

*The View from Europe*  
*By David Jessop*

## Russia's growing Caribbean interest

Over the last two to three years Russian engagement in the Caribbean has been growing; so that today Moscow's diplomatic profile and its economic presence in a number of Caribbean nations is now stronger than at any time since the end of the Cold War.

Although Russia's interest is on a much smaller scale to that of China, its presence, its alternative approach on foreign policy issues, its economic interest, and its re-engagement with a changing Cuba, represents a significant alternative in the broadening spectrum of Caribbean relationships. As such, it reinforces the view that newer actors may gradually rebalance the historic dominance of Europe and North America.

At its most obvious, the new Russian presence in the Caribbean is demonstrated in the form of its tourists coming into the region in rapidly increasing numbers, enabling the sector to diversify its source markets and grow again an industry suffering from increased global competition, slow economic recovery and an early start in tourism.

Until two years ago, Cuba was the only Caribbean destination for Russian visitors (76,500 arrivals in 2012) but now, so rapidly have Russian numbers to the Dominican Republic increased, that Russia has overtaken Germany as a source market and may soon do the same in relation to France, its third largest market after the US and Canada.

According to Dominican Republic tourism officials some 158,415 Russian visitors visited the country in 2012, a figure 35 per cent higher than in the previous year, and one that they hope will grow by around 51 per cent this year.

In part this reflects the huge investment the country has put into promoting itself in Russia as a part of its drive to develop new source markets. But more significantly it speaks to the Dominican Republic's ability to incentivise and grow airlift, so that there are now twelve scheduled flights a week from Moscow and St Petersburg, with charters additionally coming from both cities and Ekaterinburg.

Moreover, Russian visitors fit the profile most sought after by the tourism sector in the Caribbean. Most are aged between 25 and 45, come from an educated, upper-middle class demographic, have high purchasing power and increasingly want sun, sea and to shop ideally where some Russian is spoken; a challenge the Dominican Republic is rising to.

What this suggests is that most of the Anglophone Caribbean has some catching up to do.

So far, Jamaica is the only CARICOM nation actively courting Russian tourists, receiving a twice weekly service from Moscow into Montego Bay. However, Barbados, the Bahamas and some Eastern Caribbean nations have also begun to consider the possibilities, although in some cases runway extensions may be required to facilitate the high take-off weight of long east bound flights.

The second significant change in the Russian presence in the region has been the dramatic improvement in Russia's relationship with Cuba. Earlier this year the Russian Prime Minister, Dmitry

Medvedev, signed ten wide ranging agreements significantly strengthening bilateral relations between the two countries, effectively reversing its withdrawal following the fall of the Soviet Union.

The agreements include a formula to resolve finally in 2014 the US\$25 billion of Soviet-era Cuban debt that Russia holds; a preferential tariff arrangement on trade with Russia, Belarus and Kazakhstan; and collaboration in a wide range of other areas of joint scientific, environmental, aviation and informatics interest. Re-engagement has also resulted in a rapid increase in trade, discussions on joint ventures in industry, technology and tourism, and in military co-operation, publicly demonstrated by the recent call in Havana by a naval task force led by the cruiser Moskva.

At the same time there has been a growth in interest in improved relations with the Anglophone Caribbean.

Russia has cancelled the remaining debt owed by Guyana, is offering police training and scholarships and through RUSAL's majority shareholding in the Bauxite Company of Guyana (BCGI) is looking to increase its local involvement.

Russian companies are also increasing their bauxite related investment in Jamaica with Rusal, which controls 65 per cent of Jamaica's alumina capacity and operates three of the island's four refineries, investing US\$100m in a coal-fired electricity generating plant, with the objective of reducing its energy costs and reopening idle plants in 2016. There is also interest in investing in the tourism sector.

In the Eastern Caribbean there has been a rapid growth in interest in investment in tourism to take advantage of citizenship schemes being introduced there. In St Kitts for instance, where government has removed visa requirements for Russians, a recently announced US\$50m investment is partly backed by a Canadian agency that promotes to wealthy Russians and others, locations where investment for citizenship is possible.

According to its Ambassador to Guyana, Nikolay Smirnov, Russia is also willing to help the Caribbean understand what lies offshore by providing state support with specific projects involving the study of the Caribbean Sea which, as he put it, "can be used for oil and gas research, seismic study, fisheries and especially climate changes." He has also made clear that it has much sympathy with the Caribbean's position on smallness and vulnerability and will use its influence internationally to support the region.

For its part, Russia also appears to see the region as one in which it can demonstrate its desire to counterbalance what it regards as US exceptionalism; where the restoration of its special relationship with a changing Cuba will be strategically significant; and one which possesses a significant number of votes at the UN and in other international fora.

All of that said, the new Russian presence in the region is not without controversy. In the US there has been negative reaction mainly from those who interpret developments with reference to Cuba and the past. There have been unproven allegations in Grenada about political funding and concessions for offshore exploration, and there are suggestions that the overseas territories of Europe have been used to facilitate the global operations of Russian criminal networks.

What this suggests is the need for the region and for those beyond to form a judgment free from the past, to determine how best to relate to Russia in the Caribbean and to seek to hear more about how it sees a future partnership developing.

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