The Virgin Islands Consortium

Territory's Tourism Product At Risk As Obama Announces Normalization Of Cuba-US Relations

Business / **Published On September 18, 2015 09:15 PM /**

Staff September 18, 2015

ST. CROIX -- The territory's tourism product faces its biggest threat since becoming one of the top Caribbean destinations, as President Barack Obama moved on Friday to further normalize relations between Cuba and the United States.

The Obama administration announced wide-ranging new rules to further ease trade, travel and investment restrictions with Cuba, representing the latest effort to chip away at the longstanding U.S. economic embargo birthed when relations strained during the Cold War years.

According to Reuters, the changes will allow certain U.S. companies to establish offices in Cuba for the first time in decades, expand banking and Internet activities and eliminate limits on the amount of money that can be taken to the Communist-ruled island, U.S. officials said.

Aides to President Barack Obama touted the moves, which he implemented with his executive powers in defiance of critics in Congress, as a way to boost business and promote economic and political reform in Cuba.

At home, Senator Janette Millin Young issued a press release soon after the announcement, stating that the 31st Legislature "is poised to begin discussions on the impact restored relations between the United States and Cuba will have on the economy of the U.S. Virgin Islands."

Millin Young, who chairs the Committee on Economic Development, Planning & Agriculture, made known that a hearing has been scheduled for Monday, September 28, at 2:00 pm in the Earle B. Ottley Legislative Hall in St. Thomas. She argued that the time was ripe to commence discussions on the impacts -- positive and negative -- the reopening of Cuba will have on the tourism product of not just the territory, but the Caribbean as a whole.

"It is prime time that we move swiftly as Caribbean and Latin America leaders, having the discussions about the positive and negative impact the normalization of Cuba will have on our economies, particularly in the area of tourism," she said. "The Caribbean Hotel and Tourism Association (CHTA) in a report dated June 18, 2015, stated that the biggest and most disruptive pebble to be dropped into the Caribbean pool in fifty years will arrive with the opening of travel to Cuba for United States citizens."

Millin Young went on: "This is a critical moment in the territory's history as we commence observation of the centennial anniversary. Discussions about our infrastructural needs and continuing to improve our operations in many areas must now take center stage.

"The Virgin Islands must begin to put important measures in place to ensure that our tourism product remains vibrant, attractive and revenue generating. We must create a territorial plan that will capture all aspects of our unique tourism product, train the next generation of Virgin Islanders in the hotel and tourism industry, diversify our economy and create new markets."

But while Obama's announcement today tore down walls that have long separated the U.S. and Cuban economies, there's still a lot of work to be done before Cuba's tourism product starts to negatively impact the Caribbean, as general tourism still remains under embargo even after today's announcement.

For Millin Young, however, it would be ill-advised to wait until Cuba has been fully mobilized to start having honest discussions about the future of the territory's most profitable export.

"Cuba's re-emergence as a regional economic player is an opportunity to candidly assess the territory's tourism product and marketability," the lawmaker said. "It now places on us the responsibility to chart a new course, for we owe it to the next generation of Virgin Islanders to create a system that will be sustainable and economically lucrative.

I welcome all stakeholders to come together to have a meaningful dialogue so that we can develop a workable plan of action," she concluded.

Several key testifiers, well-noted in the fields of tourism, economics, business development and government have been invited to give frank assessment of the current situation, share their ideas, visions and recommendations with the nine-member Committee on Economic Development, Agriculture and Planning.

Interested persons wishing to provide a five minute committee testimony should contact committee coordinator Ms. Sonia Boyce at (340) 693-2248.