



Economic Report 2025

Cuba

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Executive Summary

Cuba continues to experience its most severe economic crisis since at least the collapse of the Soviet Union. The reasons for this lie in structural failures in the fundamental pillars of economic growth:

- The **external / geopolitical situation** remains defined by the hostile US policy against the government in Cuba, in particular the sanctions regime and the arbitrary listing of Cuba as a State Sponsor of Terrorism. This severely hampers investments, exports and tourism, and excludes Cuba from important IFIs. Cuba is actively seeking alternatives via bilateral agreements and multilateral fora and groups, such as the BRICS. So far, however, this cannot offset negative consequences of US policy.
- **Productivity** is in crisis. The 8th consecutive year of productivity losses have eliminated all gains made in the previous decades. Massive problems of raw materials supply, a failing national energy system, a lack of investments and a shrinking talent pool due to historic emigration, as well as an aging population, are among the reasons. Technical and bureaucratic inefficiency as well as technological obsolescence aggravate the problem.
- **Demand** is severely depressed due to a mix of factors: Inflationary pressure, a chaotic currency system with massive market devaluation of the base currency, stagnant salaries and limited economic opportunities erode purchasing power of an increasingly impoverished population, while foreign tourism number plummet and government spending decreases due to a policy focus on fiscal deficit reduction.

Bilateral Trade between Switzerland and Cuba remains very modest, although a substantial underreporting of activities or 'bypassing' of reported channels is very likely.

Notwithstanding the challenging picture, the Cuban economy remains on a reform path, that is slow, unsteady and unpredictable, but could offer opportunities for businesses willing to navigate the complex environment. The market remains heavily undersaturated and in lack of all kinds of inputs and some regulatory efforts are underway, to encourage market entries of foreign firms. The present report attempts to point out some of the sectors, where opportunities might arise despite the broader challenges.

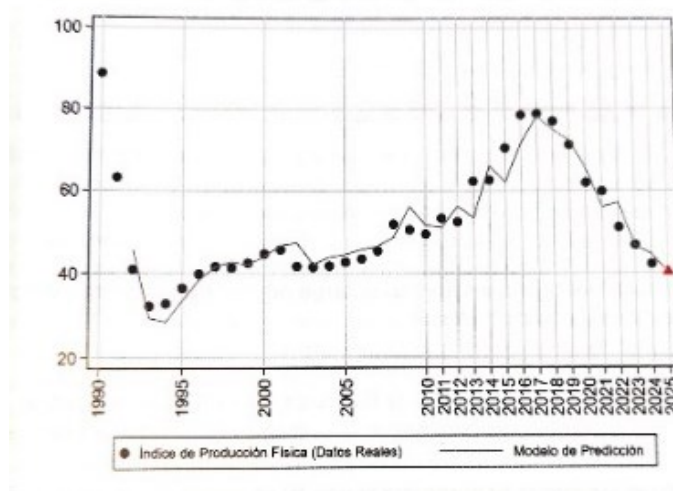
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1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

The Cuban economy is currently experiencing what is probably the deepest crisis in its history marked by a combination of a host of both external and internal factors.

In terms of **external** shocks, the COVID-19 pandemic had delivered a particular blow to the tourism sector and accelerated the economic downturn, which was already well under way before 2020. Until now, the Cuban economy failed to recover its pre-pandemic (2019) levels of production and services, with a persisting gap of around 11% at the end of 2024. Real productivity fell to levels last seen in the early 2000s.



Now, the second Trump Presidency has brought strengthened US sanctions, which further hamper recovery and dampen outlooks. The maximum expression of these sanctions has been the recent redesignation of Cuba (along with Iran and North Korea) as a State Sponsor of Terrorism (SST) and the reissue and amendment, on June 30, 2025, of Presidential Memorandum on National Security No. 5, previously issued on June 16, 2017. The sanctions affect Cuban exports of goods and services and foreign direct investment, while also further discouraging tourism. They severely curtail access to external resources, such as development loans and other financial instruments and effectively exclude Cuba from the Bretton Woods multilateral financial institution such as the International Monetary Fund and the World Bank. In this context, Cuba is seeking for alternatives. The entry of Cuba in 2025 as an associate member into the BRICS could potentially open up access to financing mechanisms for development. As per a recent announcement, Cuba is also seeking to join the CIPS and expand transactions in Renminbi as an alternative to the dollar-dominated SWIFT. Although these avenues might present alternatives to the Bretton Woods institutions, it is doubtful that - barring meaningful reforms - the Cuban economy can successfully compete. Too deep are the internal challenges.

The **domestic** context is characterized by persistent macroeconomic imbalances, as the economy is suffering from a number of grave structural problems:

- **high external debt** (latest unofficial estimates are at US\$29.8 billion)
- **Shortage of raw materials and supplies** leading to persistent massive undersupply of around 30-50% of demand and regular interruptions and breakdowns in the national power grid
- **Shortage of qualified active workforce** due to unprecedented wave of emigration (Cuba ended 2024 with a decrease in population of -3%ⁱ) and aging of the population (low birth rates)
- **Rapid currency devaluation:** In September 2025 the USD hit a record price of 440 CUP on the informal market, just one month after setting the previous record of 400CUP/USD.
- **Chaotic monetary situation** with two official, fixed exchange rates: USD 1.00 = CUP 24.00 for institutions, and USD 1.00 = CUP 120.00 for individuals (also applicable for MLC -freely convertible currency, in Spanish-, virtual currency created after the currency unification back in 2021 for use at local stores). This shows an exorbitant spread to the rising informal market value of hard currencies, currently at USD 1.00 = CUP 440.00 and EUR 1.00 = CUP 500. However, given the partial dollarization of the economy, with an exponential rise of the number of car service centers, stores and hotels selling services exclusively in USD (cash or through payment with a clásica or international card), the unofficial rate for MLC is experiencing a continuous decrease, being currently at MLC 1.00 = CUP 210.00.

- **Real productivity** has fallen for the 8th consecutive year – virtually eliminating a decade of gains made before 2017.

Taken together, these factors present a picture of an economy in crisis and prolonged downturn. In 2024, the Gross Domestic Product (GDP) registered a decrease at constant prices of 1.1%ⁱⁱ, slightly lower than that registered in 2023 (1.9%), but maintaining the trend of economic contraction. For 2025, the government had projected a moderate growth of around 1%. However, at the end of the first half of 2025, most of the projections had not been met: foreign exchange earnings from exports stand at 91% of the target; tourism at 71% of the targetⁱⁱⁱ; there's a continued trend toward importing finished products (including food items); agricultural production figures, although growing in some crops, are still not meeting the demand^{iv}.

The policy response of the Cuban government has focused primarily on the **reduction of the fiscal deficit** (average 13.5% of GDP between 2020 and 2022 and estimated 10-15% of GDP in 2023^v), with some success: slightly higher revenue and reduced spending have led to a reduction by 8% by the end of 2024 due to measures taken by the government.

At the same time, focus has been put on a **reduction of the inflationary pressure**. There was a deceleration in inflation in the second half of 2024, which continued into the first half of 2025, according to official sources, with a year-on-year index of 14.75% (based on 46.4% in March 2023 and below the projected target of 30%)^{vi}.

Furthermore, some progress has been made in **prioritized programs and investments, mainly for food production** (though still not meeting the demand, production of some items like rice, vegetables, roots, beans and maize is slowly rising). The implementation of investments in renewable energy sources has moved forward, as well, with 22 solar parks already installed (RES represent 6.4% of the country's energy matrix, as compared to 3.45% by the end of 2024^{vii}), 575 MW of generation capacity have been recovered with the repair work of fuel oil and diesel engines, at the time recovery works are under way in power generation plants. Also, export and import by MSMEs (new ones approved in the first semester of 2025) rose exponentially in the first semester of the year (30% exports and 34% imports), which evidences the impact of the private sector in the development of the economy

At the same time, the Government is negotiating with partner countries in terms of debt and exchange, as well as incentives to increase foreign trade. The debt to the Paris Club was renegotiated again in January 2025, leading among others to an agreement on the rescheduling of debt payments over CHF 73 million between Switzerland and Cuba, signed in July 2025 by Amb. Vescovi and Deputy Prime Minister Cabrisas.

Overall, however, the policy response remains haphazard and incomplete. A number of reforms have been announced, but remain completely unknown in substance or seem to be rather organic developments, than guided policies: this includes measures like the partial dollarization of the economy, the recovery of incomes from the main exportable products and tourism, the revival of productive activities (essentially agricultural and industrial), the recovery of the national power system, public-private alliances between state-owned companies and the emerging private sector (MSMEs), among others. A modification of the exchange market, with a floating exchange rate depending on the demand has been announced for the second semester of 2025, but details remain unknown.

In conclusion, the Cuban economy operates in a context of external financial, economic, and monetary uncertainty (inflation and fiscal deficit); energy supply constraints; low productivity and limited economic diversification; as well as limitations and control of the private sector, which hinders its development. All of this results in several risks for economic and trade relations with Cuba. However, the authorities have taken some steps related to the macroeconomic stabilization plan, more on the basis of trial and error, but some progress is being made, which could potentially unfold into opportunities for interested foreign trade partners.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

Priority sectors in Cuba today are **agrifood** (including tobacco and what is left of sugar production), **energy, biotechnology and pharmaceuticals, information and communications technologies**; and **services** (mainly **tourism** and **medical services**). Performance of all key sectors has been depressed by important structural challenges, but opportunities exist.

The **agricultural sector**, highly sensitive due to its role in food security, has experienced a continuous decline in recent years, reaching insufficient production levels. This results mainly from the high percentage of unused land and the constraints in securing the necessary supplies (fertilizers, pesticides, machinery, fuel, etc.). By June 2025, the country is forced to import between 70 and 80% of food for domestic consumption. New business models (with the participation of foreign companies) are being

explored and new regulations are being implemented to incentivize the optimal use of the land, which could open a range of business opportunities for Swiss companies.

One potential opportunity is in the financial scheme for export, in foreign currency, of 6 agricultural items (honey, charcoal, beans, corn, soybeans, and rice) recently approved by the Government. This will allow participating cooperatives and producers to receive a significant percentage (54-55%) of the value of their production in the international market. In June 2025, approval of a new financial scheme for the export of cocoa (produced mainly in the municipality of Baracoa, Guantánamo province) and coffee was underway. There is a possibility for alliances between foreign companies and local producers, as well as for joint ventures in processing of crops. An example is the joint venture Baracoa S.A. -Cuba and Slovakia- recently created for the production and commercialization of cocoa. Results will have to be tracked.

Moreover, a new land bill is being prepared. In addition to extending the term of land management (from 10 to 20 years, extendable for 20 more years), it would favor land management jointly with foreign companies under a concession model. This is already being implemented in Los Palacios municipality in Pinar del Río province, where Vietnamese companies work with Cuban producers of rice both for domestic consumption and export.

The **sugar industry**, historically the sector with the largest contribution to GDP (sugar used to be the country's main exportable item), has experienced a severe drop in its production levels (more than 1.4 million tons in 2016-2017 vs. 126,000 tons in 2025, not to speak of heyday levels). Technological obsolescence (obsolete machinery and mills in poor condition), as well as delays in sugarcane planting (50% of the plan to date) and the non-sustainability of the crop due to a shortage of supplies (more than 55% of the agricultural land is unused) are listed among the main challenges of the industry.

Similar management models to those mentioned above for the agricultural sector (shared benefit of 51% for the State and 49% for the foreign company) are being explored and implemented in the sugar sector with the aim of boosting the sector's development (an example is Uruguay sugar mill in Sancti Spíritus). Moreover, progress is being made in materializing new business opportunities in the sugar sector with foreign investment (repair of sugar mills, for example) and associations with the main consumers of the derivatives of sugar production (honeys and alcohols).

Another priority area in which business opportunities could be identified is **tobacco production**, given its role in and contribution to the country's exports (main exportable item with a contribution of more than US\$350 million each year^{viii}). Although official figures indicate an increase in the production levels of twisted tobacco at the end of the first semester of 2025 (more than 6 million units^{ix}), for mechanized tobacco, the country depends on imported parts and pieces, which affected production at the end of 2024 and beginning of 2025 (only around 80% of the planned production was reached^x). Therefore, it is an area in which new investments in technology and high-value supplies in the international market are required to expand production (from 15 thousand hectares planted in the 2024-2025 season to 20 thousand hectares planned for planting in the 2025-2026 season^{xi}).

The **energy sector** is also a strategic and priority objective for national development. The sector is facing a deep crisis due to the obsolescence of its infrastructure resulting from lack of investment (old power plants), as well as problems in the supply of fuel (high dependence on imported fuel and shortage of foreign currency for its acquisition). This has resulted in several failures of the national power system and frequent power cuts with prolonged duration. The government is implementing a program for its recovery that includes short-, medium- and long-term actions. Work is mainly being aimed at energy transition to diversify the matrix and increase the participation of renewable energy sources (solar, wind and biomass). The very ambitious target is to achieve 29% of electricity generation from renewable sources (RES) by 2030^{xii}. At the same time, efforts are being made to reach 100% generation from domestic energy sources (crude oil and gas produced in the country) and RESs -at a 50/50 ratio-, by 2030. However, although progress has been made, the development of the sector is still far below the needs, which could represent an opportunity for companies working on technologies associated with RESs, as well as power generation from fossil fuels (recovery of power plants), and those dedicated to the production of crude oil and gas.

The **biotechnology and pharmaceutical sector** is another priority sector for Cuba. Represented mainly by the BioCubaFarma business group, it has historically experienced significant growth and made notable achievements (research, development and international cooperation), also contributing to the health of the Cuban population (80% of its products are destined for the National Health System^{xiii}) and the world. Cuba exports biopharmaceuticals to more than 50 countries and has seven joint ventures and one 100% Cuban company based abroad^{xiv} (BioBridge Medical Technology inaugurated in 2024 in China). Some of the innovative products developed include proprietary vaccines against COVID-19 and other drugs such as Heberprot-P and CIMAvax-EGF (both internationally recognized). Challenges in

funding, infrastructure and collaboration have, however, led to a downward trend in exports over the last years exports in 2021 of more than US\$211 million and in 2022 of just over US\$101 million).

For the recovery of the sector, BioCubaFarma and its companies are focusing on increasing the product portfolio, investing in R&D and high-competitive products, as well as an expansion in production plants in Cuba and abroad, and raising the regulatory standard of the production systems, based on an investment program that includes foreign investment^{xv}. There could be business opportunities for Swiss companies operating in the sector, some of which have already cooperated with Cuba in the past.

Also strategic for the country's economic and social development is the **information technology and telecommunications sector**. By 2025, Cuba's communications sector has experienced a significant growth, especially in mobile phone access (almost 8 million users registered in 2024^{xvi}) and internet connectivity (94.04% of mobile phone users connected to the internet in 2024, plus internet connectivity in a total of 283,398 houses^{xvii}). In addition, digital transformation strategies are being implemented, including the expansion of artificial intelligence and the promotion of electronic payments (number of transactions on the digital payment platform Transfermóvil exceeded 1.2 billion in 2024^{xviii}). Despite growth, challenges persist, such as the need to improve service quality and investment capacity (mainly in infrastructure) to meet the growing demand. As part of the strategies to establish alliances with foreign partners, the Government is promoting business opportunities in the sector that include areas such as cybersecurity, ICT infrastructure, technical services, and the development of science and technology parks. There are also opportunities in postal services (to improve the quality and efficiency of postal services, including the processing and distribution of consignments), software development, and IT consulting services.

Within services, **tourism**, for many years Cuba's economic engine and one of the sectors in which the government invests the most, is another priority sector in the country. However, in recent years, it has experienced a significant decline in the number of international visitors and hotel occupancy rates (29.7% decrease in international visitors, 11% decrease in hotel occupancy, and 21.5% decrease in revenue for state-owned tourism entities during the first half of 2025, as compared to the same period in 2024^{xix}). This decline owes, partly, to the decrease in visitors from key markets such as Canada (year on year decline from 1.2mio 0.8 Mio!), Russia, and Cubans living abroad; but it also results from the structural challenges the sector faces, such as reduction in air routes, regional competition, and internal constraints (lack of electricity, poor transport, deteriorated infrastructure) in supply and quality of services.

Given the importance of the sector, the government has outlined strategies for the recovery of tourism in Cuba that span the entire island and include a wide variety of destinations. These initiatives focus on diversifying tourism products, improving the quality and competitiveness of the destination, promoting multi-destination tourism, as well as projects to strengthen nature and adventure tourism, cruises, marinas, events, and health and wellness tourism. Based on that, opportunities for foreign companies, including Swiss companies operating in the sector, would be mainly related to infrastructure projects and hotel supplies. Other potential opportunities, promoted by Cuba, are associated with the establishment of Special Tourist Economic Zones, with additional incentives for investors and operators (announced during FITCuba 2025), as well as new business models associated with real estate (leasing of tourist facilities, for example).

3 FOREIGN ECONOMIC POLICY

3.1 Host country's policy and priorities

The U.S. embargo has remained a significant challenge in the implementation of Cuba's foreign economic policy over the years, and now it is compounding the country's economic difficulties. Precisely due to US sanctions against Cuba, and particularly the country's redesignation as a SST and Title III of the Helms-Burton Act, the country is not a member of international financial institutions (IFIs) such as the IMF, the World Bank (it withdrew from both in the 1960s), and the Inter-American Development Bank (IDB), which has a significant impact on access to sources of financing and investment. While the United States technically cannot block Cuban membership in these IFIs, sanctions and restrictions triggered by Cuba's SST status include (i) a requirement for the United States to oppose loans to Cuba by the World Bank and other international financial institutions; (ii) a prohibition on any assistance to Cuba under the Food for Peace, Peace Corps, and Export-Import Bank programs; (iii) a prohibition on US Persons¹ from engaging in financial transactions with the Cuban government without a license from the US Department of the Treasury's Office of Foreign Assets Control, under the Terrorism List Governments Sanctions Regulations, among others. Title III of the Helms-Burton Act, on its side, requires US representatives

¹ i.e., entities organized under US laws and their non-US branches; individuals and entities physically located in the United States; and US citizens and permanent resident aliens, wherever located or employed

in IFIs to vote against Cuban membership and instructs the withdrawal of funds from any IFI that benefits Cuba. Accordingly, priorities of Cuban foreign economic policies lie in creating alliances to bypass US sanctions as well as the search for alternative fora and avenues for international cooperation, in particular through South-South cooperation.

Multilateralism being key in Cuba's foreign economic policy, the country is a member of a host of multilateral organizations. Cuba is a member of the World Trade Organization (**WTO**) since 1995 and participates actively in groups such as the G20 and G33, in addition to having accepted several important WTO protocols, including amendments to the TRIPS Agreement, and the Trade Facilitation Agreement. Cuba is a member of the G77 plus China since its creation, and held, for the first time, the pro tempore presidency of the Group in 2023 and participates actively in the Global System of Trade Preferences among Developing Countries (GSTP).

Since 2020, Cuba has been the only non-regional partner with observer status in the Eurasian Economic Union (EEU). The goal is to strengthen relations between Cuba and the EEU countries, particularly Russia, to diversify economic and geopolitical exchanges.

In January 2025, Cuba joined the **BRICS as a partner country** (category created to expand the BRICS's reach and influence). As part of its objectives, the organization works to reduce dependence on the U.S. dollar and promote the use of local currencies in trade and investment among its members. In view of this, experts consider that this membership is of great importance for Cuba, since it offers the possibility of expanding the country's economic ties (not using the dollar as a commercial currency) and accessing new and friendlier mechanisms for financing, trade, cooperation, and international investments of the organization's members.

At the regional level, since 1999 (accession to the Montevideo Treaty), Cuba is one of the 13 member countries of the **Latin American Integration Association (ALADI)**, the largest integration group in Latin America created in 1980. Cuba is also a non-regional member country of the **Central American Bank for Economic Integration (CABEI)** since 2018, making CABEI the first multilateral organization in the region to accept the country as a member. CABEI has provided Cuba with technical assistance, financial support, and scholarships, including operations to fight against the COVID-19 pandemic (€46.7 million in 2022 to strengthen capacity in the development and production of medicines, medical equipment, diagnostics, and vaccines against COVID-19), and emergency aid following the fire at the supertanker base in Matanzas province. This relationship strengthens integration between Central America and the Caribbean, in addition to fostering trade relations between member countries and Cuba.

Cuba and **CAF – Development Bank of Latin America** – have a collaborative relationship, marked by a 2016 agreement to promote development initiatives and technical cooperation, with the goal of eventually integrating Cuba as a CAF shareholder. However, there is no information indicating that Cuba is a member of CAF or that there are any significant cooperation initiatives in 2025.

Other regional organizations to which Cuba belongs are the Association of Caribbean States (ACS), the Community of Latin American and Caribbean States (CELAC), the Economic Commission for Latin America and the Caribbean (ECLAC), and the Latin American and Caribbean Economic System (SELA). However, it is not a member of the Organization of American States (OAS) or the Caribbean Community (CARICOM), although it has maintained close relations with the latter.

The historical relations between Cuba and the Caribbean Community (**CARICOM**) are based on solidarity, and cooperation, and date back to the 1970s, when Jamaica, Barbados, Guyana, and Trinidad and Tobago broke the United States' diplomatic isolation to establish ties with the island. It has been strengthened with trade and cooperation agreements (2000 and 2017) that facilitate trade (preferential tariff access for certain goods, such as Cuban pharmaceuticals and agricultural products from CARICOM countries) and other bilateral ties. CARICOM countries have shown support for Cuba in international fora.

On the other hand, Cuba has **active trade agreements** with several countries, Venezuela, Mexico and some of ALADI and CARICOM's member states among them, as well as with countries from other regions like Russia, China, Turkey, India, Vietnam, and others.

Economic relations with the **USA** deserve special mention, since they are mainly defined by the American sanctions against Cuba, which restrict trade and finances, and condition an opening to the improvement of human rights in Cuba and to internal political changes. Over time, there have been temporary selective opening policies, such as the easing of remittances and travel, especially during the Obama administration, and subsequent restrictions under the first Trump administration (reactivation of Title III of the Helms-Burton Act and the redesignation of Cuba as a State Sponsor of Terrorism, for example). After slight easing under President Biden the second Trump administration has again hardened the US policy towards Cuba by reversing his predecessor's rescission of Cuba's designation as an SST and removal of financial transactions with certain Cuban parties, as well as by rescinding former President

Biden's revocation of National Security Presidential Memorandum 5 of June 16, 2017, reinstating the "Cuba Restricted List". All the above has very serious economic implications for Cuba, for foreign companies interested in doing business with Cuba, and for foreign tourists. Nevertheless, trade as well as travel between Cuba and the US is ongoing.

Relations with the **European Union (EU)** are noteworthy, given that the bloc is an important trading partner and the largest foreign investor in Cuba, primarily in tourism, construction, light industry, and agribusiness. Relations are framed within the Political Dialogue and Cooperation Agreement (PDCA), signed in 2016. It replaced the previously existing "common position" policy that prohibited political dialogue with Cuba. The PDCA seeks to establish a structured political dialogue and promote cooperation for sustainable development, respect for human rights, and the modernization of the Cuban economy. Through this agreement, the EU has funded cooperation projects in various sectors, including agriculture, energy, biotechnology, and small and medium-sized enterprises (MSMEs).

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

Economic relations between Cuba and Switzerland are modest in commercial terms. A Swiss-Cuban Chamber of Commerce and Industry promotes trade relations between the two countries. From a regulatory perspective, a bilateral investment promotion and protection agreement has been in place since 1997, which applies to all bilateral investments made in the territory of either contracting party. On the other hand, the bilateral trade agreement signed between the two countries in 1954, which lost its economic usefulness with Switzerland's accession to the GATT in 1966, was not extended in 2023. More recently, following negotiations between Cuba and the Paris Club in early 2025, a general understanding was reached on the restructuring of the Cuban debt repayment and interest payments for the period 2025–2044. Within this framework, Cuba's debt to Switzerland was updated with favorable conditions for Cuba. The updated bilateral debt regularization agreement between the Government of the Swiss Confederation and the Government of the Republic of Cuba was signed on July 11, 2025, by the Swiss Ambassador to Cuba, Stefano Vescovi, and the Deputy Prime Minister of the Republic of Cuba, Ricardo Cabrisas.

Under the Cuban legislation, there is no discrimination against Swiss companies for their access to the domestic market. However, there are both external and internal challenges that hinder trade. Externally, the extraterritorial effects of the Helms-Burton Act (contrary to international law, as it allows lawsuits to be filed against third-country companies that trade with Cuba under certain circumstances) hamper trade relations, resulting in a modest, if almost nonexistent, exposure of Swiss companies to the Cuban market. On its side, domestically, market access conditions are difficult due to existing legal and administrative challenges.

4 FOREIGN TRADE

4.1 Developments and general outlook

Cuba's external sector is characterized by a marked dependence on the export of professional services (especially medical services), as well as tourism, which generate most of its foreign currency, surpassing the export of goods. In the last 5 years, the sector has shown a negative performance.

In 2024, Cuba's external sector performed unfavorably, with a downward trend in exports of goods and services, as compared to 2023 (partial completion of services export plan and non-completion of goods export plan). Regarding imports, approximately 30% of the 2024 plan was not met, and there was a persistent trend toward importing products that are also manufactured in the country, as well as a preference of non-state-owned enterprises to import finished products and consumer goods.

Moreover, in the first semester of 2025, the trend toward importing finished products also continued (though in smaller volumes, food remains the most important item), instead of incentivizing the import of raw materials that allow for an increase in domestic production and the substitution of imports.

Cuba's main trading partners in the last two years include Venezuela (15.4% of 2023's total trade), Spain (14.02% of 2023's total trade), China (12.6% of 2023's total trade), Canada (6.47% of 2023's total trade), Mexico (4.8% of 2023's total trade), Russia (3.5% of 2023's total trade), Brazil (3.3% of 2023's total trade), and the Netherlands (2.7% of 2023's total trade). In the case of Russia, there has been an increase in the exchange resulting from the signing of agreements aiming at reinforcing the country's economic and financial presence in Cuba.

Among the most noteworthy challenges the sector faces, the most significant ones have been the shortage of foreign currency, the US embargo, the low production levels, the infrastructure problems, and the lack of liquidity. All the above has led to a widespread decline in exports and a non-compliance with the planned goals.

4.1.1 Trade in goods

According to the most recent official figures published by Cuba's National Office of Statistics and Information (ONEI), Cuban goods exports in 2023 amounted to US\$1.6 billion (US\$2.2 billion in 2022), while imports were valued at US\$8.9 billion (US\$9.8 billion in 2022). In recent years, goods exports have shown a downward trend, mainly owing to the low production levels of traditional exportable items such as nickel, rum, biotechnology products, and tobacco (the only one that showed growth in 2024, but in value, not in production). Imports, meanwhile, have decreased much less, which has increased the fiscal deficit (trade balance for 2023 of US \$ -7.3 billion). Main import items continue being food, machinery, fuels, and various industrial and chemical products.

4.1.2 Trade in services (if data available)

Foreign trade in services is a crucial component of the Cuban economy. Medical services and tourism continue to be the main revenue generators in this sector. However, the COVID-19 pandemic highlighted the importance of telecommunications and information technology services, as well as investments in biotechnology, being their development in human capital and knowledge management key to the future of services exports. The private sector, on its side, offers a growing range of services for self-employed Cubans, such as gastronomy and IT; however, these businesses lack direct access to foreign trade and investment. In general, services exports face structural challenges related to the low competitiveness of the Cuban economy, the need to transform the economic model, and the sectoral imbalance in which health care dominates exports.

Comparing the figures, in 2023, the total value of Cuba's services export amounted to US \$ 6.8 billion. In 2024, Cuba reached 101.6% of the plan for services exports. The medical services sector was the main driver of this overachievement, reaching 16% above the plan. Meanwhile, revenues in tourism, grew slightly, despite a 30% drop in the number of international visitor arrivals. In the first half of 2025, though, services exports grew 3.5% in the telecommunications sector (below its performance in January-June 2024); medical services surpassed the plan by 0.3% (but was also below performance in the same period last year); and plans for the tourism sector were severely affected, both in visitor arrivals (which did not exceed 71% of the forecast) and in the indicators of tourist days and services exports.^{xx}

4.2 Bilateral trade

4.2.1 Trade in goods

Specific 2024 and 2025 bilateral trade figures between Cuba and Switzerland are not available in official sources as on date. While Swiss-Cuban bilateral relations are described as good and stable, bilateral trade between both the countries has been very modest over the last few years. The most recent available figures published by Cuba's ONEI indicate that total trade in 2023 amounted to US \$ 42.3 million, with exports to Switzerland at US \$ 11.3 million and imports from Switzerland at US \$ 30.9 million.^{xxi} Official figures published by Switzerland show that total trade for 2023 amounted to CHF 48 million, with exports to Cuba amounting to CHF 41.6 million and imports from Cuba amounting to CHF 6.0 million. Total trade for 2024 amounted to CHF 51 million, with exports to Cuba of CHF 43.9 million and imports from Cuba of CHF 7 million.^{xxii}

It is most likely that the numbers published by Cuba are suffering from severe underreporting, as economic activities have to unfold in a treacherous environment of restrictive and oft-changing policies and regulations both domestically as well as internationally.

Switzerland imports primarily agricultural products from Cuba, while it exports to Cuba products like watches, paper, machinery, precision instruments, and pharmaceutical and chemical products.

Switzerland and Cuba mutually benefit from WTO legislation by participating in the Generalized System of Preferences (GSP), which grants Cuba preferential access to Swiss markets through tariff reductions for its products (significant tariff reductions for agricultural products such as tropical fruits, seafood, and fish). It also allows Switzerland to participate, within the framework of WTO rules, to establish its maximum tariffs and participate in trade negotiations. If Cuba were to fully utilize this framework, it would allow the country to increase its exports to Switzerland under advantageous conditions.

Also important in the development of bilateral trade relations is the role of the Swiss-Cuban Chamber of Commerce and Industry, which promotes and undertakes initiatives to identify and strengthen the existing ties, potentially including opportunities in the financial and economic sectors, as well as links with the Cuban emerging private sector.

4.2.2 Trade in services (if data available)

Trade in services between Switzerland and Cuba is not documented.

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

Foreign direct investment remains modest. Despite the efforts for attracting investors, including the revision of the legal framework and the creation of the Mariel Special Development Zone (ZEDM) in 2013, the results have not been as expected.

The legal framework establishes that all sectors of the economy are open to FDI, excluding health and education services, as well as the Armed Forces, except for their business sectors. It also reads that foreign firms may seek collaborations with state-owned companies, and possibly cooperatives, but not with privately owned Cuban businesses.

Although Cuba generally prefers Joint Ventures with a majority holding by the Cuban partner, there are three modalities for FDI in the country:

- 1) Minority or majority joint venture companies (JVs) in cooperation with state-owned enterprises.
- 2) International Economic Association Contracts (IEAC), for production or management of facilities, usually in tourism.
- 3) Full foreign-owned ventures.

Despite this, investments with 100% foreign capital remain the exception and are concentrated in non-strategic sectors (e.g., meat production, construction, etc.).

For the period 2024-2025, FDI has been characterized by efforts to attract capital in priority sectors like tourism, renewable energy, and agriculture, despite significant economic challenges, both domestic and external. Some of these include infrastructure deficits, a devaluing currency, default payments, slow processing of applications and documents, in general, and the ongoing U.S. embargo, among others. Official data shows 14 new businesses with foreign capital approved in the first half of 2025.

The previously described challenging context and Cuba's unpaid debts, plus the obligation for foreign companies to operate solely in cooperation with Cuban state-owned enterprises, make the Cuban market generally unattractive to foreign investors. However, opportunities exist for investors willing to navigate the complex environment. One of those seems to be Russia, that is emerging as a potential strategic partner following Cuba's BRICS accession in early 2025.

Venezuela, China, Spain and Canada continue to be among the main foreign investors in the country, but there are also investors from other EU countries, like Italy and France.

Detailed information on FDI is not available, since Cuba does not publish it to protect investors from potential direct or indirect sanctions from the United States.

5.2 Bilateral investment

Swiss companies have access, without discrimination, to the Cuban market, if transactions are done through an official importer (state-owned). However, given the fact that investments in JVs are often required to be significant and long-term from the foreign counterpart; Swiss companies are in a disadvantaged position, as compared to competitors from other countries, which, in some cases, benefit from very beneficial state loans.

Another challenge is the type of project the Cuban government launches for tender in FDI. They are normally ready-made investment projects. However, they often require complete renovations or the construction of production facilities and/or the corresponding infrastructure, which entail high costs. Since Swiss companies typically focus on providing services and/or selling high-tech equipment, these megaprojects do not fit their profile. Following the COVID-19 pandemic, the current context of economic crisis, coupled with the limited capacity of public authorities to review medium- and small-scale investment projects (such as those historically undertaken by Swiss companies), has led to a present trend to prioritize larger investment projects.

Nestlé is currently the only Swiss company with local production in Cuba. It operates through a distribution company and two joint ventures (linked to state-owned companies). The company's Nescor project was initiated on the basis that Nestlé's coffee production would be sustained by the Cuban government selling coffee beans to Nestlé. However, by 2024 and over a period of three years, only 22 tons had been delivered to Nestlé (10 tons in 2024 alone), when the factory has a working capacity of 8,600 tons per year. Discussions are currently being held with the concerned authorities in Cuba for a joint project on coffee production, in alliance with local coffee beans producers.

Other companies, especially in the pharmaceutical sector (Roche, Novartis), sell or promote their products and services locally through local representations. Roche, in particular, is in the process of opening a diagnosis center in Havana (expected opening for December 2025), along with Cuba's

Ministry of Public Health (MINSAP, in Spanish) import-export company, Medicuba S.A.. This diagnostic center will provide service to 16 healthcare centers.

Another Swiss company operating with Cuba is Intertabak, one of Switzerland's biggest importers of Cuban cigars. It is worth mentioning that, after China, Switzerland is the second largest importer of high-value Cuban tobacco. Trafigura, on its side, imports gas from Cuba and is currently working on a nickel mine in Cuba.

In the service sector, mainly related to tourism, some companies have either closed operations with Cuba (like Edelweiss in early 2025) or are currently closing, such is the case of Kempinski hotel chain. This owes to a decline in tourist arrivals to the country and, in the particular case of Kempinski, to the impossibility to guarantee the required quality of the service, as per the standards of the hotel chain, due to supply shortages mostly.

As with bilateral trade, it is likely that large parts of Swiss FDI in Cuba remain unreported.

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

In collaboration with the Embassy, the Swiss-Cuban Chamber of Commerce and Industry (SCCC) supports bilateral economic and trade relations by providing advisory and information services to companies interested in developing activities in Cuba. It also organizes several events per year to facilitate B2B interactions, like the Swiss Business Night (sponsored by the Embassy and during which key topics of the Cuban economy are discussed in the form of a panel), Summer Soirée in Switzerland (with the participation of representatives of the Embassy of Cuba in Switzerland) to raise funds for social projects in Cuba, Afterwork Networking Evenings and private business meetings, both in Cuba and Switzerland, among others. Moreover, it coordinates a stall for the participation of Swiss companies in the most important trade fair of Cuba, the International Fair of Havana (FIHAV).

In 2013, a Switzerland-Cuba Joint Committee was created with the mandate to facilitate trade cooperation and support tentative Swiss investment initiatives. The JC is currently dormant.

6.2 The host country's interest in Switzerland

In terms of the perception of Switzerland as a tourist, education or other type of destination, most of the Cubans who travel to Switzerland go there for family visits, invited by relatives or friends, who normally cover their expenses. Cubans need a visa to stay in the country for both, short (up to 90 days) and long (work/study purposes) stays. Since June 2022, airport transit visa is also a requirement for Cubans. Moreover, Switzerland offers a limited number of study scholarships per year, which are coordinated by the Embassy.

When it comes to Switzerland as a location for investments and a financial center, given Cuba's current economic situation, the country's foreign trade policy is mostly focused on attracting foreign investments to the country rather than on investing abroad. However, there have been initiatives abroad such as joint ventures in the biotechnology sector (detailed information on Cuba's investments abroad no available, though). On the other hand, Swiss banks with ties to the United States are reluctant to engage with Cuba. In the current economic context, most of them do not conduct operations with Cuba, which limits attractiveness of the Swiss financial center for Cuban entities.

More recently, Cuban authorities have stated expression of interest in resuming the trade and economic dialogue with Switzerland. On this note, they have also conveyed the willingness to review previously existing economic and trade agreements that are no longer operational, to determine which ones could be renegotiated and resumed for mutual benefit.

ANNEX 1 – Economic structure

Economic structure of the host country

	2019	2023
Distribution of GDPⁱⁱ		
Primary sector	3.9%	2.4%
Manufacturing sector	22.6%	25.9%
Services	73.4%	71.7%
- of which public services	59.9%*	58.5%*

Distribution of employmentⁱⁱⁱ		
Primary sector	18.3%	18.3%
Manufacturing sector	14.4%	15.7%
Services	67.3%	65.9%
- of which public services	71.4%*	69.7%*

Source(s):

ⁱⁱ Anuario Estadístico de Cuba 2023 and 2019 (Cuentas Nacionales), ONEI, Havana, 2024 and 2020

ⁱⁱⁱ Anuario Estadístico de Cuba 2023 and 2019 (Empleo y Salarios), ONEI, Havana, 2024 and 2020

*Based on the Cuban nomenclature, public services for this calculation included: electricity, water and water supply services; transport, storage and communications; public administration, defense and social security; education; public health and social services; culture and sports; community, social and personal services

ANNEX 2 – Main economic data

Host country's main economic data

	2023	2024	2025 (estimate)
Nominal GDP (USD bn as per official exchange rate) *	36.2^{1, 2}	36.4⁵	37.4⁵
Nominal GDP (USD bn as per informal exchange rate) **	2.1	2.2^{iv}	2.2^v
Real GDP^{1, 2} (USD bn as per official exchange rate) *	2.1	2.1	2.1
Real GDP (USD m as per informal exchange rate) **	1.3	1.2	1.3
GDP per capita^{1, 2} (USD as per official exchange rate) ^{vi}	212.3	216.7	218.8
GDP per capita (USD as per informal exchange rate) **	12.6	12.8	12.9
Growth rate^{1, 2} (% of GDP) *	-1.9%	-1.1%	1%
Inflation rate (%)	31.34%⁴	24.88%⁴	11.2% (av.)⁵
Unemployment rate (%) ^{1,3}	1.8%	1.7%	1.7%⁵
Fiscal balance (% of GDP)	-10.9%⁶	-6.5%⁷	-11.4%⁵
Current account balance (% of GDP) ⁵	-6.9%	-4.7%	-4.3
Total external debt (% of GDP) ***	N/A	N/A	N/A
Debt-service ratio (% of exports)	N/A	N/A	N/A
Reserves (months of imports)	N/A	N/A	N/A

Source(s):

¹ Anuario Estadístico de Cuba 2023 (Cuentas Nacionales), ONEI, Havana, 2024² Producto Interno Bruto Trimestral 2024, ONEI, Havana, 2025³ Informe de Resultados de la Encuesta Nacional de Ocupación (ENO), 2024, ONEI, Havana, 2025⁴ <http://www.cubadebate.cu/especiales/2025/01/24/cuba-en-datos-se-desacelera-la-inflacion-pero/>⁵ One-click report: Cuba, February 13th, 2025, EIU (forecast). The Report is based on an average exchange rate of USD 1.00 being equivalent to CUP 52.50.⁶ Estimated based on a fiscal deficit of 94959.1 million CUP for Cuba in 2023, as published by official media⁷ <http://www.cubadebate.cu/noticias/2025/07/16/informe-sobre-la-liquidacion-del-presupuesto-del-estado-2024-destaca-ajustes-fiscales-y-mejora-estructural/>* <https://www.bc.gob.cu/historigrama/138>** <https://eltoque.com/tasas-de-cambio-de-moneda-en-cuba-hoy>

*** Most recent official information on Cuba's external debt goes back to 2020, when it represented 20% of the GDP. Some media sources, though, refer to a Report by The Economist Intelligence Unit that estimated Cuba's total debt (public and private) to amount to around 28.5 and 28.7 USD million by the end of 2023.

^{iv} Estimate calculated based on the forecast in the Once-click report by EIU.^v Estimate calculated based on the forecast in the Once-click report by EIU.^{vi} Estimate calculated using the Real GDP and the total population official figure (from ONEI) of 9748007 people for 2024 and 10055968 people for 2023.

ANNEX 3 – Trade partners

Trade partners of the host country Year: 2023

Rank	Country	Exports from the host country (in 1000 USD)	Share	Change ^{vii}	Rank	Country	Imports to the host country (in 1000 USD)	Share	Change ¹⁰
1	Canada	484 772	30.6%	-34.0%	1	Venezuela	1 613 480	18.0%	-19.9%
2	China	268 211	16.9%	-34.5%	2	Spain	1 214 666	13.5%	19.8%
3	Spain	265 741	16.8%	-23.6%	3	China	1 063 862	11.9%	-7.2%
4	Mexico	69 837	4.4%	50.3%	4	Mexico	439 229	4.9%	26.3%
5	Germany	43 653	2.8%	5.1%	5	Russia	370 248	4.1%	-56.1%
6	Cyprus	26 477	1.7%	51.0%	6	Brazil	342 969	3.8%	-9.2%
7	Netherlands	20 120	1.3%	-80.1%	7	Germany	273 101	3.0%	5.5%
8	France	19 164	1.2%	-29.2%	8	Netherlands	268 317	3.0%	-47.5%
9	Belgium	17 998	1.1%	25.9%	9	Italy	251 907	2.8%	-15.2%
10	Venezuela	16 230	1.0%	-59.8%	10	Argentina	247 395	2.8%	-28.8%
15	Switzerland	11 292	0.7%	9.6%	30	Switzerland	30 959	0.3%	18.4%
	EU	489 253	30.9%	-29.2%		EU	2 949 714	32.2%	-16.0%
	Total (goods)	1.6*	100%	-27.05%		Total (goods)	9.0*	100%	-8.7%
	Total (goods and services)	8.4*	100%	N/A		Total	10.6*	100%	N/A

*USD billion

Source(s): Anuario Estadístico de Cuba 2023 (Sector Externo), ONEI, Havana, 2024 (percentages were calculated on the basis of the information published by ONEI)

^{vii} Change from the previous year in %

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and the host country

	Export (CHF million)	Change (%)	Import (CHF million)	Change (%)	Balance (CHF million)	Volume (in million)
2020	4	-56.7	46	21.2	-42	50
2021	9	108.1	42	-8.1	-34	51
2022	7	-16.7	39	-7	-32	47
2023	6	-15.8	42	5.6	-36	48
2024	7	16	44	5.5	-37	51

* 'Economic' total (total 1): not including gold bars and other precious metals, currencies, precious stones and gems, works of art and antiques

** Change (%) from the previous year

Source: <https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/result.xhtml>

Exports	2023 (% of total)	2024 (% of total)
1. Paper, articles of paper and products of the printing industry	35.9	34.4
2. Precision instruments, clocks and watches and jewellery	31.5	29
3. Watches	21.2	21.4
4. Products of the chemical and pharmaceutical industry	6.5	13.4
5. Various goods such as music instruments, home furnishings, toys, sports equipment, etc.	1	9.5
6. Machines, appliances, electronics	16.3	8.9
7. Precision instruments and equipment	10.3	7.6
8. Metals	6.5	3.3
9. Vehicles	0.1	0.9
10. Textiles, clothing, shoes	1.2	0.4
11. Forestry and agricultural products, fisheries	0.1	0.1
12. Food, beverages and tobacco	0.1	0.1
13. Leather, rubber, plastics	0.8	0.1
14. Plastics	0.4	0.1
15. Stones and earth	0.2	0
Imports	2023 (% of total)	2024 (% of total)
1. Forestry and agricultural products, fisheries	99	98.5
2. Products of the chemical and pharmaceutical industry	0.7	0.9
3. Various goods such as music instruments, home furnishings, toys, sports equipment, etc.	0	0.3
4. Precision instruments, clocks and watches and jewellery	0	0.2
5. Energy source	0	0
6. Textiles, clothing, shoes	0	0
7. Paper, articles of paper and products of the printing industry	0	0
8. Leather, rubber, plastics	0	0
9. Stones and earth	0	0
10. Metals	0	0
11. Machines, appliances, electronics	0.1	0
12. Vehicles	0	0

Source: <https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/result.xhtml>
<https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/result.xhtml>

ANNEX 5 – Main investing countries

Main investing countries in the host country

Year: 2024

This information is not published by the Government.

There are no alternative international sources, like FMI, WBG, EIU or any other.

ⁱ Cuba's National Office of Statistics and Information (ONEI)

ⁱⁱ <http://www.cubadebate.cu/noticias/205/07/16/ministro-de-economia-inflacion-escasez-de-divisas-combustible-y-energia-electrica-frenan-el-crecimiento-economico/> (consultado el 18 de julio de 2025)

ⁱⁱⁱ <https://www.presidencia.gob.cu/es/noticias/2025-un-primer-semester-duro-un-segundo-semester-desafiante/> (consultado el 22 de julio de 2025)

^{iv} <https://www.granma.cu/cuba/2025-07-16/informan-sobre-el-plan-de-la-economia-durante-el-primer-semester-de-2025-16-07-2025-17-07-37> (consultado el 18 de julio de 2025)

^v <https://library.fes.de/pdf-files/bueros/fescaribe/21991.pdf>

^{vi} <http://www.cubadebate.cu/noticias/2025/07/16/ministro-de-economia-inflacion-escasez-de-divisas-combustible-y-energia-electrica-frenan-el-crecimiento-economico/> (consultado el 18 de julio de 2025)

^{vii} <http://www.cubadebate.cu/noticias/2025/07/16/ministro-de-economia-inflacion-escasez-de-divisas-combustible-y-energia-electrica-frenan-el-crecimiento-economico/> (consultado el 18 de julio de 2025)

^{viii} <https://www.acn.cu/cuba/tabacaleros-cubanos-con-fuerte-compromiso-productivo>

^{ix} <http://www.cubadebate.cu/noticias/2025/08/09/cuba-incrementa-produccion-de-tabaco-torcido-para-exportacion-segun-cifras-del-primer-semester/#:~:text=La%20producci%C3%B3n%20de%20tabaco%20torcido,el%20Ministerio%20de%20la%20Agricultura>

^x <https://oncubanews.com/cuba/cuba-eleva-produccion-de-tabaco-con-6-millones-mas-de-unidades-exportadas-en-2025/>

^{xi} <https://www.acn.cu/cuba/tabacaleros-cubanos-con-fuerte-compromiso-productivo>

^{xii} <https://www.presidencia.gob.cu/es/noticias/de-empresas-cubanas-que-empiezan-a-asumir-protagonismo-en-la-transicion-energetica/#:~:text=En%202030%20la%20Isla%20se,energ%C3%A9tica%20y%20su%20marco%20regulatorio>

^{xiii} <https://www.periodicovictoria.cu/biocubafarma-diez-anos-despues-retos-y-proyecciones/>

^{xiv} <https://www.granma.cu/cuba/2025-03-21/existen-posibilidades-de-crecer-en-la-industria-biotecnologica-en-alianzas-con-la-union-europea-21-03-2025-23-03-39>

^{xv} <https://www.periodicovictoria.cu/biocubafarma-diez-anos-despues-retos-y-proyecciones/>

^{xvi} <https://www.granma.cu/cuba/2025-03-05/de-cuanto-avancen-las-comunicaciones-depende-mucho-el-desarrollo-del-pais-05-03-2025-00-03-37>

^{xvii} <https://www.juventudrebelde.cu/cuba/2025-01-07/aumenta-acceso-a-la-telefonía-móvil>

^{xviii} <https://www.etecsa.cu/es/noticias/se-realizan-en-2024-mas-1200-millones-operaciones-por-transfermovil>

^{xix} <https://www.onei.gob.cu/sites/default/files/publicaciones/2025-05/turismo-trimestral-marzo-2025.pdf>

^{xx} <https://www.presidencia.gob.cu/es/noticias/2025-un-primer-semester-duro-un-segundo-semester-desafiante/>

^{xxi} Anuario Estadístico de Cuba 2023 (Sector Externo), ONEI, Havana, 2024

^{xxii} <https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/result.xhtml>