



**MINISTERIAL STATEMENT
To the House of Assembly**

by

**The Hon. Wayne Furbert, JP, MP
Minister of Transport**

CRUISE SHIPS – A POSITIVE WAY FORWARD

Date: Friday, 18th November 2022

Mr. Speaker, I rise before the Honourable House today to share with my Honorable colleagues some very positive prospects for Bermuda within the Cruise Ship industry in the next year, 2023.

Mr. Speaker, the principal responsibility of cruise ship lays within the Ministry of Transport, working very closely with the Bermuda Tourism Authority who promotes Bermuda, and our key internal and external industry stakeholders and cruise line partners.

Mr. Speaker, in the recent years the focus has been on the following:

- To attract a mix of cruise brands including large and small ships;
- Diversify home ports by attracting more calls from Baltimore, Norfolk, and other southeastern ports;
- Encourage more overnight stays and this is growing year over year;

- Diversify activities for cruise ship visitors consistent with the mandate of the Bermuda Tourism Authority; This includes consultation with the Cruise lines;
- Enhancement of the Visitor Service Centre experience consistent with the mandate of the Bermuda Tourism Authority;
- Ensure consistency with the National Tourism Plan objectives;
- Attract Disney Cruise Line and the continuation of growth with this line;
- Increase of Carnival Cruise Line calls in off-peak season;
- Increase passenger tax, creation of an infrastructure tax and create a visitor fee for income for BTA; This was implemented;
- And make Bermuda a year-round cruise ship destination. The Ministry of Transport and the Bermuda Tourism Authority has successfully marketed Bermuda to have a cruise ship in port in every calendar month.

Mr. Speaker, it is important for me to give some historical data and some experience of the cruise lines so that it is clear how far Bermuda has come. 10 years ago, 2013, Bermuda was hosting larger ships at Dockyard, while still trying to recover the loss of regular small boutique ships calling in Hamilton and St. George's. That year there were 123 ship calls which brought 340,030 passengers to Bermuda with an economic impact of **\$67.3 million dollars** into Bermuda's economy.

Mr. Speaker, between 2014 and 2016 there was a marginal increase in cruise ship activity with 130, 136 and 139 calls respectively, bringing between 355,880 and 397,904 passengers and between **\$67.3 and \$76.1 million dollars** in economic activity to our island.

Mr. Speaker, 2017 saw an increase from 139 to 161 calls an increase of 16%, and 418,049 passengers visited Bermuda in 2017 and **\$81 million dollars** was spent in our economy, however in 2018 we saw a paradigm shift when Bermuda's efforts in promoting Bermuda as a year-round cruise destination saw an increase in occasional callers and a big increase in passenger spending. In 2018, 180 cruise ships visited Bermuda, with 484,339 passengers and cruise ship economic activity increased to **\$148.4 million dollars**.

Mr. Speaker, in 2019 the Bermuda Government introduced the restructuring of cruise ship taxes and Cabin Tax fell away. A new Visitor Fee of **\$16 dollars** per person was introduced and is collected by the Bermuda Tourism Authority. The Transport Infrastructure Tax was introduced at **\$25 dollars** per person and the Passenger Tax was increased to **\$25 dollars** per person for ships that berth at Dockyard. In 2019, 184 cruise ships visited Bermuda and the economic impact was **\$169.9 million dollars**.

Mr. Speaker, the year 2020 was forecasted to be a significant year for Bermuda with 193 scheduled calls on the books. Instead, the COVID-19 pandemic brought the cruise ship industry to an almost complete halt. Bermuda received 4 winter calls with 9,366 passengers and **\$1 million dollars** in economic activity.

Mr. Speaker, 2021 was a year filled with a glimmer of hope. Never before had the Ministry of Transport worked outside of the box with so many agencies internally and externally, including the Ministry of Health and the other departments to sustain the cruise industry, whilst in a worldwide pandemic. Homeporting with passengers flying into and

out of Bermuda with Viking Cruises was born in 2021, thanks in part to the great on the ground coordination of the port agent and their stakeholder support team. Crystal and Norwegian Cruise Line also continued services that year for a total of 14,204 passenger arrivals. In 2021 the economic impact created was **\$11.4 million dollars** and it was a lifeline for many residents at that time.

Mr. Speaker, during the 2022/23 budget process, the Ministry of Transport was conservative in forecasting the 2022 cruise ship season. In February, the world was still operating within COVID-19 guidelines. Bermuda started the season softly at 50% capacity and by June grew to 75% and by July 86% and during some weeks in July and early August, some ships sailed at maximum capacity. The season then petered off slowly but maintained above-average capacity. Last week in my press statement, I shared with the public that the 2022 season was estimated to end with approximately 395,000 passengers and an approximate economic impact of **\$156.1 million dollars**. The 2022 season is now drawing to an end and final numbers will be known shortly.

Mr. Speaker, Since the PLP has been in Government, there has been an increase of 19% in cruise ship calls and an economic impact of 105% from **\$76 million dollars** in 2016 to an estimate of **\$156 million dollars** in 2022.

Mr. Speaker, what Covid-19 taught us is how much the cruise ship industry means to Bermuda. Before Covid, it was not uncommon to hear that cruise ship passengers do not spend money in Bermuda and have no bearing to the average man on the street. We now know for certain how important the cruise ship industry is to Bermuda. The

cruise ship dollar touches the lives of every day public service vehicle operators, retail and restaurant employees, tour boat operators, tour guides, lifeguards, artists, and sightseeing attractions and much, much more.

Mr. Speaker, looking ahead, I am very pleased to provide the 2023 cruise ship season projections for the country. The future looks bright. I am reminded that the 2023 Cruise Ship schedule remains fluid with 223 calls as of the November 3rd Cruise Ship Schedule. Our 80% capacity projections estimate 559,000 cruise ship passengers, and revenue is estimated at **\$146.3 million dollars** in passenger and crew spending, **\$23.6 million dollar** in passenger tax, **\$10.2 million dollars** in transport infrastructure tax, **\$6.6 million dollars** in visitor fees, **\$12.4 million dollars** in cruise ship port expenses, for a Total Estimated Economic Impact of **\$200 million dollars** in 2023 which is an increase of 28% over 2022's estimate economic impact. And, if the weather is accommodating, fingers crossed, it could be more.

Mr. Speaker, in 2023 our two contract partners are scheduled to bring 171 calls between them. Norwegian Cruise Line has 100 calls of which 84 calls are large ships and 16 calls are small luxury brands. Royal Caribbean Cruise Line is scheduled to bring 71 calls, of which 50 calls are the Royal brand and 21 calls are Celebrity brand.

In additional **Mr. Speaker**, Carnival Cruise Line is scheduled to bring 12 calls, 9 from Carnival's brand and 3 from its Costa brand. And Disney Cruise Line has increased its calls in 2023 to 11.

Mr. Speaker, we continue to build the luxury market for small ships. Hamilton will see an increase in 2023 with 24 calls and St. George's will have 10 calls, also of note the first visit from the Ritz Carlton Yacht Collection with the MS Evrima arrives on April 17th.

And, **Mr. Speaker**, new this year from Seabourne Cruise Line is Seabourne Ovation arriving on April 12th, and from Seadream Yacht Club is the Seadream II on April 26th and from Scenic Luxury Cruises is Scenic Eclipse 2, arriving on October 16th

Returning **Mr. Speaker**, is Silversea Cruises, they have two cruise ships in 2023, and they are the Silver Shadow and Silver Nova on November 16th and 22nd respectively. Of note, the Silver Nova is the first LNG fuel vessel (Liquid Natural Gas - Clean burning fuel) to visit Bermuda.

Mr. Speaker, in closing, we have come a long way since 2013 since we hosted 123 cruise ship calls and now we look forward to welcoming up to 223 calls in 2023 spread throughout the year, give or take a few for weather cancellations. **That's 100 more calls in 10 years in the 2023 forecast which equates to an increase of 81% for the period.** We have a lot to be grateful for. The 2023 season starts off in January with 8 calls weather permitting and the Cruise Ship Schedule can be downloaded at www.marineandports.bm and we encourage all stakeholders to do so often.

Mr. Speaker, I would like to thank all the staff at the Ministry of Transport, particularly Ms Stacey Evans, who have worked so diligently over the years to with all the stakeholders to achieve the many milestones aforementioned in my statement today.

Thank You, **Mr. Speaker**

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