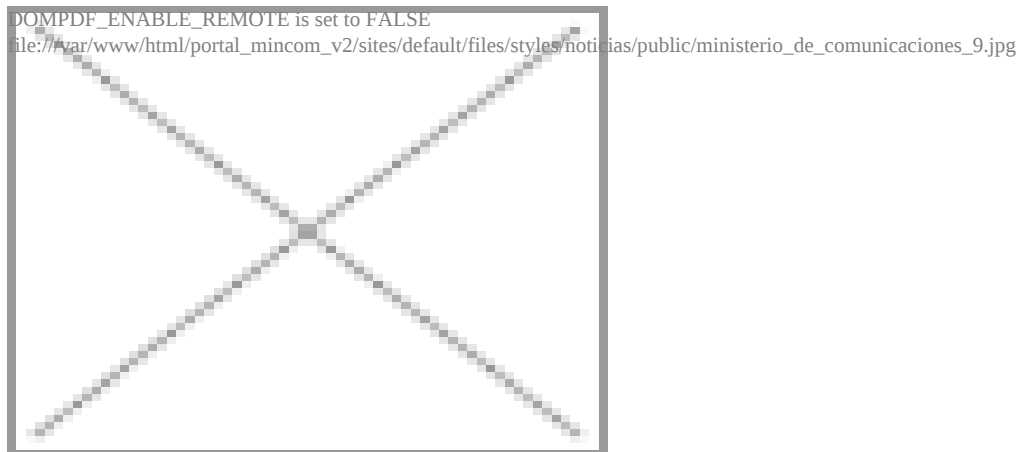




Source:

Dirección de Comunicación Institucional

The economic damage and losses caused by the blockade to the communications and information technology sector, including telecommunications in Cuba, during the period (January - July, 2021, \$37,530,570) (update to the report for the period August 2021 to February 2022, \$104,155,170); Total: \$141,675,740.

The main damage and losses have been associated with the limitations or prohibitions on the supply of technologies and equipment produced under license or using U.S. components, which means that purchases must be made in other, much more distant markets; the monetary and financial effects caused by exchange rate variations and the banks' refusal to carry out transactions with Cuba; and the difficulties in accessing computer tools, which are indispensable for the production of information technology, due to the higher costs of repairing equipment, since it cannot be done directly with suppliers and manufacturers in the United States; production and services are affected due to the higher cost of repairing equipment, since it cannot be done directly with the supplier and manufacturers in the United States; and the difficulties in accessing computer tools, which are essential for training and the production of national software content.

The blockade is the main impediment to a better flow of information and broader access to the Internet and information and communications technologies (ICTs) by Cubans. By making connectivity in the country more difficult and expensive, conditioning access to platforms and technologies, and using cyberspace to try to subvert the Cuban political and legal system, this policy negatively affects the development of communications in Cuba.

Among the limitations registered in that area, the following stand out:

Companies producing equipment with U.S. components, or which have a strong presence in that market, continually face various restrictions for their operations with Cuba. This has generated an increase in costs and has complicated the logistical operations of Empresa de Telecomunicaciones de Cuba S.A. (ETECSA), causing a cost of \$26,611,000 for that matter.

Since interconnections with international operators cannot be made directly in the United States, where the main interconnection nodes are located, ETECSA is obliged to extend the international network with nodes in the United Kingdom, Jamaica and Venezuela, which entails expenses amounting to \$8,145,800.

For Cuban software developers, mostly young people, the blockade makes it impossible to place products and applications created for the Android operating system in Google's PlayStore. To register as a developer on this platform and place an application, a minimum fee must be paid, which is impossible since it is not possible to make transactions with U.S. banks from Cuba. Even if this payment were made, Cuban developers would not be able to receive the income generated by each download of their application in the

PlayStore, as this requires having an account with a virtual payment processor that can make the transaction (PayPal, for example). This is not possible given the blocking restrictions.

This sector was also affected by the restrictions imposed on the access from Cuba to the digital platforms Zoom, Cisco Webex, Interprefy, among others, preventing the equal participation of Cuban representatives in numerous international events organized in the virtual modality.
