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## Embassy in Havana to enhance relations

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THE opening up of the Malaysian embassy in Havana early next month is expected to boost economic relations between Cuba and Malaysia as it widens the door to the public sector of both sides to cross-invest.

Cuban Foreign Minister Felipe Perez Roque said the move will enhance all aspects of cooperation between the two countries, especially in bilateral trade, education, tourism and culture.

"Our government is happy that after the establishment of the Cuban embassy in Kuala Lumpur at the end of 1997, Malaysia is finally sending its residence ambassador to Havana.

"This is a big move, indeed! We have been looking forward to this sentimental and historic moment in our diplomatic ties ever since diplomats of both nations made contacts in the 1970s.

"I would like to describe it as a grand opening to our closer friendship and cooperation," he told Business Times in Kuala Lumpur.

Roque, who arrived on Monday for a three-day official visit at the invitation of Foreign Minister Datuk Seri Syed Hamid Albar, was impressed with the way the Malaysian Government carries out its diplomatic activities throughout the world.

"I believe Prime Minister (Datuk Seri) Dr Mahathir Mohamad has made a tremendous achievement in not only connecting Malaysia to the rest of the world, but also in establishing business contacts with small and isolated countries.

"Cubans, who had rarely heard about Malaysia in the 1960s and 1970s, are now looking at your country as one of the most friendly.

"They have high expectations that our two countries can embark on a more aggressive approach in making our relations a fruitful one," he said.

The 45-minute interview, which was also attended by Cuban ambassador Teresita Feernandez Diaz and an interpreter, touched on various issues, including Cuban President Fidel Castro's planned visit to Malaysia this year, bilateral trade, investment and the US policy on Cuba.

Roque said Castro's visit, scheduled to take place in the third quarter, will be a catalyst in enhancing Malaysia-Cuba relations.

Dr Mahathir first visited Cuba in 1997, and again last year on his way to attend the Group of 77 summit in Latin America.

He said although no Malaysian investors had as yet set foot in Cuba, the setting up of the Malaysian embassy in Havana, headed by ambassador Kamal Yan, will help boost Malaysian investment in the island nation.

"The only problem so far is the lack of information about Malaysia in Cuba and vice-versa. Our businessmen are in the dark about the Malaysian economy, and so is the Malaysian business community. However, I believe things will change in the coming years."

The minister, in welcoming Malaysian investors to Cuba, said the tourism industry in the country is most promising as Cuba is one of the world's top holiday destinations.

"The tourism sector is most dynamic. Although we have about 35,000 hotel rooms at present, the rate grows at about 5,000 rooms per year and there is still high demand. Almost one-third of the hotels in Cuba is foreign-managed.

"We receive about three to four million tourists each year, and the number is expected to reach seven million by the year 2010.

"This is where Malaysian investors can come in. Recognising the fact

that Malaysians have successfully helped boost the tourism and hotel industry in many countries, we will try to facilitate their investment in Cuba," he said.

He added that other areas to invest in are the building of roads and port facility and the production of Cuban oil.

In relating Cuba's economic reforms, he said the cautious reforms introduced over the last decade, including a selective opening to foreign investment and modernisation of its banking industry, is now more compatible with others.

"After 10 years of terrible crisis and more than 40 of ferocious blockade, our country today has more security in its future than ever."

The Communist-ruled Caribbean island has survived a decade of recession and four decades of US economic sanctions by maintaining its socialist policies and avoiding all-out liberalisation of its economy.

There has been impressive recovery in Cuba's oil and nickel production as well as growth in tourism.

Domestic production of oil and gas was forecast to increase to 3.5 million tonnes last year, compared with 670,000 tonnes in 1990. This output will rise to 4 million tonnes in 2001.

"We hope to be self-sufficient in oil and gas in a relatively short period of time," he said.

The strategic sugar industry is being diversified, and over US\$500 million (US\$1 = RM3.80) will be invested in the telecommunications sector over the next five years.

Around US\$4.3 billion of foreign investment has been pledged to Cuba in the last decade, of which a large amount has been delivered.

There are over 370 investment projects in the country currently.

Roque said the island has also made progress in easing its foreign debt burden by reaching bilateral restructuring deals with major creditors which had reopened access to official export credit facilities from a number of countries.

In addition, Cuba has been holding "contacts" with the Paris Club group of creditor nations about the possibility of a multilateral restructuring of its medium- and long-term debt.

According to the Cuban central bank, the country's hard currency foreign debt at the end of 1999 was just over US\$11 billion. Of this, US\$3.5 billion or more was believed to be medium- and long-term debt to Paris Club creditor governments.

On his visit to Malaysia, the foreign minister said he had a meeting with Syed Hamid on Monday, where they discussed the possibility of signing agreements on abolishing visa, avoidance of double taxation, aviation, shipping, education and investment.

"We need Malaysia's assistance to develop our country to the heights that you have achieved today. We may be far apart, but as the world closes in under globalisation much can be learnt from each other," he said.

Roque leaves for Singapore today as part of his Asian tour, which will also take him to Vietnam, China and Japan.

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