



Development of the cruise industry in Cuba and the Impact to the Caribbean

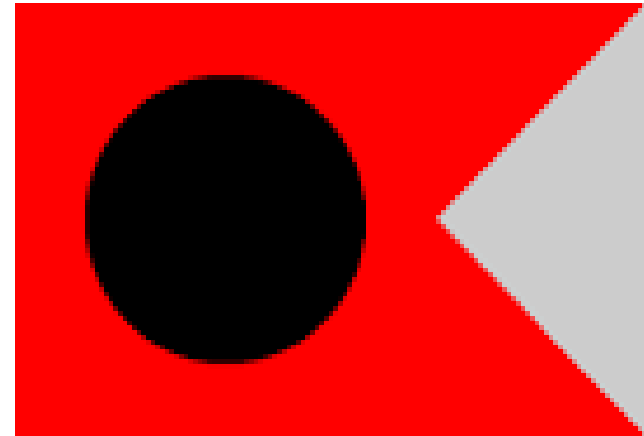
**Fritz Pinnock
Executive Director
Caribbean Maritime Institute**

**CSA Cocoa Beach
2016**

- **Transatlantic crossings** are passages of passengers and cargo across the Atlantic Ocean between the Americas and Africa and Europe.
- a **regular and lasting transatlantic trade route was established in 1556** with the Spanish West Indies fleets, following the voyages of Christopher Columbus.

Brief History of Cruising

- In 1818 the **Black Ball Line** operating out of New York was the **first “*Packet*”** shipping company to offer **scheduled passenger service** from the USA to England.
- **Trade and leisure** expanded together



Introduction

Cruising is an important sub-sector of the tourism industry, and this is so for two reasons.

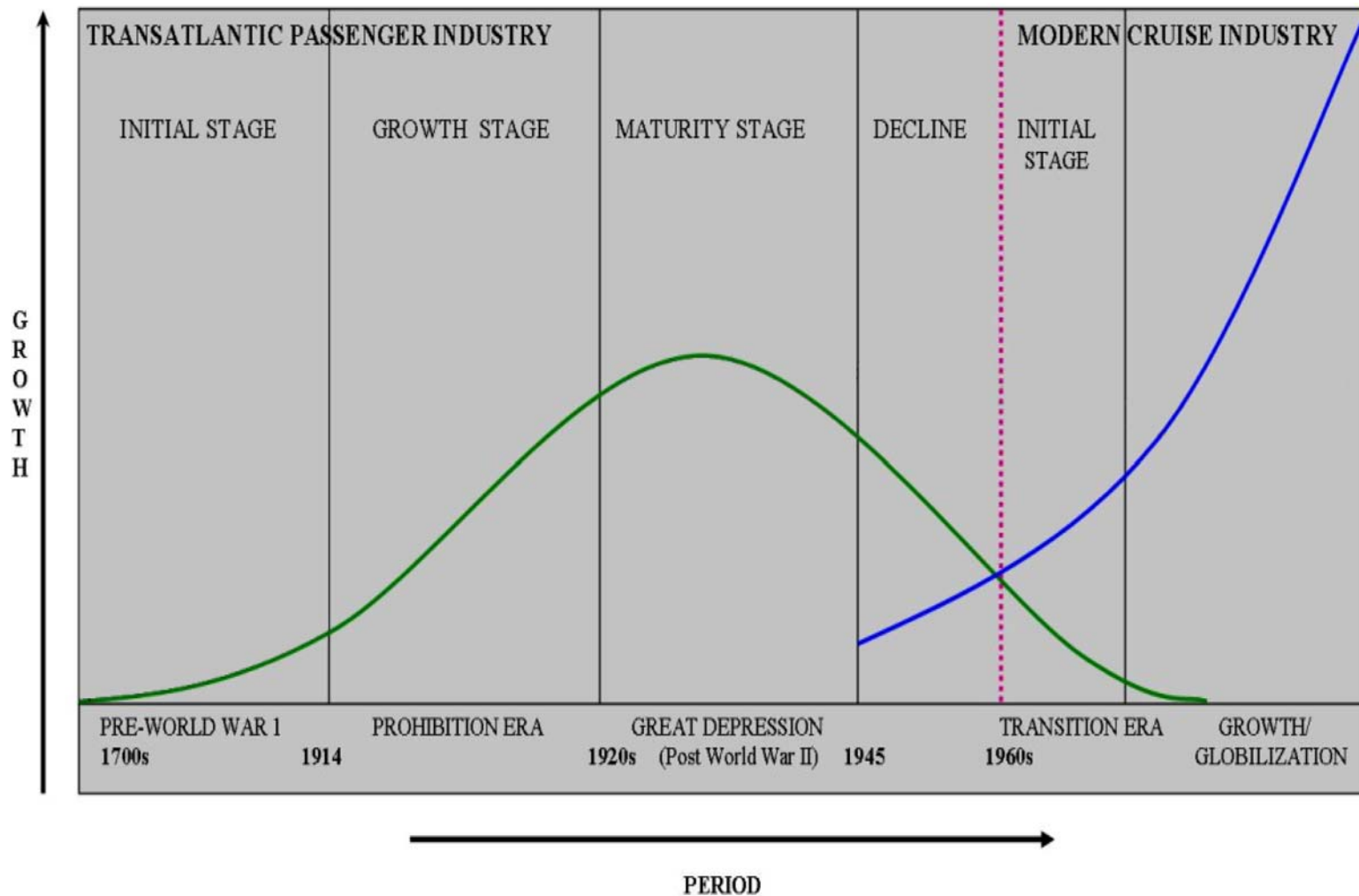
1. It is by far the most **rapidly growing segment** of the entire industry
2. It is one of the few segments where there has been a **remarkable concentration of power**

The Caribbean has been the **most popular cruise tourism destination since the demise of the transatlantic passenger industry in the late 1950s.**

The region remains the **world's leading destination for cruising** due to its proximity to the United States of America, which is the world's largest source market for cruise tourism

THE CRUISE INDUSTRY GROWTH LIFE CYCLE

Evolution of the Caribbean Cruise Tourism Industry



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Cuba – The Pride of the Caribbean

- Cuba has been the **Caribbean's red-hot cruising destination.**
- In the 1950s P&O Steamship Company's SS *Florida* made **three trips a week** from **Miami to Havana.**
- At \$42 a pop the line had no problems filling cabins.

Carnival Corp.'s 704-passenger Adonia (Fathom Brand) left port Sunday May 1, 2016 at 4:24 p.m., bound for Havana.

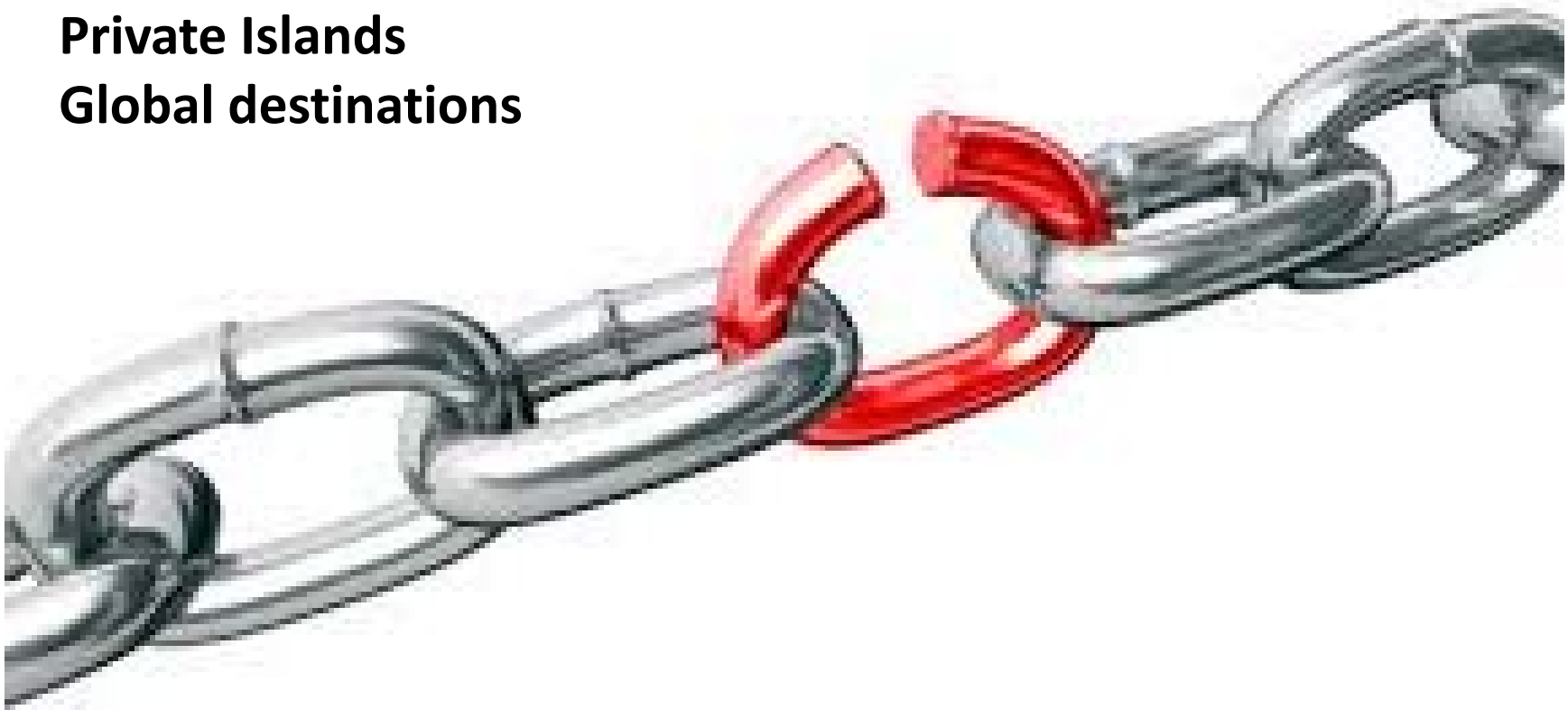
The most recent such cruise, from another U.S. port, was in 1978.



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Cuba

Cruise Line options
Private Islands
Global destinations



- That tourism's total contribution to employment in Cuba in 2014, direct, indirect, and induced, was 450,000, an increase of 2.3% over the previous year and representing 9.2% of total employment.

- **Cruise lines will drop some existing ports to accommodate Cuba port visits.**
- **Proximity of Cuba to the US mainland can allow for Cuba to be easily added to a schedule that can impact itineraries to near markets such as the Bahamas, the Cayman Islands, and Jamaica.**
- It seems inevitable that by adding the opportunity to have Cuba included in multi destination cruises nearer to the United States, with the attendant savings in fuel costs, this will **negatively impact southern Caribbean destinations.**

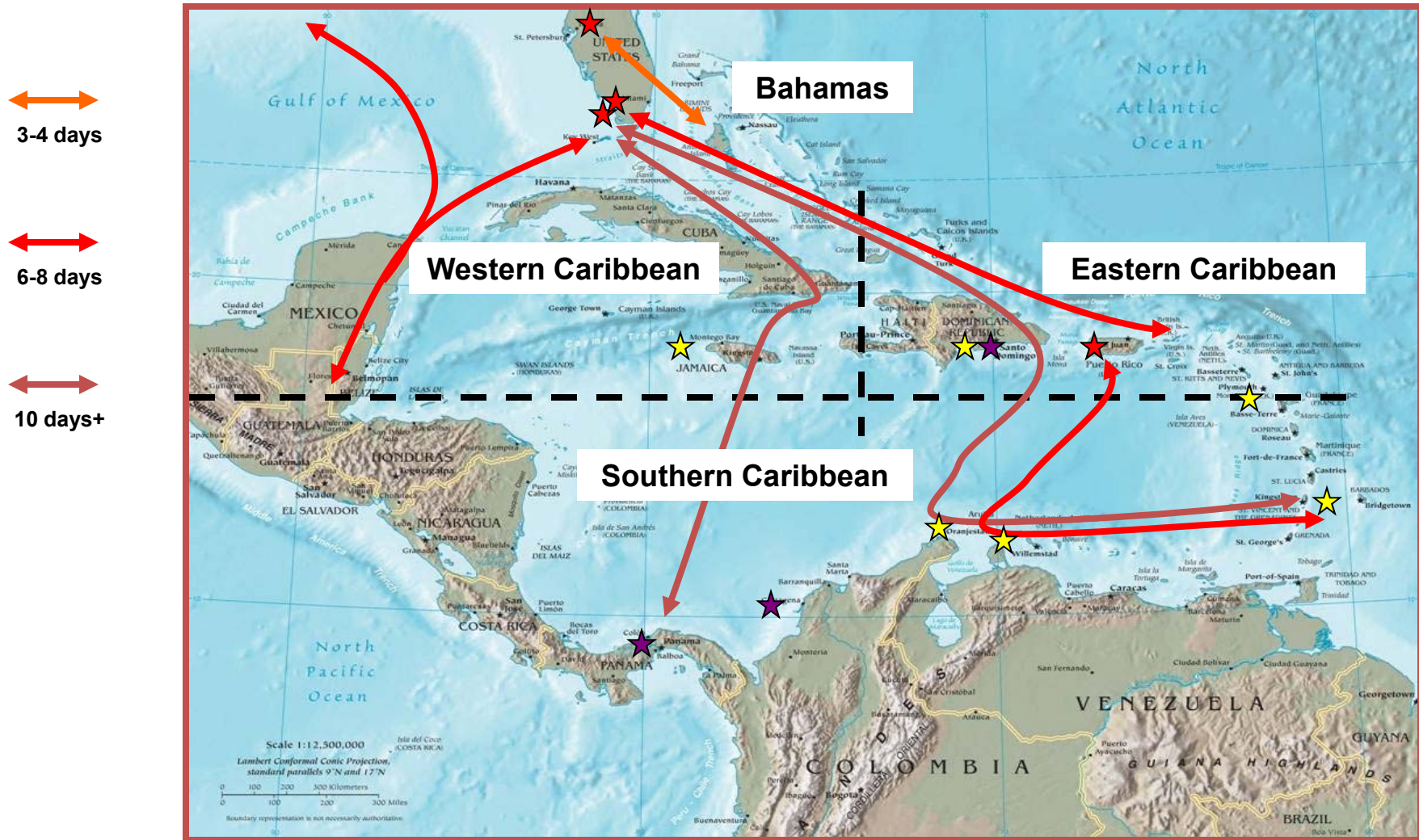
Panama Canal

- According to the Panama Maritime Authority, general statistics indicate that said **Canal connects with approximately 144 maritime routes arriving at 1,700 ports in 160 countries,**.
- Cruise ship arrivals at the Panama Canal continue to be on the rise and **it is expected to increase with the expansion of the Canal, receiving an estimated 100 to 150 cruise ships per month**

Global Cruise Market Share

- the Caribbean always being the main destination recording 37.3% of the itineraries executed at the global level,
- Mediterranean with 18.9%,
- Northern Europe with 11.1%,
- Australia-New Zealand with 5.9%
- Alaska with 4.5% and
- South America with 3.3 %.

Caribbean cruise itineraries



- *Travel Trade Caribbean* - new initiatives are being developed in the Caribbean, one of them being **Panama- South- Caribbean**, a tourism initiative that will add opportunities for travellers to be able to **visit destinations like Aruba and Curacao on a single journey**. This project emanates from the initiative on the changes in the Panama Canal and from an agreement among the highest authorities of the three countries, to promote tourism, trade and the exchange of information on safety in the Region.

- The Panama Canal Authority (ACP) estimates that within the next 20 years, the number of cruise ships crossing the Canal will increase by an average of 3% per annum, with the capacity to receive larger cruise ships more efficiently, opening a new era for this segment of cruise tourism in the Caribbean.

Where am I????



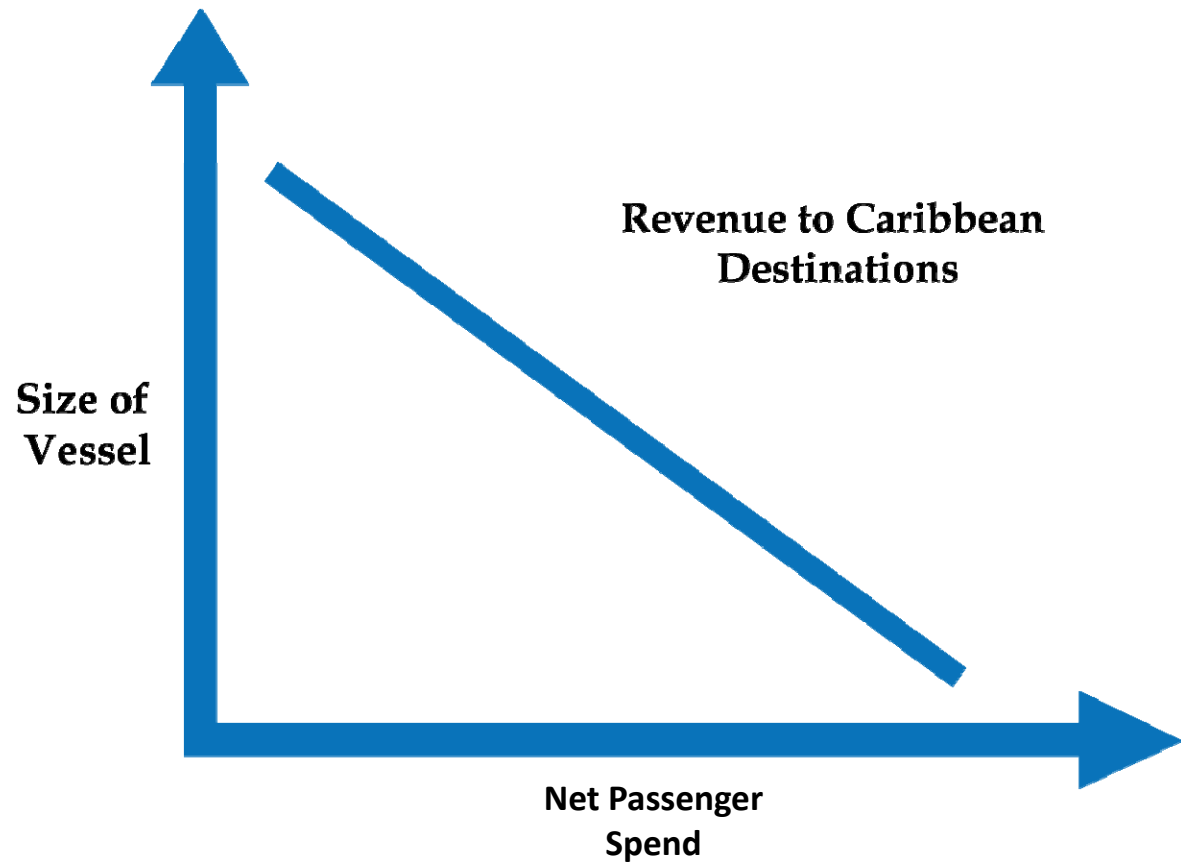
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The Caribbean Challenge

- 28 active cruise destinations – 10 are private islands
- Cruise Ships – Destination
- Cruise Lines choose Itineraries and not single destinations
- Learn from “Cruise Europe” and “Cruise Baltic”
- Value needs to move beyond – sun, sand, sea and sex.

Relationship between Ship Size and Net Revenue to the Caribbean

The cruise industry has a high leakage - approximately 70%



Caribbean Maritime Institute

THANK YOU