

Cuba's economy still not on a growth path



Interim report of the Ministry of Economic Affairs on February 26, from left: Minister of Economy Joaquín Alonso Vázquez, President Miguel Díaz-Canel and Prime Minister Manuel Marrero (source: [Estudios Revolución](#))

This year's spring economic report was anything but pleasant for Cuba's new Minister of the Economy, Joaquín Alonso Vázquez. A little over a year after he took office from his predecessor Alejandro Gil, who was [dismissed](#) due to corruption allegations, the interim conclusion drawn last week was bleak.

As the party newspaper *Granma* [reported](#) on the meeting, “the expected effects” of the [measures implemented last year to stabilize the economy](#) failed to materialize. “Foreign exchange earnings were unfavorable, production levels were insufficient to meet basic needs, and industry was affected by financing bottlenecks,” the report said, which also criticized Alonso Vázquez: “The economy is shrinking, and we are not succeeding in giving it new momentum,” said Prime Minister Manuel Marrero, [adding that](#) the ministry bears “some of the responsibility” for this in implementing the relevant programs. The state portal *Cuba Sí* called for the creation of a “Ministry of Economics in touch with the times”, suggesting that the ministry has apparently *not* been in touch with the times so far.

Marrero also called for “a new approach to economic management and maximizing what is feasible”, referring, among other things, to the desired decentralization of competencies and responsibilities. Alonso Vázquez named three priorities for this year: the introduction of a new mechanism for the allocation and control of foreign exchange, the continuation of the [partial dollarization of the economy](#) and the [reform of state-owned enterprises](#), which should culminate in a new companies act by the end of the year. The reports were silent on specific details and further measures (such as those [proposed](#) by [several economists](#) at the beginning of the year). Economists repeatedly criticize the lack of coherence and speed in implementing reforms.

Other data on the economic situation available to date confirm the gloomy picture painted at the meeting: the sugar cane harvest, for example, was catastrophic, with a production result of just 160,000 tons in 2024, 61 percent below the already low target. According to a [report](#) by former Minister of the Economy José Luis Rodríguez, 100 percent of the products in the state *Libreta* must now be imported. The trend towards a decline in industrial production, which fell to 38.6 percent of its 1989 level in 2023, could not be reversed in 2024 either. Added to this are the ongoing massive problems with the power supply due to a lack of fuel and power plant failures, which led to three nationwide blackouts last year. There was at least one positive signal in the area of [tobacco exports](#): with revenues of 820 million US dollars, the state-owned company Habanos S.A. was able to increase its turnover by 16 percent last year. ([Cubaheute](#))