

**SIXTH CONGRESS OF THE COMMUNIST PARTY
OF CUBA**

**RESOLUTION ON THE GUIDELINES OF THE
ECONOMIC AND SOCIAL POLICY OF THE PARTY
AND THE REVOLUTION**

Adopted on April 18th, 2011

“Year 53rd of the Revolution”

"Revolution means to understand each moment in history; it means changing everything that ought to be changed; it means full equality and freedom; it means being treated and treating others like human beings; it means achieving emancipation by ourselves and through our own efforts; it means challenging powerful dominant forces from within and without our social and national contexts; it means defending the values we believe in at the cost of any sacrifice; it means modesty, selflessness, altruism, solidarity and heroism; it means fighting with audacity, intelligence and realism; it means to never tell a lie or violate ethical principles; it is a profound conviction that there is no force in the world that can crush the power of truth and ideas. Revolution means unity; it is independence, it means fighting for our dreams of justice for Cuba and for the world, which is the foundation of our patriotism, our socialism and our internationalism"

FIDEL CASTRO RUZ

May 1, 2000

"Today, more than ever, the economic battle is the main task and the focus of the ideological work of the cadres, because the sustainability and preservation of our social system depend on that."

ARMY GENERAL RAÚL CASTRO RUZ

Closing session of the Ninth Congress of the Cuban Young Communist League

April 4, 2010

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RESOLUTION ON THE GUIDELINES OF THE ECONOMIC AND SOCIAL POLICY OF THE PARTY AND THE REVOLUTION

The Sixth Congress of the Communist Party of Cuba has discussed and analyzed the final draft of the Guidelines on the Economic and Social Policy of the Party and the Revolution to update the Cuban economic model, aiming at guaranteeing the continuity and irreversibility of Socialism, the economic development of the country and the improvement of the living standards of the people, together with the necessary creation of ethic and political values among our citizens.

These Guidelines state that the economic system that shall prevail will continue to be based on the people's socialist ownership over the fundamental means of production, governed by the socialist principle of distribution: "from each according to his/her capacity to each according to his/her contribution."

The Party's economic policy will follow the principle that only socialism is capable of overcoming every difficulty and preserve the achievements attained by the Revolution. The updating of the economic model shall be governed by planning, which will take into account the market trends.

These principles should be harmonized with a greater autonomy on the part of state-run enterprises and the development of other forms of management. In addition to socialist state-run enterprises, which will be the main national economic structure, the Cuban model will also recognize and promote other modalities; namely, foreign investments, cooperatives, small farming, usufruct, franchisement, self-employment and other forms that may emerge and contribute to increased labor efficiency.

The economic policy is based on the concept that socialism, rather than egalitarianism, means equal rights and opportunities for all citizens. This policy ratifies the principle whereby, under the Cuban socialist society, no one will be left unprotected.

The Draft Guidelines on the Economic and Social Policy of the Party and the Revolution were discussed and supported by the majority of the people. They were redrafted based on the proposals made by all citizens in a democratic and participatory process.

Following the evaluation of the final reports issued by its five commissions, the Sixth Congress of the Communist Party of Cuba agreed as follows:

- To approve the Guidelines on the Economic and Social Policy of the Party and the Revolution including all the modifications that were adopted.
- To instruct the Government the creation of a Standing Commission for Implementation and Development that, without overlapping any of the functions inherent to the relevant State central administrative bodies, will be responsible for monitoring, checking and coordinating the actions of all those involved in this activity, suggest the incorporation of new guidelines and,

together with the relevant organs, disseminate appropriate information about the process.

- To recommend to the National People's Power Assembly, the Government and all relevant bodies to draft and approve, as the case may be, the necessary legal rules to create the legal and institutional framework in support of the functional, structural and economic modifications that may be adopted.
- To entrust the Communist Party of Cuba with the responsibility of monitoring, promoting and demanding compliance with the Guidelines that have been approved, which presupposes greater economic knowledge by its cadres and members at all levels. The Plenum of the Central Committee of the Communist Party will evaluate at least twice a year the evolution of the economic model updating process and the execution of the Economic Plan.

INTRODUCTION

The submission of Cuban economic policy guidelines to the 6th Congress of the Cuban Communist Party requires an assessment of the existing economic conditions and the issues to be addressed, with regard paid to the main events and circumstances both internationally and nationally, since the date of last Congress.

Around the world, the international context has been characterized by a structural and systemic crisis that simultaneously combines economic, financial, environmental energy and food crises, with their strongest impact on the undeveloped countries.

Cuba operates an open economy that relies on foreign economic relations. As such, this country has not been spared from the lash this crisis, the effects of which are found in the instability of the prices for Cuban exports, the demand for the Cuban exports of goods and services, and greater restrictions to access foreign credit.

Between 1997 and 2009, as a result of the ebbs and flows in its export and import prices, Cuba incurred in a net loss of 10.9 billion dollars, as compared to 1997. On average, the purchasing power of Cuban exports of goods declined by 15%.

Cuba also experienced an intensification of the economic, financial and trade blockade consistently in place for half a century and imposed by the US. This blockade that has remained unchanged under the current US administration has meant significant losses.

However, since late 2004, new opportunities arose for Cuba's international integration, thanks to its membership in the Bolivarian Alliance for the Peoples of our Americas ("ALBA" for Spanish), which helped increase Cuba's revenue from its supply of services; in particular, health-care services to Venezuela and other countries in the region. Cuba also significantly expanded its financial and trading

relations with other foreign countries, including but not limited to China, Vietnam, Russia, Angola, Iran, Brazil and Algeria.

Within the same period, weather events caused important economic damages. Between 1998 and 2008, 16 hurricanes caused losses worth 20.564 billion dollars and this number excludes the serious affectations derived from draught.

Domestically, Cuba has witnessed poor efficiency, a deterioration of its production base and infrastructure, and an aging and growth-stagnant population.

Beyond the goals defined in the Economic Resolution adopted at the 5th Congress, during this period, Cuba was forced to amend certain policies in order to address the complex issues arising from the international and domestic contexts.

In regards to the Cuban economic operation, as of 2003, the allocation and utilization of foreign exchange were subjected to heavy centralization.

Since 2005, it became apparent that the Cuban economy had limitations to solve the deficit in its balance of payments, the retentions by banks of overseas transfers and the high volume of its overdue payables. This situation introduced serious strains in economic management and led to the application of a number of measures, including as follows:

- Institutional strengthening, including the reorganization of the State and Government;
- Emphasis was placed on the concept that the economic plans must be adjusted to available resources;
- Priority was given to the growth and diversification of exports and the substitution of imports, with special programs and actions implemented in their support, including closed financing schemes that allow for the utilization of foreign exchange in a decentralized fashion;
- The capital investment policy was revised and reoriented for a more comprehensive application and in the avoidance of resource immobilization and other inefficiencies. In keeping with this measure, the available foreign credits were relocated to projects that may have the strongest impact on the Cuban balance of payments.
- Cuba's foreign debt repayments were rescheduled.
- The structure and operation of the agricultural sector were reformed. Legislative Decree no. 259 was enacted to distribute fallow State-owned land under usufruct for the purpose of increasing food output and reducing food imports.
- Additional measures were adopted to conserve energy, including organizational changes, such as the restructure of cargo transportation.

- A significant number of strategic industrial projects were started for the future development of the country;
- In order to mitigate the burden shouldered by the State in the provision of certain services, a number of experiments were initiated, including but not limited to the replacement of workers' canteens and transportation services for other modalities and the operation of barbershops, beauty parlors and taxi services under franchises allocated to their employees.

In spite of the aforementioned measures, the existing picture is so complex that the main limitations to economic performance have not been removed. Therefore, the following will be required:

- Put in exploitation the existing idle land representing 50% of the total arable acreage, and increase agricultural yields;
- Recover Cuba's traditional export capacity; steadily increase and diversify the exports of goods and services; and reduce the high reliance on imports in order to reverse the existing conditions of the country's foreign-exchange availability
- Identify alternative sources of financing in order to stem the deterioration of the country's industrial base and productive infrastructure;
- Allocate more decision-making powers to companies within the confines of the existing plan and effectively promote local initiatives as a way to maximize territorial economic development in a sustainable fashion;
- Restructure employment and wages, with consideration given to non-State management formulas where desirable, with a view to eliminating bloated payrolls in all the economic sectors and making sure that labor occupation becomes the main source of income for the individual;
- Increase labor productivity; strengthen occupational discipline; enhance the motivating nature of wages and incentives; and eliminate egalitarian practices in income distribution and redistribution; and as part of this process, the removal of undue free benefits and excessive individual subsidies will be required;
- Strengthen the coordination among the macroeconomic policies and complete the studies on the elimination of the dual currency circulation and the improvement of the exchange policy.
- The Cuban economic management through a planning system has so far focused on the existing foreign trade and exchange issues. Compounded by a poor integration among the objectives of the national economic plan, this approach led steady inconsistencies and disproportions between individual company plans and the national economic plan.

The solution of these highly complex issues requires a strategic mid and long-term vision. For this reason, between mid 2009 and May 2010, the Ministry of Economy and Planning, in consultation with other government agencies, developed an economic forecast to 2015.

This exercise showed that finding a solution to the existing macroeconomic imbalances and inefficiencies is indispensable for Cuba's future development; consequently, based on the approved forecast, the economic policy for the period 2011-2015 is expected to address the aforementioned issues.

GUIDELINES OF THE ECONOMIC AND SOCIAL POLICY OF THE PARTY AND THE REVOLUTION

The economic system that will prevail in Cuba will continue to be based on the socialist ownership by the entire people of the fundamental means of production and will be governed by the socialist distribution principle "from each according to his/her capacity, and to each according to his/her contribution."

In this new stage, the economic policy will be built on with the principle that only socialism is capable of overcoming difficulties and preserving the achievements of the Revolution, and that planning, rather than the market, shall prevail in the process of updating the Cuban economic model. A central economic planning and the regular oversight functions exercised by the State, the Government and their institutions will be the guarantors of an efficient system operation.

These principles must be implemented in harmony with greater independence allocated to the State-owned companies and the introduction non-State management formulas for the supply of goods and services in a manner that unleashes the potential of the productive forces, increases production and improves the living standards of the population.

These objectives require the promotion of an economic culture in the entire population, the training of cadres and the preservation of ethical principles, combined with a sense of duty and revolutionary sensitivity as critical characteristics of day-to-day behavior.

The recommended economic policy is guided by the principle that socialism is about equal rights and opportunities for all citizens, rather than egalitarianism. -Work is a right and a duty, as well as a source of motivation for every citizen's self-accomplishment, and must be remunerated in accordance to its quantity and quality.

Given the present conditions and the foreseeable international situation, the economic policy shall be aimed at addressing economic problems through two types of solutions that require mutual coherence:

- Short-term solutions that eradicate the deficit in the balance of payments, maximize export earnings and substitute imports, while eliminating the issues that immediately impact economic efficiency, motivation to work, and income distribution and creating the necessary infrastructural and productive conditions that facilitate the transit to a higher stage development.
- Longer term sustainable development solutions that provide for a high level of food and energy self-sufficiency, an efficient use of the human potential and a high competitiveness in traditional productions, as well as the development of new goods and services of high value added.

The update of the Cuban economic model and the implementation of its related measures will be guided by the principle that no one will be left unprotected in the Cuban society.

In view of the above, the following guidelines for each and every economic sector have been identified.

The Guidelines of the Economic and Social Policy express the people's will, as enshrined in the policy of the Party, the State and Government of the Republic of Cuba, to update the Cuban economic model in order to guarantee the continuous and irreversible nature of Socialism, support the country's economic development and improve the living standards of the population, combined with the necessary creation of ethical and political values in our citizens.

The design of these guidelines has taken into consideration past experiences, the world's present and foreseeable political and economic picture and the situation of the Cuban economy in this context, and has been supported by the results from the mid-term projections.

I ECONOMIC MANAGEMENT MODEL

GENERAL GUIDELINES

1. The socialist planning system will continue to be the main national management tool of the national economy. Its methodology and organization and control must be modified. Economic planning will influence on the market and take into account its characteristics.
2. The management model recognizes and encourages socialist State-owned companies – the main national economic modality - as well as the foreign investment forms described in the law (e.g., joint ventures and international association contracts), cooperatives, small farming, usufruct, franchisement, self-employment and other economic forms that may altogether contribute to increased efficiency.
3. In the forms of non-State management, the concentration of property in the hands of any natural or legal person shall not be allowed.

4. The structural, functional, organizational and economic changes in the business sector, State-funded entities and the entire State administrative apparatus will be introduced on the basis of a schedule, in an orderly and disciplined way and in compliance with the policy that has been approved. Workers shall be informed of the process and their recommendations shall be listened to, all of which will require training at every level to facilitate their implementation.
5. Planning shall include State-owned companies, the Government funded entities, the international economic associations, and also regulate other applicable forms of non-State management. Planning shall be more objective at all levels. The new planning methods will modify economic control methods. Territorial planning shall take into consideration these transformations.
6. The separation between State and business functions shall be a gradual and orderly process. The definition of standards is key to the satisfaction of the proposed targets.
7. It is necessary that the country's business system be made up of efficient, effective and well organized firms and new oversight business management organizations be established. Intercompany cooperation shall be promoted for higher efficiency and better quality. Legal instruments shall be defined to regulate the above.
8. The increase in the powers vested upon entity managers shall be associated with their higher responsibility for efficiency, effectiveness and for their control of labor utilization, financial and material resources, coupled with the requirement on the executives to account for their decisions, actions and omissions that lead to economic damages.
9. Markets shall be created for the wholesale provision and lease of equipment, supplies and implements without subsidies to enterprises, State-funded entities and non-State organizations.
10. The business relations between companies, State-funded entities and non-State organizations shall be formalized in economic contracts. The quality of the negotiation, drafting, execution and operation of these contracts, as well as the claims arising from their terms and the oversight of their compliance shall be a requirement and an essential tool for economic management.

BUSINESS SECTOR

11. The external oversight of the management of any entity will be mainly based on economic and financial mechanisms, without excluding the administrative mechanisms. The current burden meant by such supervision activities will be reduced and the reporting systems will be more rational.

12. Increased powers and obligations make it indispensable to require that the entities and their managers act ethically and that entities' internal controls are strengthened in order to achieve the expected results in the performance of their plans and satisfaction of their goals with efficiency, order, discipline and strict adherence to the laws.
13. The powers and financial instruments that enterprises shall use in the management of their production of goods and services shall be clearly defined. The corporate objects will be more flexible to make sure that each entity may maximize its potential within the existing regulations.
14. The internal finances of companies shall not be intervened by any unrelated entity. This intervention shall only occur in compliance with legally established procedures.
15. The Business Management Improvement Program will be integrated with the policies defined in the Economic Model for more efficient and competitive companies.
16. Each enterprise shall control and manage its working capital and capital expenditures within the limits allowed by the plan.
17. The State-run companies and cooperatives that steadily post losses and insufficient working capital in their balance sheets or are unable to meet their obligations with their assets, or whose financial audits render negative results, shall be subject to liquidation or converted to any other form of non-State organization in compliance with the regulations on this matter.
18. The subsidies on losses allocated to companies shall be eliminated. As a rule, they shall not be funded by the State for their production of goods and services.
19. Subject to observance of their commitments with the State and compliance with the existing requirements, the companies may use their after-tax profits to create funds for development, investments and incentive payments to their workers.
20. The remuneration payable to the managers and employees of State-run companies and non-State organizations will be based on the end results of their business.
21. Each company and cooperative shall pay to the Municipal Administration Council with jurisdiction over its business operations, a territorial tax, that will be set centrally according to the specific characteristics of each municipality, as a contribution to local development.
22. Each company will allocate a portion of its after-tax earnings to a pool established by its parent house to offset any financial imbalances.
23. Each company will have authority to approve its organizational chart, subject to compliance with the indicators defined in the plan, which shall help avoid unnecessary overstaffing.

24. The research organization that is involved in the supply of goods and services must be a member of a business group or parent house, where possible, in a manner that its research activities can be effectively associated with its productions.

COOPERATIVES

25. Grade 1 cooperatives shall be established as a socialist form of joint ownership in various sectors. A cooperative is a business organization that owns its estate and represents a distinct legal person. Its members are individuals who contribute assets or labor and its purpose is to supply useful goods and services to society and its costs are covered with its own income.
26. The legal instrument that regulates the cooperatives must make sure that this organization, as form of social property, is not sold or otherwise assigned in ownership to any other cooperative or any non-State organization or any natural person.
27. A cooperative maintains contractual relations with other cooperatives, companies, State-funded entities and other non-State organizations. After satisfying its commitment with the State, the cooperative may pursue sales operations free from intermediaries and in accordance with the business activity it is authorized to perform.
28. Subject to compliance with the appropriate laws and after observance of its tax and contribution obligations, each cooperative determines the income payable to its employees and the distribution of its profits.
29. Grade 2 cooperatives shall be formed and the partners of which shall be Grade 1 cooperatives. A Grade 2 Cooperative shall represent a separate legal person that owns assets. The purpose of this cooperative is to pursue supplementary related activities or conduct operations that add value to the goods and services of its partners (such as production, service and marketing operations) or carry out joint sales and purchases for greater efficiency.

STATE-FUNDED ENTITIES

30. A State-funded entity discharges State, government and other functions, including but not limited to the provision of health-care and educational services. These organizations have definite corporate object, mandate and obligations.
31. The number of State-funded entities will be minimized to a number that secures the discharge of their functions. This reduction will be governed by the principle of maximizing the State budget savings on material and financial resources and ensuring an efficient and quality service.
32. State-funded entities will not be established for the supply of goods and/or services. The State-funded entity that can cover its costs with its income and generate a margin will either become a self-financed organization that will continue to discharge its original functions and powers, or subject to prior approval, it shall be converted into a business corporation.

33. The State-funded entity can cover only part of its costs with its income will receive approval for the portion of its costs that will be funded by the State Budget.
34. A management system will be designed for the economic operation and oversight of the State-funded entities, and the accounting function of these entities will be simplified.

TERRITORIES

35. The Provincial and Municipal Administration Councils will discharge State duties and will not intervene directly in the management of any business.
36. The state functions exercised by provincial and municipal sectorial offices will be defined in relation to the functions discharged by the Central Government Bodies, and the applicable scopes of competence, links, operating rules and working methodologies of each authority will be identified.
37. The implementation of local projects by Municipal Administration Councils, in particular for food production, is a work strategy for municipal food self-reliance. Mini-industries and service centers must be promoted on the principle of financial sustainability as a key feature that must be harmoniously consistent with both the municipal goals and the objectives of the national economic plan. Upon their completion, the local projects will be managed by organizations based in the municipality.

II. MACROECONOMIC POLICIES

GENERAL GUIDELINES

38. Provide for greater coordination between the objectives of the national economic plan, on the one hand, and the design and scope of the monetary and fiscal policies, on the other.
39. Achieve a positive foreign-exchange balance that is based on an appropriate ratio between income and expenses in convertible currency in keeping with the economic performance.
40. Make sure that the actual wealth is properly distributed between immediate consumption and accumulation. Establish a proper ratio between the consumption based on personal income and the consumption based on public funds in a manner that encourages labor productivity.

In the supply of goods and services, the planning process must:

41. Make sure that the ratio between the growth in labor productivity and the growth in average labor wages will not deteriorate the internal monetary balance and the national economic efficiency;
42. Make sure that the steady growth in economic efficiency becomes the basis for economic development, helps gradually reduce the levels of State support, and to the extent possible, contributes to an improved supply of essential goods and services to the population;

43. Guarantee that the sectors responsible for the increase in the country's material wealth have the dynamics required to ensure adequate availability of the resources needed to render social services;
44. Make sure that a proper ratio exists between the import component of the domestic productions and the economy's capacity to generate foreign exchange earnings;

MONETARY POLICY

45. The short, medium and long term monetary planning must achieve an overall internal-external monetary balance.
46. Design a monetary policy that regulates both the money supply and the levels of credit in accordance with the existing plan in order to help attain stability in foreign exchange ratio and purchasing power of the local currency, as well as promote an orderly economic development.
47. In keeping with the monetary policy, proper money issuing rules must be designed and indicators for supply controls must be applied on a timely basis.
48. A more rational and warranted interest-rate system must be structured and the application of monetary policy instruments must be maximized as a way to manage occasional monetary imbalances on the basis of stronger relations among the member institutions of the national banking system.
49. The balance between the money supply in the hands of the population and the money circulation in the retail sector, as well as the need to manage this balance on a planned basis, shall continue to be a key instrument for attaining a monetary and exchange stability within the public. The aforementioned represents a requirement to restore the applicability of the law of socialist distribution: "from each, according to his/her capacity, and to each, according to his/her contribution."
50. Implement a credit policy primarily designed to support the activities that stimulate the national production, generate foreign exchange earnings and/or substitute imports, as well as any other activities that secure economic and social development.
51. Design mechanisms and conditions that secure the expeditious supply and repayment of credits.
52. The supply of credits to the individual for the purchase of goods and services must be increased and diversified with regard paid to the security requirements imposed by banks, the borrower's repayment capacity, an appropriate monetary balance and the planned macroeconomic indicators.
53. Provide necessary banking services, including the supply of credit to organizations under non-State management modalities, in support of their proper operation. Consideration shall be given to the creation of capitalization accounts for equipment purchases and other purposes.
54. Make sure that a proper ratio exists between the interest rates on bank deposits and the interest rates on bank credits.

EXCHANGE POLICY

55. Progress will be made toward the establishment of a single currency on the basis of labor productivity and effective distribution and redistribution mechanisms. The complexity of this goal will require rigorous preparation and implementation, both objectively and subjectively.

FISCAL POLICY

56. The fiscal policy is expected to contribute to a steady increase in economic efficiency and in revenue to the State Budget for the purpose of supporting public expenditures at the planned levels and in the interest of maintaining a proper financial balance, with regard paid to the specific characteristics of our economic model.
57. The taxation system will be based on the principles of generality and equity of the tax burden. Its implementation shall take into account the financial capacity of the taxpayers and the characteristics of individual territories. Higher taxes shall be levied on higher income as a way to mitigate the inequalities among citizens.
58. A special, differential and flexible tax system will be introduced as a way to stimulate farm production.
59. Consideration will be given to the application of tax incentives that promote an orderly development of non-State management modalities.
60. The scope of the taxation system must be expanded gradually as an effective tool for income redistribution and in support of the implementation of policies that help improve the economic management model.
61. Tax incentives will be maintained for the promotion of domestic production in key economic sectors; in particular, the export and import-substitution productions, as well as for the local development and environmental protection.
62. The role of the tariff system in the economic model must be updated, with priority given to the preferred tariff regimes and allowances that may be deemed desirable on the principle that the export and import-substitution productions must be cost effective.
63. A tax culture and a social responsibility must be instilled in the individuals and institutions, so that tax obligations are fully observed, the civic values of the contributions in support of social expenditures are promoted, and high levels of fiscal discipline are attained.
64. The budgeted costs will be consistent with the financial resources generated by the country's economy and the use of these resources will be rational, in order to support the planned levels of activity, without any adverse impact on quality.
65. The fiscal control mechanisms will be reinforced to make sure that tax obligations are observed and the State assets are preserved and utilized rationally.

PRICING POLICY

66. Pricing policies will be designed consistently with the updated economic model.
67. The pricing structure will be revised thoroughly, so that it correctly reflects the economic events, stimulates efficiency, increases exports, substitutes imports.
68. The pricing for goods and services that are subject to regulation for social and economic reasons will continue to be determined centrally and the pricing for any other goods and services will be decentralized.
69. The excessive subsidies on goods and services and undue free benefits will continue to be eliminated gradually. The retail pricing will be formed on the basis of costs and without inefficiency cover-ups and with regard paid to the people's income levels.
70. The quality-price ratio between similar products and services supplied in the State-run network must be improved in the avoidance of unwarranted price differences.
71. Measures will be introduced in order to propitiate, to the extent possible, the price stability of non-State supplies; in particular, the supplies of goods and services that satisfy basic needs of the population, with consideration given to the economic conditions.

III. EXTERNAL ECONOMIC POLICY

GENERAL GUIDELINES

72. Trade, tax, credit, tariff, labor and other policies must be implemented in a comprehensive fashion so as to generate the results expected from the Cuban foreign trade in terms of export development and effective import substitution, as soon as possible.
73. Diligent efforts must be pursued to enhance Cuba's credibility in its international economic relations by strictly observing all the commitments that have been entered into.
74. Utmost attention must continue to be paid to the selection and oversight of the cadres charged with the promotion of Cuba's international economic interests; in particular, to their ethical conduct and technical training. The economic, financial, technical and legal skills of the different negotiating teams or groups must be strengthened.
75. The principle that the "decision maker is not the negotiator" must be applied in every Cuban activity associated with international economic relations.

FOREIGN TRADE

76. Export earnings from goods and services must be increased and enhanced, and for this purpose, solutions must be identified for the domestic obstacles to exports today. Real national export awareness must be instilled at all levels and the important and strategic decisions must be supported by with objective and updated market research studies.
77. The export markets for Cuba's goods and services must be diversified. Priority and focus must be maintained in respect of Cuba's main partners. Greater stability must be achieved in income generation.
78. The exports of goods and services must be diversified, with preference given to exports of greater value added and technology content.
79. The price locking mechanisms for Cuba's commodity exports (such as nickel, sugar, petroleum and coffee, among others) must be expanded and reinforced as a way to realize the planned prices.
80. A comprehensive strategy must be designed for the export of services, in particular, professional services, with priority given to the sale of technology applications and projects and a flexible consideration to the hire of individual labor. An appropriate legal framework and efficient marketing structures must be developed with capacity to promote partnerships with foreign capital as a way to secure the maximized utilization of Cuba's existing potential.
81. A strategy must be designed and implemented to secure new markets for the export of both health-care services and Cuban medical and pharmaceutical products.
82. The export markets for seafood (lobster and shrimp) must be recovered and maximized, and the current marketing schemes must be revised to reflect additional flexibility.
83. The Cuban export companies and related entities must make sure that their goods and services satisfy the highest quality standards.
84. The production cycle of export supplies must be secured and appropriate systems must be designed for this purpose.
85. The Cuban import operations must be more efficient and rational, with emphasis on quality. The companies involved in foreign trade transactions must be reorganized with a better allocation of authorized imports among these entities, so that the country's purchasing power can be effectively utilized.
86. The import operation efficiency must be increased by, inter alia, the development of a wholesale market, and in particular, the reorganization of the consignment business.
87. An effective import-substitution process must be propitiated by the introduction of mechanisms that encourage and support, to the extent possible, a maximum utilization of Cuba's existing capacities in the agricultural, industrial, service and human-resource sectors.

88. The machinery and equipment importers must regularly identify domestic manufacturing capacities for the items included in their authorized import list, and on this basis, mutually beneficial agreements must be promoted between the Cuban mechanical industry and its foreign manufacturing partners in a manner that, through technology transfers, technical assistance and other facilities, a gradual substitution of imports of spares and accessories, in particular, may be achieved.
89. International cooperation and complementation agreements for high value-added exports from the industrial sector must be promoted.
90. Mechanisms that channel the import requirements from non-State modes of production and realize export potentials must be designed and implemented.
91. The management efficiency of foreign trade companies must be improved with priority given to proper international market and pricing reviews, the appropriate reliance on the lists of potential bidders, and the adequate and comprehensive contract formulation and oversight.

INDEBTEDNESS AND CREDIT

92. The process to reschedule Cuba's foreign debts with maturity dates within the short, medium and long terms, which affect the national economy, must be expedited. Flexible restructuring strategies for debt repayment must be designed and implemented and these processes must be completed as soon as practical, in a manner that sustains a steady and growing economic performance and opens access to new financing.
93. Make sure that the commitments assumed under any such debt repayment reschedule are strictly observed.
94. Make sure that the financing obtained from any external sources is included in the National Economic Plan and will not cause a deterioration of Cuba's foreign financial position.
95. Design a policy for the execution and rational utilization of new credits, as well as for the management and control of Cuba's indebtedness. Review the existing regulations and issue new rules, as appropriate, to give effect to this policy.

FOREIGN INVESTMENT

96. Continue to attract foreign capital, as a supplement to the national investment efforts, for the activities of interest for the country in keeping with the economic and social development projections in the short, medium and long terms.
97. Make sure that the foreign capital so attracted satisfies a host of objectives, including access to advanced technology, the transfer of management skills, a diversification and expansion of export markets, an import substitution, the supply of medium and long term financing for the construction of a production project and/or the provision of working capital for its operation, and the generation of new employment.

98. Improve the regulations and procedures for a more expedient assessment, approval and implementation of projects with foreign capital. Rigorous controls will be established on the observance of these regulations and procedures, as well as the commitments assumed by the foreign partner under any form of foreign investment.
99. A time limit must be set for the foreign investments that after incorporation fail to commence their operations within the period defined for this purpose, and a decision must be made in regards their fate in the avoidance of their continued utilization of resources indefinitely with a resulting increase in inefficiency.
100. Upon incorporation of any form of foreign investment in Cuba, make sure that additional income is generated for the country, not only from wages, taxes and dividends, but also from goods and services supplied by Cuban companies.
101. In the promotion of investment projects, favor a diversification of business partners from different countries.
102. Prepare and keep up-to-date a portfolio of investment projects for their possible negotiation with potential foreign partners.
103. Promote the creation of Special Development Zones that help increase exports and effectively substitute imports, implement advanced technology projects, propitiate local development, and supply additional employment.
104. Make sure that the business operation of each international economic association is consistent with the National Economic Plan.
105. Assess and adjust, as needed, the existing partnerships with foreign capital in a manner that these organizations are consistent with the country's requirements.
106. Consider foreign investment as a way to finance non-exporting industries that are otherwise indispensable providers of other essential productions for the Cuban economy or contribute to import substitution.
107. Where it is economically warranted and desirable, promote the establishment of companies and alliances in other countries in order to better position Cuba's interests in foreign markets.

COOPERATION

108. Make sure that the international cooperation supplied and/or received by Cuba is included in the National Economic Plan in a manner that its comprehensive execution is secured.
109. Improve and supplement the legal and regulatory regime for both the provision and receipt by Cuba of economic, scientific and technical cooperation.
110. Continue to exercise international solidarity through cooperation projects pursued by Cuba and keep financial and statistical records, as required, for assessment purposes; in particular, cost analyses.

111. Where practical, consider a payment requirement to cover at least the costs incurred by Cuba in its solidarity cooperation projects.
112. Promote multilateral cooperation, particularly with UN agencies, as a way to obtain financial resources and technologies in keeping with Cuba's national development priorities.
113. In Cuba's relations with international cooperation organizations, give priority to material and technological support for the development of projects that utilize diverse sources of renewable energy.

ECONOMIC INTEGRATION

114. Give priority to Cuba's participation in the Bolivarian Alliance for the Peoples of our Americas ("ALBA" for Spanish) and work hard and expeditiously in the coordination, cooperation and economic complementation in the short, medium and long terms, in order to realize and reinforce the political, economic and social goals promoted by ALBA.
115. Keep an active participation in the economic integration process with Latin America and the Caribbean as a strategic objective, and maintain Cuba's involvement in the regional trade economic arrangements to which Cuba has adhered, including but not limited to the Latin American Integration Association ("LAIA"), the Caribbean Community ("CARICOM"), the Association of Caribbean States ("ACS") and PETROCARIBE, and continue to strengthen the unity among the members of these arrangements.

IV. INVESTMENT POLICY

GUIDELINES

116. The execution of Cuba's main capital projects will respond to the country's development strategy for the short, medium and long terms. Such projects must be free from spontaneity, improvisation, superficiality, failed plans, shallow feasibility studies, and incomprehensive approaches.
117. Top priority will be given to the maintenance of equipment and facilities in all economic sectors.
118. The investments will be made preferably in the productive service sectors in order to generate benefits in the short term, as well as in the infrastructure required for the country's economic development.
119. Increased controls and oversight will be exercised over the central government bodies and administration councils in their capacity as core investors and supervisors of each project from its design to the assessment of its performance.

120. The quality and hierarchy of the General Land-Use Plans will be improved at the national, regional and provincial levels. These plans will be integrated with the medium and long term economic projections and the capital expenditure programs, with regard paid to the risks of earthquakes and other natural disasters. The mandatory consultations must be thorough and expeditious, and specific deadlines must be set for their replies, and territorial as well as urban discipline must be restored.
121. Conditions will be created for a gradual decentralization and a conceptual change of the capital investment plans. Powers to approve investments will be vested in the Central Government Bodies, Administration Councils, business companies and State-funded organizations.
122. The contract must be a working tool to plan and manage each phase of any investment project in order to make sure that the ultimate objective of the investment, its quality requirements and execution schedule are satisfied.
123. Each approved investment shall, as a policy, demonstrate its ability to return its costs by relying on its own performance. These investments must be executed using external credit or in-house funding, the repayment of which shall be made from the resources generated by the investment concerned.
124. An investment execution plan must be designed to minimize the simultaneous immobilization of resources in long-to-mature projects. Preference will be given to the projects that generate faster response or improve the overall nature of the most important objectives.
125. In long-term projects, a phased approach will be adopted in a manner that each phase may become separately operational and immediately commence its return.
126. The industrial projects that generate capital goods and intermediate supplies for the national economy must primarily respond to the Cuban strategic objectives.
127. New project management, design and construction skills will continue to be adopted in the implementation of projects with International Economic Associations. Where the complexity and importance of a project will so warrant, consideration will be given, on an exceptional basis, to the hire of expatriate contractors and designers.
128. Consideration will be given to the application of a bidding process for the supply of design and construction services by Cuban entities. Regulations will be recommended and adopted for increased efficiency, competitiveness and quality in the investment projects implemented in Cuba.

V. SCIENCE, TECHNOLOGY, INNOVATION AND ENVIRONMENT POLICY

GUIDELINES

129. The design of an encompassing science, technology, innovation and environment policy must take into consideration the fast changes and growing interrelationship in these areas. This policy must respond to the needs for economic and social development in the short, medium and long terms. The policy must also help enhance economic efficiency, expand high value-added exports, substitute imports, meet the needs of the population, and encourage people's participation in the socialist construction, while protecting national environment, heritage and culture.
130. Functions and structures must be reorganized and the relevant legal instruments must be updated to ensure an effective and integrated management of the Science, Technology, Innovation and Environment System.
131. The results obtained in biotechnology, medical-pharmaceutical productions, software industry, information society process, basic and natural sciences, studies on and use of renewable energy sources, social and educational technologies, industrial technology transfers, manufacture of advanced technology equipment, nanotechnology, and high value-added scientific and technological services shall be sustained and further enhanced.
132. Organizational, legal and institutional conditions must be improved for the establishment of economic structures that combine scientific research, technological innovation, prompt and effective development of new goods and services, efficient production based on appropriate quality standards, and domestic and overseas marketing functions, which render benefits to societies and encourages cycle reproduction. The application of the aforementioned concepts must be expanded to include universities.
133. Comprehensive research studies must be conducted and sustained to help protect, preserve and remediate the environment and adapt the environmental policy to the new economic and social projections. Priority will be given to research studies that address climate change, and in general, Cuba's sustainable development. Emphasis will be made on the preservation and rational use of natural resources; such as soils, water, beaches, the air, forests and biodiversity, and the promotion of environmental education.
134. Irrespective of their management form, all the economic entities will rely on a regulatory framework that helps the expeditious and regular introduction of the results from science, technology and innovation in their supply of goods and services, with regard paid to the effective environmental and social responsibility standards.

135. A technology policy must be designed to help reorient Cuba's industrial development and to supervise the locally available technologies for the purpose of their steady modernization on the basis of energy efficiency, production effectiveness and environmental impact. This policy must also help enhance Cuba's technological sovereignty in strategic sectors. The importation of technologies must consider Cuba's capacity to assimilate and service the same, as required, including the manufacture of spare parts, metrological support and standardization.
136. The agro-industrial production will integrate the use of science, technology, innovation and proper environmental management as a way to increase food output, improve animal health and upgrade producer services by reducing costs, increasing the use of locally produced materials and supplies and maximizing the exploitation of the scientific and technological capacities available in Cuba.
137. Social and humanistic research studies on priority matters for the Cuban society must continue to be promoted. The procedures for the application of the results from these studies in the decision-making process at every level must be improved.
138. Greater emphasis must be placed on the continued training and upgrading of the technical staff and skilled cadre, in a manner that they may react to and anticipate the scientific and technological evolution in the main areas of production and services and may prevent and mitigate social and environmental impacts.
139. New ways to encourage creativity within the grassroots labor force must be defined and promoted. Workers' involvement in the solution of technology-related production and service problems and in the identification of environmentally sustainable production practices must be fostered.

VI. SOCIAL POLICY

GENERAL GUIDELINES

140. The Revolution's achievements, such as access to medical care, education, culture, sports, recreation, public safety, social security and protection of those in need through social welfare, must be preserved.
141. The role of work and its resulting income must be restored as the fundamental means to help the development of society and the satisfaction of personal and household needs.
142. The quality of the services provided to the public must be improved on a sustainable and systematic manner and the existing policies must be redesigned consistently with the economic possibilities.

143. The provision of educational, cultural, sport and health-care services must be further improved, and for this purpose, the reduction or elimination of excessive social expenditures and the need to generate new revenue streams are indispensable. Consideration must also be given to the possible transfer of activities from the State budget to the business sector.
144. Special attention must be paid to the design and implementation of strategies in all sectors of society to address the population's high rate of aging.

EDUCATION

145. The educational and teaching standards and quality must be further improved. Priority must be attached to the permanent upgrading and recognition of and support for the teaching staff, as well as to the role of the family in child and youth education. The existing labor force and capacities must be better utilized.
146. The teaching staff required in each province and municipality must be trained on a rigorous and quality basis to meet the needs of their educational centers at different levels of education.
147. The role of the teacher before his/her students must be reinforced and the audiovisual aids must be operated rationally as a supplement to the teacher's educational work.
148. The school network must be reorganized gradually. The number of students in high and senior-high boarding schools must be downsized to an indispensable minimum as a way to reduce transportation, food, and other living expenses.
149. In the elementary education, the school network capacity and the number of teachers must be consistent with the economic development, and demographics of each area, as well as with the characteristics of the students' places of residence.
150. The enrollment in the various specialty and university education courses must be consistent with the demands from society and its economic development. The career orientation activities carried out from the elementary education in conjunction with producers and service providers and the involvement of the families must help reinforce the recognition of intermediate level technicians and skilled workers for their occupation.
151. The controls and effectiveness of the teaching process must be enhanced as a way to improve the efficiency of the educational cycle (ratio between the number of students who completed their education and the number students who were enrolled at the start of the cycle).
152. The university training and research programs must be updated for consistency with the country's economic and social development needs and the newly available technologies. The number of students enrolled in agricultural, technological, pedagogical and related basic science degree courses must be increased.

153. It shall be established that the conditions available to any worker to pursue training courses are subject to the principle that the training will occur during the worker's free time and on the basis of the worker's personal effort, except for the cases in which the State has a special interest.

HEALTH CARE

154. Increase service quality to the satisfaction of the population; improve working conditions and health-care employee support; make sure that resources are efficiently utilized and saved, and unnecessary expenditures are eliminated.
155. Reorganize and concentrate the health-care services, including emergency care and transportation, on a regional basis and consistently with the needs in each province and municipality. The health-care system must see to it that each patient receives appropriate and quality assistance.
156. Reinforce the training on and the use of clinical and epidemiological methods, as well as the consideration of the social environment, in addressing the public health care problems, in order to promote a rational use of technology in the diagnosis and treatment of diseases.
157. Continue to promote educational programs in the avoidance of self-medication by the population and implement other steps that foster the rational use of drugs.
158. Strongly support the development of traditional and herbal medicine.
159. Reinforce the health promotion and disease prevention actions that help improve lifestyles and increase public health standards, through an inter-sectorial and community approach.
160. Make sure that the training of medical specialists responds to the needs of the country, as well as Cuba's international commitments.

SPORTS

161. Prioritize and promote physical culture and sport practice in all their manifestations as ways to improve quality of life, education, and comprehensive formation of the individual. For this purpose, emphasis shall be made on the widespread practice of sports and physical activity by reorganizing Cuba's sport system and facilities.
162. Improve both quality and discipline in the training of athletes and sport teachers and make sure that the costs of organizing and attending national and international sport events and competitions are reasonable.

CULTURE

163. Further promote national identity, cultural heritage preservation, artistic and literary creativity, and the capacity for art appreciation. Foster reading habits, enrich the cultural life of the public and encourage community work as ways to meet spiritual needs and strengthen social values.

164. Further improve both quality and discipline in professional art education and adjust specialty enrollment to the provincial and municipal needs, as well as the requirements of emblematic professional groups.

SOCIAL SECURITY

165. Reduce the relative share of the State Budget in the funding of social security that will continue to grow in tandem with the increasing number of retirees; thus, an increase in contribution by the workers in the state sector to pension funds, as well as the implementation of special contribution systems in the non-state sector, are required.
166. Ensure that social security protection is received by those really in need; that is to say, the individuals unable to work and with no relatives to provide for them. Terminate the benefits that may otherwise be covered by the individual or his/her relatives and adjust other currently supplied benefits for consistency with the increased amounts in benefits and pensions in recent years. In parallel, the entire social work must be come under in a single coordinating center.

EMPLOYMENT AND WAGES

167. Promote the employment of people who are able to work as way to contribute to society and the satisfaction of personal needs.
168. Expand employment in the non-State sector as an additional employment option, subject to the new organizational forms of production and services that may be established.
169. Reorganize the country's occupational structure on the principle of proven job qualifications as a way to help eliminate overstaffing and paternalistic treatment and encourage the need to work and reduce the burden on the economy and the State budget.
170. Make sure that each worker is remunerated on the basis of his/her contribution, quality goods and services are generated, production and labor productivity are increased and wage income is effectively reflected in the satisfaction of the basic needs of the worker and his/her family.
171. The gradual wage raises will primarily benefit the most efficiently performed activities, as well as the workers whose results make significant economic and social contributions.
172. Plan the training of skilled labor on the basis of the country's present development needs, for which purpose, the present distortion in the structure for the training of university graduates, intermediate-level technicians and skilled workers must be corrected.

FREE BENEFITS AND SUBSIDIES

173. Remove the undue free benefits and excessive subsidies under the principle of individual compensation on the basis of need, rather than blanket subsidies on products.

174. Gradually and orderly eliminate the ration card that provides for regulated and egalitarian distribution at subsidized prices.
175. Sustain the food services supplied in public institutions, with priority given to the educational and health-care facilities that may so require. Improve the mechanisms that provide food support to vulnerable and risk groups.
176. Keep workers' canteens in operation where indispensable and charge unsubsidized prices for their services.

VII AGRO-INDUSTRY POLICY

GUIDELINES

177. Make sure that this sector gradually contributes to the country's balance of payment, so that Cuba stops being a net food importer and this sector reduces its highly financial dependence that currently covered by the income from other sectors.
178. Adopt a new management model that is consistent with the new non-State forms of production and is based on a more effective use of monetary and trade relations. Distinguish between the functions allocated to the State and those allocated to businesses, in order to foster producer's autonomy, increase efficiency and bring about a gradual decentralization in favor of local governments.
179. Adapt current legislation to reflect the transformations in the production base, in order to facilitate its effective and competitive operation and decentralize the economic and financial management system. Improve the organizational structures with the introduction of reliable control and information tools.
180. Make sure that the management of the different forms of cooperatives is autonomous and agro-industrial service cooperatives are formed at local level.
181. Adapt the agricultural food production to both its demand and the changes in marketing practices. Require quality contracts and performance in a manner that each party meets its obligations. Limit centralization to the items listed in the national balance. Allocate a more prominent role to free competition mechanisms for any other production.
182. Restructure the current input and equipment marketing system for consistency with the new agro-food scenario and the financial mechanisms that will be introduced. Make sure that the price for these inputs and equipment matches their quality. Provide direct access by all the production forms and producers to these items through a network of outlets that will be established locally.

183. Transform the collection and marketing system for agricultural products using a more dynamic management practices that help reduce losses, simplify the link between primary production and the end consumer and consider the possible delivery and sale of supplies by producers to the marketplace. Expand and improve produce processing operations for enhanced product quality.
184. In the short term, attach priority to the substitution of imported foods that can be efficiently produced in the country. Resources for this purposes must be allocated where conditions for their efficient utilization are available, in order to increase production yield and effectiveness. The application of scientific and technological results must also be promoted.
185. Organize agricultural production around foreign-exchange earning or import-substitution activities. Apply a systemic or chain-production approach that includes not only primary production, but also all the links to the agro-industrial complex. Such chains will be developed using the resources generated by their system; i.e., net export earnings or import substitution savings. A territorial approach must prevail in the organization of other productions for the purposes of local self-reliance, and emphasis must be made on the need to implement a suburban agricultural program that must be expanded countrywide.
186. Adequately link the agricultural production areas to processing facilities for the secured supply to large cities, export markets and the hard-currency paying domestic market.
187. Further reduce unproductive land and increase yield through diversification, relay farming, and intercropping. Develop sustainable agriculture in harmony with the environment. Foster an efficient utilization of plant and animal genetic resources, including seeds and breeds. Enhance technological discipline and phytosanitary protection, and promote the production and use of compost, bio-fertilizers, and bio-pesticides.
188. Design a comprehensive policy that helps maximize seed production, processing, preservation and marketing.
189. Make sure that the distribution of land in usufruct will render productive results comparable to the current results obtained by the cooperatives and individual small farmers. The growers will no longer be wage earners, but rather rely on their own incomes. Law-Decree 259 shall be amended as required to secure continued and sustainable operation of the land allocated in usufruct.
190. The role of the State as pricing regulator for the agricultural supplies that substitute imports or generate export earnings will be maintained as a way to encourage primary producers. Regard will be paid to the international market prices.

191. Special attention must be paid to the introduction of sorting and other facilities that add value to and enhance the quality and presence of agricultural products, help save transportation, distribution and preservation costs. Integrate small food processing plants at the local level to larger industrial facilities with the purpose of maximizing the supply of foodstuffs for the domestic market, substitute imports and generate exports.
192. Further promote the cattle, buffalo, hog, poultry and small livestock development program and maximize herds' genetic improvement for increased protein production, thus expanding the national food sources of animal origin. Make sure that veterinary services are available, national medicine production is increased and artificial insemination is expanded.
193. Make sure that the rice, bean, corn, soy and other grain production plans are fulfilled in order to increase production and help gradually reduce the imports of these supplies.
194. Promote coffee, honey, cocoa and other productions as a way to help gradually recover traditional agricultural exports and maximize the foreign market opportunities for tobacco.
195. Reactivate the citrus production sector, increase other fruit productions and ensure an efficient marketing of these supplies in both domestic and foreign markets.
196. Implement a comprehensive program to maintain, preserve and develop forest plantations that protect watersheds, in particular, dams, hydro-regulation belts, mountains and coastal areas.
197. Implement a comprehensive policy that helps a gradual repopulation of rural areas and adopt measures that encourage farm labor recruitment, permanence and stability, and support definitive settlements by families.
198. Adopt measures that encourage young people to join and stay in the agricultural sector, in particular, provide for the allocation of land in usufruct as a source of employment.
199. Organize the labor force in working crews and make sure that they are properly associated with specific areas and their income is based on performance as a way to increase farm labor productivity.
200. Develop a comprehensive training plan in keeping with structural changes. The purpose of this plan will be to train and re-training managers and workers in the fields of agronomy, veterinary medicine, industrial and food technologies, economics and business management. This plan must also cover cooperative and environmental management.
201. Concentrate investments in the most efficient producers, with regard paid to the characteristics of each territory and its links to the industry. These investments must primarily focus on crop irrigation, the recovery of agricultural machinery and means of transport, and the introduction of new technologies and industrial equipment indispensable to assimilate production increases and achieve higher efficiency levels.

202. Reorganize crop irrigation, drainage and agricultural machinery services to achieve a more rational use of water, water infrastructure and the available agricultural equipment. The use of draught animals must be combined with advanced technologies.
203. Make sure that specialized banking services are available to the agro-industrial sector in support of producers. These services must facilitate credits and control their execution. The agricultural insurance activity must be expanded and its effectiveness increased.
204. Update and implement programs aimed at the conservation and rehabilitation of the natural resources in use; namely, soils, water, forests, animals and plants, by training producers on environmental management and strictly enforcing the existing regulations and the penalties for their infringement.
205. Efficiently implement food self-sufficiency programs at municipal levels by relying on urban and suburban agriculture.
206. Implement the suburban agriculture program, efficiently exploit the arable lands surrounding cities and towns, minimize the use of fuel and imported inputs, rely on local resources, and extensively utilize draught animals.
207. Gradually transform the food agro-industry, including its development at the local level, in order to make a better use of raw materials and diversify its production.
208. Apply quality management systems that reflect the applicable rules and customers' demands as a way to secure food safety among other purposes.
209. The primary objective of sugar agro-industry will be to steadily increase sugar cane production. Priority shall be given to a land redistribution that brings the crop closer to its sugar factory. For the purpose of its development, this industry must improve the relationship between the sugar mill and cane growers and rely on Cuba's sugar tradition and accumulated experience.
210. The purchase price offered to cane growers shall consider the existing international sugar market price, in a manner that the cane price acts as incentive as compared to other crops and secures a growth in cane production and increased income for the sector workers.
211. Gradually increase the production of sugar and cane by-products through sugar campaigns and industrial turnarounds that are correctly planned and the observance of technological discipline, so that the foreign exchange revenues from this sector may fund its overall operating, repair and capital expenditures and make a net contribution to the country.
212. Diversify sugar production with regard paid to the foreign and domestic market demands. Create, recover and effectively operate cane derivative processing plants. Priority must be given to the plants that produce alcohol, animal feed and bio-products, among other supplies.

213. Increase both production and efficiency in continental shelf fisheries and observe fishing regulations for a rational exploitation of these resources and the preservation of the marine and coastal environments. Fish farming will be promoted in compliance with a high technological discipline and continued genetic improvement. This sector is expected to generate net export earnings that finance Cuba's imports of supplies impossible to produce locally.
214. The Cuban fishing industry shall increase its quality supply of local fish products to the tourist sector and the hard currency paying domestic market.

VIII INDUSTRY AND ENERGY POLICY

INDUSTRY POLICY

GENERAL GUIDELINES

215. The industrial policy shall prioritize the promotion of exports and the reduction of costs, in particular, the costs of imported components.
216. The technical infrastructure for standardization, metrology and quality assurance must be improved to reflect the priority objectives of export promotion and import substitution.
217. In the short term, the industrial productions shall be re-oriented to meet the demands from different forms of production (particularly cooperatives and self-employees). A market shall be created for equipment supply to small-scale productions, particularly in support of the development of local industries through the provision of new machines and equipment that are easy to operate and maintain.
218. In the design of any investment project, special attention must be paid to the environmental impact associated with the current and projected chemical, oil and petrochemical industries, nickel and other mining operations and production of cement and other building materials, as well as to most affected areas and the need to strengthen the control and monitoring functions.
219. The industrial base must be further reorganized and downsized. Scattered capacities must be concentrated and the facilities and equipment that have fallen in disuse must be utilized rationally, including their sale, lease or delivery in usufruct to self employees or other non-State forms of ownership.
220. Priority shall be given to industrial maintenance, including the production and recovery of parts, spares and tools.

GUIDELINES FOR THE MAIN BRANCHES

221. Reinforce the pharmaceutical and biotechnology industry as one of the economic activities with greater export potential and introduce new products in the national market as import substitution.

222. Develop an industry that produces dietary supplements and natural medicines from local materials for Cuban consumption and export.
223. Increase technological sovereignty in the development of the infrastructure of telecommunications and promote the design of new technological platforms in neuro-technology, nanotechnology, robotics and telemedicine.
224. Improve the position of the Cuban nickel industry in the marketplace by increased production, improved quality products, and cost reductions and a better exploitation of ore resources. Improve the repair and maintenance of industrial facilities in accordance with their approved program.
225. Expedite the completion of ongoing projects for the exploration for and exploitation of small ore deposits, particularly gold, silver, chrome, copper and zinc.
226. Promote investment projects in the electronic, information and communication industries that help preserve their achievements and support their future development, subject to the economic possibilities of the country's economy, in order to expand exports and services, and increase technological sovereignty, on the basis of defined priorities.
227. Develop and organize professional design services and integrate the same with corporate systems.
228. Strengthen technical prospection and monitoring capacities, as well as the policy on the protection of industrial property rights in Cuba and in the main foreign markets.
229. Further develop the Cienfuegos industrial park that will generate highly valuable products, such as ammonia urea, and liquefied petroleum gas.
230. Increase the production of fertilizers after the recovery of the ammonium nitrate plant and the rehabilitation of the granulated fertilizer plant in Matanzas, and expand the use of national raw materials, such as rock phosphate and zeolite. Promote the substitution of herbicide imports and the modernization of chlorine and salt production facilities.
231. Develop the production of new tires, mainly for agricultural and public transportation vehicles; rehabilitate and operate the retreading plants to their installed capacity. Cold retreading shall be more extensively used. Maximize the production of rubber goods.
232. Develop industries for the production of packaging materials and containers on the basis of a comprehensive approach to this activity. Priority shall be given to the production of the containers required by the Cuban exports and agricultural development.
233. Recover and increase building-material production in support of Cuba's priority construction projects (tourism, housing and industries, inter alia), expanded exports and sales to the public. Develop higher quality and value added building materials. Significantly increase and diversify the production of building materials at local level and disseminate information on their use.

234. Execute projects in ferrous metallurgy in order to expand the production capacity, reduce energy consumption, diversify the production of rolled steel and formed metals with improved quality. Strengthen the steel-wire rope-wire production chain, and increase the production of their by-products.
235. Promote recycling operations and expand the added value of recycled products. Prioritize the activities that generate the strongest economic impact with the least use of resources, as well as recapitalization, subject to economic possibilities.
236. Downsize and reorganize the mechanical industry capacities that are currently scattered under different ministries. Investments may also be made to replace machine tools and outmoded equipment in poor technical condition, depending on the economic possibilities.
237. Increase exports from the metals and mechanical industries by diversifying its markets and maximizing the use of the South-South trade. Strategic links for integration, cooperation and industrial complementarities will be designed.
238. Restructure the light industry corporate system in the short term in order to eradicate oversized structures and overstaffing and introduce all the technical, productive and managerial transformations required.
239. Modify the management model of local industries by making their operation more flexible in order to facilitate the development of rudimentary productions and the manufacture of consumer goods, either in small scale or customized to order, as well as the provision of repair and maintenance services. This will include the creation of greater opportunities for non-State activities.

ENERGY POLICY

240. Increase the national production of crude oil and associated gas by developing the known deposits and speeding up the geological studies aimed at discovering new reservoirs, including the ongoing exploration efforts in Cuba's Exclusive Economic Zone in the Gulf of Mexico.
241. Increase the crude oil refining capacity and achieve output levels that help reduce the importation of oil products.
242. Significantly increase power generation efficiency by allocating focus and necessary resources to the maintenance of operating plants. Achieve high rates of availability in thermo-power stations and in gen-set power facilities.
243. Complete the installation of fuel oil powered gen-set facilities and attach priority to the installation of combined-cycle plants in Boca de Jaruco, Calicito and Santa Cruz del Norte.
244. Maintain an active policy of distribution of power use to decrease consumption peaks and lower its impact on generation capacity.

245. Continue with the program of rehabilitation and modernization of power grids and substations and the eradication of low voltage areas, thus achieving the planned energy saving targets that result from a reduction in losses to power distribution and transmission. Further implement the approved plan of electrification of remote areas not connected to the national grid in keeping with the country's needs and possibilities and using the most economical sources.
246. Promote co-generation and tri-generation in all activities where possible. In particular, the sugar agro industry will increase power generation using bagasse, sugarcane and forest wastes, thus creating the conditions for co-generation both for refining and distillation during downtimes.
247. Maximize the use of different sources of renewable energy, including but not limited to solar, bio-gas, wind, water, biomass and other sources. Priority will be given to the sources with a greater economic impact.
248. Priority attention will be given to the attainment of the energy-saving potential identified in the State sector. Further efforts will be made to fully tap the efficiency reserves in the residential sector, which includes a review of the current tariffs, so that they may play their role as regulators of demand. A non-subsidized electricity tariff shall be applied to the non-State forms of production and services, either self employees or cooperatives.
249. The effectiveness of the repair and maintenance services of electrical cooking appliances shall be increased for proper operation of these devices.
250. Consideration shall be given to the possible liberalized sale of domestic fuel and advanced technology cooking appliances as additional option and at unsubsidized prices.
251. A special attention shall be given to the efficient use of energy in transportation.
252. The new capital investment projects, construction maintenance activities and major overhaul operations shall be designed with solutions for an efficient use of energy. Supervision procedures shall be properly implemented.
253. The planning and control in the use of energy sources shall be further perfected. The measurement, as well as the quality of efficiency indicators and consumption rates will be reinforced.
254. The educational system and the mass media shall be relied upon to emphasize the quality and comprehensive nature of the energy saving policy and the efficient and sustainable use of energy.

IX TOURISM POLICY

GUIDELINES

255. The fundamental objective pursued by the tourist sector is to directly attract foreign exchange by maximizing the average income receipts per tourist.
256. On the basis of an efficient development program, the tourist sector shall experience a fast growth that helps activate the local economy.
257. Cuba's competitiveness in the marketplace shall be reinforced primarily on the basis of improved quality of service and a proper coherence between quality and prices.
258. The marketing practices shall be improved by making use of advanced ICTs.
259. The number of visitor's arrivals shall be increased on the basis of diversified supply markets and customer segments. The growth rates shall move in tandem with tourist development.
260. Offers and services that supplement accommodation and single out Cuba must be expeditiously identified, diversified and reinforced, with priority attached to such modalities as health-care tourism; marinas and nautical sports; golfing and real estates; nature and adventure tourism; theme parks; cruise liners; history, culture and heritage tourism; and conference, congress and trade-fair tourism. Consideration shall also be given to the potential in Cuba's southern coastline.
261. Promotion shall be improved at both institutional and business levels. Resources shall be managed and allocated subject to markets and marketing procedures and with the use of advanced technology.
262. The provision of accommodation, food and other services by non-State actors shall continue to evolve as a tourist product that complements the State offer.
263. A comprehensive self-financing scheme in support of security of supply and the efficient operation of the entire tourist chain shall be strengthened. In particular, consideration shall be given to possible supply arrangements to tourist entities, for a maximized utilization of existing production capacities at local levels.
264. Municipal territories shall develop attractive tourist offers (such as lodging, food services, social, cultural and historical activities, horse riding, camping, rural tourism and wildlife watching) as a source of hard currency revenue.

265. A tourist market for Cubans must be promoted and activated through the creation of offers that help utilize the existing installed capacity in hotels and other tourist, recreational and historical attractions. Consideration shall be given to a policy that facilitates Cuban residents' overseas travel as tourists.
266. The share of the national industry and services in the resources used in tourist investments and operation shall be increased as a way to contribute to the development of other economic sectors.
267. Priority shall be attached to the maintenance and refurbishment of the tourist and support infrastructure. Policies shall be introduced to secure sustainable development and actions shall be taken to reduce the rate of water and energy consumption and increase the use of renewable energy and the recycle of the waste generated by tourist services.
268. The management of Cuban tourist offices and companies based overseas shall be more efficient and effective in order to develop new tourist modalities and target upper market segments.

X TRANSPORTATION POLICY

GUIDELINES

269. Further recover, modernize and reorganize the ground and water transportation services in order to improve the quality and efficiency of both passenger and freight transportation on the basis of a more rational use of resources.
270. Make sure that the most efficient schemes and means for each type of transportation are utilized by improving the country's cargo balance and relying on the comparative advantages of railways, coastal shipping, specialized forwarding companies and containerized cargoes, for the development of multimodal carriage.
271. Investments shall be repaid from their return. The investments in the railway and port infrastructures and related equipment shall primarily be funded by energy savings and cost reductions.
272. Implement a railway development and recovery program within the country's investment process. Priority shall be given to the railway maintenance and upgrading, as well as improved operating management in order to increase traffic speed, enhance railroad safety and discipline, and reduce the cargo and passenger transportation time. The above shall be implemented subject to plan and actual possibilities.
273. Develop the national merchant fleet and shipyards as a way to help increase foreign-exchange revenue generation and freight cost savings.

274. Improve the efficiency in the maritime and port activities on the basis of organizational structures that help increase cargo handling rates, including the modernization and maintenance of port infrastructure and related equipment and the dredging of Cuba's main ports.
275. The gradual development of the port infrastructure shall be linked to access to foreign credit, the repayment of which will be associated with the reduction of freight bills and demurrage costs.
276. Expand the use of containers and improve the efficiency in their operation by reducing lay-time and increasing their turnover and designing appropriate warehousing logistics.
277. Implement an efficient investment program for the development of port facilities, in particular, the Port of Mariel.
278. Promote the design of new State and non-State organizational structures for cargo and passenger transportation and for other related services in keeping with the characteristics of each territory.
279. Organize and give priority to quality maintenance services for higher availability of vehicles, including the means of transportation held by the non-State sector.
280. Design a strategy for a gradual modernization and efficient operation of the national short-range air fleet as a way to support the growth rate of both the tourist sector and domestic demand.
281. Provide competitive and quality services at Cuba's airport facilities, with special focus on shorter stay, simplified formalities, as well as pricing and tariffs that are competitive for the Caribbean.
282. Expand the air freight services on the basis of improved utilization of the capacities in passenger and specialized air fleets. The primary objective is to provide more efficient, better quality and sustainable services that help increase foreign-exchange earnings and design competitive offers in support of both Cuban exports and reduced import freight costs.
283. Priority shall be attached to stable, sustainable and quality services of urban, rural, municipal and provincial passenger transportation for a gradual demand satisfaction, subject to the country's possibilities.
284. New fare collection procedures shall be implemented in the urban passenger transportation services in order to minimize payment evasion and fare misappropriation.
285. The road repair and maintenance program shall be executed in compliance with the required quality, in accordance with the economic plan and consistently with the country's possibilities.

286. The sale of motor vehicles between private individuals shall be authorized.

XI CONSTRUCTION, HOUSING AND WATER RESOURCES POLICY

GUIDELINES

CONSTRUCTION

287. Further improve the understanding of the country's building and installation capacities, as an important tool for the efficient planning of investments and related resources.
288. Increase the efficiency in construction projects by implementing a system of payment based on the workers' performance and quality, introducing dual shifts where possible, increasing the performance of technical and non-technical equipment and applying new construction technologies.
289. Consider the creation of national companies specialized in the design and construction of such projects as, golf courses, dolphinariums marinas, spas, and theme and water parks that are closely linked to the tourism and other economic sectors that require the same.
290. Complete a construction pricing study for price modification and/or implementation, and as a way to accurately identify construction costs.
291. Adopt new State and non-State organizational forms in construction projects.

HOUSING

292. Housing maintenance and preservation must become a priority. This includes the adoption of non-State modalities that help address the housing problems and increase the sale of building materials to the public.
293. Special attention must be given to the security of supply for housing construction programs at the municipal level, by relying on the raw materials and the technology available in every territory to produce the necessary resources.
294. All relevant measures must be adopted to prioritize housing construction, repair and refurbishment in rural areas, taking into account the need for improved living conditions, as well as the peculiarities that make this activity all the more complex in rural areas. The objective here is to complete and stabilize the labor force availability in the agricultural and food production sectors.

295. The construction of new houses must be organized on the basis of on the adoption of new modalities that may include a significant share of private efforts as well as other non-State modalities. New typologies and building technologies that save materials and labor and are easy to operate by the population shall be introduced. The construction project components that must be executed in the common areas of apartment buildings shall be regulated. Given their technical specialization and complexity, these components may not be executed by the homeowners who, notwithstanding, must cover the relevant costs in all cases.
296. The building materials industry shall meet the demand for the sale of quality supplies to the public for housing construction, preservation and rehabilitation by relying on local production.
297. The sale houses and other forms of homeownership transfer (including but not limited to swaps and donations) shall be authorized and facilitated among natural persons. The formalities required for the housing refurbishment, rehabilitation, construction and lease, as well as for ownership transfers, shall be simplified in a manner that helps address the public housing demands.
298. Housing availability shall be increased through the recovery of units currently utilized in administrative and/or state functions, as well as properties that may be used as living quarters.
299. Building materials for housing preservation, rehabilitation and construction shall be sold at unsubsidized prices. Where required, subsidies shall be allocated, either fully or in part, to individual persons and according to plan.

WATER RESOURCES

300. The water balance will be the planning instrument that measures the efficiency in State and private consumption, on the basis of the availability of water resources.
301. A water development program will continue to be pursued through far-reaching capital expenditures aimed at finding a more efficient way to cope with drought problems and the irrational use of water in the whole country, which will help increase the extent of irrigated agricultural areas.
302. Priority will be given to the implementation and expansion of a program to rehabilitate water supply networks, aqueducts and sewage systems that will reach out to each house, as per plan, in order to minimize water losses, increase water recycle, and consequently reduce energy consumption. Fittings and accessories shall be made available for sale to the public.

303. In order to promote a culture aimed at the rational use of water, consideration will be given to a possible revision of tariffs, including sewage services, so that subsidies may be gradually reduced. Water waste must also be systematically reduced. Water consumption by both private and State customers shall be subject to regulation and charges.

XII TRADE POLICY

GUIDELINES

304. The wholesale and retail trade shall be reorganized to reflect the conditions of economic operation with the involvement of a diversity of social ownership structures, producers and service providers.
305. Supply quality, price and assortment shall be diversified in order to meet the demand from different segments of the population on the basis of purchasing power, as an additional factor that may encourage employment.
306. As long as the dual currency system is not eradicated, the retail sector will work in two different levels: on the one hand, it will maintain differentiated offers, given their quality or characteristics, in the current convertible pesos network; on the other hand, it will increase the quality of its offers sold in Cuban pesos.
307. A countrywide supply policy that takes into account the participation of national producers and the efficiency of imports shall be designed. The different forms of wholesale distribution must be defined, including the forms that respond to the new non-State modalities of production and services, as well as the scope and characteristics of the retail network.
308. Introduce non-State management forms in the trade sector, particularly in the area of domestic personal, technical and food services.
309. Promote food supplies that help achieve balanced nutrition; prioritize the sale of garments and footwear, household electrical appliances, bicycles and related spare parts, building materials and hardware supplies, furniture, household supplies, among other items, as a consumption promotion policy.
310. Restructure the supply of goods and services and review the retail prices of regulated family basket items that may be made available for sale in Cuban pesos without subsidies.
311. Create and structure a supply of goods and services, including after sale services, to the population on the basis of customers' purchasing power. Review the current restrictions to trade.
312. Exercise an effective control over purchases and the stock turnover in the entire wholesale and retail networks in order to minimize resource immobilization and losses.

313. Apply an effective customer protection program that secures compliance with the rights and obligations of both providers and customers of goods and services.

IMPLEMENTATION OF GUIDELINES

By relying on its institutions, the State organizes, manages and oversees the implementation and performance of these Guidelines, with the workers' participation.

For these purposes, a government commission will be established with the mandate to direct the introduction and implementation of these Guidelines. This commission will permanently discharge the following duties:

1. Organize, direct and supervise the implementation of these Guidelines.
2. Organize and supervise the training of cadres and other staff that will direct or execute the aforementioned implementation.
3. Oversee the controls exercised by individual agencies and organizations over the actions taken for the implementation of these Guidelines and their results.
4. Appropriately report on the process.

As part of this implementation, legal instruments will be promulgated, as required to establish the legal and institutional framework in support of the functional, structural and economic changes that may be adopted.

The Communist Party of Cuba shall, within its areas of influence and action, oversee, promote and enforce the observance of the Guidelines adopted at its 6th Congress.