

SA, Cuba discuss economic assistance package

Minister of Trade and Industry Rob Davies met with the Vice-President of the Cuban National Institute of Water Resources, Aymee Aguirre Hernandez, in Cuba, to discuss implementation of the Economic Assistance Package that South Africa is providing to that country.

The institute will on behalf of the Cuban government, be responsible for the purchase of the rare raw material and resins, from South Africa, to manufacture pipes in Cuba.

"The pipes are destined to be used for expanding Cuba's water infrastructure such as drinking water and irrigation pipes. Cuba will use the first tranche of the R70m of credit line that South Africa will advance for this transaction," the department said in a statement.

Minister Davies said that the production of the pipes in Cuba, using rare raw material and resins from South Africa will lead to the expansion of Cuba's manufacturing plants in the medium to long term.

Davies added that the South African supplier also intends to expand its production of raisins to meet Cuba's demand.

"This will create job opportunities in South Africa and once Cuba has repaid the R70m it will be able to access the second tranche. This will boost our efforts to achieve a bilateral trade target of R160m in the near future," said Minister Davies.

According to the Economic Assistance Package that South Africa is providing Cuba, facility C consists of R210m for credit lines in two tranches of R70m and R140m.

Minister Davies also met with the Ministers of Foreign Trade and Investment, Construction, Steel and Machine Industry, and the deputy Minister of Foreign Affairs.

The meetings discussed how to improve trade and investment relations between the two countries. In this regard they have agreed to exchange information on existing and future business opportunities.

South Africa's exports to Cuba have been uneven over the past eight years from 2004 to 2011; increasing significantly from R2, 2m in 2004 to R82, 3m in 2008, but declined to R1m in 2009. Exports recovered to R2.2m in 2010 and R2.4m in 2011. In 2012 (January-July) exports stood at R256 000.

Meanwhile, Minister Davies left Cuba on Wednesday for Jamaica.

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