

# Foreign country report – marketing in cuba

Business



Cuba has been at an economic embargo imposed by the United States for decades. Although economic overture is still far from reality, companies interested in investing in the country might find revenue after all.

The main areas of investment should be related to tourism, education and essential goods. Sustainable hospitality definitely gets government incentives, besides being a great idea of success in the island. Cuba is a profitable destination for foreign investment because it is an opening market, the informal economy must be regulated, and United States is already negotiating the end of the economic embargo. Investors around the world seek new opportunities for investment anywhere. Opening markets such as Russia and China, although in a slow and hard overture process, are profitable destinations. Cuba is in economic overture because since 1993 the regime has been allowing foreign investment to tourism, as well as self-employment and legalization of the dollar (US Department of State, 2010).

These market-oriented reforms allow companies to finance in the country with good revenue expectations. Informal economy in Cuba has grown tremendously to supply the need for adequate goods and services. Cubans find in the black market what the government cannot provide. There is an opportunity for foreign investors to gather forty percent of the Cuban economy that is now operated by the informal sector. Although investors should perform a deep research, sometimes not too easy, this percentage shows how lucrative any investment in food, household items and home improvement. Sustainable tourism activities, such as home-improvement towards the quality of tourist destinations at villages, amazing rain forest parks and beaches around the country will surely provide return to investors.

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The United States is committed to negotiate political issues with Cuba, especially after 2009, when these dialogues focused on the improvement of human rights. The American government promised to be more open to the end of the embargo once its criteria on human rights performance is fully met (U. S. Department of State, 2010). It is of great international interest that the American embargo ends, and these negotiations show that once these progress is achieved, a new era for Cubans might finally come to reality. Investors should wait for the end of Castro's influence in the government and prepare resources for a high return on investment.

Since there is a great interest in consumers towards sustainability, once human rights are fully met, the country will provide high income to venture capitalists. In conclusion, although Cuba is still considered a state-controlled economy, investors might find return on investments in any activity related to sustainable tourism. The country is working on market opening reforms and human rights, although slowly. Also, the informal market provides great opportunity of research and source of goods and services requested by the population. Investors that pay attention to this great opportunity will definitely capitalize their venture in the country in a near future. References:

[1] U.

S. Department of State.