Classic cars for modern used ones: Cuba launches digital vehicle exchange

Cuba's government has launched a program to exchange classic cars built before 1959 (source: Ángel M. Felicísimo/Commons/CC-BY-SA 2.0)

Cuba's Ministry of Transport (Mitrans), together with the state-owned company Servicios Automotores (SASA), has introduced a new system that allows private individuals to exchange their classic cars for newer decommissioned vehicles from state stocks. Decree 119/2024 is intended to provide an alternative for owners of old cars for which spare parts are no longer available.

The aim of the measure is “to offer an option within the current economic possibilities,” Mario Pérez Ventura, a specialist from the Ministry of Transport, explains, according to the news portal *Cubadebate*. Although the vehicles from state stocks have been taken out of service due to technical defects, they are in a roadworthy condition.

Online platform regulates allocation

Those interested must register on the online platform SAG, which can only be accessed from Cuba. An algorithm is then used to automatically allocate a vehicle according to the vehicle class. Neither make nor year of manufacture plays a role, says Pérez. A car is exchanged for a car, a motorcycle for a motorcycle.

Applicants have two options: to accept or decline the proposal. If accepted, they must pay a co-payment in local currency based on the value of the vehicle received, explains Arisleydis Velázquez Tabasco, a communications specialist at SASA.

After receiving the confirmation by email, users have five days to agree online and a further five days to confirm this at one of the authorized agencies. They then have 30 days to hand in their old vehicle and complete the purchase.

Reducing bureaucracy and increasing transparency

The new procedure is designed to reduce bureaucratic hurdles. The previous regulation required approvals at several levels and restricted the choice to certain brands.

In the first phase, up to March 16, the initial aim is to process over 3,000 applications that have already been approved. From March 21, all citizens will then be able to register for the new system.

The vehicles offered in exchange come from decommissioned vehicles in the tourism sector and other state institutions. Although they are not new cars, they are technically more up to date than the cars that have been “parked for decades”, emphasizes Pérez.

The costs, at least part of which can be paid in local currency, are calculated taking into account taxes and trade margins. Of the 7,975 applications received so far, 113 are incomplete because information from customers is missing, according to the official.

Pérez admitted that the measure will not solve the problem of the aging of the fleet, which is estimated at hundreds of thousands of vehicles. However, it should mitigate the consequences for the population until the economically struggling country succeeds in enabling a broader group of people to import new vehicles and spare parts.

On January 1, 2025, Cuba introduced a new automobile policy that significantly reduced the previously extremely high additional costs for importing new vehicles and further increased the flexibility of the automotive trade. (Cubaheute)