The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Analysis: Castro Reaches Out to Putin With Russia Visit

By Alexander Bratersky

July 11, 2012



The eyes of Cuban leader Raul Castro might have begun to water when one journalist screamed "Viva la Cuba" while greeting him in Moscow to honor the former Soviet ally's visit this week, but President Vladimir Putin said relations between the two countries have become more "pragmatic."

For Castro, 81, who assumed power from his brother Fidel in 2006, it was the second official visit to Russia. He is seeking to revive Russian-Cuban relations, which declined after the Soviet Union's breakup.

At a meeting with Putin on Wednesday, Castro said he had asked Prime Minister Dmitry Medvedev in June if he could visit Russia.

"Thank you very much for replying quickly," Castro told Putin.

Unlike his charismatic brother, who has been a household name in Russia since the 1960s, Raul Castro is less well-known in the country despite having paid many visits to the Soviet Union as a member of the Cuban elite.

Since assuming the presidency, he has started to open the Cuban economy for foreign investment, promised limited reforms and allowed more private ownership in the country.

While Cuba still sees Russia as an ally, bilateral trade between the two countries has fallen since the Soviet Union's collapse.

Russia's exports to Cuba, which consisted mainly of energy products, amounted to $206 million in 2010, while imports stood at $69 million, according to data released by the Russian government.

Before visiting Russia, Castro went to China and Vietnam, the two countries that have developed strong economic ties with Cuba, helping it survive the U.S.-imposed embargo.

"Cuba needs investment, and it applies to Russia the same way it does to China and Vietnam. Though the level of our economic relations leaves much to be desired, we are still among Cuba's top 10 trading partners," said Nikolai Kalashnikov, a deputy director of the Russian Academy of Sciences' Latin America Institute.

"In the past, we had a lot of bilateral agreements in which we demonstrated our interest in each other, but they didn't contain any concrete steps. So it's time we started doing something," Kalashnikov said.

In 2002, Putin shut down the Lourdes electronic listening post, Russia's only remaining military installation on the island.

Venezuela and China are Cuba's leading economic partners, with trade figures reaching billions of dollars. China is the top importer of Cuban products such as sugar and nickel, which used to be supplied to the Soviet Union.

Though no political statements were officially made during Castro's visit, Vladimir Semago, a former State Duma deputy, said Castro's visit comes a few months before the election in Venezuela, which is critical for its authoritarian strongman, Hugo Chavez.

Venezuela is a key supplier of hard currency to cash-strapped Cuba, paying billions of dollars each year for the services of visiting Cuban doctors and teachers.

Chavez, 57, who recently underwent cancer treatment in Cuba, said he was ready to run in the election.

"Both leaders are highly interested in what might happen to Venezuela," said Semago, who was involved in several energy-related projects in Venezuela and has ties to the local elite.

Russian officials have indicated that they are ready for more investment in Cuba in the wake of oil company Zarubezhneft's announcement that it would spend over $3 billion in Cuba on offshore exploration by 2025, Yury Ushakov, an assistant to Putin, said Wednesday.

Zarubezhneft, which has invested $40 million in Cuba, is among the leading Russian investors there, Ushakov said. The total amount of Russian investment in Cuba is expected to reach $2.9 billion by 2025, he added.

After a meeting with Cuban Oil Minister Ricardo Cabrisas on Wednesday, Zarubezhneft announced it would start offshore drilling in Cuba in November.

But Kalashnikov said offshore drilling in Cuba is "difficult," referring to the fact that Spanish oil and gas company Repsol withdrew from the island in May after spending $100 million on unsuccessful efforts to find oil.

Though memories of Soviet-Cuban friendship are vanishing, the country remains popular with Russian tourists, who have flocked there en masse since 2000.

According to data from the Russian Embassy in Havana, about 80,000 Russian tourists visited the island in 2011, and the number is expected to grow this year.

Russia is also facilitating contacts with Cuba through the Russia-Cuba Business Council, which is headed by Eduard Vaino, a deputy CEO of Russian carmaker AvtoVAZ, which supplies its Lada cars to Cuba.

But while the cheap Russian models are familiar to many Cubans, Russian automakers are now facing tough competition from Chinese and Korean car producers, who are also active on the island.

The Russia-Cuba Business Council includes 60 Russian companies, like lender VEB, truck producer KamAZ and auto manufacturer GAZ's bus division. The council is scheduled to meet in Moscow in mid-September.

Vaino told The Moscow Times earlier that the council also included representatives of small and medium-sized businesses, "which have interesting ideas on how to develop bilateral ties."

He also said he wants to use his post to promote the company's ties with Cuba, which is interested in buying spare parts for its Lada cars.

While the country currently has 90,000 Lada cars on the road, no new models have been delivered to Cuba, an AvtoVAZ representative told the Moscow Times on Wednesday.

"At the same time, [AvtoVAZ] is interested in supplying its products to the Cuban market," the company said in a statement.

Original url:
https://www.themoscowtimes.com/2012/07/11/analysis-castro-reaches-out-to-putin-with-russia-visit-a16220