

# CUBA'S TOURISM CRISIS - A RESULT OF THE U.S. SANCTIONS



Tourist arrivals to Cuba registered a fall of 7.9% between January and October, with 303,929 fewer visitors than over the same period of 2018, as reported by the National Statistics Office (ONEI). The tourism crisis has been largely explained by the United States embargo of the country.

The ONEI stated that in October, Cuba received 235,613 visitors from abroad, which is 90,778 fewer tourists (27.8% less) than in October 2018. **The most significant drop was registered in the number of tourists from the United Kingdom, with 70% fewer British visitors, adding only 114,414 visitors.**

Other important markets of origin that recorded falls were Italy (73.8%), France (85.7%), Germany (85.9%), and Spain (86.9%), among others. On the other hand, Russian tourism increased by 120%, with 124,881 tourists so far this year, a figure above the 104,107 who visited Cuba in 2018. During this period, non-resident Cuban visitors also increased by 104.6%, registering 514,795 arrivals compared to 491,992 in 2018.

Tourism is one of the most affected industries of Cuban economy due to the commercial, economic and financial embargo of the United States against the island for almost 60 years. On October 25, the White House decided to suspend flights of US airlines to all Cuban destinations, a measure that will take effect on December 10 and was announced a few days after new sanctions were applied, restricting the leasing of commercial aircraft to Cuban airlines.

Last June, the White House banned the entry of cruise ships, private planes and yachts to Cuba, and four months later, they imposed remittance restrictions to Cubans living on the island, in addition to tightening sanctions against shipping companies that transport oil to the country. According to official figures, the commercial, economic and financial embargo that the US has against Cuba since 1962 has damaged tourism on the island, and it is estimated at 38,722 million USD.

On November 15, the United States government announced new sanctions against five companies, specifically, hotel establishments in Havana and Matanzas as well as the cays to the north of the island (which already total more than 200), prohibiting them from conducting financial operations with American citizens and companies. This meant that Trivago, a popular hotel search engine, would eliminate Cuba from its searches, following a new measure closely tied to the US embargo on the island.

Thus, the company canceled a number of hotel packages in Cuba as part of the White House announcement. Hotels have already begun to notice the problems arising from this change and have even announced their shareholders' possible damages because of that measure.

The hotel company Meliá, with strong investments in the Cuban market, published that "it has lost visibility" in Trivago because of the measure. The hotel company said in a quarterly report that "the impact of Trivago's recent decisions to remove a large group of Cuban hotels from its searches is expected," while adding that their most affected establishments in Cuba maybe those located in

Holguin, Cayo Largo and Havana, three of the most visited areas of the Caribbean island.

Last week, Cuban leader Miguel Díaz-Canel reported that the embargo affects entities without direct businesses in Cuba, but that manage accommodations online on the island and that they have had to remove the Cuban tourist attractions from their offer. At a time when socialism in Latin America suffers a severe setback with the fall of Evo Morales, the White House accuses Cuba of oppressing its people and militarily supporting Nicolás Maduro in the Venezuela crisis. The United States seeks a change in the system of government on the island through the sanctions, where there is currently a single party and the highest positions are elected from among the members of its National Assembly.

“In Cuba, we are going to fight back, we are never going to give up, and with everyone’s support, we are developing new ideas, new concepts, and the country is going to continue moving forward,” said Cuban President Miguel Díaz-Canel. **Cuba demands that the U.S. return the territory that was leased, granting the U.S permission to establish a base during the Spanish-American War at the end of the 19th century.** Currently, foreign investments in Cuba are mainly focused on tourism, particularly in hotel and airport infrastructure, and flight and lodging management.

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