

FOREIGN VISITORS FLOOD CUBAN HOTELS



Last year represented a great success for Cuban hotels unexpectedly facing a massive arrival of foreign visitors, mainly from Canada. On average, the room prices increased by more than 95% after that. In 2016, the island achieved the record of 4 million tourists for the first time.

"This unexpected growth in national tourism has taken the Cuban tourist industry by surprise," Emilio Morales, chairman and general manager of THCG said. **The largest source market in 2016 was Canada, with 1,198,917 visitors.** Domestic tourists however also contributed substantially to the positive trend.

If in 2008 the number of domestic tourists who stayed in the hotel chains of the country was only 61.508, in 2009, when the then president of the United States Barack Obama released remittances and trips to Cuba, the number of Cubans began to grow year after year.

Thus, in 2016 the number of domestic tourists rose to 991.122, which means "a huge growth of 1.511%," according to the THCG.

Two factors are weighing on this increase: increased travel to the Caribbean island of Cuban-Americans and growth of the private sector on the island. One thing to keep in mind is that, according to a study conducted in 2014 by the THCG, 37% of Cuban-Americans who traveled to the island stayed in hotels with their resident relatives for at least one weekend.

A trend that has been increasing, to the point that currently "it is estimated that about 45% of Cuban-Americans who travel to the island are staying in a hotel with their relatives for two or three days."

On the other hand, the growth of the private sector has increased the purchasing power of hundreds of thousands of Cubans. The THCG report that was accessed today shows that in 2016 almost one million Cubans stayed in the four hotel chains operating in Cuba.

94.15% of them stayed in the chains with the highest prices of all hotels: Cubanacan (34.58%), Gaviota (33.93%) and Gran Caribe (22.64%).

"In 2016, the prices of the different chains were high, which gives us an idea of how far the purchasing power of that new middle class that has emerged in the last years is in Cuba," said Morales.

Currently, the tourism authorities estimated that by the end of this year, Cuba should welcome 4.7 million visitors, which would be an increase of 16.5% compared to 2016.

In the first half of the current year tourism revenues amounted to \$ 1.5 billion, an increase of just over 9% compared to the same period last year, while tourist-day revenue increased by 11.8% , according to official data.

Canada remains to be the largest international country sending tourists to Cuba while **traditional European markets such as Spain, France, Italy and Germany show "positive" figures**, according to a Mintur report on the first half of the year.

Tourism, the most dynamic sector of the Cuban economy, and the second industry with more income after the sale of professional services, reported in 2016 gross incomes that approached 3.000 million dollars, according to official figures.

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