

Economic Update October 08



US Commerce Secretary in Cuba for Talks on Improving Trade

The U.S. Commerce Secretary arrived in Cuba on Tuesday for talks about steps taken by President Barack Obama to ease the trade blockade against Havana for more than 50 years.

Secretary Penny Pritzker started her visit with a stop at the *Maríel Special Development zone* near Cuba's capital of Havana, leading a delegation of officials from the U.S. Treasury, Commerce and State departments for meetings with officials from Cuban government ministries and businesses.

Cuba's foreign ministry said in a statement that the goal of the meetings is an "exchange over the reach and limitations of the measures recently taken by the U.S. government to modify some aspects of the application of the blockade against Cuba."

Obama has eased economic restrictions on Cuba since starting the U.S. on the road to closer relations with Cuba. Though the trade blockade remains in place under U.S. law, Obama is now allowing U.S. firms to send supplies to private Cuban businesses and export telephones, computers and Internet technology.

Pritzker is the most senior U.S. official to arrive in Cuba since Secretary of State John Kerry's Aug. 14th visit.

US Secretary of State For Elimination of Blockade Against Cuba

The US Secretary of State, John Kerry recently said that the blockade on Cuba should be eliminated because it will help the people of the Caribbean Island.

In dialogue with Chilean TVN channel, the diplomat, who was there to attend the *2nd International Conference on Our Ocean*, highlighted that Cuba has experiences advances going in the right track.

Shortly before the opening of the event in Vina del Mar and Valparaiso, the TVN space of 24 hours spread the interview in which Kerry was asked about the links with Havana and its future.

'In my view I think the blockade should be eliminated because doing it will help the Cuban people and that is what we should; do as policy'. However, the complete normalization of bilateral relations will depend, in a large extend, to the decisions of the Raul Castro's Government and the US Congress.

Among other international issues, Kerry pointed out that he has no stance in regard to the sea dispute between Bolivia and Chile, which is being resolve at this moment at the Hague, although he wanted a convenient solution for both.

Air France: More Flights Between Havana and Paris

Air France will offer up to 3 additional flights to Havana from the *Charles de Gaulle Airport* in Paris during the Summer of 2016, as compared to the number of flights of the same period of 2015.

In this way, from late March to mid-May next year, the airline will guarantee 10 weekly frequencies between both destinations, explains *Air France* in a communiqué, but it will propose 9 flights from mid June to late August during the Season, which will end on October 26th, through a daily connection.

Present in Cuba for 17 years, *Air France* accompanies the Cuban tourist development and is the first airline between Havana and Europe. This Winter it proposes up to 11 flights per week, according to information provided.

In May, 2014, executives of *Cubana Airlines* and *Air France* expressed their interest in strengthening commercial ties between both companies, in a *Memorandum of Understanding on Trade Cooperation* signed in Havana.

Cuban Tourist Destinations Promoted in Mexico

Authentic Cuba, the campaign to promote tourist destinations in the Caribbean Island, was presented in the Mexican capital with the presence of tour operators, travel agencies, airlines and local authorities.

Cuban Ambassador to Mexico, Dagoberto Rodriguez, said that "positive things are happening in the longstanding relations between the two countries," including the growth of tourism.

During the presentation, *Interjet* airline announced new flights between both nations, starting on October 15th with the routes Mexico-Varadero and Monterrey-Havana.

Gabriela Jiménez, *Director of Inter-institutional Relations of Interjet*, said the route Monterrey-Havana will have 8 flights weekly (Thursday, Friday, Sunday and Monday) while Mexico-Varadero route will operate 4 flights a week on Thursdays and Sundays.

Meanwhile, Xiomara Martinez, Director of the Cuban Office of Tourism in Mexico, said the Island's attractions transcend sun and beaches offers because the Cuban and Mexican peoples are united by history, traditions and culture.

In this regard, the Cuban official promoted the legendary Cuban cities of Baracoa, Bayamo, Trinidad, Sancti Spiritus, Camaguey, Remedios and Santiago de Cuba, which already celebrated the 500th anniversary of their foundation.

The *MSC* firm, also attending the event, has also plans to put in operation a multi-destination cruiser from Havana this year. In the next few days, *Authentic Cuba* will be in the states of Monterrey, Coahuila, Jalisco and Guanajuato.

Cuba, Second Tourist Destination in the Caribbean

The *Caribbean Tourism Organization (CTO)* named Cuba the 2nd leading tourist destination in the Caribbean in the 1st quarter of 2015, only preceded by the Dominican Republic, though the difference in the number of tourist arrivals recorded by the two countries is getting smaller, local press reported.

According to the *Granma Daily*, Cuba welcomed 3.1 million visitors in 2014 while the Dominican Republic received around 5.1 million, whereas in the 1st quarter of this year, 1,135,610 tourists visited Cuba and 1,499,402 the Dominican Republic.

According to official estimates, Canada was the number one issuing market of tourists to Cuba from January to March this year, with 551,360 visitors. This flow may rise considerably in the future resulting from the agreements recently signed by both countries to improve air connections and increase flight frequencies.

Meanwhile, the *CTO* believes this rising trend could negatively affect Puerto Rico, because, while the number of tourist arrivals to Cuba grew by 15% in the 1st quarter of this year, Puerto Rico's only increased by a mere 0.3%.

The easing of travel restrictions to Cuba for U.S. citizens may also trigger the alarm for the Puerto Rican tourism industry because, having been a market so far forbidden for U.S. tourists, the Cuban destination could become a very strong competitor.

Since last December, the interest in Cuba as a tourist destination has grown all over the world, as corroborated by the increase in the number of flights by different airlines, the resumption of others, or the launching of new air routes.

With the objective of maintaining that growth rate in the tourism industry, Cuba is adding more than 3,000 rooms to its largest tourist resorts, while encouraging the participation of the non-state sector in the offers promoted by travel agencies.

The number of tourist arrivals in the Caribbean region grew by 6% from January to April this year, and a similar growth rate is expected for the rest of the year, according to the *CTO*.

In the first 4 months of 2015, the Caribbean islands welcomed a total of 7.9 million tourists, mostly from the States and Canada, said the *CTO* chairman, Richard Sealy.



Radio Habana Cuba