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TRADE

South Florida awaits change in Cuba

While waiting for Fidel Castro to fall, the Miami business community has developed an analysis of the trade advantages South Florida will have and the potential competition it will face.

By Jane Bussey

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When the Berlin Wall crumbled in 1989, Miami lawyer Nicolas Gutierrez -- like others in the Cuban-American community -- was convinced of the imminent demise of the government of Fidel Castro.

But on Wednesday at a Cuba conference organized by the Greater Miami Chamber of Commerce, Gutierrez was not making any predictions. "I don't believe anyone at that time thought that here, 17 years later, we'd still be waiting," Gutierrez said.

Cuba's future may not be predictable, but the South Florida business community now has a much clearer picture of the island economy and the challenges ahead than it did when the Soviet bloc first began to unravel and undermine the Cuban economy.

The half-day conference, "A Future and Free Cuba -- Opportunities and Threats for Florida," touched on areas where Cuba will complement Florida -- trade, investment and services -- and where it will compete -- tourism and agriculture.

Speakers discussed Cuba's future needs and various scenarios for South Florida after the death or retirement of President Fidel Castro and the possible succession of his brother, Raul.

"This is a bankrupt economy," said Andy Gomez, a senior fellow at the Institute of Cuban and Cuban American Studies at the University of Miami. "Only Haiti is poorer."

But Gomez, also vice provost at the university, noted Cuba possesses some advantages to aid the transformation of its legal, political and economic systems: "Cuba has a very high literacy rate and a good education system."

Teo A. Babun, who heads Babun Group Consulting, detailed the island's infrastructure: 10 international airports, 31 ports, 9,200 miles of railroad, 21,000 miles of roads and 14 electricity plants.

"Cuba has a transportation infrastructure that is better than in most Latin American countries," he said.

But on an island of 11.4 million people where there are few private car owners and only 800 gasoline stations, considerable investment is needed in ports, electricity plants and other infrastructure, he added.

Gomez pointed out a recent study estimating that Greater Havana needs \$8 billion in investment to rebuild and refurbish aging and decrepit buildings and a 1913 water and sewer system.

Babun predicted that all Florida ports would expand trade with Cuba after the lifting of the U.S. trade embargo. "The Miami airport better rethink their program," said Babun, adding that he expected a flood of flights between the island and Miami.

The panelists warned of other possibilities, especially an increase of Cubans coming to Miami, many of them to stay, during a transition. The makeup of the audience -- from lawyers and cruise line executives to border patrol and coast guard representatives -- confirmed that a cross-section of business and government are actively planning for any change in Cuba.

South Florida's legal community also has studied both Cuban law and U.S. rules.

Pedro Freyre, a shareholder with the Miami law firm Akerman Senterfitt, outlined U.S. laws on travel and doing business in Cuba, including the conditions for lifting the trade embargo under the Helms-Burton law. "It's very difficult for any government to meet this criteria," he said.

Under the U.S. embargo, trade to Cuba is restricted, but in recent years Americans have been permitted to export agricultural and medical products.

The legal system in Cuba is equally complicated, noted Patricia Hernandez, a partner with Holland & Knight, as she listed numerous laws, including one that allows foreign investment and free-trade zones but restricts dispute settlement to the Cuban Supreme Court.

None of the speakers were making predictions about when change may come in Cuba.

Jaime Suchlicki, director of the Institute of Cuban and Cuban American Studies, made that point as he joked that if anyone wanted to know what was going to happen: "Walter Mercado will be here tomorrow morning," referring to the celebrity astrologer.

Brian Latell, a senior research associate at the institute, insisted, "We must be realistic" that Cuban democracy might be postponed during a succession of Raul Castro after Fidel.

Media coverage of Raul "has reached unprecedented levels" in Cuba, said Latell, a former CIA analyst, adding it might be a sign that the government is preparing the population for his eventual succession.