

## Cuba's parliament grapples with severe economic crisis



Members of Parliament at the parliamentary session on December 18 (AI-scaled/Source: [Presidencia](#))

Last Thursday, Cuba's National Assembly discussed the tense situation in the country. Due to the current situation amid the severe energy and economic crisis, the session was shorter than usual, with deputies outside Havana participating via videoconference. The “express session” was dominated by reports on the state of the economy and the challenges ahead for the coming year. Here is an overview of the most important points:

- President Miguel Díaz-Canel [explained in his closing speech](#) that the current crisis is not a normal one, but rather an “accumulation of distortions, adversities, difficulties, and our own mistakes.” This is exacerbated by the “**extremely aggressive external encirclement**” of the United States.
- The head of state emphasized the need to reduce **dependence on fuel imports, restore production capacity, and increase external revenues**, particularly through tourism, imports of goods and services, remittances, and [foreign investment](#).
- “We need a real working method: **macroeconomic stabilization, correction of distortions and productive impulses**, not as slogans, but as a **system of concrete decisions with defined deadlines and responsible parties**,” Díaz-Canel demanded. “There is no room for a resigned view of the crisis,” he added in front of 94-year-old revolutionary leader Raúl Castro, who was also present.

### Minimal growth expected

- Economy Minister Joaquín Alonso Vázquez announced to the National Assembly that, according to government estimates, gross domestic product is expected to grow

by “**a modest percentage**” in 2026. This contrasts with a similar forecast for the current year, which could not be met due to renewed economic contraction. The final figures were not publicly announced on Thursday, but Díaz-Canel [stated](#) at the previous Central Committee meeting that gross domestic product had **fallen by four percent** by the third quarter of this year.

- Forecasts for the coming year anticipate growth in areas such as exports, tourism, power generation, and transportation, which, according to the minister, would support the expected economic growth in conjunction with government measures and programs.
- However, times are more difficult than ever for Cuba to make plans: The [US naval blockade against Venezuela](#) and the associated threat to vital energy supplies could cause massive problems in the coming year.

## National budget with a focus on social issues

- Finance Minister Vladimir Regueiro presented the national budget for 2026, which totals 550.59 billion pesos, six percent more than in 2025.
- According to the plans, almost **70 percent of current expenditure will be spent on health, education, culture, sports, and social security**. The health sector will be allocated 76.76 billion pesos, which corresponds to 21 percent of current expenditure. The social security sector will have 80.53 billion at its disposal, which represents an increase of over 20 billion compared to the previous year.
- The budget provides for a deficit of 74.5 billion pesos, while the current account shows a surplus of 11.2 billion. This means that (also thanks to the ongoing structural reforms) the **situation of the national budget has stabilized** this year.

## Energy crisis despite investments

- The ongoing energy crisis and the struggling tourism sector were also the subject of speeches in parliament. Energy and Mining Minister Vicente de la O'Levy announced that **more than US\$1.1 billion had been secured for infrastructure renewal** in his sector, including solar parks and the [supertanker base in Matanzas](#), which was hit by a [serious fire](#) in 2022.
- Beyond the optimism for the future, he acknowledged the existence of undeniable problems and “challenges” for current electricity generation and announced that, in view of the ongoing crisis, the government had decided to “prioritize fuel supplies for key sectors such as food production and exports,” a decision he described as “difficult but necessary.”
- Prime Minister Manuel Marrero acknowledged that despite investments of \$1.15 billion and the restoration of more than 1,000 megawatts of power generation, the average **daily deficit remained very high, exceeding 2,000 megawatts**, causing power outages of up to 24 hours or more in a row, with serious consequences for the population and the economy.
- Of the **51 solar parks planned for this year, only 41 parks with a total capacity of 778 megawatts were completed**. This means that installed solar capacity is 35 percent below the 1,200 megawatts planned for 2025.

## Tourism industry falls well short of targets

- The former driving force of the Cuban economy remains grounded. Authorities acknowledged on Thursday that the hotel sector is going through a “complex situation” and will fall short of forecasts for revenue and international visitors by about 25 percentage points each.
- Revenue is expected to **reach \$917.4 million for the year**, only 75.8 percent of the forecast, while **visitor numbers will be around 1.9 million**, 73.1 percent of the estimate for the entire fiscal year. If confirmed, this would be the worst annual result for the Cuban tourism sector since 2003 (excluding the three years most affected by Covid-19). By comparison, before Covid, visitor numbers were still approaching the five million mark.

## Infant mortality, demographics, and crime

The government announced that the **infant mortality rate** [will close](#) at 9.7 per thousand live births in 2025, compared to 7.1 in the previous year. The figure is considered a politically important indicator that has served as a flagship for the Cuban health system for many years. For the first time in years, infant mortality in Cuba is higher than in the US.

At the same time, the Cuban population has shrunk from 9.7 million in 2024 to **currently 9.6 million**. By the middle of the century, the Cuban population is expected to fall to 7.7 million, according to the latest projections led by Prime Minister Marrero. Currently, 25.7 percent of the population is over 60 years old. By 2050, this figure is expected to reach 36.4 percent.

Marrero stated that the state's **housing construction plan** “will not be fulfilled,” mainly due to low production of local materials and a shortage of cement and steel. As an alternative, he proposed converting shipping containers into apartments, as has already been tried in the east of the island in the aftermath of [Hurricane Melissa](#).

About two million people, 20.8 percent of the population, are affected by problems with **water supply**. The government has renovated ten water treatment plants and connected 33,358 people to sewage networks, but the shortages persist, exacerbated by power outages and droughts. The most affected provinces are Havana, Pinar del Río, Artemisa, Villa Clara, Cienfuegos, Santiago de Cuba, and Granma.

Marrero reaffirmed the “zero tolerance” policy toward **drug use** and trafficking after the latest data showed that illegal drug use had [continued to rise](#) this year.

“Although the number of crimes remains high, it shows a downward trend that is reflected in most areas,” Marrero said on the subject of crime. “Crimes that violate the economic order and cases of corruption in the administration, which continue to affect primarily the financial and material resources of the state, will be severely punished,” Marrero warned. In a statement, the parliament condemned the recent escalation of aggression by the US government against Venezuela. The parliament reaffirmed that Latin America and the Caribbean are a zone of peace, as proclaimed by all the heads of state and government of the region at the second summit of the Community of Latin American and Caribbean States (CELAC) in Havana in 2014.

## New laws and personnel changes

- The session passed **three new laws**: the state budget for the coming year, the “Law on Science, Technology, and Innovation,” and the law on the extraordinary shortening of the current term of office of the delegates of the municipal assemblies of people's power.
- With the [Science and Innovation Act](#), the country aims to establish a system that recognizes and promotes both cutting-edge research and practice-based innovation. The norm is intended to remove existing obstacles and transfer research results more effectively into the economy.
- Several vacant positions in the National Assembly were filled. Among others, Oscar Pérez Oliva-Fraga was appointed Minister of Foreign Trade and Litza Elena González, president of the FEU student union, was appointed to the National Assembly.
- During the session, President Díaz-Canel proposed replacing the president of the Supreme Court, Rubén Remigio Ferro, after 27 years in office. The former Minister of Justice, Oscar Silvera, was appointed to replace him.
- The National Assembly also approved the appointment of Rosabel Gamón as the new Minister of Justice and lawyer José Luis Toledo Santander as the new Secretary of Parliament and the Council of State. Until yesterday, this post was held by Homero Acosta, who requested his dismissal not only from this post but also from his position as a member of parliament. This was announced by the President of the National Assembly, Esteban Lazo, who did not elaborate on the reasons for Acosta's request. Acosta is considered one of the architects of the [2019 Constitution](#).
- Parliament also accepted the resignations of Ulises Guilarte, former head of the Cuban Trade Union Confederation, and Ricardo Rodríguez, former president of the Student Federation, as members of the Council of State.
- It was decided to resume the tradition of naming a year for the first time in many years. Thus, [the year 2026 in Cuba](#) will be called “Year of the Centennial of Comandante en Jefe Fidel Castro Ruz” in honor of Fidel Castro's 100th birthday.

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