

THE WAVERLEY SERIES

CUBA

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

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CUBA — AT A GLANCE

Capital	Havana
Real GDP	Projected to contract 7.2% in 2026 (IMF and Economist Intelligence Unit), nearly double 2025's 3.8% decline, and the deepest sustained contraction since the Soviet Union's 1991 collapse; cumulative GDP loss since 2019 is estimated at approximately 23%
GDP per capita	USD 1,082 in 2025, against a Latin America and Caribbean regional average of USD 10,212 — the lowest in the entire region
Tourism	Collapsed to 1.9 million visitors in 2025, down from 4.7 million in 2018; in February 2026, only 249 Russian and 511 Canadian tourists visited the entire island
Energy crisis	Blackouts reaching 20-25 hours per day across much of the island by mid-2026, with Havana experiencing a 24-consecutive-hour outage in May and some provinces without power for entire days; the UN has warned of a possible humanitarian collapse
US oil blockade	In effect since 3 January 2026 following the US intervention in Venezuela, which cut Venezuelan oil exports to Cuba; the US has threatened to sanction any country exporting oil to Cuba and has called for President Díaz-Canel's resignation
UN position	UN human rights experts condemned the US fuel blockade in February 2026 as a serious violation of international law and an extreme form of unilateral economic coercion
A notable, narrow opening	President Díaz-Canel has told US media Cuba will welcome American company investment, and the US Treasury issued a February 2026 licence permitting resale of Venezuelan-origin oil specifically to Cuba's private sector, explicitly structured to exclude the Cuban military and central government from any financial benefit
Governing framework	A one-party Communist state; President and Communist Party First Secretary Miguel Díaz-Canel, in power since 2018 and 2021 respectively; strict government control has historically made protests rare, though the crisis has driven repeated public demonstrations over blackouts in 2026

Cuba is enduring what independent economists and international institutions agree is its deepest sustained economic contraction since the Soviet Union's 1991 collapse, with GDP set to shrink 7.2% in 2026 amid a US oil blockade that has driven blackouts to 20-25 hours a day across much of the island. The United Nations has directly condemned the blockade as a violation of international law, even as the UN has separately warned of a possible humanitarian collapse inside Cuba itself. Tourism, once a pillar of the economy, has all but disappeared, with February 2026 arrivals from Russia and Canada combined numbering fewer than 800 people for the entire month. This briefing finds no credible mainstream investment case for Cuba under current conditions, while noting a specific, narrow exception: a genuinely notable pivot in which President Díaz-Canel has publicly invited US company investment, and a US Treasury licence now permits limited private-sector oil resale specifically structured to exclude the Cuban state from any benefit.

1. INVESTMENT & FDI

A remarkable, unprecedented pivot toward inviting American investment has emerged directly from the crisis itself, even as the broader investment climate remains defined by state control and acute macroeconomic collapse.

President Miguel Díaz-Canel told NBC that Cuba will welcome American companies that wish to invest, a remarkable shift from a government that has resisted private foreign investment for decades; separately, Havana has announced that 'doors are open' for Cuban exiles to invest in larger projects, including agriculture and infrastructure. On 25 February 2026, the US Treasury Department issued a licence allowing the resale of Venezuelan-origin oil specifically to Cuba's private sector, explicitly intended to empower independent entrepreneurs and the Cuban community abroad while ensuring no financial benefit reaches the Cuban military or central government. Independent analysis describes this as a transactional environment in which, while the state is being starved of resources, a new economic class is being incentivised to facilitate deeper commercial engagement.

- **A genuinely unprecedented rhetorical shift from the Cuban government itself:** Díaz-Canel's direct invitation to American investors represents a real, notable departure from decades of Cuban state policy, even though it remains a statement of intent rather than a change in Cuba's underlying legal and institutional investment framework.
- **A narrow, deliberately state-excluding US policy mechanism:** the Treasury licence's specific design to channel resold oil to Cuban MSMEs and diaspora investors while excluding the military and central government represents a genuinely targeted, sourced policy tool rather than a general easing of the broader blockade.
- **A structurally constrained opening, not a broad investment climate change:** the combination of continued one-party state control, the ongoing oil blockade, and the specific exclusion of state-linked entities from this opening means any near-term investment activity remains confined to a narrow, private-sector-only channel operating alongside, not instead of, Cuba's broader economic collapse.

2. TRADE & BUSINESS

A near-total collapse in tourism arrivals and a severed fuel-import relationship with Venezuela together illustrate the scale of Cuba's current external economic rupture.

Tourism, a former pillar of Cuba's economy, collapsed to 1.9 million visitors in 2025, down from 4.7 million in 2018; in February 2026, only 249 Russian and 511 Canadian tourists visited the entire island, with hotels, restaurants and guesthouses unable to operate reliably when electricity is available for only a few hours a day. Air France suspended flights between Paris and Havana from 29 March until at least 15 June 2026 due to a jet fuel shortage. As an island heavily dependent on imported petroleum, particularly from Venezuela and Mexico, Cuba lost its primary fuel supply after the 2026 US intervention in Venezuela cut Venezuelan oil exports to the island; the only confirmed external fuel relief has come from a single Russian oil tanker delivering 730,000 barrels in late March 2026, illustrating that any further relief depends on tanker operators willing to risk US tariffs.

- **A near-complete collapse in Cuba's largest foreign-exchange-earning sector:** the fall to under 800 combined Russian and Canadian visitors in a single month represents not merely a decline but the effective disappearance of tourism as a functioning economic sector under current conditions.

- **A severed primary fuel-supply relationship with direct economic consequences:** the loss of Venezuelan oil exports, following the US intervention there, removed Cuba's principal fuel source at the same time US pressure has constrained alternative suppliers.
- **Extremely narrow, high-risk external fuel-supply channels remaining:** with only a single Russian tanker delivery confirmed, and further relief explicitly described as dependent on suppliers' willingness to risk US tariffs, Cuba's fuel-import position remains acutely fragile and largely outside its own control.

3. MAJOR ECONOMIC DEVELOPMENTS

A US oil blockade, launched in January 2026 following the American intervention in Venezuela, has driven Cuba into its deepest economic and humanitarian crisis since the Soviet collapse, prompting direct UN condemnation of the blockade itself alongside separate UN warnings of humanitarian collapse.

The 2026 Cuban crisis began on 3 January 2026, part of the broader fallout from Operation Southern Spear and the US intervention in Venezuela that ousted President Nicolás Maduro, cutting off Venezuelan oil exports to Cuba; the US has since threatened to sanction any country exporting oil to Cuba, called for President Díaz-Canel's resignation, indicted former President Raúl Castro, and made explicit threats to Cuba's sovereignty. In February 2026, United Nations human rights experts condemned the US fuel blockade as 'a serious violation of international law' and 'an extreme form of unilateral economic coercion'; the US separately announced it would send \$6 million in aid via the Catholic Church, while Mexico and Canada announced their own large aid packages. By mid-May 2026, blackouts in Havana stretched to 24 consecutive hours, with some provinces experiencing outages through entire days; President Díaz-Canel reported tens of thousands of surgeries delayed due to power shortages, and the president of Cuba's National Institute of Hydraulic Resources confirmed the fuel shortage was also affecting water supply. The IMF and Economist Intelligence Unit both project a 7.2% GDP contraction for 2026, nearly double 2025's decline, with cumulative GDP loss since 2019 reaching approximately 23%; Cuba's GDP per capita of \$1,082 in 2025 is the lowest in Latin America and the Caribbean, against a regional average of \$10,212. Díaz-Canel has publicly acknowledged his government is holding talks with the US to resolve their differences, and Cuba has released more than 2,000 prisoners amid the crisis, though the US has shown no signs of easing its pressure campaign. Strict government control has historically made protests rare in Cuba, but the blackouts have repeatedly driven residents into the streets; Díaz-Canel responded to related violence by acknowledging that 'complaints and demands are legitimate' while condemning the violence itself. Separately, Honduras cancelled a cooperation agreement that had allowed Cuban medical professionals to operate in the country, a specific, concrete diplomatic setback for one of Cuba's traditional sources of foreign earnings.

- **A humanitarian and economic crisis independent institutions describe in historic terms:** the characterisation of this as Cuba's deepest sustained contraction since 1991, combined with the UN's own warning of possible humanitarian collapse, represents an assessment of extraordinary severity from sources independent of both the Cuban and US governments.
- **A direct UN condemnation of the blockade itself, alongside separate UN humanitarian warnings:** the UN's own finding that the blockade violates international law represents a specific, formal international legal judgment distinct from, though related to, its separate humanitarian-collapse warning.
- **Concrete, documented harm to essential services:** the tens of thousands of delayed surgeries and the confirmed impact on water supply represent specific, sourced evidence of the crisis's direct effect on Cubans' basic welfare, beyond economic statistics alone.
- **A political system maintaining control while acknowledging genuine public distress:** Díaz-Canel's direct acknowledgment that complaints are legitimate, even while the government continues to blame the US

blockade rather than pursue market-based structural reform, illustrates a government managing an emergency rather than implementing systemic change.

- **A specific, quantified erosion of one of Cuba's traditional soft-power and earnings channels:** Honduras's cancellation of its medical-cooperation agreement represents a concrete, current example of Cuba's broader diplomatic and economic isolation extending beyond the immediate US pressure campaign itself.

4. MAJOR PROJECTS & INFRASTRUCTURE

No significant new infrastructure development was identified for this period; the country's existing energy infrastructure itself has become the central point of crisis.

Rather than new infrastructure investment, this period has been defined by the acute failure of Cuba's existing energy generation and distribution system, with power plants lacking sufficient fuel to operate and grid stability described as having crumbled by mid-2026. No verified reform package addressing the energy crisis structurally has emerged; the public record shows emergency management rather than market-based policy change. Investors monitoring this market should watch specifically for any announcement of new fuel suppliers, grid maintenance agreements, or changes in the management of the Antonio Guiteras Thermoelectric Power Plant, Cuba's largest, as the most concrete indicators of any genuine stabilisation.

- **A crisis of existing infrastructure failure rather than new development:** with the country's core electricity generation and distribution system itself the source of the emergency, discussion of new infrastructure investment remains premature until basic grid stability is restored.
- **Specific, named indicators worth monitoring for genuine change:** new fuel supplier announcements, grid maintenance agreements, or changes at the Antonio Guiteras plant specifically would represent the most concrete, verifiable signals of any structural improvement, distinct from political statements alone.

5. CONFERENCES, FORUMS & EXHIBITIONS

No significant international investment conferences or forums involving Cuba were identified for this period, consistent with the country's current isolation and crisis conditions.

6. BUSINESS & INVESTMENT EVENTS

No significant standalone business or investment events were identified for this period beyond Díaz-Canel's direct public statements inviting US investment, described in Section 1.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

An escalating confrontation with the United States, alongside narrow humanitarian support from Mexico, Canada and Russia, defines Cuba's current, deeply strained international relationships.

- **United States:** the oil blockade, threats against third-country suppliers, calls for Díaz-Canel's resignation, and the indictment of Raúl Castro together represent an extraordinarily confrontational current relationship, even as Díaz-Canel has confirmed direct talks are underway.

- **Venezuela:** the loss of Venezuelan oil exports following the 2026 US intervention there removed Cuba's principal historical fuel-supply relationship.
- **Russia:** the single confirmed tanker delivery of 730,000 barrels in March 2026 represents Cuba's most concrete recent external fuel-supply relationship, though one explicitly described as fragile and tariff-exposed.
- **Mexico and Canada:** both countries announced large humanitarian aid packages amid the crisis, representing continued, if limited, international support distinct from the confrontational US relationship.
- **United Nations:** the direct condemnation of the US blockade as a violation of international law, alongside separate warnings of humanitarian collapse, together represent the UN's dual role as both a critic of US policy and a monitor of Cuba's internal humanitarian conditions.
- **Honduras:** the cancellation of the medical-cooperation agreement represents a specific, concrete deterioration in one of Cuba's traditional regional partnerships.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

The US Treasury's private-sector-specific oil resale licence represents the only concretely identified new private-sector development channel under current conditions.

The February 2026 US Treasury licence permitting resale of Venezuelan-origin oil specifically to Cuba's private sector is explicitly designed to empower independent entrepreneurs, or MSMEs, and the Cuban diaspora community, while structurally excluding the Cuban military and central government from any financial benefit. This represents the only specifically identified mechanism through which private Cuban economic actors currently have a distinct, government-sanctioned channel separate from the broader state economy, though its practical scale and impact remain unproven given the severity of the broader energy crisis.

- **A narrowly targeted, state-excluding private-sector channel:** this licence's explicit design represents a genuine, if small-scale, attempt to support Cuban private economic activity independent of the broader state apparatus, distinct from any general easing of sanctions.
- **Unproven practical impact given the scale of the broader crisis:** with blackouts reaching 20-25 hours daily across much of the island, the practical benefit of this narrow private-sector oil channel remains constrained by the same fuel scarcity affecting the country as a whole.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

None recommended under current conditions, with the narrow exception of the specifically structured private-sector oil resale channel described in Section 8.

Given the severity of Cuba's ongoing humanitarian and economic crisis, this briefing identifies no credible new mainstream investment opportunities for the current period. The sole specific, sourced channel of note is the US Treasury-licensed private-sector oil resale mechanism described in Section 8, which remains narrow in scope, unproven in practical impact, and explicitly structured to exclude Cuban state and military entities.

SUMMARY ASSESSMENT

Cuba is enduring what independent economists and international institutions agree is its deepest sustained economic contraction since the Soviet Union's 1991 collapse, with GDP set to shrink 7.2% in 2026 amid a US oil blockade that has driven blackouts to 20-25 hours a day across much of the island. The United Nations has directly condemned the blockade as a violation of international law, even as the UN has separately warned of a possible humanitarian collapse inside Cuba itself. Tourism, once a pillar of the economy, has all but disappeared, and GDP per capita, at \$1,082, is now the lowest in Latin America and the Caribbean.

Set against this: a genuinely notable pivot has emerged directly from the crisis, President Díaz-Canel has publicly invited US company investment for the first time in decades, and a specific US Treasury mechanism now permits limited, state-excluding oil resale to Cuba's private sector. This narrow opening does not offset the severity of the broader collapse, but represents a specific, sourced development worth monitoring should it expand.

This briefing finds no credible mainstream investment case for Cuba under current conditions. This is a market to monitor closely for any genuine resolution of the US-Cuba standoff and restoration of basic energy security, rather than one to recommend for investment at this time.