

HOTEL OCCUPANCY IN CUBA REACHED A MEAGER 35.5%



The state-run National Office of Statistics and Information (ONEI) released new data on hotel occupancy in Cuba. The data includes a 23.5% monthly decrease in tourists in Cuba in April, a low hotel occupancy rate of 35.5% in the first quarter of 2024, and an increase in the relative weight of investment associated with tourism.

Experts underline the significance of the decline in international visitors in April 2024, marking the beginning of a downturn in tourism. **The 23.5% monthly decrease compared to March is considered 'normal,' but the 4.1% growth compared to April 2023 is a cause for concern.**

Until April, 1,024,396 tourists visited Cuba, with Canada being the largest source market (496,583), followed by the Cuban community abroad (100,257) and Russia in third place (88,323). **The United States followed with 58,830 visitors, despite travel restrictions.** Other significant sources of visitors were Germany, France, Mexico, England, Spain, and Argentina.

On the other hand, the average hotel occupancy rate of Cuban tourism entities was only 35.5% from January to March 2024, which is relatively low considering it was during high season. This rate was similar to the first quarter of 2023.

The combined relative weight of investment in two sectors mainly associated with tourism (hotels and restaurants, business services, real estate, and rental activities) grew to 34.5% of total investment in the first quarter of 2024, up from 27.8% in 2023.

The stark contrast between the high concentration of tourism investment and the low hotel occupancy rate is a point of intrigue. This is further highlighted by the very low relative investment in agricultural activity (2.8%), which decreased in absolute terms.

The recently released tourism and investment data do not align with the official narrative of 'correcting distortions.' The weight of tourism investment is increasing in the context of low-capacity utilization, while insufficient agricultural investment exists.

Since then, **Cuba's already critical situation has deteriorated further.** The country is grappling with skyrocketing inflation, a chronic electricity supply crisis, and a loss of the purchasing power of the Cuban peso. This has led to the dollarization of the informal economy, a historic migratory exodus, an increase in crime, and frequent social outbursts that challenge the regime's control apparatus.

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