

# DESPERATE START OF THE YEAR - CUBAN TOURISM COLLAPSES



Cuban tourism, one of the most important industries of the country's embattled economy, collapsed by 95.5% in the first two months of 2021 compared to the same period of 2020, stated academic José Luis Perelló.

Cuban borders remain open while the country actively promotes visiting coastal areas dedicated exclusively to international tourism to prevent the spread of the coronavirus. **However, numbers suggest that the campaigns do not seem to be working well for Cuban Tourism.**

"In the first two months of 2021, some 35,600 international visitors arrived to the island, accounting for 4.5% of the 792,507 international visitors recorded at the end of February 2020," explained Perelló.

Compared to other Caribbean countries and tourist destinations worldwide, Cuba's drop in international arrivals is much higher. The World Tourism Organization (UNWTO) estimated the fall in international tourism at 74%. In Europe, the industry has fallen 70%, while in Asia it was 84%, and in America about 69%, according to UNWTO statistics.

For Elías Amor, Cuban economist and professor based in Spain, tourism barely accounts for 6% of Cuba's GDP, "although it does have important implications because it is one of the few industries that allows the government to obtain foreign exchange," said Amor.

"Without foreign exchange, the government cannot afford the \$2 billion it needs to import food and supply its inefficient system, nor can it pay the foreign debt to the Paris Club or Russia," added professor Amor.

The expert explains that the main problem Cuba faces is that the country already lost the best months of what is known in the business as the high season.

"The prospects for the recovery of the Cuban tourism industry are tied to the mass vaccination campaigns in the world and Cuba's relations with the United States," said the economist.

The US has cautiously taken a long-awaited policy shift toward the communist island after four years of hostile exchanges between the countries. However, the US government stated that Cuba is not a priority, so experts do not believe that travel bans to that country will be lifted immediately.

In March, Cuba finally announced a lockdown following a major coronavirus outbreak in the country. Shortly before, the Ministry of Tourism was promoting campaigns in Europe inviting tourists to the island under the unfounded claim that its warm weather prevented the spread of COVID-19.

The island, which is the only country in America that has not begun vaccination campaigns against COVID-19 while waiting for its own vaccine trials, opened international borders in September and soon after reported its third and deadliest coronavirus wave so far.

However, the poor tourism levels on the island are not just caused by the pandemic. Emilio Morales, director of Havana Consulting, a Miami-based consulting firm, said Cuba was heading for a tourism collapse since 2019.

“During the Cuban thaw, the US became the second largest market of tourists to Cuba, after Canada. The number of tourists to the island increased 56.15% between 2014 and 2017 following the rise of American visitors, including the Cuban-American market,” Morales wrote in a recent report sent to the White House.

The sanctions of the Trump administration, who blamed the island of supporting the Nicolás Maduro regime, took a heavy toll on the industry. The former US administration banned cruise travel and cut down the number of Cuban airports authorized to receive flights from the United States. **In 2019, the island registered an 8.5% drop in international flights compared to the previous year.**

The hotel occupancy rate before the pandemic (an important index of business performance) fell to 43% in the first half of 2019, meaning that almost 60% of the rooms were empty for six months.

The latest official Cuban statistics also revealed that Cuban tourism revenue had decreased in 2019 to \$2,645 million compared to \$3,301 million in 2017.

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