

**UNCTAD Multiyear Expert Meeting on Transport,
Trade Logistics and Trade Facilitation**

21-23 November 2018, Geneva

**“Sustainable freight transport in support
of the 2030 Agenda for Sustainable
Development”**

**Cuba, Port Development. Investments
and Digitalization**

By

Cuba

This expert paper serves as background and reading material. It is reproduced by the UNCTAD secretariat in the form and language in which it has been received.

The views expressed are those of the author and do not necessarily reflect the views of the UNCTAD.

Cuba, Port Development. Investments and Digitalization

Cuba is an archipelago of approximately 114 000 square kilometers. The main island is oriented east-west, closing the Gulf of Mexico and with abundant natural bays, deep and well protected. The importance of Maritime Transport and port activity for our country can be understood.

From the colonial period, its ports were very important for maritime traffic and the port of Havana was then one of the most important ports in the area, since it was used as a transshipment port by the Spanish fleet in the traffic between the Peninsula and the American colonies.

At the stage of the Pseudo Republic (1902-1959) Cuban maritime traffic was strongly tied to the USA. The development of ports and transport, especially rail transport, was at that stage mainly linked to the development of the sugar industry. With the increase of trade with the USA, the maritime port development was important, as the revolutionary process found it in the year 1959.

If the Maritime trade is important for the world, for Cuba it is essential. More than 95% of the island's trade is carried out by sea.

In the stage of the revolutionary government, the guidelines for port maritime development were established, carrying out the study of the characteristics of the main ports and their development plans. From these, new facilities were built and the docking and operations capacities of the existing ones were increased. In this stage there was an important development of the merchant fleet, the coastal fleet and the fishing fleets.

In a general sense, at this stage, the Container Terminal of Havana was built, three fishing terminals with large capacities for refrigerated cargo, one dock and two fields of buoys for super-tanker operations, several terminals for boarding sugar, bulk, silos for grain and extensions in the operations capacities in the secondary ports used for cabotage operations, among other important investments. Many of these works were carried out with the support of several governments, mainly the former Soviet Union and countries of the Socialist Camp.

The last decade of the 20th century brought important changes for the Cuban economy. The blockade established by the USA was joined by the disappearance of the Soviet Union and the European Socialist Camp. It was a period of notable contraction of the economy called by the Cuban authorities Special Period.

It was a very difficult period for the Cuban people, because the frequencies and intensities of the hurricanes also increased. In the maritime branch, the dimensions of the vessels changed, making our fleet obsolete, containerized transports increased, general cargo vessels disappearing.

But at the same they were created the bases to continue the development of the country in the new international conditions. For example, the Havana container terminal was inaugurated, which guaranteed the entry of containers into the country with the participation in the traffic of several of the most important lines of the market, increasing maritime connectivity significantly.

The activities of freight forwarders began, moving from expedition system of goods to a more efficient extraction system and in accordance with international standards, and the digital cargo manifest was also established.

In the first decade of the 21st century the grain storage capacity was expanded, and warehouse capacities that had been damaged by frequent hurricanes and lack of timely

maintenance were recovered. The cabotage transport and the terrestrial transport were increased and important organizational improvements were achieved. Greater efficiency was achieved in all operations of the maritime branch, achieving the minimization of vessel and the return of containers delay.

Due to the limitations imposed by the blockade of the US government, foreign trade and transportation are distributed by all the geographical areas of the world. Therefore, the country participates in the main traffics of containers and grain transports, which forces to keep updating the changes that occur in the sector. In the last decade the Laws of Ports and Navigation was updated, updating the Port and Shipping Maritime legislation.

Since 2008, work has begun on the design of a new container terminal in the port of Mariel (TCM) located 25 miles west of the port of Havana, it began operating in 2014. It has 700 meters of dock. 4 cranes for Neo-panama vessels and a capacity to operate up to 700,000 TEUs, with possibilities to grow up to 3 million TEUs. TCM can receive the ships that currently cross the Panama Canal.

Located within the Special Development Zone where the main investments of foreign capital are promoted. Because of its position, it is ideal for transshipment linked to the Gulf ports, without discarding the rest of the ports in the area.

For domestic traffic it connects with the main highway and with the central line of the railway. It is managed by PSA and has modern digital systems for its operation. Both the Special Development Zone and the Terminal have their own one-stop electronic attention window and advance in the application of improvements in environmental protection techniques. This has compelled in all the logistics of the trade to transporters, authorities, port operators, importers, exporters and final receivers of the goods to update their own digital operation systems.

On the other hand, the construction of a modern multipurpose terminal in the port of Santiago de Cuba is currently concluded. It has 231 meters of dock, capable of receiving vessels of 40 thousand TM DW and 10.8 meters deep, 2 covered warehouses with a capacity of 10 thousand cubic meters each, 3 gantry cranes with capacities of (1x50) and (2x30)) TM SWL, also large area of uncovered areas for storage. It is expected to begin operating in the first quarter of 2019 and for his modern operating systems; the effect of its operation is to compulse the rest of the participants in the operations as well as the Container Terminal of Mariel.

There is a plan for the rehabilitation and modernization of the port infrastructure, which actions until 2030. It includes the main ports and those that contribute to the logistics of the tourist poles. It negotiates with governments and international companies to obtain the necessary financing for its execution.

Dear colleagues, allow me to mention the recent celebration of the International Fair of Havana (FIHAB 2018) in its edition No. 36, dedicated to the 500 Anniversary of the Capital City, which closed its doors on November 2, 2018. It is one of the largest commercial exchanges in the region, where more than 3000 exhibitors from 64 countries participated. It is a favorable space for the promotion of foreign investment, foreign trade for mutual benefit and Economic Cooperation. In this event, the portfolio of business opportunities that Cuba offers to foreign investors was updated, which has 525 projects valued at 11.560 million USD. It is important to note that projects that have a greater environmental impact are prioritized.

The exportable offer of goods and services of Cuba was also presented, divided by sectors and with the identification of brands and products of more than 70 national companies. In this scenario, the Electronic Single Window of Cuban Foreign Trade was presented.

Cuba moves forward on its implementation project of the Foreign Trade Single Window. This project will simplify all the procedures and permits required in the country by businessmen who carry out this type of operation. It is the result of the facilitation agreement signed in 2016 between Cuba, the WTO and UNCTAD that guarantees the transfer of technologies and funds for their realization.

In addition to the training of human resources and the creation of the Platform of online services, the Ministry of Foreign Trade and Foreign Investment. (MINCEX) has integrated the 37 authorities and government entities linked to foreign trade that require procedures.

The National Software Company (DESOFIT) subordinated to the Ministry of Communications is responsible for the creation of the Electronic Platform that should be launched in December 2019. In this way, the companies or entities interested in carrying out import and export operations may obtain information on the procedures, business opportunities, knowledge of Cuban legislation related to foreign trade and the documents required in each case. We invite you to visit the MINCEX website where you can expand the information that is of interest to you. Thank you so much.

Luis I. Rodríguez Hernández
Manager of Transport and Insurance / General Directorate of Foreign Trade/MINCEX

SOURCES

Website of the Ministry of Foreign Trade and Foreign Investment

Website: <http://www.cepec.cu>

Granma newspaper

Container Terminal de Mariel



