

EXPERT: INVESTMENT IN TOURISM IN CUBA IS NOT RATIONAL



Even if the official forecast for visits to Cuba in 2022 is met, more than half of the hotel rooms will be empty, says economist Pedro Monreal suggested a halt for investment in tourism.

Cuban economist Pedro Monreal stated that it would be "rational" for Cuban authorities to make a "pause in hotel investment" in view of the decrease in international tourism and the economic crisis the country is going through.

The expert said that **Cuba has a total of 77,809 hotel rooms, a 13% increase over 2020, when the Covid-19 pandemic began and tourist visits to the island plummeted.**

The 8,930 new rooms inaugurated since 2020 represent an investment of US\$1.473 billion, according to the economist's calculations based on the lowest possible cost stipulated by the Cuban government's Business Portfolio.

However, the expert pointed out that the island's authorities have not "made any statement about the origin of the funds".

According to Monreal's calculations, "even if the country receives 2.5 million international visitors in 2022, more than half of Cuba's hotel rooms would be left empty" as in 2018 the average number of total visitors per room was 69, much higher than the 32 this year.

"It would seem rational to adopt a 'pause' in hotel investment. There are other priorities," said the specialist.

Despite constant recommendations by Cuban economists to reduce investment in tourism, the island's authorities have maintained the construction of hotels in recent years which were marked by a sharp drop in international visitors and forecasts of a slow recovery.

According to ONEI, the number of international travelers visiting Cuba last year was 573,944, a 60% decrease compared to 2020.

The Cuban economy would receive 1,159 million dollars (1,012 million euros) if the country achieved the government's goal of 2.5 million visitors by the end of 2022.

However, among the tourist destinations that lead the forecasts for the summer of 2022 there are five Caribbean countries, and Cuba is not among them.

Although Cuban authorities expect an increase in tourist arrivals in 2022 compared to 2020 and 2021, the truth is that the war in Ukraine and the consequent closure of the European and North American airspace to Russian commercial flights blocked that market, the most important source of tourists to Cuba.

At the recent International Tourism Fair in Varadero, Prime Minister Manuel Marrero stated that it

would be 2023 - and not 2022 as expected - when the full recovery of the leisure industry takes place.

According to official data, **during the first quarter of the year, Cuba received 450,000 foreign visitors.** In the first three months of 2019, 1,470,457 visitors arrived on the island and just over 982,000 in 2020, when covid-19 was raging around the world and the entry to the country was limited.

The closure of borders, the increase in unemployment due to the slowdown in the world economy and other effects on potential visitors caused the flow of tourists to Cuba to fall from 4,275,558 in 2019, to less than 1.1 million in 2020 and almost 574,000 last year.

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