

Marrero calls for faster reforms



Cuba wants to reform its state-owned companies this year (Source: [Escambray](#))

Cuba's Prime Minister [has called](#) for more speed in economic reforms. At the monthly meeting with the provincial governors, Prime Minister Manuel Marrero was critical of the current state of affairs and mentioned, among other things, the continuing "inconsistency" in the implementation of the current reform programme. "We need to enter a much more dynamic phase that is much faster in its implementation", said the head of government, who also criticized the lack of a "firm hand" in many places where important things would be omitted.

The main topic of discussion at the meeting was the "macroeconomic stabilization programme" launched last December, the core elements of which are still awaiting implementation. What has happened so far?

The first steps taken in January were to increase salaries in the health and education sectors. The salary of an experienced specialist doctor in a hospital rose from around 6500 pesos (approx. 18 USD) to around 17,000 pesos (approx. 47 USD) per month. At the same time, a customs reform came into force that made imports of alcoholic beverages and tobacco products more expensive, while tariffs for raw materials and intermediate products were reduced. The 10 percent sales tax, which was previously only levied on state retailers, has been made obligatory for all companies since January 1. Next, on March 1, the price of fuel at petrol stations was increased and the parallel sale of fuel in US dollars was introduced to improve availability for tourists and businesses. Electricity prices for frequent consumers also increased from this month onwards. This was followed by an increase in cigar and cigarette prices on April 12.

The increase in state ticket prices for the transportation sector, which was originally planned together with the new fuel prices, has yet to be implemented. Just like the two most complicated and far-reaching projects in the program. One is the intervention in the foreign exchange market to halt the decline in the value of the peso and improve access to foreign currency for private economic players. The other is the plan that in future the products of the state-run "Libreta" booklet will only be available at heavily discounted prices to vulnerable groups and that new forms of targeted support will be established. Preparations for both measures are underway, although concrete details on implementation and the timetable have yet been released.

Other priorities identified by Cuba's Deputy Minister of Economy, Mildrey Granadillo de la Torre, include "food production, the strategic management of territorial development, the functioning of the socialist state enterprise, the redimensioning of the budget-financed sector, the updating of the draft Enterprise Law, and the unification of electronic payment systems".

The Enterprise Law, the first draft of which was produced in September, aims to make the state-owned enterprise sector more efficient by making greater use of market mechanisms and monetary incentives. The micromanagement of companies is to be replaced by indirect control via a newly created institute for state assets. The law is due to be passed this summer. The second pillar of the state sector, which employs around two thirds of the Cuban workforce, is the budget-financed sector. This includes areas such as education, health, public administration, municipal services, and others that are not directly related to the productive sector. The ongoing overemployment in this area is to be reduced as part of the "resizing" process. Originally, the dismissal of around 800,000 employees from the state sector began in 2011, but this was not fully implemented.

"We are in the process of updating the action plan in terms of content, structure and program," explained de la Torre. ([Cubaheute](#))