Pharmacies, Mining, Wholesale: Cuba Lifts Dozens of Restrictions on the Private Sector

Starting August 4, pharmacies may also be operated by the private sector (Source: http://www.mgaylard.co.uk/Commons/[CC-BY-SA 2.0](CC-BY-SA 2.0))

Cuba has significantly reduced the list of economic activities prohibited for the private sector. Of the 125 activities previously banned, 46 have been completely removed, and another 35 will be permitted under more lenient conditions. Lázara Mercedes López Acea, president of the National Institute for Non-State Economic Actors, announced this on Wednesday at a press conference. The new regulations were published in the Official Gazette on Tuesday (PDF) and will take effect on August 4.

López emphasized that the measures do not constitute a privatization of the economy. "The socialist state-owned enterprise retains its fundamental role," she said, "but we are expanding the participation of non-state economic actors." The reforms are part of a package of 176 economic and social measures that the National Assembly approved in June.

The most immediately noticeable change concerns the healthcare sector: private companies and cooperatives will be allowed to operate pharmacies in the future. Requirements include suitable premises with controlled storage and temperature conditions, qualified pharmacy staff, an operating license, and the exclusive distribution of medications approved in Cuba.

According to Lara Bastanzuri, director of the Medicines Agency, the measure is intended to "offer a portion of the population an alternative to our state-run pharmacies for their medical needs," which have been suffering from shortages for years. The state-run pharmacy chain will remain in place and continue to operate at the same, heavily subsidized prices. A joint oversight system run by the Institute of Medicines and the Ministry of Health will monitor the quality, product range, and prices of private pharmacies. Medical care at all levels of the healthcare system remains the exclusive responsibility of the state, as Lara Bastanzuri clarified.

Private care facilities for older adults will also be newly authorized, offering either day care, long-term care, or a combination of both. Alberto Fernández Seco, head of the Department of Older Adults, Social Welfare, and Mental Health at the Ministry of Health, cited rapid demographic change as the reason for the move: Currently, 26.7 percent of the Cuban population consists of older adults. Studies have shown that 1.3 percent of older adults require long-term care and 2.2 percent require day care.

Each facility may offer a maximum of 60 beds, 10 percent of which are reserved for those in need, whose fees are calculated according to rates set by the government. Medical care is provided by the family doctor responsible for the respective area, who visits the facility at least once a month. Care staff and operators must complete training provided by the relevant health authorities.

There are also changes in the retail sector. The controversial Resolution 56 of October 2024, which had required private businesses and cooperatives to conduct wholesale transactions exclusively through state-owned enterprises, as well as the follow-up Resolution 18 from 2025, are repealed by the new decree. Wholesale trade may now be conducted by all private entities as either a primary or secondary activity. However, self-employed individuals remain excluded from wholesale trade, while retail trade is open to all entities.

In the energy and mining sectors, the new decree opens up oil and natural gas extraction to private entities for the first time. Cuban private companies and cooperatives may undertake extraction directly, provided the state approves the respective application. Foreign companies may participate through administrative concessions, economic associations, joint ventures, or other forms of foreign investment.

Large-scale mining projects are only possible through economic associations and foreign investment. Private enterprises and cooperatives, on the other hand, may extract mineral resources in small-scale mining operations under appropriate licenses in designated zones; self-employed individuals remain excluded from this. The power grid remains state-owned, though it could be managed by national entities within the framework of an economic association or a joint venture. The direct sale of self-generated electricity from renewable energy sources is now open to all private entities.

In the transportation sector, both state-owned and private legal entities are permitted to directly import electric vehicles for assembly and sale. This includes mopeds, motorcycles, bicycles, and cars. The condition is that each imported vehicle must be equipped with its own charging station that is powered entirely by renewable energy sources. Importers are exempt from taxes. In addition, non-governmental entities will in the future be able to operate gas stations, toll stations, passenger and freight terminals for road and rail transport, as well as wharves and port terminals. The latter, however, are permitted only if they are not classified as strategically important to the country.

In addition, activities such as the production of pharmaceuticals and chemicals, vehicle and boat manufacturing, waste management, the operation of sports facilities and marinas, commercial hunting, veterinary medicine, translation and interpreting, accounting, professional film and audio production, design and interior architecture, call centers, as well as software development and engineering services for renewable energy will be permitted on a private basis in the future.

Sectors that will remain exclusively reserved for the state include defense, formal education, security, telecommunications, journalism, and the publication of newspapers, books, and magazines. International maritime transport, cruises, and tourist shipping also remain off-limits to private operators.

Currently, more than 15,600 small and medium-sized private enterprises (SMEs) are registered in Cuba. According to López, that number is expected to rise to just under 16,000 by the end of August, following the lifting of a temporary freeze on new permits last month. (Cubaheute)