Cuban Private Sector Hit Hard by Recent US Sanctions

17/06/2019



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The non-state sector in Cuba is already registering a significant blow as a result of the U.S. sanctions implemented by President Donald Trump, with craftmanship dropping by about 60 to 80 percent in sales, according to local media.

During the Craftmanshift Fair in La Rampa, Hector Danilo Rodriguez, union leader, told Prensa Latina that the situation was the result of Trump's restrictions on travels to the Cuban territory, which impacts directly on tourism to the island.

"This (drop in sales) affects the payment of taxes and our families," he said, adding that "the Helms-Burton Act affects us directly because we do not have access to the raw material we need, nor the production techniques, on the top of the fact that it makes tourism impossible."

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Title III allows U.S. citizens, including Cubans who acquired their nationality, to file lawsuits against foreign companies linked to properties nationalized after the Cuban Revolution in 1959,

but it has never been activated. President Trump announced in March the U.S. would begin to enforce the measure, May 2.

The Helms-Burton Act's Title IV prohibits entry into U.S territory people being sued under Title III.

The most likely short-term effect is the large-scale withdrawal of foreign investors from Cuba, a country whose economy has around US$2 billion in foreign investments.

In addition, the Trump administration has announced more travel restrictions to the island, rolling back measures made by the Barack Obama administration, and is limiting remittances to US$1,000 per person per fiscal quarter. As of June 5, U.S. citizens are prohibited from making group educational and cultural trips known as “people to people” travel to Cuba, Secretary of Commerce Steve Mnuchin of the U.S. Treasury Department announced on March.

Cuban authorities have responded by developing six economic sectors: tourism, biotech and pharmaceutical industry, renewable energy, food production, professional services exports, and construction.