Euro reaches record high of 500 Cuban pesos

The announced new currency market is still a long way off (source: own recording)

The euro reached a historic high on Tuesday in Cuba's informal currency market. For the first time, the European currency cost 500 Cuban pesos (CUP), according to the rate calculated by ElToque. This represents a new record.

Within two trading days, the currency rose by five pesos, consolidating its position as the strongest currency in unofficial trading on the island. This value represents a new record.

Growing gap with official rates

The new euro rate comes just a few weeks after the US dollar stabilized at around 400 CUP. The freely convertible currency (MLC) – a digital instrument used by the Cuban government as an alternative to the dollar – fell below 200 CUP in parallel trading and is currently stagnating at 210 CUP.

The gap between official and real market prices continues to widen: the official exchange rate for the population was recently 138 CUP, slightly more than a quarter of the parallel rate. For state-owned companies and institutions, however, the rate remains at 24:1.

Postponed currency reform

The record low comes at a time of persistent inflation, shortages of basic products, prolonged power outages, and a never-ending wave of migration, while the economy is under constant fire from tightened US sanctions. At the same time, the government has pushed ahead with dollarization this year, introducing supermarkets on a foreign currency basis for the first time.

The situation is exacerbated by the delay in introducing the new foreign exchange market with a flexible exchange rate. Prime Minister Manuel Marrero had announced a “dynamic” currency market for the second half of 2025, operating on the basis of supply and demand. Implementation is scheduled for November of this year. The first laws were expected in September, but these are still pending. (Cubaheute)