INAEE Established: Cuba Begins Restructuring Its State-Owned Enterprises

Press conference marking the founding of the INAEE; center left: Joaquín Alonso Vázquez, Cuba's Minister of Economy (Source: MEP/X)

It is a monumental bureaucratic undertaking with high stakes: Amid the U.S. energy blockade that has been in place since January, Havana is radically restructuring its socialist economy. As a first major step toward implementing the 176 reform measures that were passed by the Cuban National Assembly on June 18, the establishment of the *Instituto Nacional de Activos Empresariales Estatales (INAEE)*—or "National Institute for State-Owned Enterprise Assets"—was initiated on Monday.

The aim is to consolidate the control and restructuring of state-owned enterprises within a new framework. This is a massive undertaking: Cuba currently has 2,774 state-owned enterprises, which employ 1.1 million people. Many of these enterprises have been idle for years due to a lack of allocations and are heavily indebted; the need for investment is enormous.

The INAEE was established by Decree 144/2026 (PDF) of the Council of Ministers, published on Monday, and reports directly to the Council. The model for this institution is likely the "State-owned Assets Supervision and Administration Commission" (SASAC), through which the People's Republic of China has been managing the modernization and administration of its state-owned enterprises since 2003. Prime Minister Manuel Marrero Cruz signed the decree on January 6, 2026; it will take effect thirty days after its publication, on July 29. The new management system is to be evaluated after one year.

Far-Reaching Powers with a Lean Structure

The INAEE is responsible for a broad range of tasks: It is to advise state-owned and mixed-ownership enterprises, set performance targets, approve strategic investments, appoint and dismiss corporate executives, and determine their salaries. In addition, it can establish companies, approve organizational changes, propose loss subsidies, and initiate collaborations between state and non-state actors as well as with foreign capital. The establishment of foreign subsidiaries and commercial branches also falls within its purview. The decree explicitly states that the institute's functions must not "violate the corporate autonomy" of the respective enterprises. An exception applies to the Ministries of the Revolutionary Armed Forces (FAR) and the Interior (MININT), which adapt their corporate systems according to their own specific characteristics, a move that is likely to largely remove them from the direct control of the INAEE.

Structurally, the INAEE is intended to remain deliberately lean: It consists of a president, a vice president, and the staff necessary for its operations. The newly appointed director, Roberto Ricardo Marrero—formerly head of the maritime transport group Gemar—stated at the press conference marking the agency's founding: "It will not be a bureaucratic apparatus. We will be a small team with only the absolutely necessary staff and will initially share the Ministry of Economy's offices."

This approach is intended to avoid the problems of the OSDEs (sector-based umbrella business associations) founded in 2011/12, whose original goal was also decentralization but which have increasingly turned into "mini-ministries" characterized by the well-known micromanagement.

Separation of Government and Business Functions as a Goal

Economy Minister Joaquín Alonso Vázquez emphasized that the INAEE's functions would not undermine the desired business autonomy: "The institute's fundamental function will be to train, supervise, and make recommendations. The state-owned enterprise belongs to the entire people, and the institute will have the role of representing nine million Cubans to ensure that social ownership functions as efficiently as possible."

President Miguel Díaz-Canel had already justified the establishment of the INAEE in his speech before the National Assembly: "For the state-owned socialist enterprise to remain the fundamental pillar of our economy, it must have genuine capacity to manage, innovate, and be accountable for results. Greater genuine autonomy for enterprises requires a more professional management of state assets."

The decree states that the establishment of the INAEE is part of the government's economic and social program for 2026. In the initial phase, the institute's primary focus will be on "removing obstacles" that burden state-owned enterprises. Not all enterprises will immediately fall under the INAEE's supervision; the transition is to take place gradually. According to the state-run news portal *Cubadebate*, decisions regarding liquidations and mergers will remain the responsibility of the corporate groups, the government councils, or the companies themselves.

In addition, the INAEE will be tasked with classifying state-owned enterprises into different categories for the purpose of restructuring them. Presumably in a similar manner to that established under the 2023 draft corporate reform: Profitable and non-strategic enterprises are to operate as largely autonomous “locomotives” in the market, compete with one another, and be subject to bankruptcy proceedings in the future. Strategic “monopolies” (such as the energy sector) and heavily subsidized “essential service providers” (such as pharmacies or public transportation), on the other hand, will remain under stricter state control and oversight as pillars of basic public services.

A new development is that businesses can be converted into stock corporations or investment companies in which both companies (state-owned and private) and individuals can purchase shares. Critics warn in this context of the danger of oligarchization through insider trading and call for transparent structures and processes in the implementation of this step.(Cubaheute)