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Cuba: GDP to Exceed 4 Percent

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Economy and Planning Minister Marino Murillo confirmed that Cuba's Gross Domestic Product (GDP) will grow above 4 percent in the first semester of 2015.

Murillo provided the information at a meeting of the Council of State of Cuba, headed by President Raul Castro, to evaluate the country's economic performance, the newspaper Granma reported on Monday.

The report added that compared to 2014, all activities are growing and the highest growths concentrate in the sugar industry and manufacture, construction and commerce. The sectors that did not fulfill the plans were transportation, storage and communications.

The balance of trade has shown a positive trend so far this year, although there is tension in foreign finances.

Murillo noted that the presence of some food items is unstable in the network of hard-currency shops, because national production plans and imports for that domestic market are not fulfilled.

That deficiency affects products like cheese, chicken, cold meat, sausages and ground meat. In order to solve that deficit, an additional 40 million dollars will be allocated to import those items.

The Cuban minister pointed out that the problems in cargo transportation affected the economy's performance.

Until March, 2.1 million dollars had been paid by concept of demurrage of containers and ships, part of which was caused by difficulties in transportation.

Murillo noted that the cause of those problems is the non-execution of investment planned for 2014 and 2015.

He also referred to the lack of parts in services workshops, the persistence of organizational problems and low

technical availability of the railroad and motor sectors.

In terms of investments, Murillo informed that, like in previous years, the execution of the plan focuses on the second semester, so by the end of 2015 they are estimated to be unfulfilled by 7.7 percent. Regarding housing, he said that the state plan is expected to be fulfilled.

Some 6,000 houses will be completed in the semester and 17,000 in the entire year as a result of people's own efforts, 5,301 houses more than in 2014.

Regarding rehabilitation and preservation by people's own efforts, 109 percent of fulfillment of the plan is expected this year, due to an increase in sales of construction materials.

During the first semester of 2015, labor occupation is equivalent to the previous semester.

The average wage increased due to pay raises, mainly in the healthcare sector in the second semester of 2014, while labor productivity rose 5.3 percent.

Murillo said that at the end of the year, the fiscal deficit will be lower than the one approved, 4.2 percent of the GDP compared to an approved deficit of 6.2 percent.

Regarding the Cuban economy's projection for 2016, objectives depend on actions that must be executed now to create infrastructure, increase construction and transportation capacities, and supply resources that will contribute to development.

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