
Five business sectors set to benefit from restored US-Cuba relations

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At midnight on Monday, diplomatic ties between the US and Cuba officially reopened after 54 years of political hostility.

Read more: [Now you can book a rental in Havana for the first time after lifting of 50-year trade embargo](#)

In 1961, relations were completely severed between the two countries, but today each re-opened its embassy in the other's capital after two years of negotiations came to success.

"A new stage will begin, long and complex, on the road toward normalization," Cuban President Raul Castro said in a televised address last week to the Cuban people.

Which will require the will to find solutions to the problems that have accumulated over more than five decades and hurt ties between our nations and peoples.

It is by no means a complete turnaround – there are still many restrictions on Americans wishing to travel to Cuba, and there is an embargo banning most US companies from doing business on the island, whose economy is worth an estimated £51bn. Cuba claims the embargo is hugely damaging to its economy.

Read more: [How will the end of the US-Cuba trade embargo affect the two countries?](#)

But this hasn't stopped businesses taking interest in the island as relations between the US and Cuba move steadily along the path to a full breakdown of restrictions.

Today, Monaco-based Australian oil tycoon David Lenigas made his first entry into the Cuban oil and gas market. His new company Leni Gas Cuba has acquired a five per cent share in Cuba focused oil and gas firm Petro Australis, which owns a huge stake in an oil-rich region on the north coast of Cuba.

"This is LGC's first acquisition that relates to Cuba and we see Petro Australis as an exciting entry point into the Cuban oil and gas sector," Lenigas said in a statement.

Earlier this year communications giant [WPP](#) also revealed it was [about to set up shop there](#) – an unprecedented step among the world's major advertising agencies. The company partnered with state-owned Palco Group to make the move, in anticipation of the new business opportunities likely to open up.

Already US President [Barack Obama](#) has helped relax some parts of the US economic embargo against Cuba, and in the coming months and years we are likely to see increasing numbers of companies turn their attention to the communist-led island. Here are some of the sectors set to benefit the most.

Tourism

Already a popular holiday destination among Europeans, Cuba will become even more of a tourist hotspot once Americans are granted free travel access there.

Some of the island's hotels have been developed by European and South American hotel companies, but soon American firms such as Hilton, Marriott and Starwood will likely start setting their sights on some of Cuba's most beautiful regions.

Agriculture

In 2005, a \$15m deal was brokered by Kathleen Blanco, then governor of the state of Louisiana, to boost agricultural exports to Cuba. This was possible because of a 2001 change to US trade embargo that allowed US companies to sell some food products.

Now, Louisiana amounts for almost 30 per cent of Cuban-bound agricultural exports, according to the World Trade Center of New Orleans. Poultry and rice are two of the main products it exports there.

As restrictions continue to relax, US agricultural companies will look towards Cuba as an expanding export opportunity.

Airlines

Before ties were severed, Eastern and Pan Am were the main airlines flying between the US and Cuba. These disappeared a long time ago, and once US tourists are allowed to visit the island freely there'll be a race to become the main provider of flights to Havana. Delta Air Lines and American Airlines are both probable contenders.

Telecommunications

An exception to the US embargo allows telecommunications providers to establish basic infrastructure in Cuba, so that the island has access to essential internet services.

Given that some US companies have taken the initial step of establishing themselves on the island, it will be easier to take business investment up a notch once the embargo is broken down enough to allow more commercial operations to go ahead there.

Cars

The retro cars Cubans drive around in aren't just for the benefit of tourists hoping to feel like they have returned to the 1960s. For years, Cubans have been severely limited in the cars they can buy, with the government often opting for an official car supplier. Under the system, Cubans have only been able to buy a car from a single company at any one time.

When Cuba eventually rids itself for this rule, a new market will open up for car-makers, who will most likely flock to the island and make the most of the mass transition from old to new.
