

56

I have prepared this with

UNCLASSIFIED
FM HAVANA
TO TELELETTER DTI
TELELETTER MFR
OF 241258Z MAY 83
INFO TELELETTER FCO

DTI + J3 DTI + J3

[REDACTED]
[REDACTED] Cuba is
on their list.

pl. ps

FROM: THE MACLAREN OF MACLAREN, HAVANA
TO: [REDACTED] DT4, DTI
CC: [REDACTED] IPPA SECTION, J.D., DTI
[REDACTED] LAD, FCO

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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.)

2. 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 OF [REDACTED] ON THE MISSION, ON WHETHER [REDACTED] SHOULD ALSO NOT COME TO CUBA TO START THE NEGOTIATING PROCESS.

SIGNED DONALD MACLAREN

Let me know JD/DTI views
then we will need to submit.

YYYY

DISTRIBUTION

2

MAIN 2

SINGLE COPIES .DTI
LAD

NNNN

To:

[REDACTED]
JD 2D

c [REDACTED] XEA 3
[REDACTED] XEA 3b
[REDACTED] KOLA

From:

[REDACTED]
XEA 3b: Caribbean Desk
Bay 801 Kingsgate House
tel [REDACTED]

7 June 1993

CUBA: INVESTMENT PROMOTION AND PROTECTION AGREEMENT

Following his teletype of 24 May copied to you, [REDACTED]
[REDACTED]

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 teletype, 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.
[REDACTED]

[REDACTED]

10 AUG 1993

UU
66

Overseas Trade Services

The Maclaren of Maclaren
British Embassy
HAVANA

The fact of our landing over a draft has some political significance though it is a course consistent with our usual line. Did [redacted] approve?

Kinggate House
66-74 Victoria Street
London SW1E 6SW

Enquiries

TELEPHONE
FACSIMILE

Direct line
Our ref
Your ref
Date

4 August 1993

1. [redacted]
2. [redacted]

This sd. please the Cubans (and the embassy who put forward the idea a few months ago).

Dear Donald,

UK/CUBA INVESTMENT PROMOTION AND PROTECTION AGREEMENT (IPPA)

1. [redacted] 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.

3. [redacted] 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.

Yours ever,

[REDACTED]

[REDACTED]
Joint Directorate

cc: [REDACTED], XEA/3b, DTI
[REDACTED] LAD, FCO, WH299





9

BRITISH EMBASSY,
HAVANA.

24 January 1994

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

[REDACTED] 1/2

JEPD are copying their
Reply to us to keep us
up to date

UK/CUBA IPPA

pl. p [REDACTED] 7/2

1. [REDACTED] I have
forwarded the list of countries to our interlocutors in
CECE.

2. [REDACTED]
[REDACTED]
[REDACTED] Do you have
anything yet for me to pass back to them?

The MacLaren of MacLaren

CC: [REDACTED]
XEA 3b, DTI

[REDACTED]
LAD, FCO

To:

X4375

CC

JEPD2
XEA3
XEA3B

JEPD

From:

XEA3B
Bay 812
Kingsgate House

16 March 1994

CUBA: IPPA

We spoke about the state of play on negotiations.

2 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?)

3 I explained that prior to the Ministers visit, a trade and investment mission led by the [redacted] will be in Cuba between 25-28 April, probably accompanied by an official from the Market Branch. One of the issues the [redacted] would like to focus on if possible is the draft IPPA. [redacted] 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.

4 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.

5 I mentioned also that [redacted] 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.

[redacted]

[redacted]

TO:

[REDACTED] JEPD

cc: [REDACTED] JEPD 2
[REDACTED] XEA/3b

FROM:

[REDACTED]
XEA/3b
B12KH X4368

15 April 1994

CUBA: IPPA

1. Mr. Frouthman

You asked when things stood with the IPPA
it was unclear as to what it it will be signed
during Mr McL's visit. I was impressed
on JEPD

2. Back 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.

2 There is no doubt that given [REDACTED]
[REDACTED] and the presence of no less than three
DPI and one FCO officials, the Cubans 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.

[REDACTED]
[REDACTED]
K7THU.123

To: [redacted]
XEA/3b
KH/812

[redacted] 22/4

From: [redacted]
Joint Export Promotion Directorate
KH/907 - [redacted]

I have spoken to [redacted] mentioning that LAD will like to see the IPPA signed during the McLoughlin visit. He gave no commitments but thought it might well be possible. I will keep up the pressure

Date: 19 April 1994

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

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. p. 21-4

copy required from JED

2. As you know, there have been preliminary exchanges on a draft IPPA [redacted]

[redacted] 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 guarantee 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

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

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

// 4. [REDACTED]

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

/ 5. I attach a spare copy of this minute and should be grateful if you would pass it to [REDACTED] the [REDACTED] who has minuted me separately on the same issue.

[REDACTED]

cc: (without enclosure)

[REDACTED] LAD/FCO, WH327
 [REDACTED] Assistant Legal Adviser, FCO, K157A
 [REDACTED], ITP2b, DTI, ASH/206
 [REDACTED], XEA/3b, DTI, 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 SW1E 6SW

Mr Faulkner 5/7
Mr Jones 5/7
enter HIF/11/PA
RECEIVED 23/7
11/7
NO

FAX NUMBER: [REDACTED]

FACSIMILE MESSAGE CONSISTING OF ..2. PAGES PLUS
THIS LEADER SHEET

(A)

FROM [REDACTED]

DATE 1 JULY 1994

TEL [REDACTED]

TO THE MACLAREN OF MACLAREN, BRITISH EMBASSY, HAVANA

UK/CUBA IPPA

[REDACTED]

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.

I would advise that this is a priority as we need it

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.

[REDACTED]

cc.

[REDACTED]

LAD (WH328)
KEA3b/DTI (Kingsgate 812)

Open H.F. / IPPA v p a.
123/1
15/7

THE JOINT EXPORT PROMOTION DIRECTORATE
OVERSEAS TRADE SERVICES
ROOM 907
KINGSGATE HOUSE
66-74 VICTORIA STREET
LONDON SW1E 6SW

FAX NUMBER: [REDACTED]

FACSIMILE MESSAGE CONSISTING OF ..0. PAGES PLUS
THIS LEADER SHEET

FROM [REDACTED]

DATE 15 JULY 1994

TEL [REDACTED]

TO THE MACLAREN OF MACLAREN, BRITISH EMBASSY, HAVANA.

UK/CUBA IPPA

(A)

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.

[REDACTED]

CC.

[REDACTED] LAD (WH328)
[REDACTED] XEA3b/DTI (Kingsgate 812)

date #7F/PPA
 RECEIVED
 20 JUL 1994
 P. 01

Copy to: [redacted] 12/7
 [redacted] Assistant Legal Adviser
 [redacted] / 17P23, IT!

BRITISH EMBASSY HAVANA

15 July 1994

by fax

We await X: but this seems to be progress!

[redacted]
JEPD
DTI

[redacted]

Dear [redacted]

2 20/26/7/94

UK/CUBA IPPA

1. Thank you for your fax of 15 July. I regret that we had not received your earlier one of 1 July but your colleague faxed me a copy today. I had in any case requested a meeting this week with the Ministry of Foreign Investment and Economic Co-operation (formerly CECE) from where I have just returned.

2. I am glad to say that we seem to be making progress on the text. [redacted] said that he would give me full written comments next week, [redacted] I have asked him to provide a Spanish translation of our text as it stands.

Yours,
Donald

THE MACLAREN OF MACLAREN

cc: [redacted] LAD, FCO
[redacted] XEA 3B, DTI (Please pass)

THE JOINT EXPORT PROMOTION DIRECTORATE
OVERSEAS TRADE SERVICES
ROOM 907
KINGSGATE HOUSE
66-74 VICTORIA STREET
LONDON SW1E 6SW

2-10 HF/IPPA YP-2
1231
RECEIVED
17
3

FAX NUMBER: [REDACTED]

FACSIMILE MESSAGE CONSISTING OF ..0. PAGES PLUS
THIS LEADER SHEET

FROM [REDACTED]

DATE 20 JULY 1994

TEL [REDACTED]

TO THE MACLAREN OF MACLAREN, BRITISH EMBASSY, HAVANA

UK/CUBA IPPA

1. Thank you for your fax of 15 July. [REDACTED]

[REDACTED] I agree that we seem to be making progress. However we must reserve judgement until we study the Cuban substantive response in writing. I hope [REDACTED] will let you have it this week as 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 circuitous route. Faxes to me on [REDACTED] come directly into 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.

[REDACTED]
cc.

[REDACTED] LAD (WH328)
[REDACTED] XEA3B/DTI (Kingsgate House 812)

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

FROM [REDACTED] JEPD

TO THE MACLAREN OF MACLAREN

SUBJECT: UK/CUBA IPPA

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

SIGNED [REDACTED]

YYYY

DISTRIBUTION

1

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