implementation of the blockade, particularly the persecution and harassment of Cuba's commercial and financial transactions around the world have been intensified.

Exports of every sort of goods and services by Cuba to the United States continue to be banned, as have exports of virtually any goods or services from the United States to Cuba, with very few exceptions and under very strict regulations. Merchant ships of any country touching Cuban ports are still forbidden to call on any US port for a period of 180 days.

No company affiliated to or sharing interests with any US company is allowed to trade with any Cuban company, regardless of the relations that may exist between Cuba and the country where the company is based, the laws in force in its country of origin or the norms of international law. Those companies based in third countries that have commercial relations with Cuba are subject to persecution, threats and sanctions by US government authorities no matter where in the world they might be and regardless of their origin, patrimony and whether or not they have ties with the United States.

The persecution of Cuba's financial transactions with third countries has intensified regardless of the relations these countries may have with Cuba, the currency used in those transactions or the applicable banking norms in the countries involved.

As a rule of law, the US government prevents its citizens from travelling to Cuba, with very few exceptions and under very strict regulations.

The US government continues to publicly assert its alleged need to preserve the blockade as “a tool to apply pressure” and maintains its conditions regarding internal order in Cuba as a prerequisite to modify its policy towards the island. Evidently, it has no intention whatsoever to bring about a change in its policy towards the Island or abide by the resolutions that have been repeatedly adopted by the United Nations General Assembly that call for an end to this inhumane policy.

The measures announced by the US government on January 14, 2011 — including lifting the travel ban to Cuba for US citizens for academic, educational, cultural and religious purposes; authorizing remittances in limited quantities by US citizens to Cuban citizens; and authorizing US international airports to request permission to operate direct charter flights to Cuba under certain conditions— are insufficient and limited in scope.

Essentially these measures are not indicative of the United States government’s will to substantially change its blockade policy, but rather reflect the increasing opposition to the blockade by broad sectors of the US public.

By implementing the measures announced on January 14, the US government was aiming to portray a positive image of its failed policy towards Cuba at a time when domestic and international opposition to that policy was overwhelming. However, such measures are fundamentally limited to reinstating some provisions that were in effect in the 1990s under the Clinton administration and were discontinued by George W. Bush beginning in 2003. The constitutional right of US citizens to travel freely continues to be an illusion in the 21st century. They continue to be the only citizens in the world who are forbidden to travel to Cuba.

Upon announcing these measures, the US government very clearly stated that the blockade will remain intact and that it intends to use these measures to strengthen the mechanisms of subversion and interference in Cuba’s internal affairs.

1.1 Principal measures to continue the blockade adopted by the US government.

The US government has maintained the entire framework of laws and administrative provisions that are part of the blockade’s legal basis and regulations. The basics of that policy have not been modified. This is seen in the laws and regulations in force listed below:

Trading with the Enemy Act (TWEA): Enacted as a war measure in 1917 to restrict trade with nations considered hostile, the implementation of this law was subsequently expanded to enable the president to regulate property transaction involving any US national in a foreign country whether in times of war or “any other period of national emergency declared by the president.” The first regulations of the blockade against Cuba of 1962 are based on this law.

On September 2, 2010, President Obama announced the expansion of the Trading with the Enemy Act, which, in practice, is supposed to ensure the continuation of the blockade against Cuba. A memorandum, drafted by the president to Secretary of State Hillary Clinton and Secretary of the Treasury Timothy Geithner, confirms that “the continuation of these measures regarding Cuba is convenient to US national interests.”

Foreign Assistance Act: Enacted in September 1961 by the US Congress, this law authorizes the president of that country to impose and maintain “a total blockade on trade between the United States and Cuba.” In addition, it forbids the granting of any kind of assistance to the Cuban government.

The Export Administration Act (EAA): Adopted in 1979 as a result of a review made on export regulations, this law vested the president with the authority to monitor all exports and reexports of goods and technology, particularly those which might be considered as detrimental to US national security.

Cuban Democracy Act (CDA): This law, better known as the **Torricelli Act**, was passed by President Bush Senior in October 1992. With this law, the US government tightened the economic measures against Cuba and provided a regulatory framework for the blockade’s extraterritoriality. This law forbids US subsidiaries in third countries to carry out any transaction with Cuba or Cuban nationals and prevents the entry of third country vessels into US territory for a period of 180 days after they have touched Cuban ports, among other restrictions.

Cuban Freedom and Democratic Solidarity Act: Known as the **Helms-Burton Act**, this law was adopted by President Clinton in March of 1996 with the primary objective to hinder and discourage foreign investments in Cuba and to internationalize the blockade against the Island. It codified the provisions of the blockade, limited the prerogatives of the president to suspend the implementation of this policy and expanded its extraterritoriality. This law prevented the entry into the US of foreign company executives (and their relatives) who invest in “confiscated” properties in Cuba and provided for the possibility to file lawsuits against them in US Courts.

Export Administration Regulations (EAR): These laws come under the Trading with the Enemy Act and the Exports Administration Act, and regulate exceptions to the Exports Administration Act or those which are authorized through licenses issued by the Bureau of Industry and Security of the US Department of Commerce.

The scope of the aforementioned laws and regulations reveal that no other blockade has been as brutal and encompassing as that applied by the United States against Cuba.

1.2 Extraterritorial application of the blockade.

After more than two years of a Democrat administration that hoped to impress the world with its talk of change and renovation, the US policy against Cuba has been characterized by an intensification of the extraterritoriality of the blockade. The US government has intensified sanctions and the extraterritorial persecution of citizens, institutions and companies in third countries who establish or plan to establish economic, commercial, financial, scientific or technical ties with Cuba; thus assuming the right to make decisions regarding issues that are the sovereignty of other States.

Likewise, the dominant role played by the United States in the global economy and in strategic alliances, mergers and mega-mergers of international companies has continued to have a negative impact on Cuba and facilitated the intensification of the negative effects of the blockade, while further reducing the international economic sphere in which Cuba is allowed to operate.

The extraterritoriality of this policy is based on the following guidelines:

- US subsidiaries in third countries are forbidden to have any kind of transaction with companies based in Cuba.
- Companies from third countries are forbidden to export products of Cuban origin or products that have a component of Cuban origin to the US.
- Companies from third countries are forbidden to sell goods or services to Cuba, whose technology contains more than 10% of US components, even though their owners may be nationals of those countries.
- Vessels carrying products to or from Cuba, regardless of their country of registration, are forbidden to enter US ports.
- Third country banks are forbidden to open accounts in US dollars for Cuban juridical or natural persons or to carry out financial transactions in said currency with Cuban entities or persons.
- Third country businesspersons are penalized for making investments or carrying out business with Cuba. If they do, they are denied visas to enter the US which can be extended to include their family members, and are subject to legal action before US courts in the event that operations with Cuba are related to properties associated with claims filed by US citizens (including those who were born in Cuba and acquired citizenship at a later date).

From March 2010 to April 2011 there were several multimillion dollar fines levied against US and foreign banking institutions for having conducted operations with Cuba. These types of sanctions have a detrimental effect and, in the case of banks, entail breaking relations with Cuba and/or forcing Cuban transactions to be made under more precarious conditions.

The persecution and harassment of individuals and companies in third countries has reached absurd levels, confirming the extraterritorial nature of the blockade.

In 2010, the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury fined four entities for a total of 502,721,671 dollars. The largest fine (500 million) was levied against the ABN Amro Bank in Holland, for having

carried out unauthorized financial transactions in which Cuba or Cuban nationals had interests.

On July 15, 2010 OFAC announced that the United Nations Federal Credit Union was fined 500,000 dollars for having carried out unauthorized financial transactions in which Cuba had interests.

On July 27, 2010, the IMECO Import Group at the Cuban Ministry of Construction signed a contract with Panamanian supplier VIBAS Import Export S.A. to buy four Komatsu graders through the TIESA Company, Komatsu distributors in Panama. Two of these graders could not be supplied due to the Komatsu America Corporation (KAC) factory's refusal to meet the order. Komatsu America claimed that it had evidence that two other graders had previously been sent to Cuba. The failed delivery gravely affected the timeframe for executing the Ferronickel project. The cost of each grader is 235,000 dollars.

On August 16, 2010 the British bank Barclays reached an agreement with US Federal District Attorneys to pay 298,000,000 dollars for having altered financial records between 1995 and 2006 to hide financial transactions of Cuba, Libya, Sudan and Myanmar with US banks worth more than 500,000,000 dollars. According to the prosecutors, these transactions were in violation of the Trading with the Enemy Act and the International Emergency Economic Powers Act. Of the transactions carried out, 61 correspond to Cuba for a total estimated at 6,711,798 dollars.

In September 2010, OFAC requested that the Medical Education Cooperation with Cuba (MEDICC) NGO provide all information on its travel and links to Cuba for an investigation it was carrying out. At the same time, members of the Global Links Organization, which provides technical medical assistance to developing countries, received a warning from OFAC that it had overstayed its visit in Cuba.

In the last quarter of 2010 the VITRAL Paint Company had to stop production in three factories, resulting in the loss of 893,800 liters of emulsion, oil and enamel paints for a value of 2,285,800 dollars as a result of the cancelation by supplier Mexico Petroplastic of the delivery of 120 tones of rutile titanio dioxide used to produce paints for January-February 2011.

In March 2011 it was learned that a duty free store for diplomats in Spain, citing the US blockade, refused to sell cigarettes to a Cuban diplomat. The employee said that they were prohibited from selling products made by Phillip Morris to Cuban citizens, including diplomats, based on regulations set out by OFAC.

On March 21, 2011 the Portuguese company DigitalSign told the Cuban company Neuronic that it could not grant it a digital certificate since these validations were provided by VeriSign, a US company, and citing the US blockade.

On April 7, 2011 OFAC levied a fine of 22,500 dollars against the New York METLIFE insurance company for having issued a check directly to a Cuban national.

On April 17, 2011 it was learned that the US government requested explanations from the Spanish bank BBVA regarding the fact that it had declared in its annual report that it had an employee in Cuba. In addition, the US Securities and Exchange Commission requested information regarding the extent and nature of its “past, present and future” activities in Cuba and demanded that it report any contact with Cuban officials. As revealed by Wikileaks, the US government has decided to especially focus on Spanish companies with the objective of breaking their ties with Cuba, by carrying out constant harassment of these companies.

On April 25 2011 the PayPal eBay company that carries out online bank transferences canceled the delivery of funds belonging to the Cuba Support Group in Ireland that were destined for the Cuban account set up to gather donations for Haiti after the devastating earthquake that ravaged this country. PayPal offered the following statement: “PayPal would be in violation, under the Trading with the Enemy Act, if we facilitated transactions where funds benefit Cuba...and we would be subject to sanctions as outlined by OFAC.”

The Spanish company FLINT DIVISION SHEETFED informed about the need to substitute two products used in the Cuban poligraphic industry since they contained a higher percentage of raw materials of US origin than that allowed by US legislation to export to Cuba.

A European firm canceled its delivery of backhoe loaders, model R984C, destined for the Cuban nickel industry since they use a US CUMMINS motor prohibited for sale to Cuba by the manufacturers. This forced a change of excavators that had been standardized in the industry and could lead to losses not yet quantified in the areas of performance, inventory and administration time.

A loss of 14,844,128 dollars came about when Cuba could no longer buy sulfuric acid from a Mexican copper company for use in the nickel industry. In 2010, Cuba imported 410,491.632 metric tons with an average shipping cost of 73.66 dollars per ton, while the price for shipping one ton of the same product from Mexico would have been 37.50 dollars.

The European supplier of spare compressor parts for the Cobalt and Leaching Plant at the Comandante René Ramos Latour Nickel Company informed that it could no longer supply the parts since the manufacturer of the merchandise is from the United States and is not allowed to do business with Cuba. So far, this has resulted in the loss of 26,300 dollars.

As a result of the acquisition of the CENTAC company (a manufacturer of compressors for the oil industry) with US capital, the cost of buying spare parts for the existing machinery in Cuba has skyrocketed. While the cost of a compressor is around 60,000 dollars, the pieces to build one of them have been

offered to Cuba by third countries at a cost of 191,000 dollars, three times the cost of the machine itself.

1.3 Adverse effects of the blockade on cooperation with multilateral organizations

Under the Obama administration, the adverse effects of the blockade as part of the US's policy against Cuba have increased in the framework of international multilateral organizations.

In January 2011, the US government seized 4,207,000 dollars of funding from the **Global Fund to Fight AIDS, Tuberculosis and Malaria** earmarked for the implementation of cooperation projects with Cuba to combat HIV/AIDS and tuberculosis.

This deliberate act to prevent the implementation of three projects whose significant impact on the affected population is well known has absolutely no legitimacy or foundations other than to continue to harden the policy of blockade in one of the most vulnerable sectors for the Cuban government and people.

Cuba has condemned this measure as an illegal action that also has aims to seriously hinder international cooperation provided by the United Nations System through its agencies, funds and programs. This action is even more significant given that it affects funds earmarked for HIV/AIDS and tuberculosis training, prevention and patient assistance, especially to buy medicine, antiretrovirals and food. The Cuban government and the international community have prioritized their greatest efforts towards eradicating these pandemic diseases as part of fulfilling one of the Millennium Development Goals.

As a result of Cuba's formal complaint, the US Department of the Treasury decided to issue a general license in May 2011 to release these funds that are set to expire on June 30, 2015. Nevertheless, even with this decision, the US government is —arbitrarily and selectively— allocating itself the right to control resources destined for Cuba via multilateral cooperation.

In another incident, Cuba could not purchase an inductively coupled plasma mass spectrometer at a cost of 193,000 dollars that was required as part of a project implemented by the International Atomic Energy Agency (IAEA) "Strengthening Official Control of Chemical Residues and Contaminants in Fishery Products, CUB/5/018." This piece of equipment is used in the fishery industry to verify and guarantee the quality and innocuousness of all fishing products and for the control of chemical residuals and contaminants in aquaculture products.

As an alternative, the country has had to contract out large volumes of analytical services to foreign companies, which has caused significant difficulties especially related to high costs (70,000 dollars so far), sending samples and the possible risks of losing the confidentiality of the results.

Similarly, from late 2006, Swiss banks UBS and Credit Suisse, the holders of the bank accounts of the majority of the international organizations with headquarters in Geneva, have refused to directly receive bank transfers from Cuban institutions such as the Cuban Office for Industrial Property (OCPI) and other law firms with headquarters in Cuba, for payments to the World Intellectual Property Organization (WIPO) according to international treaties on registering and renewing Cuban patents and trademarks, or patents and trademarks with Cuban capital. Both banks have subordinated themselves to US orders and taken part in the application of extraterritorial laws.

As a result of this same policy, aimed at disrupting Cuban cooperation with international organizations, the Center for Environmental Research in the province of Cienfuegos (CEAC) was unable to buy the AXIOVISION software used to process microscopic images since it has US components. The CEAC had previously acquired a Carl Zeiss Axiovent-40 microscope (which relies on the AXIOVISION software to process the microscope's images) through the IAEA financed project RLA 7/014 "Designing and Implementing Systems for Early Warning and Evaluation of the Toxicity of Harmful Algal Blooms in the Caribbean Region."

The US Department of the Treasury froze 8,375 dollars earmarked to pay a foreign supplier of computer equipment and supplies contracted by the Cuban company EMED in the framework of a UNDP Local Human Development Project in the Cuban province of Pinar del Rio.

CHAPTER II: ADVERSE EFFECTS OF THE BLOCKADE ON THE MOST VULNERABLE SOCIAL SECTORS

2.1 Adverse effects in the areas of health care and food

The **public health** and **food** sectors continue to be priority targets of the blockade policy.

PUBLIC HEALTH

From May 2010 to April 2011, negative impacts on the public health care sector are estimated at 15 million dollars, primarily due to costs incurred by having to buy from far-off markets and the increased import prices for disposable material and medical instruments, as well as medicines, reagents, spare parts and equipment.

The damage caused to Cuba by the blockade in this sector is particularly cruel, not only because of its economic effects, but also because of the suffering caused to patients and their relatives by not having the ideal medicine to treat a disease.

Although the Torricelli Law (1992) and the Trade Sanctions Reform and Export Enhancement Act (2000) authorize the export of medicine, and medical

accessories and devices to Cuba, significant restrictions are maintained. The sale of health products do not benefit from the license exemption (or automatic license) provision established for agricultural products by the US Department of Commerce. A specific license is needed, which is granted on a case by case basis, with a limited period of validity.

The products that can be authorized must meet control and classification requirements established by the Export Administration Regulations at the Department of Commerce, which establishes Commerce Control Lists, in accordance with regulations set according to national security concerns or those related to the biotechnology industry.

The granting of licenses is conditional to the United States being able to monitor and verify, through in situ inspections or other means, that the product is being used for the purpose it was authorized. As a policy, the sale of state-of-the-art technology is not authorized in this sector.

So far, imports made directly from the United States have been insignificant and are mainly of disposable material.

Among the many examples that demonstrate damages caused to the health care sector are the following:

The Institute of Cardiology and Cardiovascular Surgery has planned some 400 surgeries for 2011. Of them, 70% are aorta-coronary revascularizations, which will use from 24 to 30 mammary clips per patient. If Cuba could buy this product from the US Horizon firm, its price would be from \$ 0.30 to 0.40. However, buying the product from third countries raises its cost to \$ 0.78.

Likewise, after the St. Jude Medical company that sells mitral and aortic valves closed its operations in Cuba, the Institute of Cardiology and Cardiovascular Surgery was forced to acquire these supplies in third countries at a cost of 1,200 dollars each. The same happens with the acquisition of heart stabilizers, which are used to carry out surgeries without cardiac arrest. Cuba is denied the right to buy these items from Medtronic Inc.

The Frank Pais Hospital, specialized in orthopedics and traumatology, has been forced to find other markets to buy the components needed as part of maintenance given every three years to their Hyperbaric Chamber, bought from the Mexican company REMISA, after the US AMRON company, with headquarters in California, refused to sell them these parts. Likewise, the US KAPACK company refuses to supply the Frank Pais Hospital, the only hospital with a bone tissue bank in Cuba, with high-density polyethylene bags used to package processed tissue, causing countless difficulties.

The Cuban National Institute of Endocrinology and Metabolic Diseases has not been able to buy a Gamma Radiation Detector from the US company Perkin Elmers or spare parts to repair a Gamma Radiation Detector bought in 1974; therefore, these must be purchased on the European market at a

considerable cost increase. This equipment is used to process hormonal analysis results used to diagnose endocrine and metabolic diseases.

The Institute of Oncology and Radiobiology, in its Oncopediatrics services, has not been able to use extendable prostheses to replace bone parts as part of tumor surgery. As a result, it has not been able to use conservative or functional treatments in children and adolescents who suffer from malignant bone tumors, because these treatments are sold by US companies. The institute's Radiotherapy Department has also faced serious difficulties in acquiring parts and accessories after the US company Best Medical bought the Canadian company MDS Nordion.

As stated in previous reports, Cuba is still unable to purchase new cytostatics produced by the United States such as liposomal adriamycin and nitrosoureas, used to treat encephalic tumors.

The same dilemma occurs with the newest generation of antibiotics, particularly oral, for children under one year of age. Sometimes substitutes are acquired, but often not in a timely manner or in the required amounts, limiting the use of complete treatments over the necessary time period and at the precise moment.

The Institute of Oncology is deprived of a flow cytometer used to study cancerous cells, because when the US company Becton Dickinson found out that the final destination was Cuba, it refused to sell its flow cytometer to an intermediary company.

The Cuban National Kidney Transplant Program requires high-quality, anti-Histocompatibility (HLA) serological reagents to carry out its research on HLA from a solid scientific and ethical base. For years the program bought this product from the One Lamda company through third countries. The tightening of the blockade has negatively affected the purchase of these reagents, which could either completely halt the National Transplant Program or lower its scientific standard.

FOOD

The blockade has a negative impact on the food sector and is directly detrimental to the Cuban population given the great importance and potential vulnerability of this sector.

From March 2010 to March 2011, damages are estimated at nearly 120,300,000 dollars.

The need to buy food in far-off markets results in increased costs for insurance and transportation and is often carried out under unfavorable conditions. These are some of the elements that characterize the effects caused by the blockade in this sector.

Despite being able to import agricultural and food products from the United States, **the ALIMPORT Company** faces several difficulties caused by the

onerous and highly regulated conditions under which these purchases have been made beginning in 2001, in addition to negative economic effects and the loss of logistical opportunities in other markets. Its impact is estimated at 90,800,000 dollars. This amount is equal to having bought one of the following products based on the average price in 2010: 325,000 tons of wheat, 380,000 tons of corn or 125,000 tons of chicken.

A complex licensing mechanism is still in place for travel to Cuba by US businesspersons, contract signing, transportation and derivative payments of these transactions. In addition to these determinants, OFAC has the power to cancel these licenses without previous warning and without providing a detailed explanation.

The following examples illustrate this situation:

The CORACAN S.A. company, a producer and marketer of instant food products, lost 162,100 dollars in 2010. This company has faced serious difficulties in acquiring artificial low-calorie sweeteners —especially the *neotame* sweetener, the sweetening capacity of which ranges from 8,000 to 13,000 times that of sugar— because US companies monopolize the production and commercialization of these products.

The Comercial Caribex company has been unable to sell lobster tails to the US market where these are sold tax free; while in the European, Canadian and Chinese markets they are taxed 4.3%, 5% and 10% respectively, which has resulted in a loss of 573,100 dollars.

For the Cuban rum industry, the lack of access to the US market, especially for the leading Havana Club brand, equates to sale losses of 2.6 million cases of rum, which, based on the average cost of Havana Club International in 2010, represents an economic loss of 106,132,000 dollars.

The **CUBAEXPORT** company was negatively affected after two European clients mistakenly paid 270,000 dollars for more than 140 tons of honey in US currency rather than in Euros and Swiss francs. The money was frozen and has not been returned. The company has only been able to collect a part of the money owed.

The **QUIMIMPORT** company is unable to purchase agricultural fertilizers, herbicides and pesticides from the US market because of the blockade. During the period analyzed, it was unable to import Diamonic Phosphate (DAP) directly from the United States, due to the supplier's compliance with the blockade, and had to import it from other markets for an additional cost of 197,600 dollars.

2.2 Negative impact on academic, scientific, cultural and sport exchanges

The blockade has had and continues to have a strong impact on the education, culture and sports sectors.

The US government's so-called relaxation of regulations on travel to Cuba from the US for some groups of US citizens, such as students, academics, journalists or members of religious organizations, is not really aimed at promoting friendship between the two peoples, but rather at promoting its political and ideological objectives regarding Cuba.

EDUCATION

Despite efforts by the Cuban government to guarantee education for everybody, the effects of the blockade translate into daily shortages that affect the learning process, research and scientific work of students and teachers in general.

As a result of this policy, Cuba still has no access to the US market to buy school supplies and materials essential to repair and maintain school infrastructure. Therefore, it is forced to buy these products in far-off markets spending an additional 881,400 dollars.

With this money, Cuba could buy a variety of educational tools to teach natural sciences, and home economics and shop in all primary, special and secondary schools. It could also buy more than 15,000 globes needed in primary schools and cover the cost of PVC sheets used to produce a year's worth of word formers used in primary and special schools for teaching reading and writing.

Special education is very important for the Cuban population. In 2008, the Spanish Agency for International Development Cooperation (AECID) approved the program "Expanding classroom inclusion in the Cuban school model in Santiago de Cuba" at a cost of 100,000 Euros. This program was specifically aimed at improving educational inclusion for primary and secondary school students with special needs (physical, visual, hearing and mental disabilities), directly benefiting 310 children and young people with disabilities.

However, the blockade has made it extremely difficult to acquire tactile screens, interactive whiteboards, intelligent keyboards, printers, typewriters and tape recorders, among other means indispensable to impart top quality and successful special education.

From April 2010 to March 2011, **the Higher Education sector** has suffered losses of 5,703,443 dollars, including adverse effects in production and services, lack of access to US technology, and higher import prices for market relocation.

In the University of Ciego de Avila, the work of bio-plant labs has been seriously affected due to the refusal of the LKB-Pharmacy or BioRad firm to provide maintenance to a protein purification chromatograph and a refrigerated centrifuge, among other pieces of equipment, resulting in damages of 94,716 dollars.

CULTURE

During the period being analyzed, the impact on the cultural sector represents 14,913,300 dollars, the majority of which represents lost revenue from the exportation of goods and services, relocation to other markets, additional transportation and insurance costs, and adverse monetary-financial effects.

The following are only some examples:

On November 3, 2010, the US Department of the Treasury informed the Center for Cuban Studies in New York that it would not renew its license to carry out cultural exchange programs with Cuban institutions.

The ARTEX S.A. company which sells records and copyrights, and offers recording services has been adversely affected and is prohibited from selling albums during concerts by Cuban artists in the United States, representing a conservative estimated loss of 150,000 dollars.

The National Council of Cultural Heritage cannot access software related to new mapping and digital information technologies such as Google Earth, Mapinfo and Arcview; nor can it purchase didactic, audiovisual and bibliographic material, or accessories to setup specialized art workshops and labs.

The Cuban Institute of Cinematographic Arts and Industry (ICAIC) has been negatively impacted due to the impossibility of working with US companies dedicated to advertising in airlines, and the tourism, art, culture and sports sectors. The impact is estimated at 220,000 dollars.

As a result of the blockade, the **Cuban cinematographic industry** has not been able to buy materials, spare parts and pieces of equipment, such as film stock and chemical products for the ICAIC Cinematographic Lab from the United States; as well as accessories for cinematographic equipment, licenses, patents and brands, such as THX, Dolby, MAC, Avid, Toons and Scenarist, for audiovisual postproduction processes.

SPORTS

The Cuban sports sector has not escaped the effects of the blockade. Its impact is conservatively estimated at some 1,546,565 dollars.

Nearly 300 US runners could not participate in **the MARABANA/MARACUBA 2010 project** because they were denied visas to travel to Cuba, resulting in losses of nearly 102,000 dollars.

On February 17, 2011, the US Department of the Treasury refused to issue a license to the Sarasota Yacht Club to organize the Sarasota-Havana Yacht Race in Cuba.

Cuba cannot buy Louisville, Wilson, Xbat and Rawlings brand sports equipment because they are produced by US companies. The use of many of these articles is compulsory in accordance with Official Regulations of International

Federations; therefore, Cuba has had to purchase them from third countries for an additional cost of 450,000 dollars.

For the fourth consecutive year, Cuba is unable to purchase high-pressure Liquid Chromatography equipment, which is indispensable for anti-doping control. Despite efforts made by the World Anti-Doping Agency, the US government prohibits the Agilent Technologies company from selling this equipment to Cuba.

CHAPTER 3. ADVERSE EFFECTS ON THE FOREIGN SECTOR OF THE ECONOMY

3.1 Adverse effects on foreign trade

Cuba is a small developing country with an economy that depends greatly on foreign trade, technology, capital, credits and investments, and international cooperation for its development.

The greatest impact continues to stem from the lack of access to the US market both to acquire merchandise and to commercialize Cuban traditional export products such as sugar, rum, cigars and nickel. However the greatest impact comes from the impossibility of exporting services, given the numerous restrictions imposed by the blockade, including those related to travel by US citizens to Cuba, communications, and air and maritime transportation.

The impact on the **tobacco industry** is estimated at 79,900,000 dollars. In terms of cigars and raw tobacco, estimates are calculated assuming that Cuba still had a quota in the US market. On this basis, the sector lost 65,600,000 dollars in cigar exports and 5,500,000 dollars in raw tobacco exports to the US market.

Before the blockade was implemented, Cuba did not export machine-made tobacco products. Currently, it has made incursions into this market with the MINIS, CLUB and PURITOS brands, which have obtained promising results. The US market has a demand of nearly 5.5 billion units. If Cuba had had access to 1% of this market, it would have made 7.1 million dollars.

Taking into account Cuba's current sugar production and export capacities for the world market and the differential between the invoiced price and the price of Contract No. 16 of New York, applicable to US imports under the preferential scheme, the **CUBAZUCAR** company lost more than 37,000,000 dollars over this period.

The prohibition on selling Cuban sugar on the New York Stock Market is an argument used by traders to lower the value of Cuban sugar compared to that produced in other countries in our region. They argue that if there were a lack of final purchasers, they would not be able to use the stock market as an additional or emergency exit; therefore, they would have to offer Cuban sugar at discount prices to incentivize final purchasers.

The entities belonging to the **Grupo de Administracion Empresarial (GAE)** reported total losses of 264,640,000 dollars, with the highest losses experienced by entities working in tourism, given the absence of US tourists.

The TECNOIMPORT company lost a total of 42,000,000 dollars, which can be broken-down as follows: 3,060,000 dollars to transport more than 3,000 containers from Asian and European ports because it cannot access the US market; more than 23,000,000 dollars in additional expenses for not being able to use dollars in its transactions; and 14,500,000 dollars for having to use intermediaries.

The CIMEX S.A. Corporation lost 63,976,200 dollars. The CIMEX Corporation's Department of Purchases, Storage and Distribution made great expenditures mainly associated with the additional costs of purchasing goods from intermediaries representing 22,700,000 dollars, and the increase of inventory volumes, currency exchange, transportation and storage costs for a total of 9,730,000 dollars.

3.2 Adverse effects on foreign investment

This assessment was principally based on the *World Investment Report*, published by the United Nations Conference for Trade and Development (UNCTAD), and the 2009 Economic Commission for Latin America and the Caribbean (ECLAC) report entitled, *Foreign Direct Investment in Latin America and the Caribbean* from May 2010; both reports analyze data from 2009.

To estimate the investment flow that Cuba would receive if the blockade did not exist, an analysis was made of the Foreign Direct Investment (FDI) flows that a selected group of countries receive from the United States as well as the percentage that such flows represent in the total flows received by these countries in 2009.

The group of countries was selected based on having economies comparable to the Cuban economy and similar characteristics regarding geographic and sociocultural conditions, with special emphasis on the final use of the flows received.

The following chart shows the total foreign investment flow and those from the United States received by the selected countries in 2009.

Countries	Total FDI Flow (in millions of dollars)	FDI Flow from the United States (in millions of dollars)	Percentage of United States FDI Flows in total FDI Flow
Costa Rica	1,322.6	747	56.5
Honduras	550.4	281	51
Dominican Republic	2,158.1	589	27.3
Colombia	7,201.2	2,314	32.1
Nicaragua	434.2	60	13.8
El Salvador	430.6	74	17.2

Source: Based on the *Foreign Direct Investment Regional Overview in Latin America and the Caribbean* report published by the Economic Commission for Latin America and the Caribbean (ECLAC), 2009.

The analysis of this data shows that Cuba could have received FDI flows from the United States equivalent to 600,500,000 dollars on average in absolute terms.

Even when foreign investment in Cuba is conceived as a complement to national efforts and within the principle of high selectivity of programs of national interest with significant economic and social impact, the blockade entails serious consequences, including the following:

- No access to state-of-the-art technology owned by US companies.
- No access to the US market for Cuban joint venture exports.
- No access to funding from US banks to carry out Foreign Direct Investment Projects in the country.
- The application of sanctions and pressure against foreign companies by the US government, which causes a deterrent effect among potential investors and prevents the establishment of joint ventures in Cuba.

Among the sectors most affected by the restrictions imposed by the blockade on foreign investment are the oil, tourism and biotechnology industries. For example, the SHERRIT INTERNACIONAL CORP., which has investments in Cuba in the oil and mining sectors, reports lowered share value since it is unable to access US market and capital. From June 1995, as part of the application of the Helms Burton Act, the three main SHERRIT companies that traded with Cuba (Moa Nickel S.A., the Cobalt Refinery Co. Inc and the International Cobalt Co of SHERRIT) were placed on the US black list for being significant foreign investors in Cuba.

Tourism continues to be one of the main driving forces of the Cuban economy. At the close of 2010, Cuba had received 2,531,745 visitors, 4.2% more than in 2009. As such, this sector needs to continue developing by providing opportunities for foreign investors in hotel and extra-hotel infrastructure, and in developing golf courses and other activities.

US companies that work in the hotel sector and that have significant investments in the Caribbean region cannot access these opportunities in Cuba due to the prohibitions of the blockade. Nor can Cuba benefit from US hotel chains in the Caribbean, almost all of which are among the top ten hotel chains in the world as is the case of SHERATON, HILTON, MARRIOT and HOLIDAY INN.

In **the food and agriculture sector**, if the blockade's restrictions did not exist, there could be joint ventures between the US and Cuba to develop the production industry for beans, soya, beef and pork, among other food products. In addition, these joint ventures could work in logistic activities such as harvesting, best practices, post harvest treatment and distribution, which would guarantee the substitution of some of the imports from the United States, the revitalization of the food sector and the generation of new jobs, among other advantages.

On the other hand, the Cuban biotechnology industry, which meets the standards of a developed country, cannot establish strategic alliances with leading US companies in the sector to carry out research and development projects.

3.3 Adverse effects on the financial and banking sectors

During the period analyzed, the US government has stepped up its policy of hostility, persecution and harassment targeted at the Cuban financial and banking sectors, and foreign financial and banking institutions with the objective to limit operations to and from Cuban banks —despite the fact that most of the transfers are made in Euros or other currencies—, arguing that Cuba is included in the “list of countries that sponsor terrorism.”

Although it is not always possible to quantify the economic impact, to cite just one example, one of our commercial banks had 481,000 Euros worth of payments rejected, not to mention rejections in other currencies.

The main adverse effects caused to the banking-financial system are the following:

- Increased financial costs due to having to resort to “double forex” to meet creditors’ demands in dollars. This results in losses due to fluctuations in exchange rates or from payments made to other foreign institutions to cover currency fluctuation risk, which is very costly.
- Accounts closed in a significant number of foreign banks.
- Refusal by correspondent banks to confirm or notify regarding letters of credit.
- Refusal by some foreign banks to make payments from Cuban banking entities.
- Forced to maintain minimum balances in Cuban accounts abroad because of the risk of seizure.

During the period being analyzed, more than 20 banks decided to close their accounts with Cuban banks, which were used by Cuban banking institutions to make payments.

The following are some concrete examples of the impact on Cuban banks during 2010 and 2011:

- A European bank returned funds to a Cuban banking institution, citing that it did not accept payments from Cuba according to European laws. Another European bank rejected a payment made through a Cuban Bank for a letter of credit confirmation, citing it did not accept payments from Cuba. Another European institution refused to notify about a letter of credit related to credit offered by another European bank, without citing concrete reasons.
- A Latin American bank sent a message regarding two payments made with letters of credit issued by a Cuban bank, informing that its Risk Committee decided to stop working with Cuba for an indefinite period and until further notice, beginning in May 2010.
- Through the initiative of a European bank, the account and correspondent relationship that a Cuban banking institution had with the abovementioned European bank were closed. Similar situations had already occurred with other Cuban banks. The rupture with this correspondent bank closed the only operational entry door for family remittances sent from that European country, increasing the cost of every payment order since they had to be reimbursed through third banks.
- A Cuban bank had to substitute a Latin American insurance company that was involved in an important investment project in Cuba, when more than 40% of the shares of the insurance company were bought by a US company.

3.4 Section 211 of the 1999 US Omnibus Consolidated and Emergency Supplemental Appropriations Act and new aggressions regarding patents and trademarks.

During 2010 and so far in 2011, the risk situation and potential impact continue from an incident that took place in 2009 when several plaintiffs brought cases against the Cuban State to try to appropriate Cuban trademarks and patents, as a means of compensation, using arguments based on the Terrorism Risk Insurance Act passed in 2002 and extended until 2014.

These attempts to appropriate these intangible assets linked to intellectual property are not new. A well-known case is that of the BACARDI company, which tried to seize the HAVANA CLUB rum trademark, based on a law that it had promoted earlier in the United States, Section 211 of the Omnibus Appropriations Act of 1998 regarding the registration, renewal or observance in the United States of trademarks, brewery names and commercial names related to assets nationalized in Cuba.

This section prevents Cuban owners or their successors-in-interest and foreign companies with interests in Cuba from being recognized and enjoying their rights in the United States regarding trademarks or commercial names registered and protected in Cuba.

In February 2011, nine years had passed since the Dispute Settlement Body (DSB) of the World Trade Organization (WTO) ratified that Section 211 violates national treatment and more-favoured nation obligations, contracted by the United States within the framework of the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement and the Paris Convention for the Protection of Industrial Property. At the time, the DSB also requested that the US Government modify this measure, whose incompatibility was established, to make it conform to the obligations set out in the TRIPS Agreement.

This pseudo-legal saga involving the Havana Club trademark in the United States continued in the Washington Court of Appeals which ruled (two judges in favour and one against) that the Office of Foreign Assets Control of the US Department of the Treasury acted correctly when it refused to renew the registration of the Havana Club trademark in the United States for a Cuban-French joint venture.

In contrast, the Supreme Court of Spain confirmed, in February 2011, that the property of the 'Havana Club' Cuban rum trademark belongs to the joint venture established between the French company Pernod Ricard and the Cuban company Corporación Cuba Ron.

This was the third time that the Spanish court has rejected Bacardi's attempts to question the rights over the trademark of this company that has its headquarters in Cuba. Bacardi first began its process to be recognized as owner of the trademark in Spain and to cancel the trademark registered on behalf of its competitor Havana Club Holding in the courts of Madrid in 1999.

The Cuban ownership of the trademark was first upheld by the Court of First Instance (lower court) in 2005, and later in an appeal before the Provincial Court of Madrid in 2007.

Attempts to appropriate the trademarks and patents of Cuban companies compromise international treaties regarding trademarks and patents and have a serious impact on international trade.

In accordance with International Law, the United States has the responsibility to ensure that their legal and administrative laws, regulations and procedures comply with their obligations under WTO Agreements and international treaties on trademarks and patents to which they are a State Party.

CHAPTER IV. ADVERSE EFFECTS OF THE BLOCKADE ON OTHER SECTORS OF THE CUBAN ECONOMY.

The sugar industry reported losses of 62,100,500 dollars between April 2010 and March 2011.

Due to the impossibility to import the necessary supplies for sugar mills, 13 mills began operations behind schedule for the 2010-2011 sugarcane harvest. As a consequence, raw sugar production fell short by 168,100 tons, which represented 57,700,000 dollars in losses. Having no access to the US market, Cuba is forced to import supplies from far-off producers at higher prices and with longer delivery times.

The Cuban tourism industry reported severe losses as a consequence of the US blockade, which amounted to 1,713,000,000 dollars.

On the basis of studies conducted by US tourism industry companies, it is estimated that the Cuban tourism industry lost 1,668,000,000 dollars in 2010, as a consequence of travel restrictions.

If the blockade did not exist, the **Grupo Empresarial de Marinas y Nauticas, Marlin**, would have made more than 10,000,000 dollars. With its more than 650 mooring berths, at 75% capacity this company could have approximately 179,000 days of ships docking per year (of an average length of 40 feet). Profits from docking fees alone would amount to 5,000,000 dollars, plus fees from amenities such as water and electricity, security and purser services, fuel, store sales and yacht repair services, among others.

The **HAVANATUR** office in Canada must pay 1.6% more than other tour operators in that country for credit card transactions, which results in losses of more than 1,000,000 dollars a year. Likewise, from April 2010 to March 2011 the **Grupo ITH**, a tourism industry supplier, suffered losses of 26,700,000 dollars due to the higher cost of supplies purchased from third countries, excessive interest rates for commercial credits, fluctuation of exchange rates, hard currency purchases and higher shipping costs.

The Civil Aeronautics Sector continues to suffer the consequences of the US blockade. From May 2010 to April 2011 it is estimated that the sector lost 276,506,681 dollars, among other reasons due to the use of less efficient aircrafts, additional expenses for renting planes, the high cost of fuel, spare parts and other supplies, and the inability to meet passenger demand. In this context, and as a consequence of the decision of Shell España to terminate its contract with **Cubana de Aviación**, the airline had to find a new supplier of fuel abroad, which resulted in losses of around 271,840 dollars.

Also in 2010, Cubana de Aviación attempted to resume online ticket sales, which proved extremely difficult due to the impossibility of using US dollars for transactions and the banks' reluctance to use other currencies, to the detriment of the airline's positioning on the international market.

The lack of access to the US market to purchase spare parts for fuel supply trucks that operate in the Havana and Varadero airports, and jet fuel and spare

parts for Cuban aircrafts, along with the inability to access plane fuelling stations, resulted in an additional 5,700,000 dollars in expenses in 2010.

If Cuban commercial flights to and from Canada could use US airspace, flight time and pollution would be reduced and Cubana de Aviación would save more than 2,026,000 dollars.

In June 2010, Argentina-based Sky Chefs, which had been providing catering services to Cubana de Aviación since 2001, abruptly suspended its services following instructions from its head office in Frankfurt, Germany, in connection with the Helms-Burton Act. In search of a new supplier, Cubana de Aviación turned to Gate Gourmet, another European catering company, but was turned down because the head office of Gate Gourmet in Zurich, Switzerland did not approve the contract.

The Information Sciences and Communications sector has been severely damaged by the blockade. In the period in question, losses in this sector are estimated at 7,396,394 dollars.

On October 6, 2010, Twitter acknowledged full responsibility for having blocked text messages sent to this platform from cell phones in Cuba. Likewise, in April 2010, it was announced that Cuban users could not access certain Twitter features because they were in a blacklisted country.

In October 2010, a team from the Las Villas Central University that won an Honourable Mention at the International Collegiate Programming Contest of the Association of Computing Machines (ICPC-ACM) held in China and sponsored by US company IBM was deprived of the prize due to blockade regulations.

The EcoSol Electric Division, which trades in technology for renewable energy sources, has also suffered from the effects of the blockade. Most of these products are controlled by the Eaton Group, a US company that produces single-phase and three-phase systems used in distribution networks. Unable to benefit from direct purchases from the supplier, the EcoSol Electric Division has been forced to turn to third countries for spare parts and training services at higher prices.

Beginning in February 2011, the financial firm Synivere stopped payments for cell phone roaming services owed to the Cuban telecommunications company ETECSA, claiming that its bank could not conduct any transactions with Cuba. As a result, Cuba has been unable to collect 2,600,000 dollars for these services and has endured additional difficulties.

Damages caused to the **Light Industry sector** because of the blockade implemented by the US government against Cuba amounted to 9,760,200 dollars and 655,900 Cuban pesos.

Production in this industry has a direct impact on the provision of essential products and people's quality of life.

The 1,494,900 dollars lost by Union Textil could have been used to produce 88,200 care packages for newborns, which represents 52% of the 2011 production plan.

If Union Poligrafica had been able to use the 1,649,700 dollars lost as a result of the blockade, it could have produced 9,200,000 high-quality notebooks, which represent approximately 21% of the national demand for notebooks for the 2010/2011 school year.

As a result of the blockade, Cuban soap manufacturer Union Suchel lost 1,368,600 dollars that could have financed the production of 872.8 tons of bath soap of the Liz brand, equivalent to 6,900,000 bars of soap.

In the period in question, Empresa de Pinturas VITRAL could have produced whitewash and enamel for 24,000 seventy-square-meter houses, if it had the 2,285,800 dollars it lost because of the blockade.

The transportation sector has not escaped the direct and extraterritorial effects of the US blockade, with losses totalling 244,583,000 dollars a year, mainly in the land and sea transportation sectors because of travel restrictions on US citizens, merchant and cruise ships to Cuba, and merchant and cruise ships from other countries that touch Cuban ports.

Cuba's classification as a "risk country" due to the US blockade brought about a 40 to 50% increase in prices, and an increase in interest rates, which resulted in additional expenses of 39,000,000 dollars in purchases in this sector.

As ships that dock in Cuba run the risk of being blacklisted, profits from hiring Cuban personnel on foreign ships, even those from third countries, continues to suffer damages. In addition, Cuba cannot benefit from cruise ship taxes for passengers, crew members, and operational costs.

The blockade hinders the hiring of qualified Cuban personnel in the maritime sector since these professionals cannot be hired to work on yachts, cruise ships or merchant ships; as a result, Cuba loses 10,188,000 dollars a year.

The main cruise line companies in the world, CARNIVAL. ROYAL CARIBBEAN, STAR CRUISES, NCL (Norwegian Cruise Line), MSC and COSTA, operate with US capital. Although all of them sail the Caribbean Sea, they cannot hire Cubans to staff the crews because the cruise ships call at ports in the United States and Puerto Rico. Third-country owned cruise lines, such as BARCLAY, CGA-CGM, Hapag Lloyds cannot hire Cubans either because they also call at US ports.

Among losses in the exportation of goods and services for the marine repair industry is the cancellation of a 1,188,000 CUC (Cuban Convertible Currency) contract for the repair of the FOUR MOON Ship at a Cuban shipyard.

The impact of the US blockade on the **Iron and Steel Industry** was greater than last year with losses totalling 106,226,500 dollars as a result of increased

import costs (47,225,058 dollars), the inability to access US technology (18,184,000 dollars), additional inventory expenses (13,668,000 dollars) and the increased cost of transportation (8,918,939 dollars).

The Grupo industrial de bienes de capital GBK, which produces metal structures, facilities, containers, furniture and equipment for a number of industries, suffered losses of 835,440 dollars, a sum which could have been used to purchase 710 tons of steel sheets to produce numerous industrial and household items, or 178,000 semi-finished grinding wheels to produce abrasives, a fundamental raw material used in the iron and steel industry.

The Grupo de Bienes de Consumo (GBC) invested 27,775,980 dollars to manufacture kb-4 laminar flows, stationary bicycles, wheelchairs, autoclaves, fume extraction hoods, fans, stoves, household refrigerators, molds, press tools, restaurant steam tables, and sanitary and construction fittings. If it would have had access to raw materials and other manufacturing components sold on the US market, the same quantity of products would have cost a total of 22,307,380 dollars, and the company would have saved 5,468,600 dollars. With the money saved, the company could have manufactured twice as many household refrigerators, that is, 60,000 instead of 30,000, for use by an equal number of households.

Commercial prohibitions and restrictions stemming from the blockade imposed on Cuba by the United States have continued to severely undermine the **home repair and construction programs** undertaken in the country. Between April 2010 and March 2011, it is estimated that damages in the sector ascended to 22,547,634 dollars.

On the basis of the average per-unit cost of different household repair and construction activities, it is estimated that at least one of the following could not be undertaken as a result of this:

- The repair of 16,400 homes, at an average per-unit cost of 1,375 dollars.
- Maintenance work for 27,330 homes, at an average per-unit cost of 825 dollars.
- The construction of 1,132 new type-1 homes, at an average per-unit cost of 7,200 dollars.
- The construction of 1,466 new type-3 homes, at an average per-unit cost of 5,049 dollars.

Cuba's **Basic Industry** sector also suffered considerable damages, calculated at over 82,600,000 dollars, mainly due to the prohibition on exporting nickel to the United States and purchasing supplies and technology from US manufacturers.

The natural market for Cuban nickel is the United States, a country that in 2010 imported some 144,000 tons of raw nickel, chiefly from Canada, Russia, Norway and Australia. Keeping in mind the United States' geographical proximity, Cuba could have exported more than 30,000 tons of nickel to this

country each year. At the average international market price for 2010, these nickel exports represent more than 654,000,000 dollars.

Similarly, the United States continues to be one of the largest cobalt consumers in the world. In 2010 it imported some 11,000 tons of this metal from far-off producers, such as Norway, Russia and China, among other countries. Because of its geographical proximity, Cuba would be an ideal cobalt supplier that could sell the United States some 2,500 tons a year. At the average international price for 2010, this represents more than 98,500,000 dollars in Cobalt sales that are currently being denied to the island as a result of the blockade.

In the oil sector, the delivery of two balancers scheduled for June 2010 at a cost of 272,449.48 Euros to the Níco Lopez and Hermanos Díaz oil refineries (in Havana and Santiago de Cuba, respectively) was cancelled after it was determined that several components of these units were manufactured in the United States. This forced Cuba to look for alternative suppliers, delaying the delivery some nine months and causing considerable economic damages.

The US government has also pressured oil companies that offer goods or services to Cuba or that have declared an interest in negotiating oil industry contracts with the country. This pressure has included sanctions against executives and their relatives, and has caused many companies interested in doing business with Cuba to leave the country, causing considerable economic damages.

The aforementioned clearly demonstrates that the United States' blockade against Cuba has a direct and diverse impact on all of the country's economic sectors, and that it is one of the main obstacles Cuba faces in its economic and social development.

CHAPTER V. OPPOSITION TO THE GENOCIDAL POLICY OF THE BLOCKADE AGAINST CUBA.

5.1 Unprecedented opposition within the United States.

Opposition to the blockade has also been significantly on the rise within the United States itself.

It is impossible to outline in a few pages the countless declarations made and articles written by important individuals in the US from civil society, the military, legislative bodies, the press, NGOs and academic institutions who, over the past year, have publicly recognized the failure of the blockade, have supported bills aimed at lifting restrictions on travel by US citizens to Cuba, and/or have spoken in favor of normalizing bilateral relations or lifting the blockade.

What follows is a brief summary of the most significant and representative actions and statements against the blockade undertaken and made in the United States:

- **On April 20, 2010**, the US magazine *National Journal* published the following statement by Aaron Saunders, Communications Director for Senator Mary Landrieu (D-LA): "In the past it cost us very little strategically, but here is a case where it could cost us a great deal."
- **On April 21, 2010**, Representative John Tanner (D-TN), Chair of the Trade Subcommittee of the Committee on Media and Arbitration of the House of Representatives of the US Congress, said in a public address on Cuba that the blockade had failed and had closed the doors of the Cuban market to US workers, farmers and businesses. He added that more needed to be done and that it was time to expand US economic interests.
- **On June 25, 2010**, former US President Jimmy Carter, during an interview for Radio Catalunya, requested that President Barack Obama lift the blockade because it was counterproductive. "I don't approve of sanctions against the people from any country."
- **On July 9, 2010**, an online survey conducted by the *USA Today* newspaper, which included 1,475 participants, showed that 94% were in favour of lifting the US blockade against Cuba.
- **On July 13, 2010**, an article by Representative William Delahunt (D-MA) was published by *The Washington Post*, in which he stated that putting an end to the blockade on Cuba would help the Cuban people rather than the government.
- **On July 14, 2010**, Senator Byron Dorgan (D-ND), during a speech at a plenary session of the Senate on the draft bill to permit travel to Cuba, noted that the blockade had failed to accomplish its goal. "It has not worked at all," he said. The senator added that it was immoral to use food and medicine as weapons and noted that restricting the rights of US people in order to punish the Cuban government was inconceivable. "That is what we have been doing over the last 50 years," he added, and he also questioned the authority of the US government to decide where US citizens may or may not travel to.
- **On July 28, 2010**, the *Tampa Tribune* published statements by Representative Kathy Castor (D-FL), in which she insisted that the US blockade was "a 50-year experiment that has not worked" and added that the "the blockade and travel restrictions have given the Cuban government an excuse to blame the United States for its failures..."
- **On August 4, 2010**, Senator Blanche Lincoln (D-AR), during a speech at a session of the Committee on Agriculture on the US Agricultural Commercial Policy and the Agriculture Bill, referred to the relaxation of

travel and trade restrictions in the case of Cuba as an “extraordinary opportunity” and added that it was time to change the approach with Cuba, given that in almost 50 years the blockade has not succeeded.

- **On August 19, 2010**, Representative Barbara Lee (D-CA) noted in a communiqué that progress needed to be made towards lifting the blockade, which she described as a failed policy. Lee said that it was time to "eliminate the counterproductive and unnecessary travel restrictions for Cuba," as well as trade restrictions, and she reiterated her support of Bill H.R.4645.
- **On September 2, 2010**, the Amnesty International NGO released a report entitled *Cuba: The US blockade against Cuba: Its impact on economic and social rights*, which concluded that the sanctions imposed against Cuba by the United State affect the Cuban people’s access to medicine and medical technology, endangering the health of millions of people. Amnesty International urged President Obama to lift the blockade and to repeal the sanctions imposed against Cuba by virtue of the Trading with the Enemy Act. Amnesty International Secretary General Irene Khan said that the blockade was an “immoral and failed policy.”
- **On September 9, 2010**, Amnesty International released a communiqué criticizing the renewal by President Obama of the sanctions against Cuba by virtue of the Trading with the Enemy Act. The communiqué describes this policy as "ineffectual and damaging" and calls on Obama to lift an blockade that “has a devastating effect on the daily lives of the Cuban people.”
- **On September 13, 2010**, at an online debate forum organized by the Council of Foreign Relations’ website (AFR.org), Head of the Programme for Latin America Julia Sweig described the US policy towards Cuba as "obsolete" and added that the Obama Administration was making slow progress in this issue. She said that she believed that the beginning of a new era in US-Cuba relations would be very favorable.
- **In September 2010**, Bloomberg announced that cell phone company Nokia had requested that President Obama lift the blockade in order to be able to market its products in Cuba. AT&T and Verizon Communications also requested that telephone calls to and from Cuba be made easier.
- **On October 9, 2010**, during its 29th Conference, the Cuban section of the Latin American Studies Association (LASA) issued a declaration condemning the US blockade and advocating for the elimination of US unilateral measures against Cuba.
- **Between November 3 and 17, 2010**, 1,000 Americans participated in a survey conducted by Cuba Standard. The results showed that 47% of the people surveyed wanted the blockade on Cuba lifted, as well as restrictions on trade and travels by US citizens to Cuba; 22% were against the blockade, and 31% were unsure.

- **From November 9 to 13, 2010**, the yearly Special Joint Assembly Meeting of the National Council of the Churches of Christ in the USA, the World Church Service and the Latin American Council of Churches was held in New Orleans. A resolution was passed at the meeting advocating a change in US-Cuba relations, the elimination of restrictions on travel by US citizens to Cuba and the lifting of the blockade, as well as a review of the sentences given to the five Cuban antiterrorist fighters.
- **On December 2, 2010**, Representative William Delahunt (D-MA) said, according to a report by the EFE news agency, that it was “absurd” that the US Congress maintained restrictions on Cuba that respond to a Cold War mentality.
- **On March 30, 2011**, former President Jimmy Carter in a television interview during his second visit to Cuba said: "In the future, I hope that trade and travel between the two countries will be unrestricted and that the US blockade will be completely eliminated. The blockade oppresses the Cuban people. It not only affects the Cuban government, but also the Cuban people, who are ultimately the most severely hit by it. I think US-Cuba relations should change."

Carter added, “Most Cubans want relations with the United States to be normal, and most Americans also want relations with Cuba to be normal...I think that some progress has been made in the last few years, because Miami and other Cuban-American communities, including young people in these communities, want the blockade lifted and want to have the opportunity to normally travel in both directions: from the United States to Cuba and from Cuba to the United States. This is a change.”

- **On May 10, 2011**, US Reverend Jesse Jackson, a former presidential candidate and a renowned human rights activist, in an interview with *Prensa Latina* in Doha, Qatar said, “If we [the US government] have been able to hold talks, reach an understanding and establish relations with China, a country with an ideology different from ours, not doing the same with Cuba is an outdated idea.” He added, “We are neighbors and therefore we need each other. We can develop ties that would bring mutual benefits...I await the day when the wall of the blockade that keeps Cuba and the United States apart falls.”

5.2 International Opposition.

The international community’s growing and overwhelming opposition to the US blockade against Cuba is significant.

Innumerable voices have been raised around the world to call for an end of this inhumane policy. In the period covered by this report, numerous pronouncements in favor of the immediate and unconditional lifting of the blockade have been made.

The following are especially noteworthy:

- The 17th Ordinary Session of the Heads of State or Government of the African Union, held in Malabo, Equatorial Guinea from June 30 to July 1, 2011, adopted a special declaration that calls on “the United States government to put an end to the long-standing and unjustifiable economic and commercial blockade imposed against the Republic of Cuba and to allow it to enjoy legitimate perspectives for its sustainable development. Once again we make an appeal to the US government to put an end to its sanctions against Cuba.”
- The Third Cuba-CARICOM Ministerial Meeting held in Havana from September 17 to 18, 2010, adopted a final declaration which called for the immediate and unconditional lifting of the blockade against the Cuban people.
- During the general debate of the 65th period of sessions of the UN General Assembly, held in September 2010, the high-level representatives of 33 countries openly criticized the blockade and called for an end to this policy. The repudiation of the US blockade and the demand to lift it was one of the five topics most debated by the member States, clearly demonstrating that this issue continues to be of great concern for the international community.
- During the session held in the headquarters of the European Parliament in Brussels on October 11, 2010, a report presented by Brazilian Chair of the World Peace Council Socorro Gomez states that “Cuba, socialist and revolutionary, continues to endure isolation, blockade and pressures, something which demands the unconditional solidarity of the World Peace Council in the struggle against the blockade and the liberation of their five heroes, imprisoned in the United States.”
- On October 19, 2010, the Jamaican House of Commons unanimously adopted a new resolution in support of Cuba’s UN General Assembly resolution against the blockade, stating, among other things, that “the blockade is a violation of International Law and runs contrary to the aims and principles of the United Nations Charter and of the norms governing international trade and freedom of navigation. It is a violation of a sovereign state’s right to peace, development and security and, in its essence and aims, continues to be an act of unilateral aggression and a permanent threat to the stability of a UN member country.”
- On October 22, 2010, the State Duma of the Russian Federation’s Federal Assembly adopted a resolution which approved the *Call on the Parliaments of UN Member States and International Parliaments by the Duma*, to eliminate the economic, commercial and financial blockade against the Republic of Cuba. The document states that, in its refusal to abolish the economic blockade imposed on Cuba, “the United States of America continues to violate the norms and principles that govern normal

relations between States, ignoring the opinion of the overwhelming majority of the members of the international community expressed in the pertinent UN General Assembly resolutions.” The Duma once again urged parliaments around the world to “call on the United States of America to lift the economic, commercial and financial blockade on the Republic of Cuba without delay.”

- On October 25, 2010, the Panama National Assembly adopted Resolution No. 19, which, again, “regretted the continued existence of the economic, commercial and financial blockade imposed on the Republic of Cuba” and expressed its support for the “demand voiced by the international community, calling for an end to the economic, commercial and financial blockade that the United States has imposed against the Republic of Cuba for 48 years.”
- On October 26, 2010 and for the 19th consecutive time, the United Nations General Assembly –the most democratic and representative body of the international community– unequivocally and almost unanimously pronounced itself against the US blockade, voicing the opinion of the overwhelming majority of member states and securing a new, historical victory for the Cuban people, for justice and for truth, when it approved, with 187 votes in favor, 2 against and 3 abstentions, the resolution entitled *Necessity of ending the economic, commercial and financial blockade imposed by the United States of America against Cuba*. Thirty-eight countries, including Cuba, along with several international, regional and sub-regional organizations such as the Group of 77 and China, the Non-Aligned Movement, CARICOM, the African Union, MERCOSUR, and the European Union, participated in the ensuing general debate and discussions of details regarding the vote.
- On October 29, 2010, the Legislative Assembly of the Republic of El Salvador approved a motion, supported by the majority of the members of parliament from the various political parties, which celebrates and expresses its support for the decision of the UN General Assembly to demand that the United States of America put an end to the economic, commercial and financial blockade against the Republic of Cuba. The motion also voices concerns over the enactment and implementation of laws and regulations such as the Helms-Burton Act, whose extraterritorial effects undermine the sovereignty of other States.
- The 41st Ministerial Meeting of the Latin American Energy Organization (OLADE) held in Managua, Nicaragua on October 29, 2010, unanimously approved, for the first time, a statement condemning the US blockade against Cuba, thus joining the voices around the world that are calling for its immediate lifting.
- In November 2010, the Mexican Senate adopted a Memorandum of Agreement which “urges the Ministry of Foreign Affairs to make the vote of the international community against the blockade on Cuba effective in

Mexico through concrete measures aimed at guaranteeing the lifting of the blockade.”

- The Heads of State and Government of Latin American countries who convened in Mar del Plata, Argentina, on December 3 and 4, 2010, for the 20th Latin American Summit, once again approved a special communiqué on the necessity to put an end to the economic, commercial and financial blockade imposed by the United States of America against Cuba and to eliminate the Helms-Burton Act. This communiqué reiterates “the most vigorous condemnation of the implementation of laws and measures that run contrary to International Law, such as the Helms-Burton Act, and urges the government of the United States of America to put an end to its application.” Similarly, it calls on “the government of the United States of America to comply with the resolution approved in 19 consecutive General Assemblies of the United Nations to put an end to the economic, commercial and financial blockade against Cuba.”
- On December 8, 2010, the Caribbean Community (CARICOM) once again condemned the economic, financial and commercial blockade imposed by the United States against Cuba in a declaration made by the CARICOM chair, Jamaican Prime Minister Bruce Golding, on the occasion of the 38th anniversary of the establishment of diplomatic relations with Cuba. The declaration calls the blockade policy unjust and identifies it as the main obstacle faced by Cuba in terms of its development and efforts to overcome global challenges, such as the current economic crisis.
- On December 23, 2010, the Gambian National Assembly unanimously approved a resolution which calls on the United Nations, the United States government and the international community to lift the economic, commercial and financial blockade imposed by Washington against Cuba. Among other statements, the resolution affirms that the blockade constitutes a violation of international law; represents a flagrant, massive and systematic violation of the rights of the Cuban people; and runs contrary to the principle and purposes of the United Nations Charter. The document also describes the United States policy against Cuba as a unilateral act of aggression whose extraterritoriality violates the sovereign rights of many other countries.
- On March 22, 2011, representatives of the 28 member states of the Latin American and Caribbean Economic System (SELA) gathered in Caracas, condemned the unjust blockade that Washington maintains against Cuba. SELA Permanent Secretary José Rivera Banuet reiterated the organization’s condemnation of this policy and stated that relations between the United States and countries in Latin America and the Caribbean could improve substantially if Obama decided to put an end to the blockade, an issue that has been addressed during debates by members of SELA and the international community.

- During its 16th Ministerial Conference (Inter-Summit), held in Bali, Indonesia, from May 25 to 27, 2011, the Non-Aligned Movement once again called on the United States to put an end to the economic, commercial and financial blockade imposed against Cuba. It stated that in addition to being unilateral and contrary to the UN Charter, International Law and the good neighbor principle, the US blockade causes the Cuban people great material and economic damages. NAM representatives once again demanded that the United States abide by the resolutions passed by the UN General Assembly, which call for the lifting of the blockade, and expressed their profound concern over the expansion of its extraterritorial scope.

CONCLUSIONS:

Despite the intense and growing demands by the international community for the US government to change its policy towards Cuba, lift the blockade and normalize bilateral relations with Cuba, the Obama administration has maintained the blockade policy intact.

The blockade violates International Law, runs contrary to the purposes and principles of the United Nations Charter, and constitutes a contravention of a sovereign state's right to peace, development and security. In its essence and objectives, the blockade represents an act of unilateral aggression and a permanent threat against the stability of a nation. The blockade constitutes a massive, flagrant and systematic violation of the human rights of an entire people. It also violates the constitutional rights of US citizens by denying them the freedom to travel to Cuba, and encroaches on the sovereign rights of many other states because of its extraterritorial nature.

As of December 2010, the direct economic damages to the Cuban people caused by the implementation of the United States' economic, commercial and financial blockade, based on current prices and very conservative estimates, amounts to more than **104 billion dollars**.

Taking into account the extreme devaluation of the dollar against the price of gold on the international financial market during 2010 and this continual trend, the damages caused to the Cuban economy would exceed **975 billion dollars**.

The blockade continues to be an absurd, illegal and morally unjustifiable policy which has not succeeded and never will succeed in undermining the Cuban people's patriotic decision to defend its sovereignty, independence and right to self-determination. It has only succeeded in subjecting the Cuban population to shortages and needless suffering, in restricting and hindering the development of the country and in seriously damaging the Cuban economy. It is the greatest obstacle Cuba faces in its economic development.

The president of the United States has sufficient prerogatives to significantly modify the blockade against Cuba, and to do so without the intervention of Congress.

The blockade is a unilateral and immoral policy which is condemned both within the United States and by the international community. The United States must lift it immediately and unconditionally.

Once again, Cuba is confident that it can count on the support of the international community in its legitimate demand for an end of the economic, commercial and financial blockade imposed by the United States against Cuba.