

The Virgin Islands Consortium

Editorial: Cruise Industry Has Positive Opinion Of VI; Territory Must Pay Close Attention To Competitors

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Cruise industry professionals from around the world convene in Florida every March for the Seatrade Cruise Global Conference, formerly Cruise Shipping Miami.

The conference, hosted by the Florida-Caribbean Cruise Association (F-CCA) has evolved for almost thirty years into the premier event of the cruise industry, and is open to cruise lines, suppliers, travel agents and partners.

There are regional Seatrade conferences for the Mediterranean, the Middle East, Asia and Europe throughout the year. However, with the Caribbean as the world's leading cruise region and cruise tourism contributing more than \$3.16 billion in direct

contributions to Caribbean economies, it comes as no surprise that Seatrade Global has become mandatory for every destination reliant on cruise tourism.

This year's conference was held in Fort Lauderdale, a departure from Miami, the cruise capital of the world. Billed as a four-day educational conference, Seatrade Global affords attendees the opportunity to learn from cruise industry leaders and stay abreast of industry developments.

With discussions devoted to *The Rise of Voluntourism*, *Cybercrime on the High Seas*, *Factors Influencing Deployment and Itinerary Strategies* and *The State of the Cruise Industry: Upscale Cruising*, the topics are always substantive, timely and relevant to classic Caribbean destinations as well as burgeoning areas seeking regular inclusion on cruise itineraries.

Many destinations send a delegation to Seatrade Global with an effective strategy to justify their numbers: review the conference agenda; decide which conferences will most benefit the destination based on its needs and goals; have at least one representative attend a presentation; share the information in a prepared report, then implement those agreed-upon, fiscally feasible recommendations that most benefit their port.

Having heads of government and legislators at Seatrade Global provides them with first-person exposure to the industry, its scope and its key players in a way that facts and figures on paper cannot convey.

The subjects of interest to WICO and USVI cruise tourism dealt with destination investment and development, itineraries and ship deployment, homeport capacity, new ship orders and improved U.S. relations with Cuba.

Some Takeaways

In general, cruise lines compete but they also cooperate. They are united in their expectations: safety, capacity, development, service and enhanced passenger experience.

Lines invest in their own private islands when they are unable to convince existing destinations to enhance their product and improve capacity. The goal is to extend the passenger experience beyond the ship.

Today's cruise passenger is more sophisticated and interested in deeper, cultural connections with a destination rather than a generic visit to just another pretty place. While ships will deploy to the Caribbean, the key question is where in the Caribbean will the ships deploy.

The Caribbean can expect a 7.7 percent increase in cruise arrivals for the 2016 season. This will exceed world tourism growth. Destinations with double-digit growth are Cuba (up 17.4%), Aruba, Barbados (both up 15%) and Haiti (up 11%). Cruise lines will continue to invest in new ships to meet demand. Leading fleet expansion with what is being billed as game changers is [MSC Cruises](#) with five new ships to set sail between 2017 and 2020.

There are several ships on the order books that are designated specifically for the rapidly growing market in China. Cruise lines serving the Caribbean will look beyond the U.S. for

homeport sites in places such as Santo Domingo and Colombia.

Surprisingly, discussion on improved relations with Cuba did not dominate Seatrade Global, but since we have “moved in light years in one year after 50 years of no movement”, cruise lines are interested, excited and prepared. As I mentioned during testimony last September before the Legislature’s Committee on Economic Development, Agriculture and Planning, Cuba’s lack of infrastructure limits modern cruise ship access, capacity and tonnage. However, the advantage of cruising to Cuba, even on a smaller ship, is not having to worry about where to stay overnight.

While the formal presentations were insightful, without a doubt, the most beneficial aspect of Seatrade Global is the chance to network directly with industry movers and shakers. The cruise industry professional community is a large one that is growing everyday as more places with waterways of every size realize the cruise industry’s enormous revenue potential.

Opportunities abound for informal, face-to-face meetings long after normal business hours. Decision makers whose schedules may not be able to readily accommodate an appointment or even a conference call are not only available but also accessible. Seatrade Global provides that opportunity for introductions, follow-up or sealing the deal. It is the arena where relationships can begin, be strengthened and also extended.

There also is the opportunity to learn from and about competing destinations. Professional publications don’t often have the full story about deals or development projects. The chance to hear firsthand about some of the challenges a competitor encounters helps an industry professional to develop alternative approaches or solutions.

We are fortunate that the cruise industry has a positive opinion about the Virgin Islands. Cruise lines are open to meetings and conversations about keeping or including our islands on their itineraries thanks mainly to our accessibility, exceptional level of service and passenger demand.

We do; however, need to be mindful of increasing competition from the traditional cruise destinations as well as those relatively unknown locales that are building their cruise tourism programs at our expense. The need to expand our capacity to accommodate the newer, larger ships that want to call on our ports becomes more urgent with each passing year.

Additionally, the opportunity to provide the kind of memorable, culture-based, people-to-people interaction passengers want to experience is open to anyone with an entrepreneurial spirit and the desire to share the best these islands have to offer.

As we plot our course, these are the items we should take into consideration to insure stability, prosperity and to preserve our position as a marquee destination in the future.

Submitted by: Joseph Boschulte, president and CEO of W.I.C.O.