

US study finds mixed outlook for Cuba's tourism industry

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Miami, Sep 3 (IANS/EFE) The development of Cuba's tourism industry following the re-establishment of diplomatic relations with the US will be limited by conditions on the island, a Florida International University study has found.

The report, titled "Future Hospitality and Tourism Business in Cuba: Opportunities and Obstacles", concluded that despite progress in diplomatic links, the US embargo remains in place, affecting an industry that plays a major role in the island's economy.

While the US government ponders further steps, such as opening commercial flights to the island, the FIU researchers estimated that certain areas could be expanded right now to exploit the hospitality business to its maximum.

"Tourism in Cuba will certainly increase as restrictions for US tourists are gradually lifted," John Thomas, FIU professor and lead author of the report, told EFE.

"To expand its tourism industry, Cuba must implement significant changes in infrastructure, in particular in transportation and communications."

The researcher said the Caribbean's largest island offered many attractions, such as beaches, mountains and nature reserves, as well as its culture, including cuisine, which contribute to a rich tourism proposal.

Thomas noted that among the challenges for tourism in Cuba were limited banking and insurance services; a dual exchange rate system; and regulations that prevent foreign companies from acquiring real estate.

"A major obstacle that makes investment in Cuba less appealing is the government's requirement that foreign companies form partnerships with the state and hire workers through the government's employment agencies," the FIU professor said.

As long as the US embargo remains in place, hotel and tourism companies seeking to do business on the island "must navigate through regulations by the Cuban government," which lacks credibility in the resolution of disputes between commercial entities, whether in the courts or before arbitration panels, Thomas said.

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