

Economic Update July 16



The Economic Slowdown Has Been Reversed

Cuban President Raúl Castro noted that GDP was up 4.7% by the end of June, at the close of the plenary session of the National Assembly of People's Power.

President Raúl Castro said that the country has managed to reverse the trend of slow Gross Domestic Product (GDP) growth seen in recent years.

On closing the 5th Ordinary Session of the 8th Legislature, Raúl confirmed that GDP had grown 4.7% up until June 30, and it is estimated that it will remain around this figure at the close of this year. "This is very good, considering that last year we only grew by one percent," he noted.

The Cuban President stressed that we must work hard to achieve GDP growth of 4% and called for work to be done a disciplined manner, especially in the economic sphere.

He added that during 2015 the severe external financial constraints on the country continued and highlighted that systematic payments to foreign creditors and suppliers have continued, promoting the credibility of the national economy internationally, despite the fact that the United States' economic, commercial and financial blockade against Cuba remains in full force.

Monetary and financial stability have been maintained and inflation contained at between 3 and 5%, as planned, although we do not ignore the concerns of the population regarding the high prices of agricultural products which have risen more than the average wage.

Raúl called for the rational use of water and warned that at the end of June reservoirs had only accumulated 38% of total capacity and today are at just 36.1%, as reported by the President of the Institute of Hydraulic Resources, Inés María Chapman, who noted that the worst scenario is faced in the east of the country, in Ciego de Ávila, Sancti Spíritus and Pinar del Río.

Regarding social programs for the Cuban population, the President informed that during 2015 certain programs were maintained and perfected and highlighted the case of the epidemiological situation in the country, which has improved substantially.

During 2015 the theoretical conceptualization of Socialism in Cuba has been worked on, he told the 544 deputies present at Havana's Convention Center, and recalled that this is an important task because since the triumph of the Revolution it had been a neglected area.

He announced that they are also working on the guidelines and strategic sectors that will make up the economic development program until 2030, ahead of the 7th Party Congress scheduled for April 2016.

On the Socialist enterprise, Raúl spoke of its important role as a key figure in the economy and the adjustment measures concerning its operation, as well as for the creation of pay systems based on results.

A transformation in the planning process has been implemented, in line with the perfecting of the enterprise system, Raul stated, which has allowed for policies related to the Economic and Social Policy Guidelines of the Party and the Revolution to be incorporated into the Economic Plan.

He assured that progress is ongoing in the implementation of measures aimed at monetary unification, an extremely complex process that it is essential to economic efficiency.

He reiterated the proposals on guaranteeing bank deposits in foreign currencies, in Cuban convertible pesos (CUC) and in Cuban pesos (CUP), as well as the cash held by the public and national and foreign incorporated entities.

Raúl affirmed that the experimental process of creating new non-agricultural cooperatives continues apace, together with the consolidation and monitoring of those already in existence, to avoid repeating any problems already identified.

He recalled that just over half a million Cubans are self-employed in various sectors, a figure that is gradually rising.

The Cuban president said that we will continue this process of the transformation of society, which we have sovereignly decided upon, with the aim of building a prosperous and sustainable socialism.

Cuba: An Investor Per Month for Mariel

Seven companies received approval to settle in the port of Mariel and the surrounding industrial zone, a sign that the greater economic project of Cuba could finally start.

"We are in the month of July and we have approved nearly a company per month," Ana Teresa Igarza, General Director of the Office of the Special Development Zone of Mariel told The Associated Press in an exclusive interview.

In the future US companies, that have already shown particular interest in coming to Mariel after a diplomatic rapprochement between Washington and Havana, could also be established for the first time in half a century.

An AP tour of the harbor and the development zone noted progress in some 4,500 hectares of what was termed Sector A, the first to be launched. Along the way there are trucks crushing land for asphalt, excavators working and an esplanade for the installation of the first two factories, one Spanish of beverage and one Mexican of meat.

Cuba: Foreign Investment for Use of Renewable Energy

The construction of 7 new wind farms with direct foreign investment is considered in a program of medium-term development for the better use of renewable energy sources in Cuba.

In the presence of deputies of the Parliament's Committee on Industry, Construction and Energy, Alfredo López, Minister of Energy and Mines (MINEM), explained the projects to increase the use of solar, hydraulic, wind and biomass energies to generate electricity.

The construction of 6 wind farms through other ways of financing north of the eastern side of the island and in the center of the country are also included in plans to increase electricity produced from renewable sources, which currently reaches only slightly more than 4%.

According to Rosell Guerra, director for Renewable Energy of the MINEM, the construction of these wind farms includes the creation of an infrastructure that would allow for the transfer of power to the national grid.

Guerra added that other foreign investment projects for the use of photovoltaic solar energy, which currently provides 22 MW of power generated in 12 wind farms located in different regions of the country are being assessed.

Deputies, meeting as a prelude to the 5th Ordinary Period of Sessions of the 8th Legislature of the National Assembly of the People's Power, also knew about plans to increase generation capacity by way of small hydroelectric and bioelectric plants.

The Minister of Energy and Mines asserted that the implementation of the policy for the development of renewable sources will make it possible to increase power generation to 24 percent by 2030.

He also referred to the various energy savings programs, such as the production and installation of water heaters and solar panels in housing, as well as the use of LED lighting technology in homes and street lighting.

Spike in Tourism in Cuba: 2 Million Visitors Already in 2015

Two million tourists have visited Cuba from January first until July 10th, according to a press release by the Ministry of Tourism published in the daily Granma.

The 2 million mark was reached in 39 days less than in 2014, a fact that proves the spike in arrivals in the present year, which translates in a 16% growth, thanks to the encouraging behavior of sources markets like Canada, Germany, the United Kingdom, Italy, the US and Argentina.

According to the note, the results show how Cuba as a destination has garnered international recognition as a safe, peaceful and healthy country to visit.

In 2014 Cuba achieved its goal of receiving over 3 million tourists in a year for the first time in its history, a feat that seems easy to match and surpass in 2015.

Cuba and Angola Expand Bilateral Collaboration in Key Sectors

Cuban government vice-president Ricardo Cabrisas paid a 4-day visit to Angola, where he corroborated the willingness of top authorities to strengthen bilateral ties of cooperation in key economic sectors.

Cabrisas met with the Angolan minister of state and chief of the Presidency's Civil Chamber Edeltrudis Costa, who told reporters after the meeting that both sides are willing to expand cooperation in areas such as transportation, energy and water resources, as well as in construction, without disregarding current cooperation in education and health.

Meanwhile the Cuban vice-president said that both parties went through all issues including current difficulties, but they confirmed their determination to keep advancing bilateral cooperation in the sectors they have chosen.

On November 15th, Cuba and Angola will mark the 40th anniversary of the establishment of full diplomatic relations. At present, over 4 thousand Cuban workers are offering cooperation services in that African nation, particularly in the area of health care with 1 800 doctors and 1 400 professors in education.

The vice-president's agenda includes courtesy meetings with Angolan Defense Minister Joao Lourenzo, with the Chief of General Staff, General Geraldo Sachipengo, and with government vice-president Roberto de Almeida.

German Foreign Minister Travels to Cuba to Re-establish Ties

German Foreign Minister Frank-Walter Steinmeier traveled to Cuba on Wednesday to improve bilateral political and economic relations with the island nation and as a sign of support for the normalization of ties between Havana and Washington.

Steinmeier is the 1st German Foreign Minister visit Cuba in an official capacity, and there will meet his Cuban counterpart Bruno Rodriguez Parrilla and Culture Minister Julian Gonzalez Toledo.

Archbishop Jaime Ortega from Havana will also meet with Steinmeier, as the religious leader continues to maintain strong ties with the Cuban opposition and civil society representatives.

Before leaving for Havana, Steinmeier said in a statement that he wants to be a helpful resource for Cuba to reopen itself up to the world.

The last visit to Cuba by a representative from the German federation government dates back 14 years, under the rule of the Social Democrat and Greens coalition led by Chancellor Gerhard Schroder, when the then Economy Minister Werner Muller visited the Caribbean country.

Fidel Castro Meets With Food Producers

Cuban historical leader Fidel Castro met last week with outstanding officers and civil workers of the Revolutionary Armed Forces and the Ministry of Interior to whom he handed recognitions for their work on the production of food.

Fidel spoke with the participants in the meeting about the quickly growing world population amidst the climate change, the crisis due to fresh water shortages and international wars that cause food prices to

spike.

Taking into account these conditions, Fidel stressed on the importance of increasing food production, of applying of science in the process, aimed at being more efficient and achieving better results.

The Cuban leader praised the awareness of the Cuban people, born during the revolutionary process that allowed them to have high human values.

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