

A private affair

HAVANA

Hesitantly, wholesale markets are becoming more established

FROM the Bay of Pigs to Che Guevara's mausoleum, there is plenty for revolutionary tourists to see in Cuba. For economic junkies there should soon be a new item on the itinerary: Cuba's first privately run wholesale market in half a century.

At present it is a nondescript warehouse of green-painted concrete near Havana's airport. It is unmarked, and so few locals know about it that your correspondent drove past several times before finding it. But state media say it will open on July 1st. It is a source of excitement for those who will occupy it, because it will replace the muddy scrubland where drivers of hundreds of old trucks have been gathering on the outskirts of Havana to sell fruit and vegetables in bulk, always concerned that at any moment their makeshift trading post could be shut down.

They see the new premises as a further step on Cuba's hesitant path towards freeing up wholesale markets and loosening the state's control of food distribution. A farmer, sitting under a banana tree next to his cargo, proudly displays a handful of permits that he has recently paid for, covering everything from selling crops to owning and driving a delivery truck. He says that in the past, when the police caught him trying to drive produce to Havana without a licence, they would seize it and give it to a nearby hospital. "They can't stop me now," he says.

However, his ability to sell a broader selection of crops remains stymied by a shortage of seeds and fertilisers, supplies

of which will not be available in the new market. Such inputs are still controlled by the state, he says, stroking his chin in a gesture that is meant to resemble Fidel Castro's beard. The only way for a farmer to acquire more than he is allotted is via the black market.

The benefits of burgeoning wholesale trade are evident in a stroll through the back streets of Old Havana. Handcarts owned by private traders overflow with ripe mangos, avocados and limes, whereas government outlets nearby contain a few tired-looking pineapples.

Although wholesale produce is becoming more widely available, the government is only gingerly broadening wholesale trade to other supplies. Restaurant owners, for example, want to be able to buy flour, cooking oil, beer and soft drinks in bulk. Only a few shops provide these.

The same is true of construction materials. "We don't have anything like a Costco, where you can buy 20 crates of beer," says Omar Everleny, a Cuban economist.

Partly to put such concerns to rest, the government announced in early June that it would gradually permit a variety of wholesale goods to be sold to state-run and privately run businesses, apparently building on an experiment started three months earlier on Isla de la Juventud, an island in western Cuba where Fidel Castro was imprisoned before his revolutionary victory in 1959. A pilot project to sell equipment to private farmers is also said to be taking place on the island. More than helping businessmen, the government's priority in promoting such changes appears to be to raise output. So far, however, the reforms have been too half-hearted to achieve that.