

The Virgin Islands Consortium

As Carnival Cruise Line Pulls Out Of Antigua, USVI Sees Opportunity

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In a rather drastic move following disagreements between the Antiguan Government, Carnival Cruise Line and the Florida-Caribbean Cruise Association (FCCA), Carnival Cruise Line last week announced that it was removing Antigua from its itinerary, a decision with damaging consequences for the island, as Carnival Cruise Line alone brings 250,000 individuals to Antigua's shores annually.

As part of the pullout, beginning November 2019, Carnival Breeze, Carnival Legend, Carnival Magic and Carnival Pride will no longer call to Antigua. And the exodus could continue with other cruise ships owned by Carnival, although no other ships were mentioned.

The drastic move comes following a contract the Antiguan government signed with a private firm from England, Global Ports Holdings, while rejecting a bid from a company that was supported by the cruise industry. The contract, whose aim is to continue the development and growth of the Antiguan port in St. John, the island's main town, is worth \$80 million over 30 years.

While it was not clear why the Antiguan government chose Global Ports Holdings over the competitor favored by the cruise industry, Antigua Prime Minister Gaston Browne accused the FCCA of using its influence to exploit the Caribbean.

"The FCCA is literally exploiting the Caribbean," Mr. Browne asserted. "So you will charge, for example, thousands of dollars for your visitors to the Caribbean — and I know that the cruise business is capital intensive — but when you are giving these countries five or six dollars per head this cannot cover the capital costs for the infrastructure," Mr. Browne said.

In response to Mr. Browne's comments, the FCCA issued a statement expressing disappointment while highlight benefits FCCA-member cruise lines have brought to Antigua.

"The FCCA is disappointed in the anti-cruise rhetoric coming from Government and as always is prepared to meet face to face with Government and review the many benefits that the cruise industry brings to Antigua and Barbuda," said Michele Paige, president of the FCCA, in a statement, according to Cruise Critic. "The FCCA has a three decade long successful track record of helping destinations maximize the economic impact from cruise tourism, one average ship call contributes a half million US dollars to the economy of the destinations in the Caribbean," Paige said. "The people of Antigua and Barbuda are very important to the cruise industry, and we wish you every success in your future endeavors."

Carnival Cruise Line's extreme reaction to Antigua's new port development agreement was justified by what the cruise line described as circumstances under the new deal that makes its cruise ships uncompetitive. "We are clearly concerned about the direction the government of Antigua has taken in regards to its port and we have discussions underway with the government to see if we can resolve the issues," Roger Frizzell, Carnival Corp.'s senior vice president and chief communications officer, told [Cruise Critic](#). "Our focus, all along, has been to grow the business for the benefit of Antigua, its business community and our cruise brands and guests. To accomplish this, we need to have competitive pricing and retain our historical berthing capabilities. We look forward to working with the government on these important topics."

Meanwhile, the West Indian Company, which runs the U.S. Virgin Islands' most active port, has been paying close attention to the developments to see how the territory could benefit from Antigua's woes. Clifford Graham, WICO's chief executive officer, said at a Friday board meeting that WICO would monitor to see if the cruise lines' shift from Antigua would yield additional calls to the USVI. "WICO certainly recognizes that call priority is important as you will get the benefits from early shoppers with early calls on itineraries," Mr. Graham said.