

Economic Update May 28



U.S. Travel to Cuba Surges 36% Following Thaw in Diplomatic Relations

The thaw in relations between the U.S. and Cuba has led to a stunning 36% increase in visits by Americans to the island, including thousands who are flying into Cuba from 3rd countries like Mexico to sidestep US restrictions on tourism.

The dramatic rise was seen in the number of Americans with no family ties to Cuba who it visited between January 1st-May 9th this year compared to the same period in 2014, according to statistics provided to the *Associated Press* by Jose Luis Perello Cabrera, a University of Havana professor and economist in the University of Havana's tourism studies department with access to official figures.

There were 38,476 visitors who flew directly from the US to Cuba, compared to 29,213 in the same period last year; however, another 12,982 Americans came in via 3rd countries, a whopping 57% increase over the 8,246 Americans who flew to Cuba from elsewhere in the same period last year while Mexico, the Bahamas, Jamaica and the Cayman Islands were the top choices for Americans entering Cuba from non-US points, Perello said.

Finally, the Cuban expert said that in addition to the boom in American visitors, Cuba has seen a 14% jump in arrivals from 206 countries around the world between January 1st and May 9th compared to the same period last year, which rose from 1,349,903 last year to 1,547,104 this year. Visitors from Germany were up 22%; France, 25%; the United Kingdom, 26% and Spain 16%.

On the topic, attorney Robert Muse, an expert on the legal aspects of Cuba travel, says “there’s been almost no active enforcement” of the tourism ban under the Obama administration since the increase in US visitors to Cuba is “what the Obama administration wants... they favor engagement. That’s why they take this liberalized approach to travel”.

The Cuban government did not respond to a request for comment, but tourism Minister Manuel Marrero recently said visitors were up by 30% and that Cuba was willing to accept the increase.

Cuba Approves Five Foreign Investment Projects at Special Zone

The Cuban government recently approved 5 investment projects by foreign companies to operate at the *Special Economic Zone* in the western Mariel Harbor, which join the container terminal in operations there since 2014.

The implementation of the 5 projects will take between 8 months and 1 year, so their production of goods will start in the first half of 2016, said Special Zone director Ana Teresa Igarza during a forum on trade and services in Havana.

The projects approved operate in areas such as food and agriculture, industry in general, electronics, transportation services, chemistry and the light industry.

The companies whose projects have been approved will attend this year's *Havana International Trade Fair*, said the executive.

The *Special Economic Zone in Mariel* operates in national territory under specific rules and its productions, which will count on foreign and national investment, will enrich the current providers' registration and help replace costly imports.

2016 International Tourism Fair Returns to Its Birthplace: Havana

The *2016 International Tourism Fair* will be held in Havana where this important event was originally initiated. Its 36th edition is also participating in preparations for the celebration of the 500th anniversary of the Villa of San Cristobal in 2019.

The sites of the tourism fair has also been shared with *Varadero Beach Resort*, the keys to the north of the central provinces of Villa Clara and Ciego de Avila, but has always returned to its birthplace of Havana.

The last time the Cuban capital hosted the representatives of *FITCUBA* was in 2011 when it was shared with Mexico which was the guest of honor the multi-destination as its product.

The enclave privileged for its communication and trade; today, is the administrative, political, economic and scientific center of the Caribbean and continues to grow to the eyes of the international community that has witnessed how --despite the US blockade and international crisis-- its image improves for the wellbeing of its people and foreign visitors.

Thus, Havana, the 25th most photographed site in the world and ranked 21st by *Shigstmap*, and recently included alongside another 6 cities as one of the 7 wonders of the modern world, will be the site of the *2016 International Tourism Fair* dedicated to the promotion of culture and the Canadian market, which is the first to the Caribbean nation.

Oman and Cuba Willing to Expand Bilateral Cooperation

Oman's foreign minister Yousef bin Alawi bin Abdullah expressed his country's willingness to continue expanding cooperation with Cuba in different areas, particularly in health and agriculture.

Abdullah met in the capital Muscat with Cuban ambassador Enrique Enriquez during a working visit by the diplomat to that Persian Gulf Arab nation.

Enriquez and Abdullah addressed the current state of bilateral relations and agree to further strengthen cooperation in several areas. The Cuban diplomat thanked Oman for its support of Cuba at the United Nations against the US economic, financial and blockade imposed on the island since over 50 years ago.

The Arab foreign minister sent fraternal greetings to his Cuban counterpart Bruno Rodriguez and wished prosperity to the Cuban people.

Cuba and Oman established full diplomatic relations in 1994 and over the past few years both nations have witnessed increasing expansion of bilateral links through visits by government representatives and bilateral cooperation prospects, particularly in the health sector.

Vietnamese Businesses Seek Chance to Invest in Cuba

Representatives from 12 Vietnamese businesses involved in hospitality, technology, trade, wood, rubber and IT, among others, attended a business forum recently held in Havana to seek investment opportunities in Cuba.

Nguyen Vu Kien, deputy head of the Viet Nam Chamber of Commerce (VCCI)'s International Relations Department, pointed out that trade and investment co-operation was not on a par with their fine political relations and the potential of the two countries.

Kien encouraged Vietnamese businesses to seek new co-operative ties with Cuba as the country is implementing a new economic model and accelerating international economic integration.

For her part, Celia Labora Rodriguez, head of the Cuba Chamber of Commerce's International Relations Department, introduced Cuba's investment environment and opportunities, business procedures and a strategic project to develop the *Mariefel Special Economic Zone*.

Statistics showed two-way trade between Viet Nam and Cuba reached nearly \$208 million in 2014, of which Viet Nam's exports accounted for \$206 million.



Radio Habana Cuba