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USVI Sees \$258 Million Boost from Cruise Tourism as Passenger Spending Hits New High

According to a recent FCCA study, the USVI recorded the third-highest economic impact from cruise tourism in the Caribbean, with passenger spending rising to \$166.22 per visitor despite a slight dip in overall visitor disembarkation rates

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Royal Caribbean's Icon of the Seas and the Celebrity Apex docked at Crown Bay, St. Croix on Jan. 31, 2024. By. ERNICE GILBERT, V.I. CONSORTIUM

A new study published by the Florida-Caribbean Cruise Association (FCCA) found that cruise tourism contributed over \$258 million to the economy of the Virgin Islands over the 2023/2024 season, \$73 million more than in 2017/2018.

The boost in economic contribution from cruises was true across destinations in the Caribbean, with the USVI recording the third-largest economic benefit from cruise tourism, behind Cozumel and the Bahamas.

The number of Virgin Islanders directly employed in the cruise tourism industry also rose, standing at just over 5,000 in 2024, compared with under 3,450 in 2018.

Despite the rosy figures, the study conducted by Business Research & Economic Advisors (BREA) noted a concerning trend. Onshore visits by both passengers and crew were down, the latter significantly – from 39% in 2018 to 30% in this year's study. Passenger disembarkation rates fell to 83% this year, from 85% in 2018.

Despite the reduced visitation rates, total direct expenditures per passenger was up, aggregated across all destinations. The average per passenger spend (by both transit and home port passengers) also ticked up slightly. The USVI recorded the second highest average spend – \$166.22, behind Panama (\$190.61). In the 2018 study, the territory was first, with an average passenger spend of \$165.42.

Across destinations, passengers spent the bulk of their money (an estimated \$2.4 billion) in four major categories; shore excursions, watches and jewelry, food and beverages, and clothing. In the USVI, total passenger expenditure in all categories added up to just over \$221 million, up from \$156 million in 2018. Crew visits and expenditure, however, fell slightly between 2018 and 2024. Onshore excursions were the most popular purchase, with 56% of all cruise visitors to the territory purchasing a tour - 10 percentage points higher than in 2018. Of those passengers, 76% bought directly from the cruise line, while only 5% of those who went on excursions booked with a local provider. In 2018, onshore businesses received 16% of the shore excursion bookings.

The cruise lines themselves are also spending more with the territory, on port fees and local supplies. In the 2024 study, this totaled \$26.55 million for the USVI, compared to \$18.04 million in 2018.

The data paints a complex picture for cruise travel in the USVI. While the numbers of visitors have increased, the territory has largely been unable to convince cruise passengers to spend more while they are here. With recently passed legislation allowing visitors to St. Croix to stay on their ship to patronize onboard casinos, cruise-focused local businesses will have to refine their strategies to attract spending customers.