



JAMPRO
TRADE & INVESTMENT JAMAICA

Overview of the Cuban Market and Opportunities for Trade

Procedures for Exporting to Cuba

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Overview of the Cuban Market

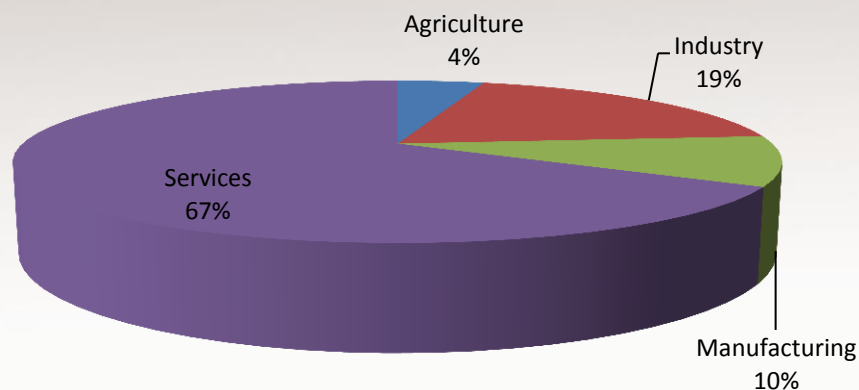
- Cuba is a strategically located market for Jamaican exports, but is currently underexplored
- Population 11 Million; and a strong , growing tourism sector
- Cuba is a net importer. Products broadly classified as:
 - Machinery & Equipment
 - Fuels & Lubricants
 - Raw Materials
 - Assorted Consumer Goods
- JAMPRO has identified Cuba as a market with great potential for Jamaican products





Cuban Economy and Jamaica

Cuba's GDP Composition %



Jamaica's Main Exports to Cuba, 2011

Export Items by Categories	Value (USD\$)
Food (corn, animal feed, cattle feed)	54,093.00
Beverages	4,023,050.00
Miscellaneous Items (plastic articles, boxes/crates, mattresses)	397,080.00
Chemicals & Related Materials	1,000,000.00



Jamaica's Trade with Cuba

- Jamaica has a trade surplus with Cuba – US\$1,916,348 (2013)
- Jamaica's major exports to Cuba:
 - *Agricultural inputs*
 - *Industrial chemicals and related materials*
 - *Boxes, cases, crates and other similar articles of plastics*
 - *Food and beverages*

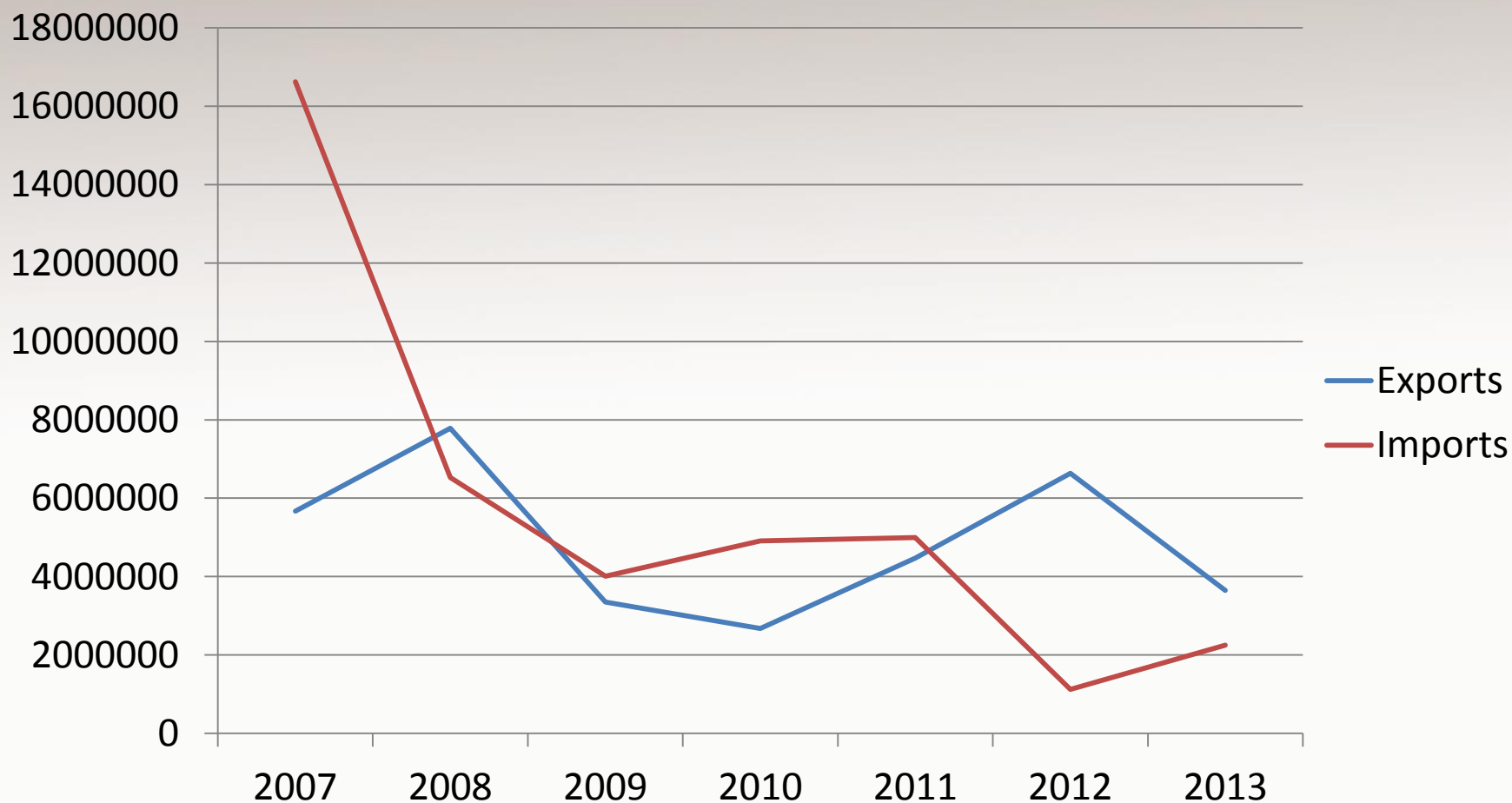
Value of Jamaica's Exports to Cuba

2009	2010	2011	2012	2013	2014 (Jan-Jun)
US\$3.35M	US\$2.67M	US\$4.47M	US\$6.64M	US\$3.65M	US\$2.1M

Source: Statistical Institute of Jamaica



Jamaica's Trade with Cuba



Jamaica-Cuba Bilateral Trade Opportunities



Close neighbor with history of friendship and cultural relations

Established Trade Relationships

Trade Financing - EXIM Bank

Diplomatic support on both sides

CARICOM-Cuba Trade & Economic Cooperation Agreement



Market Structure

- Centralised planning (Ministry of Economy & Planning)
- Transactions in conformance with the Economic & Social Policy Guidelines (2011)
- Section XII of Guidelines speaks to introduction of new non-State modalities into the wholesale & retail trades
- Market remains State-controlled, but is gradually issuing import licences to companies



Import Channels

- Centralised buying system considers:
 - Type of product
 - Conditions of sale
 - Payment terms
- Wholesale & retail distribution networks
- Large distributors with islandwide branches

Types of Importers

- Import Houses
 - Under the Ministry of Foreign Trade (MINCEX)
 - Sole importer of specific groups of products

Examples: Quimimport, Cubametales, Cupet

- Ministry Level Importers
 - Servicing enterprises and units within the Ministry
 - Includes Agriculture, Fisheries, Light Industry



Types of Importers

- Autonomous Distributors
 - Large firms
 - Established by the State
 - Centralised buying & warehousing
 - Import mainly consumer goods
 - Extensive distribution networks
 - Retail outlets across the island
 - Facilitate tourism (e.g. gift shops)
- Examples: TRD Caribe, CIMEX



Documentation & Procedures


- Overall planning is centralised in the Ministry of Economy & Planning
 - The buying company submits purchasing requests to the Ministry
 - Each purchasing company has an allocated budget, and their external transactions must conform to the plan
- Buying is via a bidding system, and all suppliers must be pre-qualified

To Pre-qualify:

- The interested supplier is required to submit a comprehensive **Supplier Package**
- Documents **must be authenticated by the local Cuban Embassy**
- **Package must be in Spanish, and must** comprise:
 - ✓ The company's constitution/certificate of incorporation
 - ✓ Financial and banking information
 - ✓ Document empowering the individual to carry out the company's business
 - ✓ Description of company and products
 - ✓ Prices (in Euro or Canadian \$)
- ✓ Note: Each importer will have its own additional requirements



Documents Required

 DIRECCION DE IMPORTACIONES Y EXPORTACIONES PRECIOS EXTERNOS E INVESTIGACION DE MERCADO		<u>SUPPLIER'S PROFILE</u>			
MANAGING DATA					
PRESIDENT () GENERAL MANAGER () OTHER CHARGE (ESPECIFY)					
NAMES AND SURNAMES					
ENTERPRISE/COMPANY NAME		ACRONYMS			
SOCIAL OBJECT SYNTHESIS AND ATTACH LOGO COMPANY					
LEGAL ADDRESS					
STREETS AND BETWEEN			Nº		
CITY	DISTRICT	CODE ZONE	COUNTRY		
PHONES NUMBERS	FAX	EMAIL	WEB SITE		
MAIN CONTACT					
NAMES/SURNAMES	CARGO	POSTAL ADDRESS	PHONE/EMAIL		
BUSSINESS DATA					
FOUNDATION DATE	EMPLOYEES NUMBER	MANUFACTURER	EXPORTER	OTHERS (ESPECIFY)	
BUSSINESS BANKING DATA					
BANK NAME		SIGLAS	ACCOUNTNº /CURRENCY TYPE		
MAIN HOME (IF PROCEEDING)					
NAME		SIGLAS	COUNTRY		
GOODS / PRODUCTS TO OFFER TO MARKET					
DESCRIPTION			MARK		
CONTROL DATA EMISSION					
PERSON WHICH ALLOWS DATA					
NAME/SURNAMES		CHARGE	D	M	Y
APPROVED					
NAME/SURNAMES		CHARGE	D	M	Y

MEDICUBA S.A.

OFFICIAL DOCUMENTS TO BE SUBMITTED BY SUPPLIER.

Legal documents

1. - Writing of Constitution of the Company.
2. - Agreement of the Board appointing senior management.
3. - Granting powers to the person signing the contract.
4. - Accreditation updated in the commercial register and / or Chamber of Commerce in your country

Photocopies of these documents must be legalized by the Consulate of Cuba

Other information required:

1. - Card's presentation of the Company.
2. - Company Profile and Form of Register of Supplier made for MEDICUBA S.A.
3. - License of Chamber of Commerce of Republic of Cuba.
4. - Aval commercial bank that guarantees and prove their status.
5. - Financial information certified by some company accredited in their country.
6. - Management Systems and / or implanted Quality Certification.



Documentation & Procedures

- Documents are best submitted September/October, when planning is done for the coming year.
- Main concerns:
 - Price competitiveness
 - Product quality
 - Company solvency
- Products such as foods and pharmaceuticals require registration with specialised institutions. Samples must be submitted for testing, e.g.:
 - Fertilisers tested by the Soil Institute
 - Pesticides tested by the National Registry of Pesticides
- The importer requests a code from the Ministry of Foreign Trade and Investment (MINCEX); this unique code is provided to the exporter, and must be quoted on all documents

The Process

1. Importer forecasts the country's product needs for the coming year;
2. Importer submits request to the Ministry of Planning;
3. Ministry pre-approves budget and mandates the importer to source the products;
4. Importer requests a code from MINCEX;
5. Importer requests bids, and provides code to relevant approved suppliers in the portfolio;
6. Importer ultimately selects the best offer



Importers of Interest

Quimimport

- The importing agency for chemical products. The company has 3 divisions:
 - *Fertilizer & Ammonium*
 - *Pesticides, Herbicides & Fungicides*
 - *Industrial Chemicals*
- Imports chemical inputs/products/raw material for:
 - Sugar industry (Ascuba)
 - Ministry of Agriculture
 - Ministry of Industry
 - Ministry of the Interior
 - Fertiliser companies
 - Food manufacturing
- Product samples must be submitted, and once Quimimport indicates interest, the samples are sent to the relevant institutions for testing



Importers of Interest

TRD Caribe

- Autonomous firm established 1994 by the Council of State
- Operates the second largest network of chain stores in Cuba
- Community stores provide basic basket of goods:
 - Affordable prices; All income levels
- Operates 50 hotel shops under Gaviota Tourism Group
- Imports large volumes
- Price competitiveness is key
- Preference is for 360 days credit
- Products sourced primarily from China & Vietnam
- Has a 'permanent' portfolio of established suppliers
- Also a portfolio of potential suppliers (incl. companies identified at FIHAV)
 - - mainly for comparison shopping



Importers of Interest

Medicuba

- The import-export company for medical items such as:
 - drugs,
 - reagents,
 - consumables,
 - instruments and spare parts for medical equipment
- Imports over 300 basic drugs for CUC shops
- Does not buy OTC drugs – only drugs not manufactured by Cuba
 - (Note: Cuba manufactures over 550 drugs)
- Exports to countries where Cuba has medical missions
- Supplier must be registered with the State Centre for Control of Medication & Medical Equipment (CECMED):
 - Prerequisite for inclusion in portfolio of suppliers



Importers of Interest

Farmacuba

- Import-Export company governed by the Council of Ministers
- Does not fall under a ministry
- Exports pharmaceuticals
- Imports active ingredients for medicines, and packaging material such as empty capsules



Importers of Interest

CIMEX

- The largest importer of commercial goods
- Operates the largest network of chain stores in Cuba
- Over 1500 retail outlets, including:
 - Supermarkets
 - Stores
 - Bakeries
 - Restaurants
 - Gas stations
 - Wholesale stores
 - Duty free shops
- Imports and distributes virtually every item consumed by the Cuban population – food, apparel, hardware, electronics, cosmetics, home goods, office equipment, computers
- 120 days credit required
- Owns a shipping company – MELFI, which berths in the Caribbean



Considerations

- Succeeding in the Cuban market requires sustained interactions, often over an extended period. 2-3 annual trade visits recommended;
- Persistence is worthwhile. After the first successful shipment, the supplier relationship is usually secure;
- Participation in the Annual Cuban trade fair (FIHAV) is strongly encouraged – helps to build the relationships;
- Consider the role of key stakeholders as trade facilitators :
 - Chamber of Commerce of Cuba
 - JAMPRO
 - The EXIM Bank, Jamaica
 - The Embassies
- **JAMPRO** signed a *co-operation agreement* with the **Cuban Chamber** in 2004. This facilitates some in-market support such as B2B meetings.



JAMPRO...Creating Trade Opportunities

2014 Engagements include:

- Inward Cuban mission to Jamaica in 2014
- Jamaica-Cuba Business Forum organised by JAMPRO and the Cuban Embassy in Jamaica, July 2014
- Market Visit to Cuba undertaken by JAMPRO and The EXIM Bank in September 2014.
- Participation in FIHAV, November 2014



JAMPRO's Plans

- JAMPRO has identified Cuba as a market with great potential for Jamaican products
- JAMPRO's Objectives:
 - Provide direct buyer engagement opportunities for exporters
 - Engage in interactions with buyers to gain a better appreciation for their needs and how to supply
 - Increase the number and range of Jamaican products in the Cuban market
 - Help exporters achieve lead conversions and sustainable exports to Cuba
 - Provide in-market knowledge on Cuba and facilitate a greater understanding of trade nuances
 - Facilitate increased trade between the two countries



JAMPRO's Plans

- JAMPRO has undertaken a programme of initiatives aimed at growing Jamaica's presence in the Cuban market
- Elements of the Cuba Market Development Plan:
 - *Strategic partnerships (Chamber, CEPEC, EXIM Bank, Caribbean Export, Embassies)*
 - *Market Assessments/Market Briefs*
 - *Workshops/Forums – Exporter sensitisation*
 - *Trade Missions & B2B Meetings*
 - *High Level (Ministerial) Missions*
 - *Market Visits/Scoping Missions*
 - *Trade Show Participation*





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THANK YOU