USA sanctions four cruise lines over Cuba trips

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Cruise ship in Havana Bay (Source: ACN)

A court in the US state of Florida has fined four cruise lines that had been operating to socialist Cuba more than 400 million US dollars. The penalty payment is to compensate for alleged damages to North American companies that held the rights to operate some docks in the port of Havana before the victory of the revolution in 1959 and were expropriated in 1960.

The four cruise lines affected are Carnival, MSC, Royal Caribbean and Norwegian, which are based outside the US but have their headquarters in Florida. They have to pay a total sum of 439 million to Havana Docks, a company registered in Delaware. The amount is the value of the original property claim plus interest.

After sanctions were eased under then US President Barack Obama, US cruise ships were able to call at the island for the first time in 2016. Three years later, Donald Trump brought US tourism to a complete halt, which also affected cruises.

The court's decision is based on the application of the 1996 Helms-Burton laws, the third part of which was first activated by Trump in 2019 after decades of suspension. Accordingly, claims for damages can be brought against Cuban entities and businesses that were expropriated as part of the 1959 revolution. This includes third countries and facilities built on land formerly owned by the US.

"Carnival Corporation has embarked on a legal journey that was expressly approved, authorised and encouraged by the US government," Carnival spokesperson Jody Venturoni said. "We disagree with the decision and ruling and plan to appeal," Venturoni said.

Cuba's government began negotiations on a new settlement on the issue of compensation during the Obama era, but they fizzled out when Trump took office. In total, assets of around two billion US dollars are at stake, and 44 lawsuits have been filed since 2019.

"Among the central objectives of the Helms-Burton Act was to impede Cuba's economic, commercial and financial relations with third countries, and to impair its ability to attract direct investment from foreign capital for its development," the Cuban foreign ministry said in a statement at the time.