

# Opportunities in Cuba's Electric Power Sector

Cuba's electrical industry holds increasing potential for Canadian exporters, especially in a large number of specific product areas.

That's because the country recently has expressed interest in the development of this industry, primarily because of the shortage of oil deliveries from the former Soviet Union and the uncertainty surrounding the completion of its nuclear power station.

These are among the findings in *Sector Profile: Electrical power Sector in Cuba*, a study revised in September 1991 by the Canadian Embassy in Havana.

Among the many electrical products with export potential for Canada are: wires and cables, power transformers, distribution transformers, circuit breakers, panel boards, switchgear, fuses, distribution cut-outs, high-voltage power fuses, lighting fixtures, and outdoor and fluorescent lighting.

The requirements also include: electrical control and distribution equipment, spare parts for diesel and hydro-electric power stations, relays, insulators, capacitors, spare parts for sub-stations and overhead line equipment, monitoring and control equipment for steam boilers, and protection equipment for a nuclear power plant — the commissioning of which is scheduled for 1995.

(The Embassy has been reliably informed that possible sources for protection equipment for this nuclear plant could be Germany, France or Canada.)

Cuba also would like to acquire specialized equipment and high-quality tools and is prepared to discuss the possibility of receiving technical assistance that would help improve the efficiency of the electrical industry.

In the solar power field — the country began manufacturing solar heating systems in 1988 — Cuba would like to contact companies that could assist in improving both the technology for the manufacturing of components and for the assembly of modules with photovoltaic cells.

With respect to biomass, work is being done to generate electricity using cattle excrement, in one instance supplying power to facilities that house 8,000 dairy cattle.

The biomass technology currently being used could be improved substantially. Cuba is open to discussion or proposals concerning this technology.

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An interest has also been expressed in assistance/purchase of technology that could assist in the use of garbage/wood scrap to generate electricity; technology/equipment to dry sugar cane bagasse at sugar mills; and the use of co-generation (i.e. combined use of steam and electricity).

## Import Criteria

Certain criteria must be met when exporting products/services to Cuba. These include good delivery terms; competitive pricing; approved product quality; good performance under tropical climate; and availability of minimum 360-day financing term.

## Constraints

Cuba has had to limit its import budget from western suppliers to approximately US\$500 million per

year, limiting its import potential from market economy countries.

Exceptions are made, however, when the product/service/technology required is destined to a priority sector of the Cuban economy, such as the local power and petroleum industries. Cuba can make purchases in hard currency.

## Recommendations

Interested Canadian suppliers to Cuba are encouraged by the Canadian Embassy to establish close contact with Cuban authorities, a list of which is included in the study.

These authorities/organizations should be informed of the capabilities of the Canadian firms and of their readiness to become established suppliers.

The initial approach requires serious follow-up, as well as patience and perseverance, particularly in the early dealing and evaluating stages.

After the successful evaluation of a supplier's products, it is essential to visit the market to meet the potential client, to obtain a first-hand assessment of market conditions, and to establish a personal rapport with the buyer.

Copies of the sector profile, which also includes an industry overview, information on Cuba's import mechanism, and on sources of financing, are available through the Latin America and Caribbean Trade Division (LGT), External Affairs and International Trade Canada, 125 Sussex Drive, Ottawa K1A 0G2. Tel.: (613) 996-6129. Fax: (613) 943-8806.

Canadian exporters interested in this field also are encouraged to contact the Commercial Division, Canadian Embassy, P.O. Box 500 (Havan), Ottawa K1N 8T7. Tel.: (011-53-7) 33-2516/17/27. Telex: (Destination code 28) 51-1586 (CAN CU). Fax: (011-53-7) 33-2044.