



FILE PHOTO BY AFP/GETTY IMAGES

In November 2013, Cubans mingle with representatives of foreign companies at the International Fair in Havana.

AMERICAN BUSINESSES FLOOD CUBAN TRADE FAIR

The fair, which starts Monday, is first since re-establishing ties

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HAVANA It was an unusual sight in this communist island that for decades was barred from importing most U.S. goods: an American-owned, American-made tractor, ready for sale.

The farm tractor was built by Alabama-based Cleber LLC, and its owners plan to display the red model at Cuba's International Trade Fair starting Monday on the outskirts of Havana.

The annual fair will be the first one since the United States and Cuba announced in December they would re-establish diplomatic relations after a 50-year freeze, a change that opened trade opportunities and kick-started a rush of American companies hoping to get access to the long-isolated island.

The tractor, which the owners call the "Oggún" in homage to the Afro-Cuban Santería spirit of metal work, also provides a valuable lesson to companies hoping to be the first in their fields to get into Cuba.

Rather than simply offer to sell the American-made tractors to Cubans, Cleber proposes to shift construction from Paint Rock, Ala., to the island, using Cuban workers and Cuban materials, within five years.

"From the get-go, the Cubans have said they want investment in Cuba, they don't want exports to Cuba," said Saul Berenthal, 71, who co-founded Cleber just weeks after December's announcement. "That gives us an advantage."

This week's trade fair will feature dozens of American companies exploring trade opportunities, from giants such as Cargill and Caterpillar to smaller enterprises such as Cleber and the Oregon-based Ninkasi Brewery Co. looking to sell its beer to the island.

The U.S. maintains an economic embargo on Cuba, a wide-ranging set of restrictions that only Congress can change. But since opening up relations with Cuba, President Obama has used his executive authority to expand the few trade openings the embargo allows.

The Treasury and Commerce departments have published regulations expanding the ability of U.S. businesses to sell food and medicine to Cuba, as well as equipment to improve the agricultural, medical, construction and telecommunications industries on the island.

That has led to so much interest that the U.S. Chamber of Commerce will host the first board meeting of its U.S.-Cuba Business Council near the trade fair this week.

Jodi Bond, the chamber's vice president of the Americas, already made several trips to Cuba and held meetings with President



CLEBER LLC

Cuban officials unload a tractor from Alabama-based Cleber LLC at the Port of Mariel on Oct. 23. The tractor will go on display at the trade fair, which starts Monday.



YAMIL LAGE, AFP/GETTY IMAGES

Above, U.S. Secretary of Commerce Penny Pritzker, center, buys coffee in Old Havana on Oct. 7.



POOL PHOTO

President Obama and Cuba's Raúl Castro in New York City on Sept. 29.

up eight U.S. companies to travel with him to the trade fair. After they struggled to book flights through a complicated charter process and reserve hotel rooms in a country that doesn't accept U.S.-issued credit cards, he said seven companies dropped out.

"Cuba is still the forbidden fruit, it's still that hard-to-get-to island," Procopio said. "That's part of its charm."

Scott Gilbert said the fair is also an opportunity for U.S. companies to meet Cuban government officials.

Gilbert is the attorney who helped broker the release of contractor Alan Gross, who was freed after five years in a Cuban prison as part of last year's deal to begin normalizing relations with Cuba. Gilbert is now advising companies about dealing with the Cubans. "Americans who are used to coming into a country and moving things very quickly, they are being fairly assertive and aggressive and finding that doesn't work well," he said. "You've got to understand their situation, understand the dynamic and try to work within it to do the best that you can."

Part of that learning process is finding out what the Cubans want.

Jim Moran, a former Democratic congressman from Virginia who now works at a D.C. law firm, recently visited Cuba with a group of former members of Congress. He said he felt a "tangible sense of expectations and aspirations" from people in Havana.

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Since Castro took over as leader from his brother, Fidel, the island has allowed Cubans to own and sell their homes and cars for the first time, approved the sale of computers and cellphones to citizens and created a class of nearly 500,000 private entrepreneurs who are figuring out how to run their own businesses.

Despite those changes, Moran said Americans should not expect to walk into a free-wheeling capitalist culture. "They don't want to just be a satellite economy of the United States," he said. "They're very much aware of the inequalities here, how a small fraction of our population owns most of our wealth and earns most of our income. They're frustrated with communism ... but they want everybody to count, and they don't want the marginalization of large portions of their society."

Raúl Castro and his staff. She said the island still has a long way to catch up to the regulatory changes approved by the Obama administration.

She said the island's banking system is not yet ready for full American investment, its dual-currency system needs to end, and its foreign investment laws need work.

As American businesses wait for those changes, she said companies need to learn how to approach the Cuban government if they hope to sign any deals. Just as Cleber is focusing on providing jobs to Cubans, Bond said it's important for U.S. businesses to offer things like training for Cuba's emerging entrepreneurial class. She said 98% of the population is educated, but few have received formal business training.

"And who does the best entrepreneurial work in the world? U.S. businesses," Bond said. "So we have significant expertise in how entrepreneurs can grow a business and grow the island to a place of prosperity."

Part of the promise of this week's trade show is to teach American business owners how to work with Cuba, starting with something as simple as getting there.

Alex Procopio, a San Diego-based businessman who has sold food products to Cuba for more than a decade, said he had lined