

**COMMUNICATION FROM CUBA**

Negotiating Proposal on Tourism and Travel-Related Services

The following communication has been received from the delegation of Cuba with the request that it be circulated to the Members of the Council for Trade in Services.

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**I. INTRODUCTION**

1. Cuba submits this negotiating proposal<sup>1</sup> as an initial contribution to the discussion on the tourism and travel-related services sector in the framework of the special negotiating session of the Services Council.

**II. IMPORTANCE OF THE SECTOR**

2. Mass international tourism, nowadays recognized as the leading industry in the world economy, can be classified as one of the new activities which soared in the second half of the twentieth century, and is relatively young and dynamic. At international level, tourists represent three quarters of all annual travellers.

3. The year 2001 marked a new situation in global tourism. For the first time in half a century, tourist arrivals fell by over 1 per cent. The American region saw a 7 per cent decline and preliminary figures situate the setback in the Caribbean at 5 per cent. The bankruptcy of dozens of airline companies, the sudden tourist vacuum experienced by most tourist regions and the precarious situation in which the economies of tourism-dependent developing countries found themselves have changed the correlation between the different factors which come into play in this activity.

4. The tourism industry is of great importance to developing countries and significantly contributes to the goal of sustainable development by generating employment, preserving natural resources, developing infrastructure and attracting foreign direct investment.

5. The international tourism scene has undergone a complete change and there is now an urgent need to remove barriers which hinder the recovery and expansion of tourism activities in developing countries and ensure that no new discriminatory practices ensue.

6. Trade liberalization in this sector requires the elimination of discriminatory measures, such as that applied by the United States of America to Cuba for more than 40 years, which has represented a

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<sup>1</sup> Cuba reserves the right to amend this proposal, which does not prejudice its final position on subsectors or services that are not included in the analysis, at any time.

loss to our tourism industry of 16 billion dollars, corresponding to the revenue which Cuban entities would have received for the provision of tourism services to United States citizens.

### **III. PROPOSAL**

#### **A. BASIS FOR NEGOTIATIONS**

7. The liberalization of the tourism services sector should foster the increasing participation of developing countries through negotiated specific commitments which help to strengthen their domestic services capacity, allow them to become sufficiently competitive through access to technology, improve their access to distribution channels and information networks on a transparent basis and grant them market access in the modes of supply of export interest to them, in accordance with Article IV of the GATS.

8. The negotiations should take place with due respect for the national policy objectives of Member countries and take their different levels of development into account. There should be appropriate flexibility for individual developing country Members to condition access to their markets by means of a regulatory framework attuned to a progressively higher level of liberalization in line with their development situation, pursuant to Article XIX of the GATS.

9. The negotiations should promote the elimination and prevention of anti-competitive practices of tourism enterprises as a whole, such as warnings of bans on tourism for certain destinations and lack of transparency of information which could favour other destinations, as well as discriminatory use of information networks and related services.

#### **B. EXPECTED OUTCOME OF THE NEGOTIATIONS**

10. The liberalization of tourism services should not give rise to contradictions with national policies with regard to environmental preservation.

11. The negotiations should protect and promote Members' endogenous resources for display to visitors without attempting to change or transform it by introducing exogenous elements from other countries or customs. The natural dovetailing of local culture with the provision of international tourism services should be respected.

12. Bearing in mind the importance of the tourism services sector to the economies of many developing countries in terms of volume of revenue, creation of employment, both direct and related to other sectors, and its positive impact on their GDP, the negotiations should achieve the following:

- Developed countries should make commitments which allow for the effective implementation of Article IV of the GATS.
- When developing countries make commitments, developed countries should guarantee implementation of Article XIX.2 without requiring any further obligations other than those which stem from their national policy objectives and development targets.
- Negotiations on market access and national treatment should be established on the basis of the outcome of the assessment of trade in services which demonstrates to developing countries that they will directly benefit from any commitments to be made.
- Commitments should be made which allow tourist destinations to meet their requirements as regards sustainable social and ecological as well as economic development.

- The elimination of existing barriers and transparent regulation of administrative procedures which hinder or delay the issue of licences and work permits to foreigners, particularly with regard to aspects of the service provision which cannot be handled by the local workforce.
  - The elimination of discriminatory oligopolistic practices by groups of major tour operators which put pressure on developing countries and thereby displace them from the market.
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