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Recovering Cuban Tourism Industry Waits for More U.S. Visitors

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The Cuban tourism industry, which reported a slight recovery in the first half of this year, announced new projects funded by foreign capital and preparations for the possibility of the US loosening restrictions so that teachers, academics, sports teams, and religious and cultural groups can receive authorization to travel more freely to the island.

In the first half of 2010, nearly 1.4 million travelers arrived in Cuba, 1% more than during the same period in 2009. The international financial and economic crisis has affected a decrease in visitors from traditional countries of origin like Spain and Italy. The hotel occupation rate was 51% in the first six months of 2010.

Last year, the total number of tourists who were on the island was 2.4 million, and that group brought in US$2.2 billion. Together with the remittances sent by Cubans living abroad, tourism is the motor that drives the national economy.

Cuba occupies ninth place among preferred destinations for travelers in Latin America and the Caribbean, based on the number of visitors. In 1990, the island was in the twenty-third position with 34,000 visitors, but official sources indicated that for the past six years the number has exceeded 2 million.

Playing golf

A decree signed by President Raul Castro and made public in late August permits the leasing of properties to foreign investors for 99 years, although the government retains ownership of the land. The previous limit, established in 1987, was 50 years, although renewals were allowed.

The objective is to "offer greater security and guarantees to the foreign real estate investor, for the purpose of sustainable development of the country and the national economy," the government stated. Since Cuba opened itself to foreign investment in 1994, projects have been initiated without permitting the land to leave the state’s ownership.

Negotiations will begin in January for the construction with international capital of 16 golf courses surrounded by condominiums and villas. The Ministerio de Turismo specified that these will be for sale only to foreigners. Investors from countries such as Spain, Canada, and the United Kingdom have already signed letters of intent with the Cuban authorities.

In this way, Cuba opens a new market. Some projects include enormous restaurants, supermarkets, shopping centers, and marinas for luxury yachts, almost nonexistent in the communist country. Currently the island has one 18-hole golf course and a nine-hole course, while the Dominican Republic has two dozen.

A major project of about US$1 billion would be implemented in La Altura in Bahía Honda, just west of Havana, 145 km and less than an hour’s flight from the US.
Former Mexican sprinter Ana Gabriela Guevara, silver medalist in the Athens 2004 Olympics, is planning an amateur golf tournament that will bear her name and have the objective of supporting the growth of tourism planned by the Cuban government. The tournament will be Oct. 13-17 at Varadero beach on the northern coast.

Forbidden destinations

US tourism-business representatives and Cuban officials met in Cancún in March for talks about Cuba, a market forbidden to US citizens by Washington. An easing of the restrictions could bring 850,000 visitors annually to the island from the US.

The US press announced in August that US President Barack Obama’s administration is evaluating relaxing restrictions to allow academic, religious, and cultural trips to the island. Currently, US citizens can travel to the island only after receiving a special authorization from the US Treasury Department.

Obama would seek to resume the policy in place during former President Bill Clinton's administration, which would allow educational exchanges, sports, cultural, and religious visits, according to The New York Times.

In 2009, some 50,000 US citizens of non-Cuban origin traveled to the island, as well as 300,000 Cubans living abroad, the majority of whom live in the US. In April 2009, Obama rescinded regulations set by former President George W. Bush's administration, which limited Cuban-Americans' visits to the island to once every three years, with a maximum 14-day stay and a ceiling on expenditures.

Flights from the US to Cuba increased to nearly 60 per week, between 150% and 200%, in the first trimester of 2010, compared with the same period in 2009. In September, the Cuban government began enlarging the terminal at Havana International Airport that serves flights coming from the US.

New markets

In early 2010, Cuba intensified an advertising campaign focused on nontraditional international markets like Russia and China. Russia is now one of the fastest-growing markets in Cuba, surpassed only by Mexico. The flow of tourists from China is also increasing—more than 12,000 Chinese visited Cuba in 2009.

The strategy includes enhancing markets in South America with the opening of new air routes from São Paulo, Rio de Janeiro, and Buenos Aires, and an increase in the frequency of flights of COPA and TACA airlines. The Southern Cone will send more than 100,000 tourists to Cuba this year, some 60,000 coming from Argentina. In 2009, the principal source of tourists to Cuba was Canada, followed by the United Kingdom, Spain, Italy, and France.

The island continues to promote conference tourism and international meetings with a schedule of around 300 international events per year. The country is in ninth place in Latin America as an organizer of these meetings.