Will Iberostar follow suit? Sanctions pressure is forcing Western companies to pull out of Cuba

The best-known of the affected hotels: the Iberostar Selection La Habana (Source: TTC/AI-scaled)

Under growing pressure from the U.S. government, more and more Western investors and trading partners are pulling out of Cuba. Following the Canadian mining company Sherritt (which is now set to be acquired by a Trump-aligned U.S. investor) and two European shipping companies, the Spanish hotel chain Iberostar could be next to divest itself of some of its hotels in Cuba.

At least, this is what media reports suggest, citing an as-yet-unconfirmed statement from the company. According to these reports, the hotel chain will divest itself of all hotels associated with the Cuban military holding company Gaesa as of June 1. Gaesa, in turn, was subjected to severe sanctions by an executive order from U.S. President Donald Trump on May 1. All companies from third countries affiliated with Gaesa must fear becoming victims of secondary sanctions as well. Gaesa controls key sectors of the Cuban economy, particularly in tourism and foreign exchange, which is why the sanctions hit Cuba where it hurts.

The U.S. Office of Foreign Assets Control (OFAC) set June 5 as the deadline by which foreign companies must have terminated all business relationships with Gaesa or its subsidiaries.

Iberostar apparently divests itself of twelve hotels

According to available information, the Spanish group Iberostar Cuba Hotels & Resorts has apparently divested itself of twelve hotels that were operated jointly with the Gaesa subsidiary Grupo de Turismo Gaviota.

This affects properties in Havana, Varadero, Cayo Santa María, Cayo Ensenachos, Cayo Cruz, Cayo Guillermo, Guardalavaca, and Playa Pesquero. The relatively new Grand Packard and the Iberostar Selection La Habana, which opened just in February 2025 and is also known as "Torre K," are also affected. The five-star hotel is Cuba's tallest building and is considered an architecturally and economically controversial prestige project, financed with 100 percent Cuban capital.

According to a company statement, the measure is part of an "adjustment to the international regulatory environment" to "ensure the brand's standards." On the booking website ibercuba.com, only six of the former 18 four- and five-star hotels are currently available for booking. As recently as October 2025, Iberostar and Gaviota had presented a cooperation agreement as a "new model of hotel management" on the island.

The Spanish group Meliá, which operates 35 properties in Cuba, has reportedly already closed 50 percent of its operational capacity in the first quarter—officially citing low demand, supply issues, and the energy crisis. However, there has been no word yet from Meliá regarding the divestment of its holdings. The situation is different for the Canadian hotel chain Blue Diamond: it also announced its withdrawal from Cuba.

Cuba Rejects Allegations Against Gaesa

On June 2, the Cuban government responded to the U.S. sanctions and international media coverage of Gaesa with an official statement. The statement describes the latest sanctions as "the most intense, disproportionate, and dangerous escalation in the recent history of relations between Cuba and the U.S." and accuses Washington of waging a targeted smear campaign against the institutions of the Cuban Revolution.

Regarding the group's origins, the statement notes that Gaesa was founded during the Special Period to counter the economic war—with the aim of pooling companies with foreign exchange capacity needed by the state to maintain social gains.

The statement explicitly rejects the characterization of Gaesa as an opaque parallel structure: The corporate group is not an elite structure and certainly not a tool for the enrichment of a few, but rather one of the many examples that have enabled Cuba to withstand the constant aggression of the U.S. government, the statement reads. Among the examples cited as evidence of the group's contribution to society are the construction of more than ten thousand apartments, support for the economy during the COVID-19 pandemic, and investments in energy infrastructure. (Cubaheute)

Update (June 3)*: Iberostar has since confirmed the announcement to the EFE news agency. Melía has now also officially begun its withdrawal and will divest itself of 15 of its 34 hotels in Cuba.*