

Russia grants Cuba more favorable credit terms



Cuba's President Miguel Díaz-Canel and Vladimir Putin at a meeting in 2019 (Source: [X](#))

Russian President Vladimir Putin has [approved](#) an amendment to the loan agreement between Russia and Cuba, which offers the Caribbean island improved conditions for the repayment and restructuring of its debt. The corresponding document was published on the Russian government's official legal information portal on Monday.

The protocols approved by Putin concern state credit agreements granted between 2009 and 2019 for the purchase of petroleum products. Cuba's debt under these agreements, the restructuring of which has now been approved, amounts to 277.2 million US dollars, according to Russian Deputy Finance Minister Alexei Sasanov.

For the first time, Cuba has been given the opportunity to pay these debts in roubles. In addition, the payment plan has been postponed from 2023-2027 to the period 2028-2040 and interest on arrears has been adjusted. This would allow the island to cover part of the old debt with tourism revenues without having to use dollar and euro revenues: Cuba has been accepting payments with Russian Mir credit cards in roubles since December 5. As announced by the Ministry of Tourism, around 2.7 million US dollars have been converted into roubles since then. Last year, Cuba counted 184,819 Russian tourists, making them the third largest group of visitors after Canadians and Cubans abroad.

At the latest meeting of the Cuban-Russian Economic Cooperation Commission this Friday, however, there was also news regarding the acquisition of important basic resources for the Cuban economy. Planning security in this area is one of the Cubans' most important concerns in the negotiations with Russia. "We are giving priority to the issue of ensuring a stable supply of oil, petroleum products, wheat and fertilizers, which is extremely important

for the Cuban side. To this end, a new loan has been granted to Havana," the co-chair of the working group, Dmitry Chernyshenko, told the Prensa Latina news agency.

He pointed out that since the agreement on closer economic cooperation was reached last year, more than 100 Russian companies have started working in Cuba. "At the same time, several Russian banks are considering opening representative offices in Cuba in the near future," said Chernyshenko. A key factor for the sovereignty of bilateral cooperation is the use of the respective national currency. "We have reached full agreement with the Cuban side on this matter. We are already seeing Russian and Cuban banks opening accounts in roubles and Chinese yuan and using them to carry out transactions," explained Alla Bakina, head of the national payment system department at the Russian Central Bank.

Russia sees support for Cuba, particularly in terms of oil supplies, as a measure to strengthen Moscow's political position in Latin America. During the visit of Russian Foreign Minister Sergei Lavrov and Kremlin business advisor Boris Titov to Havana at the end of February, the two countries continued to intensify their economic relations this year. Russian advisors are also playing a role in the implementation of ongoing reform projects. The Russian Stolypin Institute for Growth Economics announced last year that it would be setting up an institute for economic transformation on the island together with Cuban experts.

Cuba is currently experiencing a severe energy crisis, which has resulted in nationwide power cuts. Energy Minister Vicente de la O Levy declared yesterday, Thursday, that the country is expecting a ship with 40,000 tons of diesel in the coming days, 1,100 tons of which will be used daily for power generation and another part for economic activities. Cuba is currently trying to pull out all the stops to ensure the regular arrival of new fuel supplies. ([Cubaheute](#))