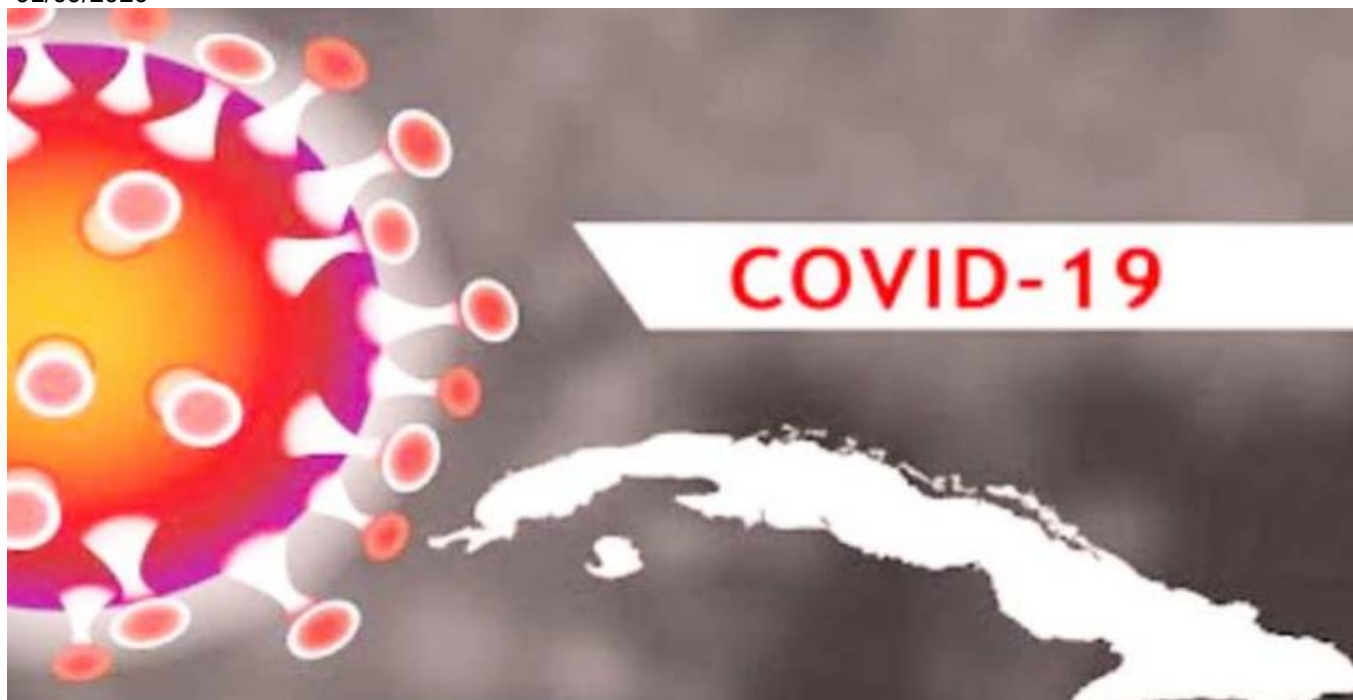

Cuba revitalizes its economy in the face of Covid-19

By: Alberto Corona / PL

01/09/2020



Havana._ The gradual reopening of economic and productive activities in Cuba, as it keeps recovering from COVID-19, required the implementation of a new socioeconomic strategy aimed at cautioning the impact of the world economic crisis caused by the pandemic.

Approved on July 16, during an extraordinary session of the Council of Ministers, the measures announced by the Cuban government take place in the middle of a peculiar economic situation caused by additional expenses assigned to health and people's protection, the loss of hard currency income due to the absence of tourism since March, and the tightening of the U.S. economic, commercial and financial blockade.

The new strategy intends to revitalize and strengthen the economy, with the objective of ensuring the people's basic rights and industrial growth by transforming the behavior of the industry with dynamism, passion and innovation, as stated by Cuban President Miguel Díaz-Canel.

'All that we are proposing is for a common good: to improve in times of crisis,' the President said when presenting the plan.

In this regard, Cuba's Vice Prime Minister, Alejandro Gil, who is also Minister of Economy and Planning, sustained that the country will maintain a centralized economy, which he considered a strength of the socialist system, though the private sector will play a major role.

This, he clarified, does not mean centralized assignment of resources, as concrete steps are being made towards decentralization. Similarly, the minister described a number of key principles such as encouraging national production, diminishing the 'import mentality,' market control through indirect methods, and complementarity of all economic actors: state sector, private sector, self-employment and cooperatives, 'because we are all Cuba,' he stressed.

Gil referred to the strengthening of internal demand, which plays a revitalizing function for the economy. Therefore,

he noted, it is necessary to give more autonomy to state-run enterprises, so that the socialist entity is more efficient.

Furthermore, it is essential to encourage competitiveness, efficiency, saving and motivation for work in the current context; one marked by restrictions resulting from the worsening of the U.S. hostile policy, imposed against Cuba for 60 years.

This way, the Cuban economy is getting ready to design, among other aspects, a micro, small and medium enterprise adjusted to the Cuban economic model, conceived by its income levels and not the type of property.

Another new element of great impact is the government's interest in facilitating new types of import/export management, both in the state and non-state sector.

The Cuban Minister of Foreign Trade and Investment, Rodrigo Malmierca, said equal conditions will be ensured for all that participate in these processes.

A total of 36 companies specialized in foreign trade are available already to provide those services to non-state entities, with online training courses designed to enhance their exportable products.

In addition, there are more than 1,000 goods and services ready to be exported, while 382 non-state management have potential to export their products, according to local authorities.

Meanwhile, the non-state management will be able to import products needed to increase their productions and provide added value.

Domestic trade will undergo changes starting in the gastronomy sector, which has a large network of restaurants with deteriorated infrastructure and poor functioning. According to Domestic Trade Minister Betsy Díaz, competitiveness among restaurant managers will increase, and there will be a more efficient use of the existing infrastructure.

In this context, the government decided to eliminate the ten-percent tax on the U.S. dollar, in place for 16 years once deposited at the national banking system, and thus increase its purchase value.

This regulation adds to other decisions such as the sale of hygiene and food products at hard currency stores, a measure aimed at collecting hard currency to protect people's access to basic goods, according to their needs and purchasing power.