

CUBA: INVESTMENT PROMOTION AND PROTECTION AGREEMENT

1. AS PART OF THEIR STRATEGY OF ENCOURAGING FOREIGN INVESTMENT AND ESTABLISHING BUSINESS CONFIDENCE THE CUBANS ARE LOOKING TO SIGN IPPAS WITH COUNTRIES LIKELY TO PROVIDE SOURCES OF INVESTMENT. THE ITALIANS HAVE RECENTLY SIGNED ONE, THE FIRST WESTERN EUROPEAN COUNTRY TO DO SO. THE FRENCH ARE IN THE PROCESS OF NEGOTIATING AND HOPE TO CONCLUDE LATER THIS SUMMER. (I WILL FORWARD THE ITALIAN TEXT AS SOON AS THEIR EMBASSY HERE CAN OBTAIN ONE.)

LOOKING AHEAD TO LADY YOUNG'S MISSION AND WHAT WE HOPE MAY PROVE TO BE SOME SUBSTANTIVE RESULTS SHOULD WE OURSELVES NOT BE CONSIDERING AN IPPA WITH CUBA? WE WOULD BE VERY INTERESTED TO KNOW THE DTI'S THINKING ON THIS AND, INDEED, TO SUPPLEMENT THE PRESENCE ON THE MISSION, ON WHETHER SHOULD ALSO NOT COME TO CUBA TO START THE NEGOTIATING PROCESS.

SIGNED DONALD MACLAREN

UNCLASSIFIED FN HAVANA

TELELETTER NFR.

Let me know JD/DTI veno Then we will need to submit.

YYYY

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MAIN

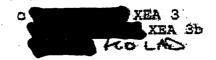
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PAGE UNCLASSIFIED JP 20



From:

XEA 3b: Caribbean Deck Bay 801 Kingsgate House tel

7 June 1993

CUBA: INVESTMENT PROMOTION AND PROTECTION AGREEMENT

Following his teleletter of 24 May copied to you,

2 I would be grateful for your comments on whether a UK/Cuba IPPA is feasible. Certain sectors of the Cuban economy are being opened up to foreign participation (notably tourism) following the restructuring of Cuba's trade relations in the aftermath of the collapse of the Soviet Union. Spanish and Italian investors are already there, as well as Latin American and Caribbean.

3 As The MacLaren said in his teleletter, the mission organised by the Caribbean Trade Advisory Group (CARITAG) which visits Cuba this month, provides the first major opportunity for large UK companies (see attached list of participants) to examine the investment and joint venture opportunities now arising Cuba. The drawing up of an IPPA could help stimulate UK interest in a country (the largest in the region) which, if the current economic policies are pursued to their logical conclusion, could develop as rapidly as Puerto Rico did in the post-war years.



Overseas Trade Services

The Maclaren of Maclaren

British Embassy

4 August 1993

HAVANA

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Kinggan House
66-74 Victoria Street
London SWIE 65W

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Direct line
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Your ref
Date

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UK/CUBA INVESTMENT PROMOTION AND PROTECTION ACREEMENT (IPPA)

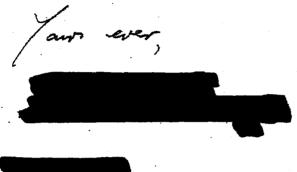
- 1. has drawn our attention to the fact that certain sectors of the Cuban economy are being opened up for foreign participation and has enquired whether in these circumstances a UK/Cuba IPPA would be feasible.
- 2. As you know, we have no current plans to seek an IPPA with Cuba. However, if the economy is indeed to be liberalised the Cubans may well wish to consider the possibility of an IPPA with us. Provided they were willing to accept the standards and principles enshrined in our model text there would be little difficulty for us in concluding such an Agreement. If, however, the Cubans were unable to accept the substance of our text this would inevitably lead to negotiations which could be protracted. In view of our existing heavy negotiating commitments we would be unable to accommodate substantive negotiations with Cuba for the time being.

If you decide to do so please commend the text to them as containing the widely accepted standards important for the encouragement of investor confidence. It forms the basis of the more than 50 IPPAs already signed by the UK and we would be happy to have an Agreement with Cuba on the same basis.



Overseas Trade Services

4. If in due course the Cubans were to advise you that they were broadly content with the text we would nonetheless welcome their contributions to the definitions in Article 1 and their choice from the alternative texts available for Article 8 (Investment Disputes). In the latter case their choice will depend on whether they are a party to the ISCID convention. Finally, we would be grateful to know their choice of method for entry into force of the Agreement for which Article 13 makes provision. From our point of view entry into force on signature is the simplest and quickest method but we would be happy to accept the Cuban choice should they require either completion of constitutional formalities or ratification.



Joint Directorate

CC: XEA/3b, DTI
LAD, FCO, WH299



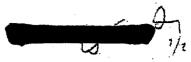


BRITISH EMBASSY,

HAVANA

24 January 1994

Joint Export Promotion Directorate Kingsgate House 66-74 Victoria Street London SW1E 6SW



JEPT) are copying mois reply to mi to know on i up to tente

UK/CUBA IPPA

pd. pd. 2

forwarded the list of countries to our interlocutors in CECE.

Do you have

anything yet for me to pass back to them?

•

The MacLaren of MacLaren

CC:

XEA 3b, DTI

LAD, FCO

X4375 JE PD

JEPD2 XEA3 XEA3B

From:

XEA3B Bay 812 Kingsgate House

March 1994

CUBA: **IPPA**

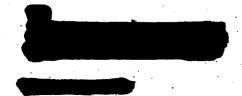
We spoke about the state of play on negotiations.

- As you know, Mr McLoughlin will visit Cuba in early September and we agreed that it would add substance to the visit if it were possible for him to agree a final text with the Cubans while there. (Would he be able to sign it or is. signature reserved to FCO Ministers?)
- I explained that prior to the Ministers visit, a trade and investment mission led by the will be in Cuba between 25-28 April, probably accompanied by an official from the Market Branch. One of the would like to focus on if possible is the recalls that the proposal for an IPPA with Cuba was advanced during the course of a similar mission in June last year, led by Baroness Young.
- I appreciate that such agreements are negotiated by JEPD; but the CARITAG involvement if properly managed is likely to be helpful in demonstrating to the Cubans that businessmen with investment intentions in Cuba attach value to an IPPA.

You explained that the Cuban comments on our text are currently being translated. You may like to consider the possibility that, if HMG's reactions to the Cuban comments are available by (say) 20 April, these could be conveyed to the Cuban side by the DTI official accompanying the mission. This would help to advance the negotiation process prior to Mr McLoughlin's visit.

I mentioned also that is holding a pre-mission briefing (and lunch) on 29 March at which he is likely to ask me where things stand. I would therefore like to touch base with you when I return from leave on 28 March.

Alternatively I am sure you would be welcome at the briefing meeting if you are free and consider it useful to go.



JEPD

FROM:

CC: JEPD 2

XEA/3b 812KH X4368

15 April 1994

1. Mr Fruitma

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drawing Mr Mili visit. I may impress has
on JEFD

CUBA: IPPA

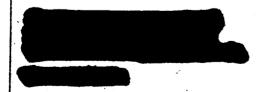
2. Brich to me.

When we spoke on Wednesday you appeared to be unaware of the April CARITAG mission to Cuba and its relevance to Mr McLoughlin's visit in September. I therefore enclose a further copy of my minute to you of 16 March on the subject.

- and the presence of no less than three DTI and one FCO official, the Cuban's will regard this as an official mission and seek among other things to progress negotiations on an IPPA. It seems to me to be in our interest to encourage Cuban enthusiasm and to work towards signature, if a text can be agreed, in time for Mr McLoughlin's visit to Cuba in September.
- 3 You explained that Cuban comments on a draft text had been with the translators since February, and agreed to chase them up soon.

Meanwhile, all we shall be able to do during the April mission is thank the Cubans for their helpful comments and promise to let them have our response through the Embassy once their points have been examined in Whitehall. You did not think it unreasonable, however, given the general tenor of the Cuban comments, to aim for completion by the time of Mr McLoughlin's visit in September.

4 If there are any developments before I leave for Cuba on 23 April, please let me know.



K7THU.123

To:

XKA/3b KH/812

From:

Joint Export Promotion Directorate KH/907 -

Date: 19 April 1994

22/4

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Anning were trunt LATO was

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thought it might were the

possible. I will have up the

SUBJECT: UK/CUBA INVESTMENT PROMOTION AND PROTECTION AGREEMENT ρ (IPPA)

1. Thank you for your minute of 15 April (not copied to all) about the forthcoming CARITAG trade mission to Cuba and the mounting interest in a UK/Cuba IPPA, especially in the run-up to mr McLoughlin's proposed visit to Cuba in September.

2. As you know, there have been preliminary exchanges on a

I refer to the September visit as a possible signature opportunity. Although that remains a possible target, as stated in that letter we must be careful not to raise expectations about a likely IPPA signature date. There is no quarantee that the Cubans will agree a satisfactorily robust text by then. Moreover, those concerned with IPPA business are already committed to a large number of ongoing IPPA negotiations which will continue to attract priority. As a late entry in the field, Cuba might normally be expected to join the queue. However, the Cubans have responded in a businesslike way and given their apparent enthusiasm, I am seeking to absorb exchanges with Cuba into our current business subject always to existing priority commitments. I am conscious also that others concerned in Whitehall, notably DTI's International Trade Policy Division who provide policy guidance and instructions on IPPA negotiations, have other competing commitments.

- 3. Against that background, I take your point that Cuban officials may raise the IPPA with you during the CARITAG mission's visit. Should they do so I think you should explain to them that the trade mission does not have a negotiating role. If you wish, you may add that the FCO leads on these Government-to-Government Agreements in consultation with other Whitehall departments concerned. If the topic is raised, please draw on the following general points:
- (a) we are grateful to have received detailed Cuban comments on our proposed text;
- (b) we note that the Cubans propose several amendments to the proposed text. These are being studied carefully

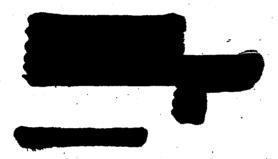
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and we hope shortly to forward our considered comments through the diplomatic channel;

we are keen to conclude a strong IPPA with Cuba which (0) will enshrine the widely accepted high standards of protection important for the fundamental purpose of encouraging investor confidence.

You will note the exceptional upsurge of activity since late 1992, evidence of the increasing competition worldwide to attract foreign investment.

I attach a spare copy of this minute and should be grateful if you would pass it to who has minuted me separately on the same issue.



4.

cc: (without enclosure)

LAD/FCO, WH327

Assistant Legal Adviser, FCO, K157A , ITP2b, DT1, ASH/206 XEA/3b, DT1, KH/812

The MacLaren of MacLaren, British Embassy, HAVANA (by fax)

THE JOINT EXPORT PROMOTION DIRECTORATE OVERSEAS TRADE SERVICES ROOM 907 KINGSGATE HOUSE 66-74 VICTORIA STREET LONDON SWIE 6SW My English of 200 center this time of the state of the st

FAX NUMBER:

FACSIMILE MESSAGE CONSISTING OF PAGES PLUS THIS LEADER SHEET

FROM

DATE

1 JULY 1994

TEL

TO

THE MACLAREN OF MACLAREN, BRITISH EMBASSY, HAVANA

UK/CUBA IPPA

- 2. Although it would normally be sensible to allow more time for a Cuban response to our proposals on the outstanding issues, I am conscious as I am sure you are that Mr Mcloughlin is keen to sign the IPPA during his September visit. I understand the Cubans are also keen to conclude the IPPA then. Whilst good progress has been made so far, we need to advance quickly now for a September signature to remain a realistic prospect. To maintain momentum it would be helpful if the Cubans could let us have their substantive response within, say, the next week. If we can soon reach an agreed English draft text for which I would put final clearance procedures in motion here, it would also be helpful if the Cubans could provide a Spanish translation for precise matching and clearance by FCO Translation Branch. I should be grateful for your assessment of the prospects.
- 3. As you probably know, Mr Mcloughlin's visit is attracting attention here. Baroness Chalker, the FCO Minister of State, answered a PQ from Baroness Young in the Lords this week. I attach a copy of the relevant Hansard extract.

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cc.

LAD (WH328) XEA3b/DTI (Kingsgate 812)

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THE JOINT EXPORT PROMOTION DIRECTORATE OVERSEAS TRADE SERVICES EDOM 907 KINGSGATE HOUSE 66-74 VICTORIA STREET LONDON SWIE 65W

FAX NUMBER:

FACSIMILE MESSAGE CONSISTING OF PAGES PLUSTEIS LEADER SHEET

FROM

DATE

15 JULY 1994

TEL

TO

THE MACLAREN OF MACLAREN, BRITISH EMBASSY, HAVANA.

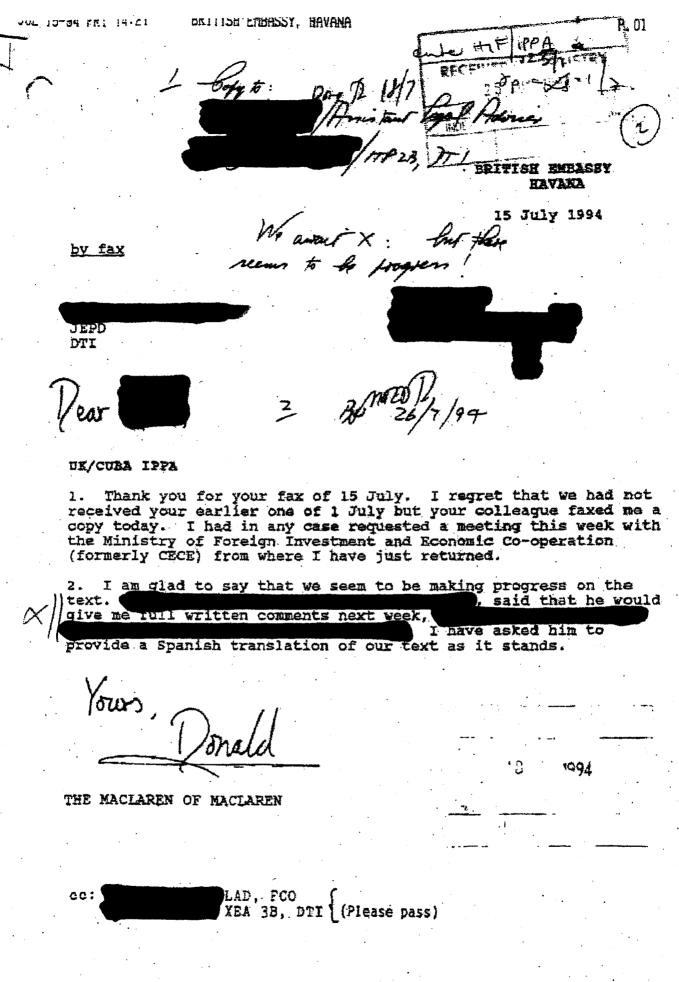
UK/CUBA IPPA

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1. I refer to my fax of 1 July and should be grateful to know the current state of play and, if they can be ascertained, Cuban intentions on replying to our latest proposals on the outstanding issues. Time is slipping away and the prospects of signing in September are receding. If the Cubans require more time, we would of course understand and would remain keen to continue work towards concluding a good, modern IPPA with Cuba as soon as the outstanding issues are satisfactorily resolved. Meanwhile we are proposing to let Mr McLoughlin have a progress report for which it would be helpful to have a note from you of action taken so far on our latest proposals and of Cuban reactions, if any.

CC

LAD (WH328) XEA3b/DTI (Kingsgate 812)



(M)

THE JOINT EXPORT PROMOTION DIRECTORATE OVERSEAS TRADE SERVICES **ROOM 907** KINGSGATE HOUSE 56-74 VICTORIA STREET LONDON SWIE 65W

FAI NUMBER:

FACSIMILE MESSAGE CONSISTING OF ..O. PAGES PLUS THIS LEADER SHEET

FROM

DATE

20 JULY 1994

TEL

TO

THE MACLAREN OF MACLAREN, BRITISH EMBASSY, HAVANA

UK/CUBA IPPA

Thank you for your fax of 15 July. I agree However we must reserve that we seem to be making progress. judgement until we study the Cuban substantive response in will let you have it this week as writing. I hope undertaken.

2. I was sorry to learn that you had not received my fax of 1 July. I notice that your fax under reference reached me by a come directly into circuitous route. Faxes to me on come come directly the JEPD and I recommend that this fax No. be used for communications to me. If we need to resort to telegrams at any stage, the JEPD is, as you know, a joint FCO/DTI Department. As such we remain within FCO's internal telegram distribution system and I advise that that any telegrams "For JEPD" be sent in the normal FCO telegram series.

cc.

LAD (WH328)

XEA3B/DTI (Kingsgate House 812)

UNCLASSIFIED
FM FCO
TO TELELETTER HAVANA
TELELETTER NFR
OF 020847Z AUGUST 94

FROM JEF

TO THE MACLAREN OF MACLAREN

SUBJECT: UK/CUBA IPPA

1. My fax of 20 July refers. Grateful for news of substantive response promised by in July. Time is running out to agree a draft text before September.

SIGNED

YYYY

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JEPD//

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