

SMEs continue to grow: Cuba has almost 11,000 small and medium-sized enterprises



Private grocery store in Havana (Source: [Oncuba](#))

The energy and supply crisis is keeping Cuba's economy in check. The delivery of 90,000 tons of crude oil by Russia at [the end of March](#) has eased the situation somewhat and stabilized the power supply. [However](#), Prime Minister Manuel Marrero [warned](#) that the quantities will still not be enough to "ramp up the entire economy". Rationing measures such as the closure of energy-intensive factories will continue to hamper the Cuban economy for the foreseeable future. Added to this are ongoing US sanctions and a [tourism sector](#) that is struggling to emerge from the depths of the pandemic.

Recently, however, there has also been some good news to report: Despite the extremely difficult conditions, the small and medium-sized enterprise ([SME](#)) sector in Cuba, which was introduced in September 2021, continues to grow. Under the [new Minister of Economy](#) Joaquín Alonso Vázquez, the wave of approvals continues like before. Most recently, on April 3, the Ministry of Economy and Planning (MEP) gave the green light for the [establishment of 131 new companies](#), of which 123 are in the private sector and seven are state-owned. The total number of approved SMEs has thus risen to 10,994. The number of SMEs has grown by 42% since May 2023, when 7714 SMEs were [counted](#).

The majority of the new businesses are in the gastronomy, construction, transportation and repair services sectors. Some will be dedicated to the production of food and canned goods. The state-owned SMEs include a foreign trade company and two agricultural businesses that raise pigs and practice freshwater aquaculture.

With the growth of SMEs, the streetscape in Cuba is changing everywhere. Empty warehouses and disused facilities are being leased to the private sector and new businesses are springing up. Smaller state-owned companies are set to benefit from greater

independence, which is already bearing fruit in Havana's restaurant industry, for example. The offerings of state-run restaurants have mostly improved significantly following the conversion to the new legal form.

The streetscape is also increasingly changing as a result of the sector. As one of the few exceptions to the US economic measures, private companies have [been able](#) to import vehicles from the USA [since 2022](#). According to the [U.S.-Cuba Trade and Economic Council](#), vehicles (including commercial vehicles such as trucks) worth 10 million US dollars were imported in 2023. This February alone, vehicle imports from the USA amounted to four million US dollars, just under half the annual value of 2023. Commercial vehicles from the SME sector can be recognized by an "M" at the beginning of the license plate.

Despite the support from the Ministry, however, the SME sector is [under fire from several sides](#). Opponents of reform see it as a restoration of capitalism and hold it partly responsible for the high inflation, while parts of the exile community and Republican members of the US Congress attack the companies for their alleged links to the Cuban government and campaign for no exceptions to be made to the sanctions for the private sector or for the existing ones to be withdrawn. Announced reforms to the framework conditions intended to facilitate legal access to foreign currency for SMEs have yet to materialize, as have trade facilitations by the Biden administration. ([Cubaheute](#))