

The Virgin Islands Consortium

Carnival Sets Sail For Cuba, Posing Threat To Territory's Tourism Product

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ST. THOMAS -- On Tuesday, Cruise giant Carnival Corporation announced that it had been granted approval to send ships to Cuba, which has been enjoying a [rebirth of friendly relations](#) with the U.S.

The announcement marks the first time a major American cruise line will dock at one of Havana's ports since relations between the two countries strained 54 years ago, during the Cold War.

But although the initial agreement won't see waves of vacationers enjoying Cuba's beaches just yet -- Carnival will organize trips under its Fathom brand, which aims to

foster social good by transporting travelers to other countries for volunteering, faith-based, educational purposes or cultural exchanges -- the opening is a sign that the previously held notion that Havana ports would take years to see cruise line action, and in turn pose little threat to Caribbean destinations, is being challenged by the new reality.

Back in December, then-Dept. of Tourism Commissioner Beverly Nicholson-Doty, [said the reopening of Cuba](#) could have "significant impact" on the territory's own offering.

"The opening of Cuba to travelers from the United States may also create increased competition for visitors to the Caribbean," she said. "Though the rest of the world has long had access to visit Cuba, this change could have a significant impact on the U.S. Virgin Islands, where we draw nearly 90 percent of our visitors from the U.S."

Carnival expects Cuba trips to begin in 2016, once the venture is approved by Cuban authorities.

"We know there's a strong demand from travelers who want to immerse themselves in Cuban culture, so this is a historic opportunity for us to enable more people to experience Cuban society," Arnold Donald, Carnival's president and chief executive, said in a [statement](#) released Tuesday.

Nicholson-Doty, now Acting DOT commissioner, said the department must continue to diversify in order to keep up with the ever-changing landscape.

"For instance, we anticipate the cruise itineraries in the Western Caribbean will begin to call on ports in Cuba. We have to continue to do what we have started to remain competitive — augment our proactive marketing efforts, champion infrastructure enhancements, create appealing attractions, and improve our customer service," she said.

At a Senate hearing [held last week](#), Nicholson-Doty requested \$19 million to effectively promote the territory as competition continues to rise. In fact, even before the Tuesday announcement by Carnival Corporation, Nicholson-Doty acknowledged that Cuba was among 8 Caribbean destinations leading the territory in stay-over arrivals.

"Only Aruba, The Bahamas, Cuba, Dominican Republic, Jamaica, Puerto Rico and Venezuela exceeded our stay-over arrivals in 2014," she said, adding that most of these destinations boast double and sometimes triple the accommodations inventory the territory has.

Yet, though the new competition from Cuba will be mulled over in various tourism departments throughout the Caribbean as executives search for ideas to remain strong, the Caribbean, Nicholson-Doty said, has become accustomed to competition from emerging markets, and remains confident that the territory will continue to invest in short and long-term plans.

"The U.S. Virgin Islands, along with our Caribbean neighbors, is accustomed to competition for tourism spending from emerging destinations. As a territory, we understand the need to focus on our short-term and long-term strategies to build our industry, and will continue to invest in the quality and diversity of our product to ensure we remain top of mind among U.S. visitors," she said.

While Nicholson-Doty looked at the positive side -- implementing new strategies to foster growth -- Delegate to Congress Stacey Plaskett, in December of last year, saw trouble for the territory's tourism product, and reminded residents that some of the activists who stood up against and were persecuted by Cuban politician and revolutionary, Fidel Castro, who served as prime minister of the nation from 1959 to 1976 and president from 1976 to 2008, live in the territory.

She said residents should be sensitive to those families and the distresses they faced during those years.

"While I agree with some action to move past a 50-year-long vestige of the Cold War that did little to free Cuban nationals from dictatorial reign, I think that we should be considerate to the sacrifices of the many activists, political prisoners, and their families who have paid heavy prices for their opposition to the Castro regime, some of whom live here in our territory and are a part of our Virgin Islands family," [said](#) Plaskett.

"That is one of the reasons why we should be methodical in our changes in diplomatic relations with Cuba," she added.

Additionally, the Congresswoman foresaw stiff competition for the territory's tourism brand when ships start docking in Cuba—which is just miles away from the Virgin Islands and Puerto Rico—and has reached out to Congressman Pedro Pierluisi of Puerto Rico to work together for solutions.

"The United States must not make these changes in a vacuum and need to consider the U.S. Virgin Islands, as well as our sister island of Puerto Rico, and the overall Caribbean Basin in any significant changes in relations," Plaskett continued.

"Should the U.S. decide to move forward, assistance to the Virgin Islands to make us competitive in tourism, economic development including our rum industry, etc., must be part of the equation and the overall discussions," she said.