

Cuba says 9,000 cafes can be privately owned

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Thousands of state-run restaurants in Cuba will move into the private sector and be run by citizen owners, the island nation's government announced Friday.

The Cuban Domestic Trade department put the number of eateries being privatized at 9,000 — compared with 1,261 private family-run restaurants already operating. The state will still own the land the restaurants sit on.

This is not the Cuban government's first step toward a more private economy for Cuba.

Self-employment including the creation of privately owned "paladares" was first authorized in 1993. Moreover, in May 2011, President Raul Castro's government announced a new reform plan that shifted toward the free market and announced that some state-owned businesses such as barbershops or beauty shops would become private.

"In order to lift the economy, the Cuban government took the decision to get out of businesses they have been running badly for the last 50 years," Philip Peters, president of the Cuban Research Center, a Washington-based analysis organization told CNN Friday .

The privately owned restaurants already in business in Cuba "offer interesting new dishes and they are doing very well," according to Tomas Bilbao, executive director of the Cuba Study Group.

"Cuban entrepreneurs can now buy these (newly privatized) places from the government and negotiate the price," he told CNN. "They will also have to pay taxes and social security."

"The benefit of buying one of these state owned restaurant is the location, the reputation and the utensils available that may be hard to find in Cuba," Bilbao said.

The Cuban government had previously said that it would get out of the restaurant business, and Friday's

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announcement is “part of the updating of the economic social model,” said Deputy Minister of Domestic Trade Ada Chavez.

Cuba’s Domestic Trade department said that the government was seeking to expand “services with quality and safety that the Cuban people and tourists visiting the island deserve.”

According to the Cuban National Statistics office, Cuba hosted around 2.8 million tourists in 2012, and private restaurants are very important to the development of the tourism industry.

“For many people who visit Cuba, these restaurants are part of the attraction,” said Peters. “It is a socialist economy, it’s going to stay a socialist economy but with a much bigger private sector in it.”
