



Ministry of Tourism Development and Transport

Ministerial Statement To The House of Assembly

By

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Minister of Tourism Development and Transport

Clarification of the 2014 Cruise Ship Schedule Date: November 29, 2013

Mr. Speaker, I would like to clarify some of the items that were presented to this Honourable House last week regarding the 2014 Cruise Ship Schedule.

In my Statement I noted that Carnival Cruise Line would make two calls in 2014, with the "Carnival Spirit" and "Carnival Splendour" making one call each. Our records show that Carnival made a berthing request on January 23, 2013 for a Spirit-class ship to dock at Royal Naval Dockyard in May 2014. After internal discussions the request was approved on January 30, 2013 and included in the Draft 2014 Cruise Ship Schedule. Between the time of the approval and the preparation of the Cruise Ship Schedule, Carnival made the decision to redeploy the ship to another location, but did not inform us that they wanted to withdraw the berthing request. After communicating with Carnival it is now confirmed that the "Spirit" will not call in Bermuda, but the "Splendour" will make one call. We apologise for that mistake.

Also, it was announced in my Statement that Royal Caribbean's "Vision of the Seas" will be having three cruise calls from Charleston, South Carolina, a cruise port that is of importance to us since it is considered an untapped market. In early discussions with Royal Caribbean, they had indicated that three calls from Charleston will be calling in Bermuda in 2014. However, it was not clear at the time that those cruises would actually originate in Fort Lauderdale, with a stop in

Charleston. We consider this a miscommunication between the cruise line and ourselves.

Mr. Speaker, I believe it would be useful to describe how the process of developing the annual Cruise Ship Schedule is done. Up to 18 months prior to the beginning of a Cruise Ship Season, we actively pursue cruise lines to have them consider Bermuda on their itineraries. This is generally done at the Ministry level, with involvement from the Department of Marine & Ports and the local shipping agents.

After preliminary discussions, we request the cruise lines to formally submit a request to the local shipping agent, who officially communicates the request to the Department of Marine & Ports, and then finally to the Ministry for formal approval.

Again, this is done up to 18 months in advance of the Cruise Ship Season, so we would have started working on the 2014 season in the fall of 2012.

In the first instance, we approve our "regular" weekly cruise lines, Norwegian Cruise Line, Celebrity Cruises and Royal Caribbean, since they represent the greatest number of cruise calls. Once we have their berthing requests, we include them in the cruise calendar. At the same time, we entertain and pursue what we term "occasional callers", which includes the other cruise lines who call in Bermuda for a limited number of visits. Assigning berths for these occasional callers is at times difficult, since we only have two cruise berths to accommodate the larger cruise ships, with the regular weekly callers having priority. The long lead time is necessary for us to prepare for the Cruise Ship Season, enable the cruise lines to redeploy their ships from other ports and for them to market the cruises for their Bermuda itinerary.

For 2014, we will have 104 Regular callers and 27 Occasional calls, including the "Carnival Splendour" and the "Vision of the Seas".

Mr. Speaker, during the time period between when we first receive berthing requests and the actual preparation of the draft Cruise Ship Schedule, we frequently contact the cruise lines to confirm that they still intend to stop here. In

fact, we also check with the cruise lines after the actual Cruise Ship Schedule is first published, and are now in the process of reconfirming all of the 2014 cruise requests. It is understandable why changes do occur, given the long lead time between when we first accept a berthing request, when we initially publish the Cruise Ship Schedule and when the Season actually commences in April.

The final step in the process of developing the annual Cruise Ship Schedule is to publish it on-line. We aim to do this no later than the November preceding the commencement of the Cruise Ship Season; thus the reason we are publishing it now. This is done to enable those providing services for the cruise lines, such as local tour operators and transportation providers, advance notice so they can better plan for the Season. Government department's such as the Department of Public Transportation, the Department of Marine & Ports Services, Transport Control Department, Department of Tourism, Public Works, Parks and others rely on the Cruise Ship Schedule to better prepare their fiscal year budget and work plans. The West End Development Corporation requires the Schedule at this time to make preparations for their planning of the upcoming Season while tour operators require the Schedule to plan for their Season. I can assure you those involved in the local cruise ship product understand there are occasional changes in the Schedule between the time it is published and when the Season actually commences in April.

Mr. Speaker, an article in the Bermuda Sun disputed my statement that we "consider Charleston an important cruise market because cruises from there generally bring a different demographic to Bermuda, as compared to the traditional visitors from Boston and New York". I further stated that "our experience has shown that cruise visitors originating from the Southeast United States have a better understanding of our unique culture and history, and often have more disposable income to spend while here". The Sun used U.S. Department of Labor statistics comparing the disposable income of the Southeast to other regions, concluding that the Southeast was lower than other regions. For clarification, our data comes from the Port of Charleston, who conducts extensive surveys of visitors coming to Charleston and the incomes of the wealthy residents who reside in the Charleston area, the target market we wish to pursue. According to their surveys, 56% of those visiting Charleston have a disposable include in excess of \$100,000.

Thus, I remain by my Statement regarding the potential for cruises from the Southeast market, specifically the Charleston region.

Mr. Speaker, I hope I have clarified some of the comments made in my previous Statement while providing this Honourable House with information on how the annual Cruise Ship Schedule is planned and prepared. I remain excited about the 2014 Cruise Ship Schedule that we have worked hard to complete.

Thank you Mr. Speaker.