

*Hemisphere Insider*

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*Program News***Minister Lamothe Extols  
Haiti's Progress**

“Remember, I've just been on the job two months,” said Haiti's prime minister Laurent Lamothe as he fielded questions during a wide-ranging discussion at CSIS on July 24. Still, he seemed to have all the facts at his fingertips. On the earthquake, he said his country lost 400,000 dwellings, but reconstruction efforts are beginning to see progress with 1,000 new homes now built. Reconstruction of the capital's general hospital begins in 3 months. According to Lamothe, 75 percent of all teachers do not have a sixth-grade education, so teacher training is now a focus area. So is school attendance. This year, the government waived tuition for about a million students. Some 500,000 students will attend classes for the first time, bringing the total school population to 1.5 million. Security is another area as United Nations peacekeepers (continued→)

**In Depth***Not so fast!—Cuban government tightens grip on imports and reforms*

The Castro regime recently tightened control over Cuba's growing micro-enterprise sector by imposing a series of stiff import duties. Effective June 18, food imports are subject to tariffs after enjoying nearly four years of duty-free entry. Beginning August 2, only imports valued less than US\$50.99 are exempt from duty; those worth more are subject to a tax of \$4.55 per pound net weight. Non-Cuban residents are required to pay the duty with Cuban convertible pesos (CUC), a currency worth about 24 times the normal Cuban peso. Starting September 3, all noncommercial imports weighing more than 6.6 pounds—from food to personal items—are subject to taxes calculated by weight and value. Such new measures are designed to boost government coffers two ways, by directly increasing tax revenue and by increasing the microenterprise sector's reliance on state monopolies as suppliers. Otherwise, Cuban entrepreneurs would have few alternatives but to pay more for inputs to their businesses. Authorized street vendors and other small impresarios will find running their enterprises more challenging and their profit margins thinner. At the same time, to avoid duties, Cuban exiles may send relatives on the island more in remittances than goods. As a result, foreign shippers, such as the Miami-based International Port Corporation (IPC), which recently started the first weekly shipment of goods in five decades from Miami to Havana, may need to quickly adapt their business models to a new reality. —**Siremorn Asvapromtada**

**In the News***Regional*

Although rumors of suspended trade negotiations between the European Union (EU) and Mercosur are overblown, negotiations have been postponed until the fall. The two regional blocs have been negotiating with little success since 2000. Mercosur members continue to push against EU agriculture subsidies while EU members worry about investment protection, especially in light of Argentina's recent expropriation of the Spanish-owned Repsol. —*La Republica (Peru)*

*Caribbean: Dominican Republic*

Outgoing President Leonel Fernández told reporters that during his two presidential terms, beginning in 2004, the Dominican economy has grown at an average rate of 7.2 percent. He said the gross domestic product has the potential

near the end of their mandate. The Martelly government has increased police pay and will train an additional 1,500 officers to improve coverage in marginal neighborhoods and along the border with the Dominican Republic. Other initiatives include an online business registration system to be operational in September, investments to expand electricity generation by 500 megawatts, and new micro credit and microenterprise programs to lift more Haitians out of poverty. Wrapping up, Prime Minister Lamothe said that the Haitian parliament had approved a change enabling Haitians to enjoy dual citizenship. "Now we can take advantage of all the talent that left the country," he said. Full audio and video from the event can be accessed [here](#).

## Upcoming Events

**July 30:** "Drug Policy in the Americas: A Conversation with Gil Kerlikowske," CSIS, B1-B Conference Center, 10:00–11:00 a.m. Sign-up [here](#).

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to grow to US\$120 billion within the next ten years. However, Fernández warned of rising food costs, particularly corn, given the country's dependence on food imports. —[Hoy \(Dominican Republic\)](#)

### Haiti

Haiti's prime minister Laurent Lamothe said his country will use US\$234 million from a \$400 million loan to build infrastructure, including public buildings, in several locations. The loan comes from Petrocaribe, Venezuela's petroleum alliance, provided as part of an agreement with Venezuela to purchase oil. —[Metropole \(Haiti\)](#)

### Central America: Costa Rica

The governments of Costa Rica and Panama plan to request US\$30 million from the Central American Bank for Economic Integration to go toward constructing a bridge across the Sixaola River on the Costa Rican–Panamanian border. The project is intended to boost tourism in the banana-growing regions of the two nations. —[Tico Times \(Costa Rica\)](#)

### North America: Mexico

A free trade agreement between Mexico and the Central American countries of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua enters into force September 1. Clothes, cars, sugar, and similar goods will enjoy preferential treatment. Mexico's auto industry, especially, stands to gain from the gradual elimination of tariffs in three countries. —[El Economista \(Mexico\)](#)

### South America: Brazil

Brazil will have its first biodiesel plant using algae by the end of 2013. Costs are estimated at US\$9.8 million and production at 1.2 million liters/year. The plant will also consume carbon dioxide emissions from the sugar cane industry as part of the process. Use of algae feedstock is awaiting authorization from Brazil's National Petroleum Agency. —[Folha de Sao Paulo \(Brazil\)](#)

### Ecuador

Ecuador faces greater competition from Colombia due to the recently implemented U.S.-Colombia free trade agreement. Aiming to stay competitive and promote exports, it has opened an office in the Miami Free Zone. Some 80 percent of Ecuador's non-oil exports to the United States pass through Miami. Of concern is the eventual lapse of trade preferences under the Andean Trade Promotion and Drug Eradication Act. —[The Miami Herald \(USA\)](#)

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