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"0 or 0.0" means nil or negligible; "n/a" means not available; "-" means not applicable

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Briefing sheet

Editor: **Fiona Mackie**

Forecast Closing Date: **December 13, 2022**

Political and economic outlook

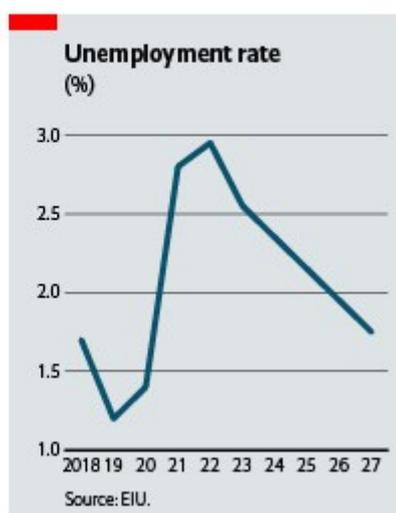
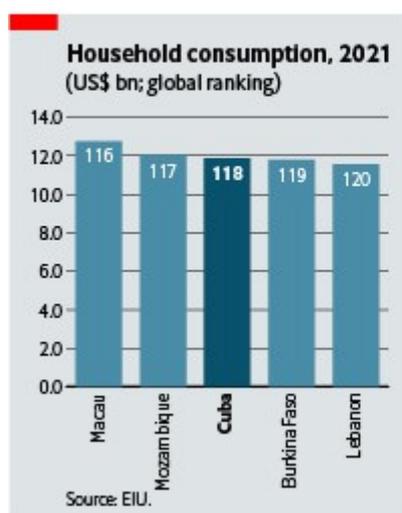
- Cuba's economy is heavily state-managed and is mainly dependent on tourism, nickel and healthcare exports for inflows of foreign currency. An inflationary shock and a boom in the black market stemming from a 2021 currency reform are forcing further adjustments.
- EIU believes that regime change is unlikely, despite acute hardships and unprecedented protests in 2021. Increased public pressure presents challenges for the ruling Partido Comunista de Cuba (PCC) but is unlikely to weaken the party's hold on power.
- Rising internet penetration is contributing to increasing demands for political and economic liberalisation and accountability. However, at the same time US sanctions and support for dissenting voices are strengthening the hand of hardliners who are resistant to reform.
- Cuba's economic recovery will remain slow owing to price instability, US sanctions and sluggish tourism demand. Real GDP will not return to pre-pandemic levels until 2024. Firmer growth is likely in 2024-27 as the US eases some restrictions.
- The government will continue to pursue liberalising economic measures cautiously in the 2023-27 outlook period. Further legal and institutional adjustments will follow an opening-up to private firms in August 2021, but the authorities will be wary of rapid liberalisation.
- Despite attempts to restrain price increases, inflation will recede only gradually. The resulting economic dislocation will continue to disrupt activity and perpetuate hardship for some, but the restructuring of relative prices will eventually boost competitiveness.
- Increased competitiveness, a gradual recovery in tourism as covid-19 restrictions are lifted and the easing of some US sanctions will strengthen the current-account position over the forecast period.

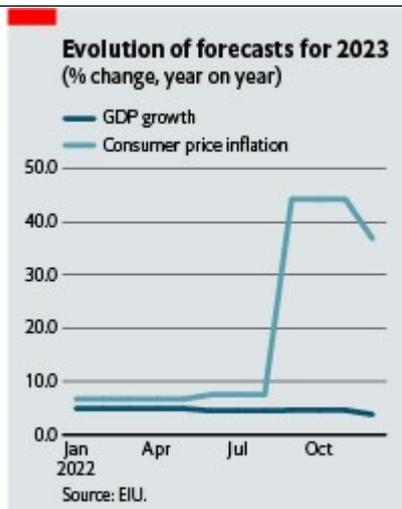
Key indicators

	2022 ^a	2023 ^b	2024 ^b	2025 ^b	2026 ^b	2027 ^b
Real GDP growth (%)	3.2	3.8	3.6	4.1	4.3	4.3
Consumer price inflation (av; %)	60.0	36.8	17.9	5.8	5.2	4.7
Government balance (% of GDP)	-10.3	-9.0	-7.6	-6.5	-5.6	-5.0
Current-account balance (% of GDP)	-4.7	-3.2	-1.8	2.2	4.3	5.9
Unemployment rate (%)	3.0	2.6	2.4	2.2	2.0	1.8
Exchange rate CUC:US\$ (av; official rate)	24.00	29.50	45.00	60.00	75.00	85.00

^a EIU estimates. ^b EIU forecasts.

Market opportunities





Key changes since August 25th

- Cubans have voted twice in the past quarter: first for a referendum on a new family code on September 25th, and then in municipal elections on November 27th. The authorities welcomed the approval of the family code by a substantial margin.
- However, the government was less satisfied with the exceptionally low turnout of 68% in the November municipal elections, which has been widely interpreted as a sign of discontentment with the government.
- Economic hardships in Cuba and preferential immigration status in the US are fuelling a huge surge in arrivals of Cuban immigrants to the US. There are some indications that this is prompting the US government to consider easing sanctions on Cuba.

The quarter ahead

- **TBC—Inflation:** Inflation in 2022 has been substantially higher than the government's forecasts. The authorities are aware that the consumer basket used by the national statistics office (ONE) is outdated and greatly underestimates the inflation rate, but they are reluctant to announce a more realistic estimate, as doing so would damage their credibility.
- **TBC—Shortages:** Persistent shortages will lead to a year-end uptick in food prices, especially for pork, as New Year celebrations drive a surge in demand.
- **TBC—GDP:** Economic reports to the National Assembly of People's Power (the legislature) in the second half of December will highlight Cuba's continued economic difficulties; GDP performance is very likely to be below last year's official forecasts.

Major risks to our forecast

Scenarios, Q3 2022	Probability	Impact	Intensity
The war in Ukraine causes food and energy shortages and prevents the recovery of tourism	Very high	Very high	25
Cuba defaults on its Paris Club debt, triggering a reinstatement of arrears	High	Very high	20
Privation related to the weak economy leads to domestic unrest	High	Very high	20
Outward migration weakens the quality of the labour force	High	High	16
Weather-related shocks cause extensive damage to infrastructure	High	High	16

Note. Scenarios and scores are taken from our Operational Risk product. Risk scenarios are potential developments that might substantially change the business operating environment over the coming two years. Risk intensity is a product of probability and impact, on a 25-point scale.

Source: EIU.

Outlook for 2023-27

Political stability

EIU anticipates that risks to stability will remain elevated in 2023-24, largely reflecting the weak state of the Cuban economy. Falling living standards and rising dissatisfaction are resulting in protests and a major surge in emigration. The government has responded by cracking down on protests while also attempting to modernise how Cuba is governed. Municipal authorities have been granted more power and decision-making capabilities, and there has been a much wider opening-up to private-sector activity in the past two years, albeit with patchy results. Public confidence in the government has continued to erode, particularly among younger groups. Although the president, Miguel Díaz-Canel, favours reform, he not only faces resistance from within the ruling Partido Comunista de Cuba (PCC), but also has to contend with institutional inertia and risk aversion at all levels. As he approaches the end of his first presidential term (out of his maximum of two) in 2023, new faces will begin to compete for influence as a more restive population loses confidence in the system itself, raising risks to stability.

Despite shifts in power and heightened tensions arising from depressed GDP, monetary instability and growing discontent, we believe that regime change is unlikely to occur in the 2023-27 forecast period. The past two years have demonstrated the government's ability to defuse dissent through its domestic security apparatus and to rally still-strong (albeit waning) nationalist sentiment. The internet has become a potent channel for expressing opposition to the government. It is also used to promote citizen communication with the leadership and the state entities that are responsible for providing public services. The resulting stronger and more visible demands for accountability and for greater freedom of expression are increasing pressure on the government. We expect that a restive younger generation and the persistence of economic hardship will feature throughout the 2023-27 forecast period, with undercurrents of frustration and social opposition threatening to boil over again, as they did in 2021.

Election watch

We expect Cuba's one-party system to remain largely unchanged in 2023-27. Elections to the National Assembly of People's Power (ANPP, the legislature) are held every five years and are next due in 2023. Candidates are nominated through municipal councils and by members of official "mass organisations", including labour unions and organisations for students, women and farmers. Ultimately, nomination decisions rest with the PCC's candidates' commission. Although it is not a requirement, most candidates are PCC members. A single candidate is nominated for each seat, but nominees must be approved by a majority of voters. The National Assembly then chooses the president, who is limited to two five-year terms. Dissatisfaction with the political system can manifest itself in a greater incidence of nominees being rejected and rising abstentions. A sharp fall in voter turnout for the November 27th municipal elections, to below 70% for the first time, indicates widespread disengagement in a system that depends on public participation.

International relations

Cuba's relationship with the US will remain tense even though the US president, Joe Biden, began to roll back some of the sanctions that were imposed by his predecessor, Donald Trump (2017-21) in mid-2022. He has lifted the cap on remittances, revived the Cuban Family Reunification Parole Programme, and announced the resumption of charter and commercial flights to airports outside the Cuban capital, Havana. These actions appear to be intended to staunch the flow of Cuban migrants towards the US border. A further easing of sanctions is likely in the second half of Mr Biden's term, which may well include the suspension of Title III of the 1996 Cuban Liberty and Democratic Solidarity (Libertad) Act, also known as the Helms-Burton Act, which Mr Trump activated in 2019. The legislation subjects foreign firms operating in Cuba to lawsuits in US courts, by allowing US citizens with claims to property confiscated by the Cuban government after the 1959 revolution to sue companies currently "trafficking" in that property.

There would be an even greater positive impact on the Cuban economy if the country were removed from the US's list of "state sponsors of terrorism"; the Trump administration returned Cuba to the list just days before leaving office in January 2021. However, for domestic political reasons, Mr Biden has been unwilling to do this or to restore the degree of rapprochement pursued in 2015-17 by Mr Trump's predecessor, Barack Obama (2009-17). To go further in lifting trade sanctions that have been in place since 1960, Mr Biden would need to secure approval from the US Congress. Our forecast is therefore based on the assumption that US sanctions will be relaxed only slightly. Meanwhile, relations with the EU remain firm, and the bloc will continue to be an important partner for investment and development finance.

Cuba will remain a staunch defender of the Venezuelan regime, led by Nicolás Maduro, which supplies oil to Cuba (albeit in reduced quantities) and is a major market for Cuban services exports. However, a fresh drive to diversify Cuba's trade relationships and secure new finance was evident in November-December 2022, in Mr Díaz-Canel's tour of four important economic partners, namely China, Russia, Algeria and Turkey. The results were reportedly positive, but details are scarce. There does not seem to have been any major breakthrough in negotiations with China on rescheduling debt and restoring finance.

Policy trends

The transformation from a centrally planned to a mixed economy will be unhurried over the forecast period. The government will continue to introduce piecemeal liberalising measures but will retain a heterodox approach in its response to goods and hard-currency shortages (and their wider economic consequences) and the need to restore monetary stability amid a continuing foreign-exchange crunch. Highly distortionary administered low prices of basic goods and energy will remain in place until inflation has receded substantially, and moves to rationalise the state sector will be postponed until alternative employment opportunities emerge.

Following labour market and enterprise reform measures that were introduced in 2021, the economy will be transformed gradually over the forecast period by the growth of new micro, small and medium-sized enterprises (MSMEs). The impact of this development has been small so far, but as new companies become established, pressure to remove institutional and regulatory bottlenecks will grow, engendering further modifications of regulations and the tax regime to improve the business environment.

In the short term, the government will struggle to improve incentives, supplies of inputs and credit facilities in the agriculture sector to reduce food import dependency. Low prices for quotas for state purchases are an impediment to progress on this front, as is a chronic and severe lack of financing for inputs, equipment, infrastructure and spare parts. Meanwhile, price and exchange-rate distortions will sustain the need for the centralised allocation of inputs, which will in turn prevent state-owned enterprises (SOEs) from developing the freedom and capacity to harness greater autonomy in decision-making and business planning. The opening-up to foreign investment has widened to include the private sector, but US sanctions will still block most international firms from engaging with Cuba, and the few investors who are determined enough to seek opportunities in this difficult market will also have to contend with relatively stringent Cuban regulations.

Fiscal policy

The government resorted to increased monetisation to cover its large fiscal deficits in 2020-22, contributing to inflationary pressures. On that basis, we expect it to trim spending (cautiously) in 2023-27. As budgets for health, education, welfare, and subsidies of food and energy are ring-fenced, the scope for reducing expenditure is limited. Long-delayed essential repairs and maintenance of critical infrastructure, and the government's commitment to full employment, will restrict possibilities for cutting the state payroll, posing yet another obstacle to retrenchment. The pace of private-sector expansion will therefore be an important determinant of the government's capacity for fiscal adjustment, as it will affect both the degree to which the public sector can be rationalised and the extent of growth in tax revenue. Our forecast that the fiscal deficit will narrow to 5% of GDP by 2027 is consistent with our expectations of a falling inflation rate and modest economic growth, both of which could be derailed in the event of another economic shock.

Monetary policy

Cuba's large informal economy, small banking sector and the existence of different markets with divergent prices and exchange rates have long posed challenges to monetary management. The January 2021 unification of the dual-currency system was intended to straighten out some of distortions in the economy, but as inflation surged beyond expectations in 2021-22, progress on this front has stalled.

The government's success in controlling inflation will depend on its own ability to reduce the fiscal deficit and on producers' capacity to increase the supply of basic goods, which in turn will be contingent on the pace of economic restructuring and improvement in Cuba's foreign-exchange position. The authorities intend to make gradual upward adjustments to prices that are currently fixed, and to eventually shift monetary policy towards the use of more indirect measures.

In the short term, the scope and effectiveness of indirect instruments will be limited by the underdevelopment of the financial sector. We expect that indirect instruments will only begin to become an important tool for monetary management towards the end of the forecast period.

International assumptions

	2022	2023	2024	2025	2026	2027
Economic growth (%)						
US GDP	1.7	0.1	1.6	2.0	2.2	1.9
OECD GDP	2.6	0.4	1.7	1.9	2.0	1.8
World GDP	2.9	1.5	2.6	2.7	2.8	2.7
World trade	3.3	1.6	3.1	3.6	3.8	3.8
Inflation indicators (% unless otherwise indicated)						
US CPI	8.0	3.7	2.0	1.9	2.1	2.0
OECD CPI	8.9	5.3	2.6	2.2	2.1	2.0
Manufactures (measured in US\$)	0.6	4.2	6.1	4.2	2.8	2.0
Oil (Brent; US\$/b)	101.1	89.9	84.8	80.8	76.8	72.8
Non-oil commodities (measured in US\$)	15.5	-9.1	-4.2	-0.4	-1.9	-1.9
Financial variables						
US\$ 3-month commercial paper rate (av; %)	2.1	4.6	4.3	3.3	2.5	2.3
Official exchange rate CUC:US\$ (av)	24.00	29.50	45.00	60.00	75.00	85.00
Exchange rate US\$:€ (av)	1.04	1.00	1.03	1.07	1.12	1.16

Economic growth

The economy will recover only slowly from the combined impact of the covid-19 pandemic, tighter US sanctions and currency adjustment in 2021, followed by continued monetary instability and the additional costs of repairs and recovery following the Matanzas oil depot fire and Hurricane Ian in 2022. We do not expect real GDP to return to 2018 levels until 2024; we estimate real GDP growth of only 3.2% in 2022 and forecast an average of 3.7% in 2023-24.

The recovery of tourism in 2022 since the lifting of pandemic restrictions has been slow, and US sanctions have eased only slightly. Meanwhile, terms of trade have been unfavourable, as high oil and food prices have outweighed the foreign-exchange boost engendered by favourable nickel prices. In 2023-24 we expect the Biden administration to ease US sanctions further, helping tourism and remittances to return towards the previous pre-crisis peak. The boost to private consumption will be concentrated in Havana and in other tourist pockets, and its impact on the national economy will be dampened by the need to strengthen the fiscal position and rebuild foreign-exchange reserves. Efficiency gains from economic restructuring and stabilisation will initially yield only a minor contribution to growth, reflecting the lack of credit and the non-convertibility of the Cuban peso, as well as low levels of consumer and business confidence, and subdued domestic demand.

Growth will pick up to over 4% in 2025-27. We do not expect Mr Biden to return fully to the Obama-era rapprochement, and Cuba's economic improvement will therefore be dependent on its capacity to build new international trade and financial relations, and to stimulate restructuring and innovation in both the new private sector and the sclerotic public sector. The current low level of productivity and a highly educated workforce might suggest that a strong growth surge is theoretically possible, but that prospect will be undermined by limited access to international finance, squeezed fiscal resources, the distortions and lack of integration between sectors arising from monetary dualism, and a legacy of centralised decision-making.

Downside risks to our GDP growth projections are substantial. The main risks are external, as the global economy is vulnerable to further shocks that could worsen Cuba's terms of trade, disrupt its relations with important partners (particularly fuel suppliers) or prevent a full recovery of tourism. Domestically, there will be a persistent risk that political unrest dampens activity. There is also the possibility of a strong positive shock if the US administration were to move more quickly to remove impediments to international trade and finance.

Economic growth

%	2022 ^a	2023 ^b	2024 ^b	2025 ^b	2026 ^b	2027 ^b
GDP	3.2	3.8	3.6	4.1	4.3	4.3
Private consumption	2.0	5.5	4.6	3.0	3.7	3.6
Government consumption	-13.4	0.8	-1.8	-3.2	1.3	-0.8
Gross fixed investment	4.5	8.1	6.1	7.2	7.2	7.0
Exports of goods & services	26.7	10.3	13.1	16.8	8.3	9.7
Imports of goods & services	-6.6	18.8	13.3	9.7	7.0	6.8
Domestic demand	-1.8	4.8	3.4	2.4	3.9	3.4
Agriculture	1.0	2.2	3.0	3.0	3.0	3.0
Industry	3.7	2.9	3.4	4.0	4.2	4.8
Services	3.2	4.1	3.7	4.2	4.4	4.2

^a EIU estimates. ^b EIU forecasts.

Inflation

The published official measure of inflation is based on a basket of goods and sample of markets from a base year over a decade ago and bears little resemblance to households' actual experience of the rising cost of living. According to this monthly measure, the end-2022 inflation rate will be about 46%. However, unpublished estimates, which are based on relatively small surveys but take into account the amount of monthly purchases that are now only possible in mainly informal markets at much higher prices, put the true annual increase in consumer prices in 2022 at about 250%.

In line with fiscal adjustment and a gradual recovery in supplies as economic growth picks up, our forecast assumes that the reverberations from the 2021 currency and price shock will gradually subside, reducing official consumer price inflation to below 5%, and the actual rate to below 20%, by the end of the forecast period. Nonetheless, there is a risk that further shocks keep inflation high, and possibly even precipitate a surge towards hyperinflation. It is this risk that is focusing the Cuban authorities' minds on the need for fiscal discipline.

Exchange rates

Currency adjustment since the January 2021 currency reform has proven highly disruptive. The reform initially unified the dual exchange rate and devalued the official exchange rate by 96%, from CUP1:CUC1:US\$1 to CUP24:US\$1, but in the following months, in the context of an unexpectedly acute foreign-exchange shortage, the Cuban peso continued to depreciate on the black market. In response, the authorities introduced a second exchange rate in August 2022 for personal transactions, matching the then black-market rate of CUP120:US\$1 and therefore returning to official currency dualism.

The black-market rate depreciated further after this second currency was introduced, but it has now stabilised at about CUP180:US\$1. It is too early to judge for certain whether or not this recent stabilisation signifies an end to peso weakening. Nevertheless, the black-market rate appears undervalued, and we forecast that the peso will strengthen to CUP150:US\$1 in 2023. Assuming that prices have stabilised markedly by 2024, we believe that this will create a new opportunity to adjust official rates, in order to bring them into closer alignment.

Risks to this forecast remain high, stemming from any slippage in inflation or shock that affects the economy, international relations or expectations. Although we expect that currency realignments towards competitive rates will be beneficial in the long term (as they will reduce economic distortions and increase efficiency), the short-term consequences will not be easy to manage.

External sector

Currency adjustment and the eventual unification of the dual exchange-rate system will stimulate export growth and import substitution, but we do not expect the benefits to materialise until the second half of the forecast period. In the meantime, foreign exchange will remain in short supply, and many debt obligations will go unmet. The return of tourists enabled some recovery of export earnings in 2022; we expect this trend to continue in 2023, despite a global economic slowdown.

Over the forecast period as a whole, a greater boost to the external sector will come from health-related exports, given Cuba's success in developing effective covid-19 vaccines and the elections of sympathetic presidents in Brazil and Colombia—two important potential markets. The goods trade balance will take longer to strengthen, as a lack of financing will hamper producers' ability to lift output. We expect that spending on imports will lag growth in export earnings, engendering current-account surpluses in the second part of the forecast period.

The authorities do not publish data on international reserves; we estimate an end-2022 level of US\$4bn (just under five months of import cover) and project some replenishment in 2023-24, followed by a slight dip later in the forecast period as the cost of servicing rescheduled debt increases and import levels rise, to close 2027 back at about five months' import coverage.

Forecast summary

Forecast summary

(% unless otherwise indicated)

	2022 ^a	2023 ^b	2024 ^b	2025 ^b	2026 ^b	2027 ^b
Real GDP growth	3.2	3.8	3.6	4.1	4.3	4.3
Industrial production growth	3.7	2.9	3.4	4.0	4.2	4.8
Gross agricultural production growth	1.0	2.2	3.0	3.0	3.0	3.0
Unemployment rate (end-period)	3.0	2.6	2.4	2.2	2.0	1.8
Consumer price inflation (av)	60.0	36.8	17.9	5.8	5.2	4.7
Consumer price inflation (end-period)	46.0	34.5	6.2	5.5	4.9	4.5
General government balance (% of GDP)	-10.3	-9.0	-7.6	-6.5	-5.6	-5.0
Exports of goods fob (US\$ bn)	1.9	2.0	2.0	2.2	2.3	2.4
Imports of goods fob (US\$ bn)	9.5	10.4	11.5	12.4	12.9	13.3
Current-account balance (US\$ bn)	-1.2	-0.9	-0.5	0.7	1.4	2.0
Current-account balance (% of GDP)	-4.7	-3.2	-1.8	2.2	4.3	5.9
External debt (end-period; US\$ bn)	30.0	29.8	30.2	30.2	30.2	30.0
CUC:US\$ (av)	24.00	29.50	45.00	60.00	75.00	85.00
CUC:US\$ (end-period)	24.00	35.00	45.00	60.00	75.00	85.00
CUP:CUC ^c	125.83	165.00	150.00	125.00	100.00	100.00

^a EIU estimates. ^b EIU forecasts. ^c Cadeca rate.

Data and charts

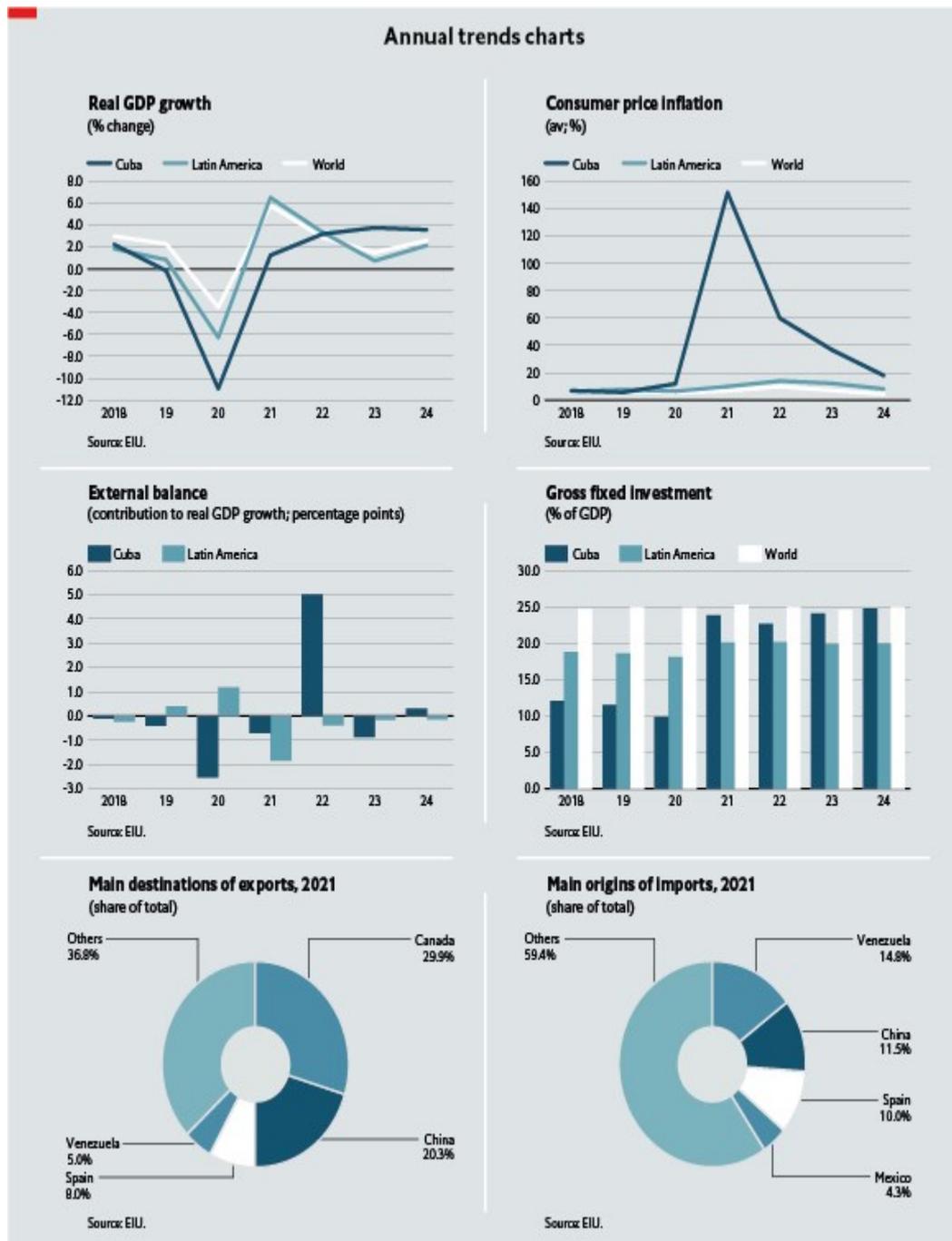
Annual data and forecast

	2018 ^a	2019 ^a	2020 ^a	2021 ^a	2022 ^b	2023 ^c	2024 ^c
GDP							
Nominal GDP (US\$ m)	100,050	103,428	107,352	22,717	25,327	27,265	28,797
Nominal GDP (CUC m)	100,050	103,428	107,352	545,218	959,751	1,334,652	1,622,386
Real GDP growth (%)	2.2	-0.2	-10.9	1.3	3.2	3.8	3.6
Expenditure on GDP (% real change)							
Private consumption	2.2	-0.9	-8.7	-2.7	2.0	5.5	4.6
Government consumption	1.3	3.9	-10.1	15.0	-13.4	0.8	-1.8
Gross fixed investment	4.8	-1.0	-5.9	-0.4	4.5	8.1	6.1
Exports of goods & services	-2.4	-4.6	-20.5	-9.1	26.7	10.3	13.1
Imports of goods & services	-2.0	-2.9	-7.6	-4.6	-6.6	18.8	13.3
Origin of GDP (% real change)							
Agriculture	2.7	-11.0	-22.9	-13.2	1.0	2.2	3.0
Industry	2.5	-3.6	-8.2	-6.8	3.7	2.9	3.4
Services	2.1	1.4	-11.2	4.1	3.2	4.1	3.7
Population and income							
Population (m)	11.3	11.3	11.3 ^b	11.2 ^b	11.2	11.2	11.2
GDP per head (US\$ at PPP)	13,757 ^b	14,001 ^b	12,645 ^b	13,461 ^b	14,836	15,980	16,899
Recorded unemployment (av; %)	1.7	1.2 ^b	1.4 ^b	2.8 ^b	3.0	2.6	2.4
Fiscal indicators (% of GDP)							
Public-sector revenue	56.7	56.8	50.9	47.1	26.0	26.5	27.1
Public-sector expenditure	65.4	63.2	69.2	58.8	36.2	35.5	34.8
Public-sector balance	-8.7	-6.5	-18.3	-11.7	-10.3	-9.0	-7.6
Net public debt	53.5 ^b	56.7 ^b	65.3 ^b	147.0 ^b	136.2	129.4	127.3
Prices and financial indicators							
CUC:US\$ (official rate; end-period)	1.00	1.00	1.00	24.00	24.00	35.00	45.00
CUP:CUC (secondary rate)	24.00	24.00	24.00	65.92	125.83	165.00	150.00
Consumer prices (av; %)	6.9 ^b	5.6 ^b	11.9 ^b	152.0 ^b	60.0	36.8	17.9
Stock of money M2 (% change)	7.3	6.2	21.9	228.9	66.2	36.1	20.4
Current account (US\$ m)							
Trade balance	-8,786	-7,545	-5,447	-6,373	-7,656	-8,468	-9,407
Goods: exports fob	2,742	2,392	1,783	2,058	1,862	1,973	2,046
Goods: imports fob	-11,527	-9,937	-7,230	-8,431	-9,518	-10,441	-11,453
Services balance	10,722	9,206 ^b	6,173 ^b	5,199 ^b	6,729	7,499	8,656
Primary income balance	-1,475 ^b	-1,554 ^b	-967 ^b	-840 ^b	-1,525	-1,467	-1,617
Secondary income balance	776 ^b	1,909 ^b	1,120 ^b	714 ^b	1,269	1,575	1,849
Current-account balance	1,237 ^b	2,016 ^b	879 ^b	-1,300 ^b	-1,183	-861	-518
External debt (US\$ m)							
Debt stock	30,904 ^b	31,385 ^b	29,064 ^b	29,574 ^b	29,980	29,820	30,162
Debt service paid	2,096 ^b	2,309 ^b	2,196 ^b	2,281 ^b	2,365	2,425	2,499
Principal repayments	1,139 ^b	1,082 ^b	1,148 ^b	1,152 ^b	1,162	1,157	1,160
Interest	957 ^b	1,228 ^b	1,048 ^b	1,129 ^b	1,202	1,267	1,337
International reserves (US\$ m)							
Total international reserves	10,853 ^b	9,753 ^b	8,253 ^b	6,253 ^b	4,103	5,203	6,953

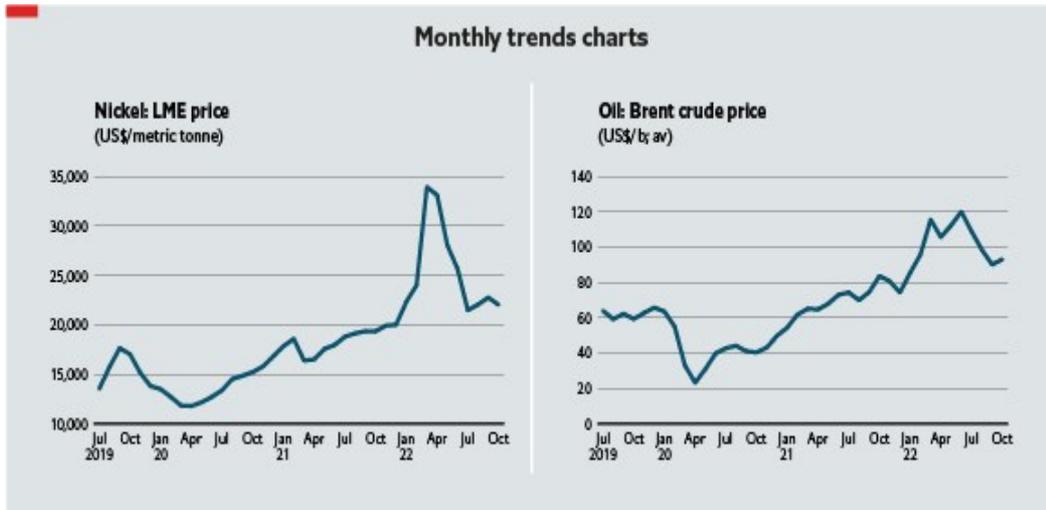
^a Actual. ^b EIU estimates. ^c EIU forecasts.

Source: IMF, International Financial Statistics.

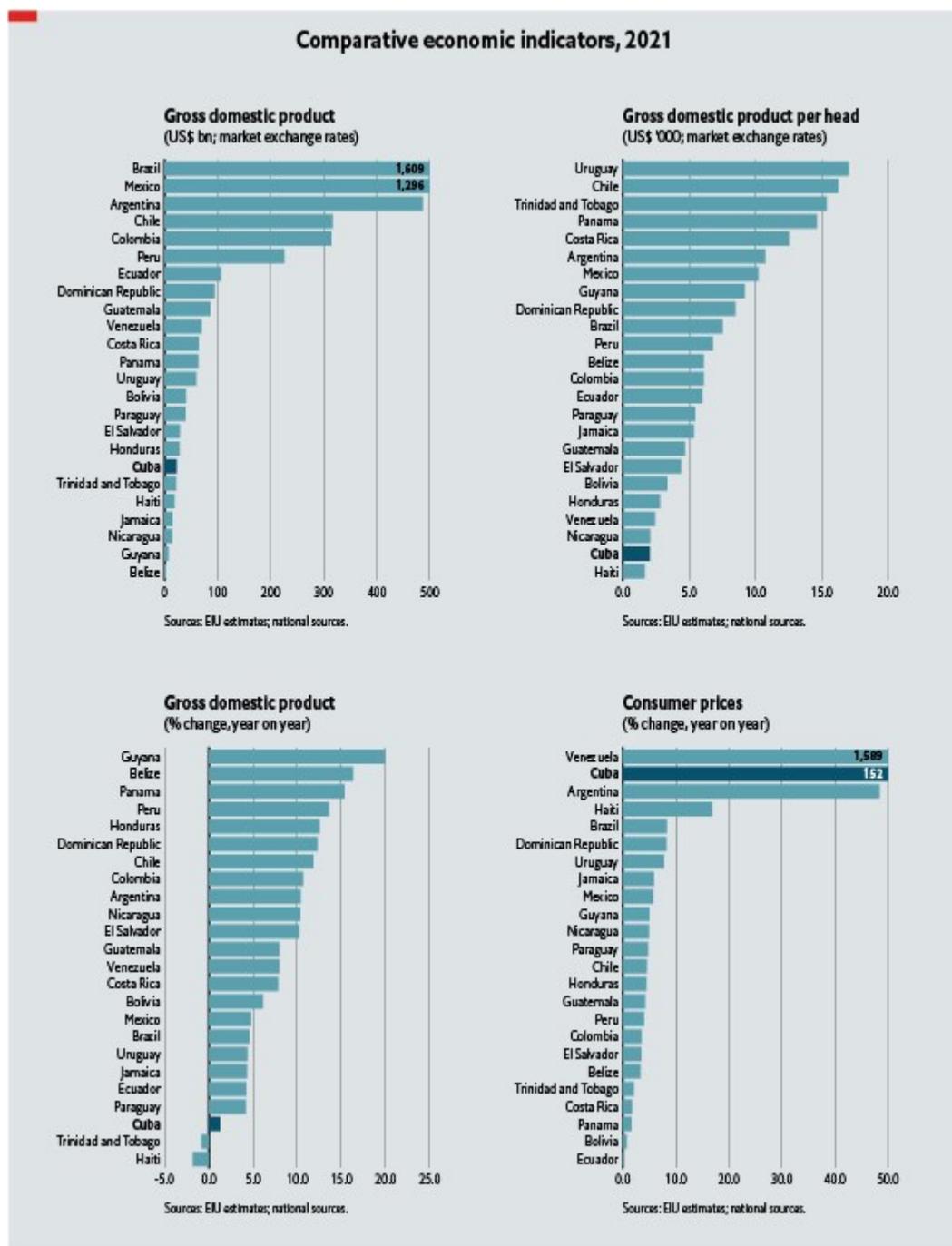
Annual trends charts



Monthly trends charts



Comparative economic indicators



Basic data

Land area

110,000 sq km: mainland 105,000 sq km; Isle of Youth (Isla de la Juventud) 2,000 sq km; keys 3,000 sq km

Population

11.3m (2020, World Bank estimate)

Climate

Subtropical; average temperature 25°C, average relative humidity 81%

Weather in Havana (altitude 24 metres)

Hottest month, August, 24-32°C (average monthly minimum); coldest months, January and February, 18-27°C; driest months, January and February, 38 mm average rainfall; wettest month, September, 183 mm average rainfall

Weights and measures

Metric system; also old Spanish units. Sugar is often measured in Spanish tonnes (2,271 lbs), and there is a Cuban quintal of 101.4 lbs, made up of 4 arrobas. For area measurement, one Cuban caballería equals 13.4 ha or 33.16 acres

Currency

On January 1st 2021 the official exchange rate changed from CUP1:US\$1 to CUP24:US\$1, and the convertible peso (CUC), which previously had a value at par with the US dollar, has been removed from circulation. Following the growth of a black market, a parallel legal of CUP120:US\$1 for personal transactions was introduced in August 2022. The black-market rate has subsequently settled at around CUP180:US\$1

Time

4 hours behind GMT (5 hours behind GMT in November-March)

Public holidays

January 1st (Liberation Day); January 2nd (Victory Day); April 15th (Good Friday); May 1st (Labour Day); July 25th-27th (Anniversary of the Revolution); October 10th (War of Independence); December 25th (Christmas Day)



Political structure

Official name

Republic of Cuba

Form of government

Centralised political system, with close identification between the Partido Comunista de Cuba (PCC) and the state

Head of state

The president, Miguel Díaz-Canel, took over from Raúl Castro on April 19th 2018

The executive

The Council of Ministers is the highest executive body; it is led by the prime minister (nominated by the president). The president, the vice-president and the secretary of the Council of Ministers serve on the council's Executive Committee

National legislature

National Assembly of People's Power; 605 members elected by direct ballot. The full assembly meets twice a year, and extraordinary sessions can be called. National Assembly working commissions operate throughout the year

Legal system

A People's Supreme Court oversees a system of regional tribunals; the Supreme Court is accountable to the National Assembly

National elections

The last provincial and National Assembly elections were in March 2018; next due in 2023

National government

The organs of the state and the PCC are closely entwined, and power devolves principally from the Executive Committee of the Council of Ministers

Main political organisation

The PCC is the only legal political party. Official "mass organisations" (including labour unions, and organisations for students, women and farmers) are a feature of the Cuban political system

Key ministers

President of the republic: Miguel Díaz-Canel Bermúdez

Prime minister: Manuel Marrero Cruz

Vice-president: Salvador Valdés Mesa

Secretary of the Council of Ministers: Homero Acosta Álvarez

President of the National Assembly: Esteban Lazo Hernández

Agriculture: Gustavo Rodríguez Rollero

Communications: Jorge Luis Perdomo Di-Lella

Culture: Alpidio Alonso Grau

Domestic trade: Betsy Díaz Velázquez

Economy & planning: Alejandro Gil Fernández

Education: Ena Elsa Velázquez Cobiella

Energy & mines: Vicente de la O Levy

Finance & prices: Meisi Bolaños Weiss

Foreign relations: Bruno Rodríguez Parrilla

Foreign trade & investment: Rodrigo Malmierca Díaz

Higher education: José Ramón Saborido Loidi

Industry: Alfredo López Valdés

Interior: Julio César Gandarilla Bermejo

Justice: Oscar Silveira Martínez

Labour & social security: Margarita González Fernández

Public health: José Ángel Portal Miranda

Revolutionary armed forces: Leopoldo Cintra Frías

Science, technology & the environment: Elba Rosa Pérez Montoya

Tourism: Juan Carlos García Granda

Transport: Eduardo Rodríguez Dávila

Central bank president

Marta Sabina Wilson González