

Cuba study tour

Experiencing CUBA. MT 05

by

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I. Opening

We, the students of the Class of 2007 of the Master of International Tourism of the Università della Svizzera Italiana would like to take this opportunity to thank the department and university for the opportunity of this enriching study tour. In particular we would like to thank Professors Rico Maggi and Peter Keller. Professor Maggi was of significant help in procuring the funds to be able to take this academic travel. Professor Keller took time away from his busy schedule and arranged through his contacts, meetings for us with the Cuban Ministry of Tourism and the Swiss Ambassador to Cuba. His expertise and guidance are greatly appreciated. We would also like to thank Dr. Stefania Lionetti for helping us with the logistics of planning such a trip and donating so much of her personal time. Additionally, we would like to express our gratitude to Loredana Padurean for her coordination and hard work that tremendously helped us in planning for this trip. Finally we would like to thank our gracious hosts, the Cuban Ministry of Tourism and the Swiss Embassy for their time and insight.

II. Introduction

This study tour was completed in March of 2007 in conjunction with the requirements of the Master of International Tourism. The class spent one week stationed in Havana, Cuba from where they sought out to study and gain a better understanding of tourism in Cuba. Excursions included a day trip to the Pinar del Rio province to the west of Havana and a trip to Playa del Este. Highlights in Havana included a briefing and discussion at the Ministry of Tourism chaired by heads of the Ministry and experts in Cuban tourism and a meeting with the Swiss Ambassador at the Swiss Embassy that focused on tourism's role in Cuba. This report seeks to highlight much of what the class learned. It also seeks to document some record of what was engaged during the study tour.

1. Framework Conditions and the Development of Tourism

(Al-Bolman, Jehad and Cortesi, Matteo)

Background

Cuba, the largest Caribbean Archipelago is marked by its special colonial and revolutionary history and is known as one of the few remaining socialist economies in the world. Although the socialist republic with Fidel Castro as president expresses itself as a rejection of injustice in any form—political, economic, or social, the country is fighting with an economic crises and poverty not least supported by the long lasting US embargo.

By the collapse of the Soviet bloc the nation was forced to make serious changes in its economic structure in order to do business with the capitalist world. However the Cuban Government adheres to socialist principles in organizing its largely state-controlled planned economy.

Cuba's Economy

The Cuban tourism industry, is one sector of the Cuban economy which has maintained its positive performance throughout the decade. Regarding the recent efforts one can easily recognize that the tourist industry has been targeted as a key sector and prioritized during the Cuban economic readjustment program.

Reforms:

- The government has undertaken several reforms in recent years to stem excess liquidity.
- The government introduced a few market-oriented reforms including opening to tourism, allowing foreign investment, legalizing other hard currencies and authorizing self-employment for some occupations.

These measures resulted in modest economic growth. Tourism became the mainstay of the Cuban economy and is now the largest source of foreign currency for the island nation.

According to the results presented by the World Tourism Organization (UNWTO), in 2005 the number of international tourist arrivals recorded worldwide grew by 5.5%. With a growth of 13%, Cuba showed above-average increases, even after having suffered the impact of the devastating hurricanes of 2004.¹

Because of the embargo, Cuba can neither import nor export goods to the U.S. and is dependent on tourism for injecting the economy with foreign currencies. Therefore, the government invests intensive time and care into this sector. Cuba is attempting to become more competitive among other neighboring destinations, such as the Caribbean, by remaining cheaper, marketing the nostalgic socialism of the country, etc. However, above all, the government recognized that it has to consider in its strategy plan that "more than any other economic activity, the success or failure of a tourism destination depends on being able to provide a safe and secure environment for visitors".² No matter how rich a country is of

¹ Rok Klancnik, WTO Press and Communications Department www.world-tourism.org

² 1996 World Tourism Organization, Tourism safety and security, Practical Measures for Destinations.

unique attractions, it can never be successful in the field of tourism if it does not offer a high level of safety.

This is why in the case of Cuba tourism - where the government is the main shareholder in tourism - they work to improve the security level in the tourist destinations hand in hand with developing tourism services (opening tourism colleges, more hotels, new campaigns, etc.) and also by providing safety information that has led to many guide books writing positively about the island: "Compared with any part of north, center or south of America, Cuba is a peaceful and safe place to travel in. "³

In fact, safety and security is today one of the main success factors of tourism in Cuba. Visitors are not restricted to 'tourist ghettos' without 'real contact with average Cubans.' They circulate freely in Havana and other cities; they rent cars and travel through the countryside. Simple observation demonstrates tourists meeting average Cubans in a variety of settings.⁴

Everywhere in Havana one can hardly walk without seeing the police in their green uniforms, providing basic information for tourists' needs. If a tourist loses his way in old Havana he will find many people ready to help him, without him having to be afraid of robbery or other dangers.

It was not surprising when the Tourism Minister of Cuba said that one out of every six beds in the whole Caribbean is in Cuba.⁵ Thanks to the low prices, the good brand and the security Cuba has become number 5 in Latin America's tourist destinations.

³ Eyewitness Travel guide

⁴ Latin Business Chronicle, written by Philip Peters, www.escapeartist.com

⁵ Meeting with the Tourism Minister of Cuba, March 2007, Ministry of Tourism, Havana.

Currency

The national Cuban currency is the Cuban Peso, which is equivalent to 100 centavos (cents). Notes can be of 1, 3, 5, 10, 20, 50 and 100 pesos. Coins can be of 1, 5 and 20 centavos, and there are others of 1 and 3 pesos.

The Cuban peso, denoted by CUP, is one of two official currencies used in Cuba. The CUP does not have any value outside of Cuba, and is used almost exclusively within the nation. For many years, the United States Dollar (USD) had been used by tourists and for "luxury" items. However, the usage of the USD is now being replaced by the CUC, or the Cuban Convertible Peso. Thus, Cuba has two parallel currencies: the CUP and CUC. As a result of Cuba's communist economy, US sanctions, and several other factors, Cuba has developed a rather confusing money system of two parallel currencies of which each is appropriate in different circumstances.

The National Cuban Bank has released the so-called 'PESO CONVERTIBLE' in substitution of foreign currencies. One can acquire 'Pesos Convertibles' at the airport, banks and at the Money Exchange Offices, called "CADECA" (which are widespread throughout the city). In addition, the exchange of US dollars to 'Pesos Convertibles' will not be more one-to-one (as before), but 1 US dollar = 0.82 Peso convertible (18% less). However, the penalty of 10 % IS ONLY APPLIED TO US-dollars and NOT for any other foreign currencies such as Euros and Canadian dollars (among others). Other currencies than US-dollars will be exchanged according to the daily exchange rate of the international currency market, taking into consideration the 8% of revaluation of the Cuban Peso Convertible.

In Cuba, the people trade every day with different foreign currencies. It is a normal fact for them to apply the different foreign exchange currencies because the Cuban Peso is very unstable and they use to exchange it every day. There are places that accept only Pesos Convertibles and other places that only take Cuban Pesos.

As one can establish there is a confusing situation for a traveller relative to the several currencies that are used in Cuba. There are up to four currencies currently circulating in Cuba. It is "up to four" because the last incorporation to this monetary mixture is the Euro, but it is accepted only in limited tourist areas like Varadero and in Cayo Coco, but now with the new regulation some people prefer Euros instead of Pesos Convertibles.

POVERTY ALLEVIATION/REDUCTION

Poverty Alleviation is any process which seeks to reduce the level of poverty in a community, or amongst a group of people or countries. Poverty reduction programs may be aimed at economic or non-economic poverty. Some of the popular methods used are education, economic development, and income redistribution. Poverty reduction efforts may also be aimed at removing social and legal barriers to income growth among the poor.

The Food and Agriculture Organisation (FAO) recognised Cuba as an active partner in the Food Security Programme and one of the few countries in the world being very serious in pursuing the fight against poverty at all levels in both urban and rural areas.

The statement was made by FAO Representative Roberto Arias Milla at a press conference on the occasion of the World Food Day to be celebrated in Cuba from Oct. 1-16-2005.

Milla commended Cuba on its efforts with the World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD) to train experts in food security and to contribute to solving food-security problems in a number of countries.

Currently, Brazil and Belize are keen on working with Cuba to develop an "urban agriculture model."

WFP Director Rosa Ines Antolin said Cuba is always willing to cooperate with others in areas related to nutrition matters which are now faced by over 800 million people in the world.

Director of the Cuban International Economics Organisation Roberto Morales said at the press conference that to celebrate the World Food Day this year, Cuba will conduct a host of activities, such as seminars, painting exhibitions, marathons and concerts.

Among projects contributing to the Millennium Development Goals is YouthPATH (Youth Poverty Alleviation through Tourism and Heritage) the most fitted to Cuba. The objective is to train young people to utilize innovative skills for sustainable employment in the area of heritage tourism, environmental conservation and preservation of heritage areas. Sites in six Caribbean island countries have been established, including villages settled by freed Africans rescued from ships engaged in illegal slave trading, historic sugar plantation buildings, and Amerindian villages with a nesting sea turtle beach.

Communicating and informing

Access to and use of new information and communication technologies and the development of community multimedia centers are two actions in the Mauritius Strategy that are already reflected in the Organization's programs and projects. High connectivity costs and

distribution problems for print media are among the obstacles faced by small islands.

Addressing HIV/AIDS

In the Caribbean, the UNESCO Office in Kingston (Jamaica) is playing a leadership role in promoting a stronger response by the region's educational sector to the HIV/AIDS pandemic, in close partnership with the University of the West Indies and other regional institutions. As part of the Joint United Nations Programme on HIV/AIDS, a web-based discussion and learning portal has been created by and for Caribbean young people. Representatives of youth organizations from eight Caribbean countries met in Trinidad & Tobago recently to design the site. A partnership agreement has been established with the German Technical Cooperation Agency to provide continuing support for the portal. Further information on education and HIV/AIDS is included in a quarterly report produced by the Kingston Office.

Traditional knowledge

Local and indigenous knowledge is an important part of many island cultures. Ongoing projects in the Pacific include the finalization of a CD-ROM and learning pack on exploring and sharing traditional navigational knowledge (The Canoe is the People), the development of a model law on community-held knowledge, and a pilot scheme to incorporate local knowledge in primary and secondary school curricula in Palau, Solomon Islands and Vanuatu. Recent (2005) publications include a bilingual encyclopedia of the local knowledge of the coral reef and rainforest environments in the Marovo Lagoon in the Solomon Islands. Among newly launched projects is that on women's knowledge of medicinal plants and traditional medicine in Mauritius, Réunion, Rodrigues and other Indian Ocean islands. This work is pioneered

through the cross-cutting project on Local and Indigenous Knowledge Systems.⁶

Sustainable Tourism - Eliminating Poverty

WTO & UNCTAD have signed a collaboration agreement to promote the widespread use of sustainable tourism as a development tool. Following WSSD they will implement a new framework to assist developing states and LDCs to radically enhance social change, trade participation and poverty alleviation through sustainable tourism. The central component will be the ST-EP initiative, which will seek new funds, research Sustainable Tourism - Elimination of Poverty linkages and create an operating framework that provides incentives for businesses to use such programmes⁷.

Tourism in Developing and Least Developed Countries is key source of:

- • economic growth
- • foreign exchange earnings
- • investment
- • job creation
- • social welfare
- • external debt reduction
- • diversification of economy

A new transformation was observed in this Caribbean island of 11 million people. By overthrowing the Batista regime and his capitalistic and authoritarian rule, Fidel Castro launched a Marxian approach to human progress through the education and healthcare delivery

⁶ Unesco, Environment and development in coastal regions and in small islands, Embarking on Mauritius Strategy implementation

⁷ World Tourism Org, Tourism and Poverty Alleviation, Meeting the Johannesburg Sustainability Challenge

systems. It was a successful socialist experiment in the developing world for a long time.

With the championing of such socialist policies, Castro was the role model to many but the glamour of his policies begun to fade as he aged. With the collapse of the former Soviet Union and its patron, Gorbachev, Cuba could not sustain its subsidized economy. The socialist revolution had a new twist: A silent restructuring process of Castroika.

Despite the U.S. economic sanctions, many other Western countries including Canada have developed economic relations and business partnerships with the socialist regime. Cuba's hotel and hospitality industry is now on partnerships with foreign companies. Hence, the dolarization of Cuba is undermining the Peso economy. The gradual freedom for micro-entrepreneurship has also unleashed the taste of capitalism. The birth of Castroika began to blossom especially with the historic visit by Pope John Paul in 1998 when Cubans gained new religious freedom and a window for openness.⁸

⁸ The Sunday Time, Interview with Prof. Patrick Mendis

2. Cuba's Competitiveness Regarding International Tourism

(Vinciarelli, Elisa and Zagrebelnaia, Oxana)

Over the last 10 years Cuba has turned from an unpopular tourist country bearing a doubtful political image to one of the most visited tourism destinations in the world. The figures speak for themselves: just 327,000 tourist arrivals per 12,000 rooms in 1990 and more than 2.319.000 tourists visited the island in 2005, demonstrating an annual growth of 13.2 per cent in visits and a raise of 10.7 per cent in incomes from tourism

The change is incredible, especially if one considers that the growth of the arrivals in Cuba more than 3 times exceeds the rate of global and Caribbean tourism growth! In order to understand the reasons for such positive change and follow the development of Cuba's positioning on the international tourism market, it is essential to take into account its peculiar geographic, historical, social and political situation.

Geographically Cuba is not an island, but an archipelago formed of 4195 "Cayos", constituting around 50% of the total amount of the Caribbean area. Isla Grande is remarkable by its different geographic regions: beach areas, rivers, mountains, tropical rain forests and arid flat lands - all together creating a perfect combination for the varied and distinct tourism offer. Moreover, Cuba's special social and political system make this destination unique and has always been a reason for a huge interest from international tourists. Recent cultural and social changes, more educated work labour and a relatively low degree of crime in the country create very welcoming conditions for incoming tourists and contribute to the positive image creation of the whole country.

A new tourism trend - *ecotourism* - is developing with an incredible speed in the Cuban countryside, providing strong basis for environmental sustainability and nature resorts protection. One of the

excellent ecotourism examples is seen in Pinar del Rio province where totally new building hotel structures are thoughtfully designed to correspond perfectly with the natural surroundings of "Amor a la Naturaleza" (ex: Las Terrazas Moka Hotel)

In the course of time Cuba has become the fifth most popular tourism destination in the whole Caribbean region, following Puerto Rico, Cancun, the Dominican Republic and the Bahamas. Obviously, Cuba has been and will continue to be a major force in the Caribbean tourism industry.

The tourism industry in Cuba is the main source for the country's positive economic growth, one of the major contributors to the country's GDP. Cuban governmental directives have always played an important role in the overall development of the tourism industry. Following the continuously growing inbound tourism demand, Cuban tourism authorities have launched a special support programme, based on the principle of tourism resources diversification, competitive advantage growth, higher efficiency, innovation technologies application and internationalization of the tourism products. This governmental programme has resulted in the direct employment practice in the tourism sector, stimulation of domestic production and higher quality standards implementation. A special government's attention is put towards the hotel chains stimulating the establishment of the direct business links between product suppliers and hotels' management. While in 1990 local Cuban producers provided 12 % of the tourism industry's supply (with 340.000 visitors), now they cover almost 68% (with 2 million of visitors per year).

Historically the large part of the hotel rooms in Cuba was of a poor or average quality. During 1993 there were around 34.000 hotel rooms in the country, of which 6.500 were operated by local municipalities and used only for the locals, while 2000 rooms remained under the control of "Islazul"- the hotel chain managing national Cuban tourism flows.

For the purpose of attracting a larger number of international tourists the Cuban Tourism Ministry has launched a strategy resulted in the positioning of Cuba as a mass tourism destination with package tours, average food and lower level of services as the bulk offer. Mass tourism has contributed to the creation of Cuba`s image as an inexpensive, all-inclusive destination.

However the recent introduction of new hotel concepts through joint ventures with foreign enterprises has allowed Cuba to begin changing this image. Today, new traditional hotel establishments in both beach resorts and urban areas are of a much better quality than 5 years ago.

Such world-known hotels as Meliá, Novotel and Golden Tulip have appeared on the territory of the country. And there are many new construction projects in various stages of development, although the majority are still in the preparing study and financial evaluation stages. The government has announced its plans to develop as many as 172,500 rooms by 2010, effectively requiring the construction of an average of 14,000 new rooms every year.

Although many international tourism experts doubt the feasibility of such optimistic plans in terms of the number of new accommodations for foreigners, quality is expected to be far superior to what is generally available today.

Nowadays Cuba is one of the world`s main tourism attractions, thanks to the country`s ability to provide a large inventory of hotel rooms, construction of several airports capable of accommodating large international aircrafts and a wide range of tourism products offered. Between 1994 and 1998, Cuba has recorded the highest rate of growth in tourism arrivals of all Caribbean countries, with an increase of 129%; for the other large destinations the corresponding growth rates were 31% for the Dominican Republic, 2% for the Bahamas by 2%, 12% by Jamaica and 11% for Puerto Rico.

The future potential of Cuban tourism market development considerably depends on relations with the USA and further political changes within Cuba's government. Tourism experts consider that in the case the Castro regime collapses and is replaced by a more democratic one, the position of Cuban tourism market would change drastically. With the opening of borders and a new constitution that recognizes private property rights and free markets Cuba as a tourism destination would experience a real boom and other Caribbean resorts such as Cancún and Cozumel in Mexico, Aruba, Bahamas, Bermuda, Jamaica, Puerto Rico, and the Dominican Republic will risk a significant downturn during the early stages of the opening of Cuba.

Therefore, a thorough strategic planning is required from the side of Cuban tourism authorities. It is advisable to conduct a qualitative data collection and analyses and put more effort on the marketing campaigns targeting the U.S. markets. A very important aspect for a future tourism strategy planning and implementing is product differentiation and specialization, quality standards implementation and possible partnership with Caribbean destinations. Since Cuba is an ecologically fragile area, a special attention should be put to the local environment preservation and sustainability. Cuba's opening to the US tourists if not carefully planned and managed could also cause a number of environmental, overbuilding and crowding problems. Cuba has to be prepared to deal with the expected responses of competitors: price competition, alliances with airlines and hotel chain and tour operators, new and improved products.

3. Cuba's Tourism Potential

(Di Giovine, Moira and Gebhard, Rebecca)

Due to its geographic position Cuba has always had an important role in the international market. Colonialism and Neo-Colonialism was present until the Revolution in 59 and have left their marks.

As promoted by the ministry of tourism the great historical and cultural sites as well as natural attractions make Cuba somehow "similar y diferente". All the Cuban tourism destinations have an individual flavor. This fact does not only serve a wide range of visitors but also distinguishes Cuba from its neighbor destinations and promises a growing industry.

The potential of this industry is recognized by the Cuban nation and likewise the authorities make an effort in boosting this sector.

Investments

Over 60 percent of the tourists arriving in Cuba are brought in by long distant flights. In average the journey to Cuba takes between 14 and 16 hours. On this basis for international demand the infrastructure for airports has been increased over the last years. Today there are eleven international airports distributed over the island that guarantee access from mainly Latin America, Canada and Europe.

Further investments for boosting tourism were undertaken in the fields of electricity and freshwater supply, communication as well as in

improved roads. The main Hotel investments are done in Havana, Varadero, Jardines del Rey, Santa Lucía, Holguín, Santiago de Cuba, Costa Sur Central (Trinidad- Cienfuegos) und Canarreos Archipel. However there is still need for quality improvement. Although 2/3 of the capacity is considered as 4 and 5 star accommodation the conditions do often not meet international standards. The buildings are old and do often not function properly.

Attractions:

As mentioned before Cuba bears a great variety of attractions. The main revenues are still generated by beach tourism. Varadero is the most popular and well-known seaside resort in Cuba and hence very important in terms of value creation.

Located in the western part of Cuba, the city of La Habana is worth mentioning. The capital is a place of memory where the magnificent architecture reminds of prosperous colonial times on one side and marks the memory of the recent revolution on the other.

Thanks to restorations some parts of the city such as Havana Vieja are well prepared for tourists. The sites form an important part in tourism planning. Visitors are collected where old squares and buildings are renovated. Staged performances provide the tourists with pieces of Cuban culture while guiding them at the same time to the dedicated areas.

Beside cultural investments Cuba is following the trend of ecotourism. The beauty of the naturalistic area gives locals and tourists a sense of responsibility to think about ways in which natural resources can be protected and sustained. In fact outside Havana there is a luxuriant natural and wonderful almost untouched landscape, natural parks and beaches that make the whole environment unique and not replicable.

The Viñales Valley, also declared as a UNESCO World Heritage Site and is characterized as an outstanding landscape in which traditional methods of agriculture (notably tobacco growing) have survived unchanged for several centuries.

Ecological concepts like the one of “Las Terrazas” build an interesting example for sustainable tourism taking into account social economic and environmental aspects. The Hotel Moka, located on the shore of San Juan Lake, provides special lodging for family groups in a unique design that blends with its natural surrounding.

One of the biggest attractions on the island are the Cubans itself! What really makes visitors admire the Cubans is their positive way of dealing with the difficulties and challenges of life. The Cubans maintain their optimistic outlook on life and their culture through music and dance. They are known for being very welcoming towards the tourists.

Quality of Physical Planning

Already in 1976, the Cuban government created the Instituto Nacional de Turismo (INTUR). The agency is meant to be the primarily responsible for developing policy for both national and international tourism, as well as for collecting data on tourist arrivals and tourist expenditures.

In 1987 another tourist development agency, Cubanacan, S.A. was created in the island. Cubanacan shares responsibilities with INTUR for policy making in the international tourist industry.

The idea of joint ventures is promoted significantly by the government. Cubanacan is the major Cuban corporation which engages foreign capital for joint-venture investments in the Cuba tourist

industry. All considered, Cuba promotes a sustainable development of its tourism sector.

The tourism bodies are aware of the negative impacts resulting from a carelessly planned tourism strategy. Environmental effects such as damage to coral reefs and depletion of natural resource are observed on neighboring destinations. According to officials in the Ministry of Tourism special focus is placed on preventing negative impacts by learning from other destinations failure. The concept of Ecotourism is part of the planning. According to Caribbean official bodies Ecotourism, is reported to be one of the most rapidly increasing segments of the tourism industry.

"Ecotourism is also the type of tourism that presents some of the best opportunities, when compared to other sectors, for the direct and long term economic impacts on poor communities (*Jasmin Garraway - Association of Caribbean States*, http://news.caribseek.com/Trinidad_and_Tobago/article_47982.shtml)."

Furthermore quality improvement of service is part of the educational program. 20 percent of people working in the tourism sector have a university degree. Beside the academic career, 19 tourism schools provide the necessary skills for employment.

The Cuban government has targeted as a priority investment in the tourist infrastructure. As announced on Website of Cuban tourism board in Canada further planning is undertaken as following:

“Cuban tourist authorities announced their plans to build three golf courses to promote that sport in the country. The new golf courses will be built in Varadero, Cayo Coco and Holguín.”

Authorities are also weighing a project to build a theme park on culture. The Ministry of Tourism has designed a new development strategy that envisages the modernization of hotels and the remodeling of up to 50 historic buildings in various Cuban cities to turn them into hotels. It is also weighing possible investment to refurbish farms to promote rural tourism and renovate Varadero's amphitheater to host international musical events” .

(30. March 2007, <http://www.gocuba.ca/en/news.asp>)

Constraints

Despite a rapidly growing tourism market there are many constraints that limit the potential of tourism in Cuba. One of the major problems that affect tourism is the actual economic and political situation that limits the access to the close market of the United States. The embargo on any direct or indirect financial or commercial transaction with Cuba is limiting foreign investments but also tourism flows and hence restricts U.S. tourist expenditures in Cuba.

However Cuban officials remain optimistic for the prospects of this sector. According to their calculations on carrying capacities the

tourism potential of the island can be more than five times greater than today. They acknowledge that a large potential market is the United States.

Easing the U.S. travel restrictions will definitely increase the number of tourists visiting the island. Furthermore a large presence of Americans in Cuba would dramatically increase the demand and potential market for American brands and U.S. quality food products. The change of the situation bringing a flood of U.S. enterprises into Cuba is taken as an accompanying risk and even if not publicly spoken, opening the market seems to be included in future calculations.

Cultural issues need to be taken into account when considering ways to limit tourism's impact on the Cuban environment. The majority of the Cubans is born with the revolution and is educated according to socialist principles. In order to preserve this culture the government sends out regulations to limit the social impact of tourism. Workers are told to keep their mingling with foreigners to a minimum, prohibiting everything from accepting personal gifts to attending events in the homes or embassies of foreigners without written permission.

The strong regulations on private businesses make it also impossible to establish Small and Medium Enterprises. The taxes for private owned businesses are so high that people can hardly afford it. This is supported by the fact that the number of guests to be served is restricted by the government. It seems that the only way to survive is over mass oriented companies where the ministry of defense is the main shareholder.

4. Destination Marketing

(Neibauer, Nick)

Viva Cuba is the new slogan for Cuba's Tourist Board under the auspices of the Ministry of Tourism. Cuba Sí recently was replaced in order to apparently convey a greater sense of *living* the Cuban experience. Visiting, for instance, the Canadian Cuba Tourist Board's website (<http://www.gocuba.ca/en/index.asp>) will allow the potential visitor to view the new slogan against a backdrop of photos that range from grinning tourists in Havana to a couple enjoying the backdrops of Viñales on the porch of a regionally characteristic farmer's house. Of course, there are pictures depicting the classic Caribbean beach vacation, but Viva Cuba allows the tourist to choose the photo that best reflects the experience of *living* Cuba to him/her. This is a critical advantage for Cuba, as it must not only compete with other Caribbean destinations, but also define itself as something apart and unique amongst other island destinations.

Cuba, perhaps more than any other destination in the world, attracts vast numbers of tourists thanks in part to its political system and the unique socio-cultural elements of this system that have captivated the imaginations and wonderings of individuals worldwide against the backdrop of such elusive and exotic images: 1957 Chevrolets on the Malecon, the resilience of its people in the face of a decades long blockade, Che in sugarcane fields, and Fidel with a cigar rallying the people. Cuba has done little in the way of marketing (Cuba's advertising budget as identified by the Ministry of Tourism pales in comparison with other Caribbean destinations) or "selling" this image though; quite frankly, it hasn't had too. What the world has been fed through history books, the media, and conversation has nourished a long running fascination with the island nation. Some reference romanticism, others a deep-seated curiosity about the island

and its people, nevertheless, it is undoubtedly Cuba's most influential attraction.

Substitution in the Caribbean market might pose the greatest threat to Cuba were it not for this unique attraction that only Cuba can claim. Cuba's brand differs from that of its neighbors in the Caribbean for several reasons; a rich history as Spain's key to its colonies, the revolution, and a one of a kind political and social system that has donned a characteristic to the island that can be only be found in Cuba. Another advantage for Cuba is its relative newness as a destination.

Since the Special Period of the early 1990s, Cuba has grown from the 23rd out of 25 destinations of Latin America and the Caribbean in terms of number of annual visitors to 8th in 2005. Out of the 250,000 hotel rooms in the Caribbean, 1/6 are found in Cuba. Over the past 15 years visitors have increased six fold, the number of hotel beds have tripled, revenues have increased 8 fold, and the number of employees in the tourism industry have doubled (Cuban Ministry of Tourism).

The principal markets for Cuba include Canada, the United Kingdom, Spain, and Italy. The greatest potential market lies only 90 miles to the north and would represent the largest market for Cuba were relations normalized between Cuba and the United States. Sheer proximity, a large Cuban population in the States, and the fascination allotted to a place currently "off-limits" to citizens of the USA are all factors that would draw tourists.

The Ministry of Tourism's communication strategy is divided amongst several different websites. There is the largest, www.cubatrael.cu, which provides visitors a vast array of practical information, destinations, and events. The Ministry then has Tourist Boards in principal markets to target specific regions. Countries with their own Tourist Boards include Germany, Argentina, Canada

(Montreal and Toronto), Spain, France, the United Kingdom, Italy, Mexico, Russia, and Sweden.

Most of these Tourist Boards have their own websites than are more “compact” in respect to the main site. Nevertheless, these websites provide more targeted information. An adequate example is on the Italian Tourist Board’s website (www.cuba-si.it). If one clicks on “Villaggi, Sole e Mare” (tourist villages, sun, and sea), there is a catalogue of Italian “Villaggi.” This is an interesting example of specified communication strategies targeted at set markets. By developing such targeted Tourist Boards to greater cater to specified markets, the Ministry can improve its destination marketing and communication practices.