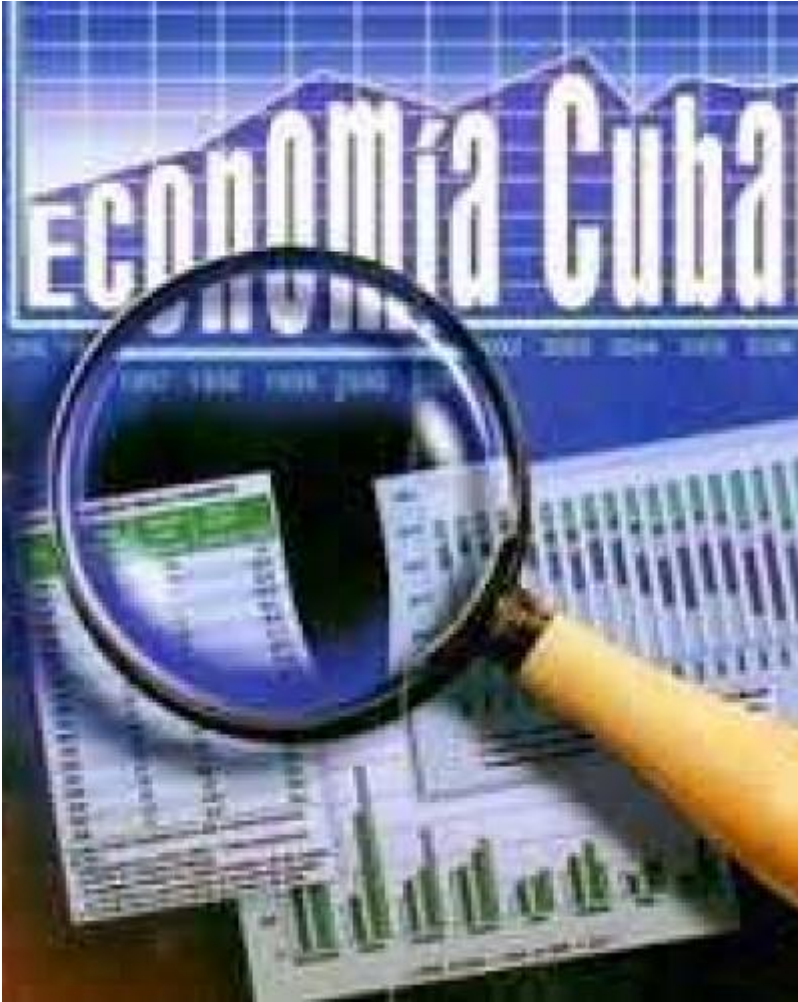


# *Economic Update April 30*

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## **Tourists to Cuba Jump 15 Percent in First Quarter**

Tourists to Cuba jumped by 15% in the first quarter of 2015, and the trend is expected to hold for the rest of the year, the country's Tourism Minister Manuel Marrero said.

Speaking at the opening of the *7th International Gourmet Festival of Varadero*, the island's leading seaside resort, Marrero did not offer specific figures, but indicated visitor arrivals in the first 4 months of the year "have been magnificent."

Cuba and the United States announced an agreement in December to resume diplomatic ties and normalize relations, sparking a surge of interest in travel to the Caribbean country, which has been largely off limits to non-Cuban U.S. travelers for 5 decades.

A day after the Dec. 17th announcement, *TripAdvisor*, a travel planning and booking website, reported that interest in travel to Cuba spiked by nearly 300% in 1 day.

Marrero called on the country's tourism industry to strive for excellence, saying

there was a lot of global competition for tourism dollars.

In 2014, Cuba drew some 3 million visitors, but tourism officials are preparing for an expected wave of U.S. tourists once travel restrictions imposed by Washington are lifted as ties with Cuba improve.

Tourism is Cuba's 2nd-largest source of foreign revenue, after the export of technical and medical services.

## **Russia, Cuba to Establish Joint Transport Logistics Company**

Russia and Cuba signed an agreement on the creation of a joint transportation logistics company, Russia's Uralvagonzavod (UVZ) machine manufacturing company said in a recent statement.

The agreement was originally reached on April 22nd in the city of Kazan at the *13th session of the Russian-Cuban commission for trade, economic and science and technology cooperation*.

"The Agreement on the creation of the transportation and logistics company alongside with the modernization of 'Planta Mecanica' machine-building plant was signed between LLC 'UVZ-Logistic' and 'El Grupo Empresarial de la Industria Sidero-Mecánica' (GESIME), a Cuban ferrous metallurgy and machine-building group, in the presence of Deputy Prime Minister of Russia Dmitry Rogozin.

The joint Russian-Cuban company will start operating by the end of 2015 and will get financing by 2016, and it will assemble, repair and service freight rolling stock for Cuban railroads.

The company is expected to receive about \$26 million in funding from a number of Russian banks and the Export Insurance Agency of Russia (EXIAR).

### **US Boost Mobile Company Launches Cuba Phone Service**

The US *Boost Mobile Telecommunications Company*, which is part of *Sprint Corp.*, launched a pre-paid phone service plan for US clients who want to call or send text messages to Cuba, following steps by Washington to ease restrictions on the Caribbean nation.

Last month, the US *IDT Corporation* reached an accord with Cuba's *ETECSA Telecommunications Company* to offer direct long-distance phone services.

Boost Mobile is offering a pre-paid mobile phone plan without the need for a long-term contract, *Cubadebate* website reported.

The plan costs 50 dollars monthly, which the company described as being the lowest minute-based tariff for pre-paid operators to call Cuba, including non-limit text messages.

Telephone communications between the United States and Cuba had to go through 3rd countries due to the sanctions imposed by Washington since the 1960s, which increased costs considerably.

Some 2 million US citizens of Cuban origin live in the United States, particularly in the Southern State of Florida and the service by the subsidiary of *Sprint Corporation* was launched in Miami, which is home to the core of the US community of Cuban origin.

### **Six Cuban Hotels Nominated to World Travel Awards**

Six Cuban hotels were nominated to the *2015 World Travel Awards*, which acknowledge the excellence of tourist services and are considered the *Oscar* awards of tourism.

The nominations went to *Paradisus Varadero* and *Paradisus Princesa del Mar*, both facilities in the western tourist center of Varadero, Matanzas province.

Another hotel nominated to the awards was the *Paradisus Rio de Oro*, in western Holguin province, according to *Cubatrabavel*, the website of the Cuban Tourism Ministry.

And the list is completed with the *Melia Cohiba*, in Havana; *Melia Las Dunas* in Santa Maria Key, central Villa Clara province and the *Melia Cayo Coco* in central Ciego de Avila province.

All these 6 hotels are under the management of the *Melia International group* and the nominations will include 3 prize categories, such as the *Best Hotel of Cuba*, *Best Resort* and *Best Spa*.

The prizes are granted following a strict process, where over half a million travel professionals and direct customers from some 170 countries participate. They were created 22 years ago and are sponsored and

run by the *Wall Street Journal*.

## **Authorities in Eastern Cuba Take Steps Amidst Critical Drought**

Local authorities in eastern Guantanamo province, where scarce rainfall and severe drought affects the area, have begun to limit water supply to the large state entities and called on people to use water rationally, which is being supplied through cistern trucks.

Rainfall has decreased to only 24.3% for their historic records in the province, according to the provincial water resources office.

National Water Institute official Alfredo Correa said that the province has thus far received 85 millimeters of rainfall, below 1 fourth of the normal average, which is 346 millimeters for this period of the year.

The lack of rainfall has negatively affected reservoirs that provide water to the city of Guantanamo, which has reserves for only 2 months.

With this in mind, the water supply will be limited for state-owned entities considered as large consumers, while communities will be receiving water through cistern trucks, said the official who called on the local population to rationally use the natural resource.

Meanwhile, the reserve of a major reservoir known as Manuel Tames is under constant surveillance to detect its restriction limit and its approach to what is known as dead level.

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