

# *Increasing domestic production will help battle against inflation in Cuba*

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**The year 2021 ends for Cubans with the certainty that many people are studying how to neutralize a phenomenon that squeezes pockets and sows anxiety: inflation.**

By Roberto Morejón

The year 2021 ends for Cubans with the certainty that many people are studying how to neutralize a phenomenon that squeezes pockets and sows anxiety: inflation.

This indicator should end the year above 70 percent, 10 percent higher than what was foreseen in the Monetary Regulation applied last January, a real headache for economic actors and citizens.

A profuse and timely explanation on the origin of inflation in the largest of the Antilles was offered by government officials, especially the Minister of Economy and Planning, Alejandro Gil.

While trying to make understandable concepts and anomalies related to the domestic and world economy, the Minister underlined the concern of the country's leadership to face such a complex issue.

This issue is influenced by the behavior of companies in transferring their inefficiency to prices, the partial dollarization of procedures among some state entities and the circulation of money without productive backing.

In Cuba, for example, the government allocated more than 2 billion pesos to protect workers who, instead of going on strike, received monetary coverage during the pandemic.

In the circumstances of this Caribbean nation, resale and speculation processes also contributed to inflation, in addition to the fact that the economy suffered a sharp contraction, with the Gross Domestic Product dropping 13 percent the previous year.

The expenses incurred to confront Covid-19 and the tightening of the U.S. blockade contributed to this behavior.

Cuba also suffered from the irregularities of world trade as a culmination of the pandemic, including inflation, a slowdown in economic activities, higher import costs and obstacles in the supply chains in ports and maritime transshipment.

Nevertheless, the nation is studying how to respond to the inflationary process, which should be helped by the beginning of the economic reactivation thanks to the control of SARS-Cov-2.

For this Caribbean land, the coming year should mark the courage to increase local productions, boost the generation of food with 63 provisions already implemented and increase the supply, without more imports.

The expansion of cooperatives, micro, small and medium-sized enterprises and greater autonomy to state economic forms should also contribute to the plans to gain in welfare and mitigate the so disturbing inflation.

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