

No. 2 | OCTOBER – DECEMBER 2007

CARIBBEAN MARITIME

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Except for that appearing in the Editorial column, the views and opinions expressed by writers featured in this publication are presented purely for information and discussion and do not necessarily reflect the views and opinions of the Caribbean Shipping Association.

- The Editor.



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The official journal of the Caribbean Shipping Association



caribbean shipping association

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“To promote and foster the highest quality service to the maritime industry through training development; working with all agencies, groups and other associations for the benefit and development of its members and the peoples of the Caribbean region.”

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CSA training

– a direct effect on Regional development

THE Caribbean Shipping Association has a commitment to work relentlessly towards development of the Region by empowering those who work in the shipping industry through training and the development of training programmes.

Before the CSA, not much real training was done in this sub-sector. Today, however, the CSA plays a leading role in organising and supporting the Region’s maritime training.

Most of the Region is made up of island states. Those territories that are not islands – such as Guyana, Suriname and French Guiana – have similar economic realities to island states because there is little overland commerce across their southern borders. Because almost everything must be imported from overseas, the national economies and peoples of the Caribbean depend on the shipping industry for survival. The CSA’s role in developing the Region’s shipping sector therefore has a direct effect on development.

For much of its 37 years, the CSA has fostered the growth of the shipping sector through training and development of human resources. Over the years, it has organised training courses in various Caribbean territories. Through its outreach and co-operation policies, the CSA has supported many regional maritime training programmes, through Trainmar and such projects as the satellite-based distant teaching initiative to deliver the Caribbean Diploma in Shipping Logistics (CDSL). In collaboration with the Caribbean Maritime Institute (then the Jamaica Maritime Institute), the CSA not only helped implement the CDSL project but also contributed financially to textbooks and reference materials.

Using the interest from fixed deposits of the Training Trust Fund, the CSA has helped fund many of these training initiatives including the Monica Silvera Scholarship for studies at the Caribbean Maritime Institute.

A dependable and efficient port operation is not possible without trained port workers. The historical experience of the Region’s major ports proves the point. And the new sophistication of the shipping industry has led to increased demand for trained workers and managers.

Development of human resources inspired the creation of the CSA. It was the efforts by the Shipping Association of Jamaica to train the port workers at Kingston and to regularise their working modes and conditions that caught the attention of other national shipping associations and brought about the idea of a regional organisation.

At the sixth CSA Caribbean Shipping Executives Conference, held in May in Mayagüez, Puerto Rico, the President of the CSA, Fernando Rivera, disclosed that he had entered into dialogue with the Catholic University of Ponce to develop college-level training. These talks have continued since and the President is expected to report on progress when the CSA holds its 37th AGM, Conference and Exhibition in Santo Domingo in October.

These new initiatives can offer Caribbean nationals the kind of skills and career opportunities that will further enhance regional development. We look forward to the President’s announcement in October.

Mike Jarrett, Editor

Caribbean Maritime – a forum for exchange of ideas



THE first issue of our official journal *Caribbean Maritime*, distributed during our sixth Caribbean Shipping Executives Conference in Mayagüez, was indeed a total success as we projected when we decided to launch this magazine. The special and standard features were very well accepted by our readers around the world.

This our second issue, dedicated mainly to the cruise business, will complement what we have done

during the last few years at our conferences and meetings, which is to have more participation in discussion and dialogue about this important sector of the maritime industry.

I take this opportunity to thank all players involved not only in our first issue, but also in this one. As I have said before, I encourage everyone in the maritime business to advertise in this your magazine.

We will continue to work hard in the continued improving of our journal. As

said by our Editor in the first issue, our commitment is to the pursuit of excellence.

I do not want to finish, before I remind everyone in Caribbean shipping, and particularly members of the Caribbean Shipping Association, that this is our magazine and we therefore invite the participation of everyone. The pages of *Caribbean Maritime* provide a forum for

the exchange of ideas which will ultimately support development, growth and expansion of the shipping industry. Any development in your area should be sent to our Editor and also feel free to give us your feedback. This is very important.

Fernando Rivera
President, Caribbean Shipping Association

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Cruise industry is CSA's natural ally

Under the leadership of its first female president, Corah Ann Robertson-Sylvester, the Caribbean Shipping Association (CSA) took the decision in 2004 to establish a Cruise Committee.

For the first time, the growing importance of this business for the Caribbean maritime community was formally recognised within the Association, the voice of Caribbean shipping industries for over three decades.

The effort to incorporate this business into the body and work of the CSA is strongly endorsed by the current president, Fernando Rivera, who himself is much involved in this business.

The CSA's Cruise Committee immediately set out to make the CSA membership more aware of the contribution of cruise tourism to our national economies. We organised presentations and invited speakers to address cruise issues of interest to the Caribbean maritime community and the CSA membership.

Website

The CSA's website – www.caribeanshipping.org – now has a dedicated cruise industry page and we added a cruise workshop to our annual Caribbean Shipping Executive Conference (CSEC).

To me, it is only logical that the CSA's official publi-

cation, Caribbean Maritime, now dedicates a special edition to this growing business. I applaud the vision of the editor, Mike Jarrett, for supporting the committee's efforts and I look forward to reading the contributions made by our members and cruise partners.

As the largest cruise market in the world, the

ing the size of small floating communities, bringing new challenges both for the industry and for the destinations receiving these vessels. More and more, congestion is measured not in traditional port terms but in terms of the capacity of the destinations to absorb the ever-growing number of passengers coming ashore. The industry

approach. Maritime trade needs economic development and we see the cruise business as one of the growth engines in our region. In this respect, the cruise industry is our natural ally.

The future of Caribbean cruising looks bright and the CSA is in strong support. Growth brings with it new challenges and puts more

“The future of Caribbean cruising looks bright and the CSA is in strong support”

Caribbean has for a long time taken the cruise business for granted. However, under the growing pressure of competition from other regions, this is now changing. Competition leads to investments and the Caribbean's cruise investment book is now larger than ever.

In the period until 2010 many millions of US dollars in cruise-related port and infrastructure investments is planned in the wider Caribbean Region. This will trigger further investments in maritime and tourism services and products. These investments are the result of confidence of the cruise industry, which is translated into the building of yet another generation of new and larger cruise ships in the order of US\$ 15 billion in the period 2007 to 2010.

These ships are reach-

ing the size of small floating communities, bringing new challenges both for the industry and for the destinations receiving these vessels. More and more, congestion is measured not in traditional port terms but in terms of the capacity of the destinations to absorb the ever-growing number of passengers coming ashore. The industry

Partnerships

On the other hand, the Caribbean people more and more realise the contribution of this industry to their economies, thus paving the way for further partnership and growth. Our ministers, our tourism organisations, the CSA members, cruise executives and representatives all participate in our efforts to contribute to the growth of this partnership. In this issue, you will read their contributions and their comments.

The CSA looks at the cruise business primarily from a maritime perspective, and in this we take our own

pressure on existing ones.

Congestion and overcrowding were already mentioned, but the environment as well as safety and security can be added to this list. All these topics are on the agenda of the CSA and we will continue to address them from our particular maritime perspective. We welcome everyone who recognises our efforts and wants to participate. There are no limits to what we can jointly achieve.

Jan Sierhuis
Chairman
CSA Cruise Committee

An overview of the Caribbean cruise industry

Some facts and observations

By Mike Jarrett

THE CARIBBEAN has come to depend on the cruise industry. The cruise industry has come to depend on the Caribbean.

Caribbean territories – English, Spanish, French and Dutch – have come to rely on the revenues and business

generated by the cruise industry. The local population benefits directly and indirectly from every ship call and every passenger that comes ashore. The cruise industry needs idyllic, safe, well organised ports with which to tantalise its markets. >



Left: Grenada's new facilities

Right: Idyllic destinations

offer a more intimate or exclusive setting. Pearl Seas Cruises offers a luxurious cruising experience in a new fleet of intimate cruise ships designed for world service. These new ships, with a maximum capacity of 210 passengers each, market the quality of their onboard service. The company's first ship is scheduled to set sail in July 2008 to cruise the Canadian Maritimes, New England and the Caribbean. Also, Oceania Cruises is offering cruises to the Caribbean and Mexico, among other exotic ports of call. Oceania is a distinctively different cruise line with just three modern luxury ships carrying 684 guests.

Handling larger ships with more passengers is a continuing challenge. Ports must grapple with problems of sustaining the environment on top of physical and logistical challenges. Already, the number of cruise passengers being handled by some small ports every year is several times the local population.

Revenue and direct spending

The countries of the Region benefit from the taxes and fees paid by the ship in port. However, most of the income a country derives comes from the spending of cruise passengers while ashore. A study by the US-based Business Research & Economic Advisors (BREA)** found that cruise ship calls in the Caribbean during the 2005-2006 cruise year generated \$1.8 billion in direct spending by passengers, crew and cruise lines.

BREA found that, on average, the typical cruise ship carrying 2,000 passengers and 800 crew members generated \$190,476 in passenger and crew expenditures during a single port-of-call visit. The typical passenger spent an average of \$98.01 at each Caribbean port visit, while average spending by crew members was \$74.56. However, as Jan Sierhuis pointed out: "Spending is very concentrated in five or six destina-

The modern cruise industry has grown and expanded rapidly in its relatively short history. Passenger growth has averaged 8.2 per cent per year since 1980. In that time some 120 million passengers had taken an ocean cruise – about 60 per cent of them in the past 10 years and 35 per cent in the past five years.

Growth seems set to continue. The Cruise Lines International Association (CLIA)* has calculated that 12.6 million passengers will board cruise ships in 2007 – 500,000 more than in 2006. The CLIA expects that 31,028,000 adults will cruise within the next three years.

The projections are conservative

Handling larger ships with more passengers is a continuing challenge for Caribbean destination ports. Ports must grapple with problems of sustaining the environment on top of all the physical and logistical challenges

and, all things being equal, achievable. Passengers are offered a variety of convenient airlift options and the cruise lines, aggressively marketing the out-of-this-world features of their new ships, are making it easier for the cruiser by putting in place more cruise embarkation points.

New passengers are attracted by the convenience of driving rather than flying to the port of embarkation. This has strengthened the appeal of cruising as a vacation alternative.

The growth can be seen in the number and size of ships calling at Caribbean ports. On April 18 this year, Royal Caribbean received its newest Freedom-class ship, 'Liberty of the Seas', from Aker Yards in Turku, Finland. The 160,000 gt 'Liberty of the Seas' shares the title of world's largest cruise ship with sister-ship 'Freedom of the Seas', launched in May 2006. The 'Liberty' has a capacity of 3,634 persons and the vessel's Carib-

bean itinerary started on May 19, 2007.

Royal Caribbean's new Freedom-class ships will be joined by a third, 'Independence of the Seas', in 2008.

For the cruise industry, 'big' is the order of the day. Not all the lines are operating big ships, however. Some still



tions who receive almost 70 per cent of total spending.”

On the other hand, in a US home-port city, an average 2,000 passenger capacity ship with 950 crew members generated about \$322,700 in onshore spending by passengers and crews. The firm found that the total economic benefit of the cruise industry in the USA was \$35.7 billion and that direct spending by cruise lines and passengers on US goods and services was \$17.6 billion.

The analysis of Caribbean cruise tourism’s direct expenditures shows that total cruise tourism expenditures in the US Virgin Islands came to \$362 million. St Maarten received \$246 million in total cruise tourism expenditure. Cozumel, in third place, with total cruise tourism expenditure of \$214 million, led the Caribbean in the number of passenger visits, despite disruption and

destruction caused by Hurricane Wilma.

The Cayman Islands, with the second-highest number of passenger visits, received \$180 million in direct cruise tourism expenditures.

Softening demand

The Caribbean offers a comparative advantage over other cruise destinations in terms of proximity to the US mainland, year-round summer-type weather, a politically stable and safe region and a multicultural (English, Spanish, French and Dutch) experience. Notwithstanding, there has been a softening in demand for Caribbean cruising in the past year and this has affected net revenue yields. Industry executives say the problem with the Caribbean is cyclical and has nothing to do with market saturation or consumer rejection. Rather, it is said to be based on problems in the US economy, specifically the housing market and lending issues that have cut into consumer travel spending.

Whatever the reasons, the cruise lines that serve the Caribbean are increasingly looking elsewhere for

cruise business to keep their state-rooms occupied. Many have turned to European cruise to sustain buoyancy.

Europe

A weak US dollar and a strong Euro have made European hotel bills and restaurant prices challenging for tourists. Cruising has made Europe more affordable, with all the amenities and delights you could wish for, all charged in US dollars. And cruise lines are offering more European cruise departures than ever before. Ships are delivering the ultimate European vacation experience, from luxurious intimacy to adventure and excitement, most of which can be purchased with US dollars. European cruise vacations of every type and character are increasingly available. As such, departures between 2003 and 2007 increased by a whopping 43 per cent. For example:

- Carnival is offering cruises out of Rome on the ‘Carnival Freedom’ and ‘Carnival Splendor’ this summer and autumn. Both will be back in time to do Caribbean duties this winter.
- Holland America is cruising Europe with four ships positioned throughout the Continent. Three of the four – the ‘Prinsendam’, ‘Veendam’ and >



The Caribbean offers many comparative advantages over other destinations



'Westerdam' – have Caribbean itineraries.

- Royal Caribbean has six ships in Europe offering Mediterranean cruises out of various European ports including Barcelona, Venice and London. Royal Caribbean has announced its largest-ever deployment in Europe, with seven ships visiting in 2008.

- Princess Cruises, said to be the most successful in capitalising on the growth in Europe, placed five ships there this year and says it has had no problems filling cabins.

- Celebrity has four vessels based in Europe this summer/autumn season offering round-trip sailings out of Rome.

- Cunard's 'Queen Mary 2' and 'Queen Elizabeth 2' both offer cruises out of London. Cunard's newest luxury vessel, 'Queen Victoria', will launch this

the Caribbean are staying in Europe longer, not returning to the Region until November or December.

Caribbean governments, through their tourist boards and tourism development agencies, may want to review their approach to the industry, given what today's signs say about the future. The Caribbean has real competition from Europe while having to deal with new demands and expectations of a changing cruise market.

Changing market

There are signs that the cruise market is indeed changing. Younger persons are taking cruises. In 2002 about 28 per cent of cruise passengers were under 40 years old and 54 per cent were under 50. By 2006 about 31 per cent of

and target directly Gen Xers, minorities and children. The market is still largely untouched and strategies are being drawn up to beam advertising messages at groups not previously targeted.

Currently, Caribbean cruise destinations have been largely passive with respect to marketing and promotion. The destinations benefit directly from large numbers of cruise passengers coming ashore, yet little time and resources are expended toward this end.

The lines do nearly all the advertising in cruise tourism. The messages and visuals they present to target markets are all about the ship: its state-of-the-art amenities and the quality of food, staff and service. In television, internet and press advertising, the ship is the destination. Little is said or shown of the ports to which the ship goes. And, since the cruise ports themselves do not advertise, they are not really visible in the market.

Young adults do not do the same things their parents do for fun. Anyone who has raised adolescent children knows this. Young adults want more excitement and high-energy activity. They play harder and party longer. Their parents may, but Gen Xers may not, find the local butterfly conservatory or ostrich farm exciting enough to entice them away from their superlative onboard experience. They are less likely to queue up for a day of viewing arts and crafts and shopping for straw goods – or to

Cruise lines are looking to exploit the success of the European market, which returned significant growth and healthy net revenue yields last year

December, also with London departures.

- Disney Cruise Line was also involved in the Mediterranean business this summer.

Cruise lines are looking to exploit the success of the European market, which returned significant growth and healthy net revenue yields last year. The Caribbean is usually 'soft' until late October and early November after the hurricane season, so ships that cruise

cruise passengers were aged under 40 and 61 per cent under 50.

The figures suggest that only about 17 per cent of Americans have taken a cruise vacation – thus offering potential for growth – and that the so-called Generation X is the group most interested in taking a cruise vacation. The industry will therefore need to be more aggressive and creative in its marketing techniques



feast on nature in a Caribbean rain forest. The younger generation of passengers is more likely to be looking for excitement in the form of water sport, deepsea fishing and rock climbing.

If Caribbean cruise destinations do not provide this level of excitement, then the ship certainly does. Cruise ship designers include every fun and play activity conceivable and not many destination ports can match this, so Caribbean destinations may need to review their traditional approach. Passivity may not be the best strategy for growth at this time. Caribbean destinations and tourism planners will have to look at the new demands of an emerging market and come up with new and exciting ideas so as to keep pace.

The lines have little choice in the matter. They have to keep the stream of ideas flowing. They have ships – in service and on order – to fill. They have been advertising on television and have been carefully reading the demands and trends. Not only are they constantly upgrading the product, they have been increasing the number of ports from which passengers may board.

Over 90 per cent of passengers surveyed see a real benefit to having more cruise embarkation points. The BREA survey showed that, for passengers, the key benefits were cost savings (73 per cent) and a shorter drive (73 per cent). A significant proportion (69

per cent) identified not flying to the point of embarkation as a real convenience. Seventy per cent of cruisers and potential cruisers said that having more cruise embarkation points would increase their likelihood of cruising in the next three years.

New York, for example, is number six cruise port in the USA, largely because of the new Brooklyn Cruise Terminal. According to the CLIA, there was a 45 per cent increase in passengers embarking in New York in 2006 with 536,000 cruisers boarding ships. This brings New York back to the levels of 2004, before Royal Caribbean moved its home port to Cape Liberty in New Jersey.

Marketing


The lines have been relentless in their marketing efforts and, armed with good intelligence, have been quite successful in justifying the capital invested in ships now in service and ships not yet delivered. There is literally too much at stake for them to be less than aggressive, let alone passive, about the cruise industry.

So it is understandable that they are increasingly concerned about how comfortable, safe and entertained their passengers are while on a shore visit. The lines need the repeat business. Improving the infrastructure in and around destination ports so as to accommodate more passengers com-



fortably is an option being explored. Carnival has developed a port in the Turks & Caicos Islands and is discussing a project in Honduras. Holland America has developed an island in the southern Bahamas called Half Moon Cay, also used by Carnival Cruise Lines.

The importance of cruise ports expanding and improving their infrastructure to deal with bigger ships carrying more passengers cannot be overstated. The trend towards building super-sized cruise ships, led by Royal Caribbean, will continue. As mentioned earlier, after only just recently introducing the 160,000 gt 'Liberty' and 'Freedom' ships, Royal Caribbean has announced plans to build a 220,000 gt ship for \$1.24 billion.

Discussion and dialogue around the issues are only just getting into stride. The cruise lines are already putting these mega-ships into service. 

*CLIA members include:

- American Cruise Line,
- Carnival Cruise Lines
- Celebrity Cruises
- Costa Cruises
- Crystal Cruises
- Cunard Line
- Disney Cruise Line
- Holland America Line
- MSC Cruises USA
- Norwegian Coastal Voyages
- Norwegian Cruise Lines
- Oceania Cruises
- Orient Cruises
- Princess Cruises

- Regent Seven Seas Cruise Line
- Royal Caribbean International
- Seabourn Cruise Line
- Silversea Cruises
- Windstar Cruises

**BREA was set up in 2000 by Dr Andrew Moody to provide professional market and economic analyses. Prior to forming BREA, Dr Moody was director of travel and tourism research at PricewaterhouseCoopers (PwC), where he was responsible for monitoring travel and tourism trends and providing

consulting support to trade associations and other travel and tourism organisations. Before that, he was executive vice president of business development at the WFA Group (now Global Insight), an economic forecasting firm. BREA specialises in developing custom market analyses. Its clients include Carnival Corp, Royal Caribbean Cruises Ltd, the International Council of Cruise Lines, the Florida-Caribbean Cruise Association (FCCA), Tampa Port Authority, Port of San Diego, Port of Philadelphia & Camden and P&O Ports (New York).



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WÄRTSILÄ



Carnival expects a record

- Carnival Cruise Lines is considered a leader in the Caribbean, carrying more passengers, sailing to more destinations and operating more voyages in the Region than any other cruise company
- Carnival expects 2007 to be a record-breaking season in the Caribbean. It will carry 2.9 million cruise passengers, the most in its 35-year history
- In 2007 Carnival will deploy 18 ships in the Caribbean with 14 of those offering year-round service
- The Company will offer more than 1,150 cruises of three to eight days' duration in 2007
- In November 2008 the Company will introduce its largest-ever 'fun ship', the 3,006 passenger capacity 'Carnival Splendor', out of Fort Lauderdale to San Juan, St Thomas, Nassau and Casa de Campo
- The parent company of Carnival Cruise Lines continues to develop new port-of-call facilities. The \$42 million Grand Turk Cruise Centre includes an 800 ft white sand beach, a swimming pool, cabanas, retail shops and what is said to be the Caribbean's largest themed bar and restaurant
- Carnival has been working with destination partners to enhance and expand shore excursion programming. In 2007 it will offer a choice of some 900 land-side tours within the Caribbean.

Caribbean is still cruising's most popular destination

By Brendan Corrigan

The Caribbean continues to be the most popular cruise destination, featured on roughly half of all North American cruise line itineraries, according to the Cruise Lines International Association (CLIA).

Why is the Caribbean the number one North American cruise destination? This spectacular sailing region offers everything consumers want in a vacation: picture-perfect weather, gracious hospitality, unique sightseeing experiences, great shopping and, of course, gorgeous beaches. But there's more to the Caribbean than great beaches. This is one of the most culturally diverse regions in the world, with a rich history dating back centuries, magnificent architecture and historical attractions and landmarks.

Cruise ship guests are no longer content to sit on a bus and watch the passing scenery. They want to truly experience the destination and immerse themselves in the culture and traditions of the islands they visit. To cater for changing consumer preferences, cruise lines have incorporated more adventure-type tours into their shore excursions, everything from kayaking, canoeing and horse riding to scuba diving, deepsea fishing and so-called canopy tours where guests traverse the lush Caribbean countryside via suspended cables.

The Caribbean has a rich history and

cruise lines have also updated their shore excursion choices to provide guests with a more 'up close and personal' look at the many diverse cultures and traditions of this fascinating region. A good example is the tour called 'Nature's Hidden Treasures & Carib Indians in Dominica' on which guests can interact with indigenous Carib Indians, sample local cuisine, experience traditional Carib Indian rituals, ride a horse through native foliage and stroll in a rain forest.

Unique perspective

Granted, vacationers can still relax on the Caribbean's gorgeous white sand beaches and enjoy traditional excursions such as nature walks and city tours, but these more active tours provide visitors with a unique perspective on some of the wide-ranging activities available within the region.

Like the cruise industry, the Caribbean continues to evolve, with more to see and do than ever before, and cruising is the perfect way to experience the variety of enchanting destinations that make up this fascinating and diverse region.

We in the cruise industry encourage vacationers to take advantage of the wide range of cruise choices, styles and amenities and to explore all that the Caribbean has to offer. ☐

Brendan Corrigan is senior vice president, marine operations, Carnival Cruise Lines



Does the Caribbean really benefit from the cruise industry?



Fritz Pinnock has been studying the cruise industry in the Caribbean in preparation for his doctoral thesis and shares some of his initial findings

Cruise tourism has evolved as a global industry in a relatively short time. In its modern form, it started to grow and develop around the mid 1960s.

“The cruise industry as it exists today is an extreme form of capitalism. In nearly every facet of its operations – in the vast disconnect between its capital base, its labour and its market; in the extreme consolidation of its power and wealth; in its relentless appetite for

innovation; in its nearly total freedom from a strong governmental hand – the cruise industry is business at its most unfettered.” (Kristoffer Garin 2004. Devils and the

By Fritz Pinnock

Deep Blue Sea: The Dreams, Schemes and Showdowns that Built America’s Cruise Ship Empires. Penguin Group. ISBN 0-670-03418-5)

According to Garin: “The 1960s and 1970s saw the final demise of plantation

crops such as sugar, cotton and copra in the Caribbean. Some islands such as St Lucia, Dominica and St Vincent turned to producing ‘desert’ crops such as bananas and coffee. These crops were sold at high prices under special agreements with European countries that once held them as colonies.” *1

“Now these protections are disappearing as the trade rules within the European Union make such agreements illegal. The old

The Caribbean – world’s number one cruise destination



plantation crops are being replaced with a new lucrative crop, the tourist crop, which it was felt would bring in a handsome sum to the island revenues." *2

"Although the strategy was never well thought out, from the beginning tourism was embraced as the primary development strategy for the region. By virtue of its geographic location, its proximity of islands, turquoise waters and cultural diversity, it did not take long for the Caribbean to establish itself as the world's number one cruise ship destination with 46.6 per cent of capacity deployment." *3

Over 103 million passengers

Today, it is the fastest growing segment of the leisure travel market, recording an annual average passenger growth rate of over eight per cent since 1980. Over 103 million passengers have taken cruises lasting two days or more, from 1990 to the present day, because of its growing attraction. Carnival Cruise Lines, Royal Caribbean Cruise Lines and Star Cruises control over 80 per cent of the industry's market share. This is expected to increase to over 90 per cent by 2010.

My doctoral thesis (entitled 'Power Relations Among Stakeholders and the Future of Cruise Tourism in the Caribbean') seeks to determine if there is inequality in power relations among the major players operating within the Caribbean and their impact on the future of the Caribbean's cruise tourism industry. Stakehold-

ers, in this context, refers to all players actively involved in this industry, including ports, shipping lines, government agencies, tour and attraction operators, in-bond shops and local shops.

A survey of 500 respondents among the stakeholders' group across the Caribbean revealed the following:

- Seventy-six per cent of stakeholders in the Caribbean cruise shipping industry believe it is the strategy of the cruise lines to encourage competition among individual destination countries. Cruise lines speak to the Caribbean through one voice, the Florida-Caribbean Cruise Association (FCCA), but negotiate with the Caribbean as individual countries.

- Eighty-nine per cent of respondents believe that, while it is costing the Caribbean more to accommodate these ever-larger cruise vessels, the economic returns to the Caribbean are getting less.

By virtue of its geographic location, its proximity of islands, turquoise waters and cultural diversity, it did not take long for the Caribbean to establish itself as the world's number one cruise ship destination

- Seventy-six and one half per cent believe that most of the money spent in the local industry by cruise ship passengers and crew members goes to the in-bond duty free stores and is not filtered much into the local economy.

- Eighty-nine per cent believe that, as the cruise

lines are increasingly negotiating directly with the attractions for lower prices, the local tour operators are getting weaker in the stakeholder chain.

- Ninety-four per cent of respondents believe the Caribbean islands have been targeting absolute numbers of passengers, rather than average spending per passenger, as the basic measure of success – that is, quantity and not quality. The Caribbean needs to collect its own statistics on cruise passenger spending.

- Eighty-two per cent of respondents believe that governments should place quotas on the number of landed cruise passengers based on the carrying capacity of their island.

"The same quirks of law and history that have enabled it to grow at such a remarkable rate have also given us a glimpse into a possible future in which government has receded almost entirely into the background

cruise shipping business. It is suggested instead that they adopt a more collaborative approach with the aim of extracting greater value from their cruise shipping customers rather than focusing solely on taxes. ❏

1. Gossman, L. 1998. *The Political Ecology of Bananas: Contract Farming, Peasants, and Agrarian Change in the Eastern Caribbean*. The University of North Carolina Press, Chapel Hill, North Carolina.

2. Gilmore, J. 2000. *The Tourist Crop in: Gilmore J. (ed) Faces in the Caribbean*. Monthly Review Press, London, Latin America Bureau, New York.

3. Business Research & Economic Advisors (BREA) 2006. *A survey-based analysis of the impacts of Passenger, Crew and Cruise Line Spending*. Economic Impact of the Cruise Industry, Cruise Passengers Equal Profits. The Florida-Caribbean Cruise Association Magazine, First Quarter 2007.

4. Garin, Kristoffer 2004. *Devils and the Deep Blue Sea: The Dreams, Schemes and Showdowns that Built America's Cruise-Ship Empires*. Penguin Group. ISBN 0-670-03418-5

and society in nearly every aspect is governed by the markets alone." *4

Although the study is not yet completed, preliminary findings reveal that the changes in cruise shipping have become so drastic that Caribbean governments need to reconsider their parochial approach to the



By Burnett B. Coke

If you have never taken a cruise then perhaps, immediately after reading this article, you should book a cruise: any cruise, going anywhere. For those who have previously taken a cruise, the chances are you can readily relate to the high efficiency of the crew.

Over the past decade, cruises have increasingly posed a major challenge to stopover tourism – twice the average annual growth – by providing the best of both worlds: the cruise as one attraction and stopover ports as another.

What defines the cruise line industry, with its high percentage of repeat clients and continued expansion from its original upper income market to middle income mass market? Apart from Flags of Convenience, the answer lies in the visionary leadership which has ensured that the crew understands the difference between service and servitude. Professionalism resonates through the officers, staff and crew, all of whom help to maintain the fantasy for clients while remaining grounded in rigid service standards. It was the same imaginative leadership that ensured the implementation of biometric security measures even before the 9/11 crisis, thus reducing the

impact felt in other tourism interests.

The view has been advanced that cruise lines recruit skilled but vulnerable and malleable crew from developing countries and thereafter pay sub-minimum wages. Concurrently, the lines are said to implement arduous terms and conditions on crew members: six-day working weeks for periods of six months. While valid, and warranting another discussion, this is not unique to cruises, nor would it explain the sustained efficiencies. In fact, it should serve to undermine those efficiencies and professionalism.

Service

All too often you find yourself at the end of poor customer service for which you have already paid handsomely. Such representatives confuse their service as being synonymous with servitude and act out their misconceptions. The cruise ship crew, notwithstanding terms and conditions of employment, ensures that you get value for money.

Necessity is the mother of invention and cruise workers have been honed into truly multi-skilled workers to ensure continued business viability and survival at sea.

A quick scan of crew demography reveals even greater diversity than the passenger list itself, with

crew members representing up to 50 countries. This dispenses with the stereotypical thinking that specific skills are held solely by specific ethnic and geographical groupings. Instead, training and development programmes are integral to the workforce efficiencies and your 'fantasyscape' on float-

gers, Caribbean nationals comprise less than seven per cent of cruise workforces. Not only does this deny the Region of potential earnings; it also denies regional workers exposure to structured training, development and efficiencies. Filipinos, on the other hand, comprise a disproportionate but distinctly

Over the past decade, cruises have increasingly posed a major challenge to stopover tourism

ing theme parks. Cruise ship crews are probably the most globally diverse yet physically dense labour forces anywhere. They constitute a microcosm of what a truly global workforce might look like, and how multinationals are responding to the challenge of both recruiting and managing such diverse aggregations of workers.

This enviable workforce competence and responsiveness is grounded in programmes that ensure structured and consistently high standards without creating a rigid and impersonal workforce.

One unfortunate omission of this phenomenal success is the continued failure of the Caribbean region to fully capitalise on glaring opportunities. While Caribbean cruise shipping accounts for over 40 per cent of total cruise passen-

favourable portion of crews.

In response, we need to throw out the challenge to Regional bodies, namely the Caribbean Hotel & Tourism Association and Caribbean Tourism Organisation, to recognise best labour practices and, where possible, to steal programmes shamelessly for regional implementation.

Succinctly stated, cruise shipping provides fertile data and practices for mimicry and companies should learn that service, not servitude, will be critical to global competitiveness. ☐

Burnett B. Coke has over 16 years' experience in human resources, industrial relations and conciliation/mediation. He holds an MA degree in Labour and Development from the Institute of Social Studies in the Netherlands.

Branding the Caribbean, sustaining growth

By Vincent Vanderpool-Wallace

Two years ago, after recognising that the Caribbean was “the world’s best known, unowned brand” we decided to set up an organisation whose purpose was to “own, promote, protect, advance and enhance the Caribbean brand”. And, since the Caribbean is mostly associated globally with the tourism industry, it made sense for that brand to be owned by the tourism sector.

We further recognised that the ownership and development of that brand had to be a joint private-public sector exercise and so the Caribbean Tourism Development Company was created for that purpose. It is owned equally and jointly by the Caribbean Tourism Organisation and the Caribbean Hotel Association – respectively the largest public-sector and largest private-sector organisations in the Region.

The Caribbean Tourism Development Company aims to achieve four broad goals:

1. Delivery of experiences that compel the visitor to extol the virtues of the Caribbean on their return home
2. Efficient delivery of effective information
3. Establishment of low cost, high frequency, high quality transportation
4. Forestalling, reducing and eliminating impediments to sustainable growth.

It was an examination of these goals that propelled us to take a fresh look at the cruise industry in the Caribbean and we began to see some “inconvenient truths”.

It was clear that, over the years, the cruise industry had become the “whipping boy” of the tourism sector. It was the sector that we punished whenever we would not punish the real object of our wrath. A closer examination of the facts led to the conclusion that land-based tourism businesses were often upset with the cruise industry because cruise companies managed to get what the land-based entities had failed to get. We envy the cruise companies’ labour agreements. We envy their organisation. We envy their purchasing power. We envy their tax structure. And, more than anything else, we really, really envy their profitability.

We whip them because we envy the significant business advantages they have managed to wrangle for themselves to secure the lowest possible operating costs.

On the land side, we needed to recognise that tourism is an export and few countries knowingly reduce the competitiveness of their exports by increasing their prices through heavy taxation. Instead, we need to find a way to make our land-based businesses more competitive in what is now the world’s most competitive business, tourism.

Let me make it very clear, I am convinced that the economic benefits that will flow to our countries from tour-



Vincent Vanderpool-Wallace is Secretary General of the Caribbean Tourism Organisation

ism will increase substantially if, as the cruise companies have done, we find a way to make this export more competitive in price on the world stage.

Nonsense

Until now in the Caribbean, most of the passionate discussion about the cruise business has been precipitated by hoteliers because many believed that all cruise passengers were potential hotel visitors and if the cruise passengers disappeared, their hotels would be full. That we found to be nonsense.

On the other hand, the cruise industry did not help matters by telling hoteliers and governments that cruise passengers, once they had enjoyed a wonderful experience at a port, were all potential land-based visitors at some point in the future. That was also nonsense. >



The truth is somewhere in the middle and the truth varies from destination to destination.

For years, in the Caribbean, we have juxtaposed the 20 million stopover visitors against the 20 million cruise passengers. Let us look more closely at those numbers.

The Caribbean accounts for about 41 per cent of the global cruise business, which represents some 5 million people in total – not the 18 to 20 million that is often reported. This higher figure is the result of counting the same cruise passenger at each destination on a multi-destination cruise. The fact is that we have 18 to 20 million opportunities to impress these 5 million cruise passengers whose average

length of stay in our ports is less than a day. Remember that this number compares with our more than 20 million true stop-over visitors whose average length of stay is some five days, representing 100 million full daily opportunities to impress those visitors.

Six categories of cruise passengers

Furthermore, from our observations, there are at least six categories of passengers on most Caribbean cruise ships:

The first category covers persons who cannot afford the Caribbean except if they came on a cruise ship. Those people cannot afford to be converted.

The second category covers persons who could

not afford the land-based equivalent of the kind of multiple destination vacation offer provided by cruise ships. Those people have no interest in being converted. We do not like to admit it, but what many people buy on a Caribbean cruise is a multi-destination vacation. Has anyone tried to price such a land-based multi-destination vacation, even if the air connections work?

The third category covers persons who prefer to cruise. They, too, have no interest in being converted. If cruise ships did not exist in the Caribbean, they might go elsewhere entirely.

The fourth category covers people who can afford a land-based vacation and can even afford a multi-island vacation, but they far prefer to experience it on a cruise because of the convenience. They also have no interest in being converted. They have no interest in the packing and unpacking and the multiple airport experience required by a land-based multi-destination experience. This contrast has only been exacerbated by the recent security rules at airports.

The fifth category covers people who have never been to the Caribbean before but who, with sufficient evidence and experience, can be converted to take their next Caribbean vacation on land at a single destination instead of a cruise ship.

The sixth category covers people who are neither land inclined nor cruise inclined. They are vacation inclined and they switch back and forth between cruises depending on their whims. These include meetings,

incentive groups, honeymooners, weddings and other niche groups.

Let me make it clear that even though it appears that four out of these six are difficult to convert, we do not know the size of each category, so we do not know if the numbers that can be converted are greater or smaller than the numbers not inclined to be converted.

Four conclusions

But here are four conclusions that are more certain:

The first is that, at some level, cruise expenditure is incremental expenditure for the destination. It is not dilution of expenditure by people who might have stayed in a hotel.

The second is that, of those who can be converted to a land-based vacation, they might be a relatively very small proportion when compared with the total number of stopover visitors to the Caribbean, so the dilution effects might be minimal.

The third conclusion is most important. Frederick Reichheld published the results of a study in the December 2003 edition of the Harvard Business Review in which he concluded that there was one number that any company or country needed to grow. That is the number of people who will recommend your product or service to their friends and relatives. So, to a very large degree, recommendation is much more important than conversion. So the cruise passenger experience is important to the extent that it leads to a recommendation of your destination to friends and relatives. If you don't




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believe me, ask the cruise companies how many of their own passengers return to their ships every year. They, too, rely heavily on recommendations instead of returns.

The fourth conclusion is also important. Forget the average expenditure of cruise passengers compared with the average expenditure of stop-over visitors. Remember that the total expenditure of cruise passengers at a particular destination is very concentrated and therefore very important to some small but important sectors of our economies. We know very well which ones they are.

One has to admire the Florida Caribbean Cruise Association (FCCA) because they understand far more than we do today the power of networking. They understand the power of people with common interests working for common causes and working toward common goals. We have asked before why there is no FCAA, Florida Caribbean Airline Association. Few people know that, in the recent lobbying on the Western Hemisphere Travel Initiative regarding the implementation of new rules for US travellers to the Caribbean, the airline industry was not only opposed to post-

cent utilisation of our inventories.

There is clearly a different mindset operating in the cruise industry compared with the land-based industry and there is much to be learnt from the cruise side of the equation.

Today, the Caribbean cruise industry is the low-cost, high-quality vacation provider that also offers the best pre-packaged multi-destination vacation. So the most effective way to compete with the cruise industry is to present much more competitive land-based products in terms of both cost and quality for those two categories of persons on cruises that can be converted to land-based vacations. The objective should not be to raise the cost of cruises, which would only serve to reduce the incremental benefits and revenues that they bring; the objective should be to lower the cost of land-based vacations in all of our destinations so that we are much more competitive globally with cruises and, more importantly, with other land-based options. It is entirely possible that, by lowering some taxes, products become more competitive, volume increases and the total taxes collected by our government would also increase.

There is clearly a different mindset operating in the cruise industry compared with the land-based industry

poning the implementation date for air travellers, but actively lobbied against the possibility of an extension. Are we then surprised that cruise passengers to the Caribbean are not required to have a US passport until June 2009 and the requirement for air passengers went into effect in January of this year?

Finally, I have asked many hotel executives the following question: why is it that if the vice-president of marketing for a hotel tells his president that the hotel will run 70 per cent occupancy he is applauded, but if the vice-president of marketing for a cruise line tells her president that they will run 70 per cent occupancy she gets fired? Imagine what our economic conditions would be like if we filled the vacant room nights in our destinations and grew our business closer to 100 per

We also need to remember that the cost of getting to our destinations is very much a part of the cost of the total vacation for our visitors, so we have to work relentlessly to become a low-cost, high-quality provider of air transportation to become much more competitive overall. In many cases, the cost of an entire cruise is much lower than the cost of the flight alone to our destinations. Most vacationers would rather spend their money enjoying their vacation, not getting to their vacation.

Better training, measure performance

We need much better training and development programmes across the board to become more competitive. We hear constantly about the level of service that is now experienced on many ships.



We need to find ways to make multi-destination travel available, easier and less expensive. This is a significant advantage on the side of cruise lines and co-operation between destinations is the only way to become more competitive in this area.

Most importantly, we need to measure performance relentlessly. Every cruise ship uses its customer evaluation surveys to identify problems and trends and address them as rapidly as possible. Far too many of our destinations are flying by the seat of their pants in an age when flying with facts is becoming less costly by the day. We need to emulate the cruise lines in this area so that we identify and immediately eliminate those items that irritate our customers. That is a most important tool on the road to increased competitiveness.

So, the inconvenient truth might be that we have much to learn from the cruise industry. Far from diluting our land-based business, closer examination might show that the cruise business, thankfully, is a largely incremental business that we would not have received if cruise ships did not exist.

There is no question that, as our land-based business becomes more competitive, globally, all sectors of our Caribbean tourism industry will exist in greater harmony while delivering the maximum social and economic benefits to our citizens. ■



José O. Busto

To be the best of the best



JOSÉ O. BUSTO has had a lifelong admiration for ships. As a boy he would go to the old piers in his home town of Gijón in the Asturias region of Spain to watch and admire the luxury liners.

At the age of 19 he left home and travelled to the Dominican Republic where he worked in the shipyards. Later he joined the cruise lines and eventually became chief purser.

In 1973 he married Mila-

gros Alvarez and in 1975 they decided to settle in San Juan where he founded Continental Shipping. His timing could not have been better because San Juan was about to emerge as an important cruise port.

Today the firm handles a business volume of \$20 million annually with 24 full-time employees and dozens of other part-time employees involved in stevedoring and baggage handling.

José Busto is president of the Puerto Rico Shipping Association and this year his company was honoured as Leading Service Industry by the Puerto Rico Chamber of Commerce. He has also been active in the Puerto Rico Hotel & Tourism Association, the Puerto Rico Chamber of Commerce and the Spanish Chamber of Commerce of Puerto Rico.

Dean of Consular Corps

“Our growth paralleled that of the industry as a whole and today we handle 92 per cent of the cruise vessels calling at San Juan,” said Busto. It was through his familiarity with the cruise lines that

another door opened into his consular service. Busto is dean of the Consular Corps of Puerto Rico and has the distinction of being the only member who is honorary consul for two countries, Denmark and Norway.

Continental was already representing several cruise lines and Busto recalls that, in 1977, Knut Kloster, president of Norwegian Cruise Lines, told him he was recommending to the Minister of Foreign Affairs of Norway that Busto should be named honorary consul of Norway in Puerto Rico and the US Virgin Islands.

Two years later he was named honorary consul of Denmark as well.

“Honorary consuls are important because of their roles in regulating the seaman’s laws.” More recently Busto was proud to receive the Knighthood of Charles V of Spain from Prince Enrique de Borbon.

After more than 30 years at the helm of Continental Shipping, Busto shows no signs of slowing down. “My vision has been to be the best of the best,” said Busto. “The company has certainly stood the test of time.”

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Veteran José Busto urges support for Puerto Rico's cruise sector

By John Collins

Veteran José O. Busto, chief executive of Continental Shipping, is concerned about Puerto Rico's future role in cruise tourism – and he doesn't mince his words.

"We have tremendous and unlimited potential, but there is no initiative or desire to encourage cruise tourism," said Busto, who has a combined experience of half a century in shipping. "If we don't grab our share, we will unfortunately lose out to other more aggressive destinations."

Last year Puerto Rico hosted 1.3 million cruise passengers.

Continental Shipping has handled the overwhelming majority (92 per cent) of the ships of Royal Caribbean, Carnival, Norwegian Cruise Lines, Holland America, Costa, Cunard and Silver Cruises, among others, during the 30 years Jose Busto has headed the firm. The company also handles US Navy vessels and most military ships of other countries as well.

We have tremendous and unlimited potential, but there is no initiative or desire to encourage cruise tourism

"The biggest problem in Puerto Rico has been that it has never had a government committed to more cruises," said Busto. "As more and more cruise ports develop in the Caribbean, they will all succeed in varying degrees. As a result, they will definitely erode the passenger volume San Juan has become accustomed to enjoy. There is no question that these competitors operate cheaper and are not handicapped by more costly US regulations and standards."

As a cruise destination, San Juan

ranked fifth last year in the amount of money earned from cruise tourism.

Busto is aware of complaints by both San Juan merchants and cruise passengers about the changing character of spending as passengers spend more in the ports of St Thomas, St Maarten, Cozumel and the Cayman Islands than in San Juan. While conceding that both St Thomas and St Maarten have long-established reputations as shopping meccas, Busto pointed out that Cozumel "wasn't even on the list five years ago and has now emerged as a major competitor because they aimed for it and increased co-operation between the cruise lines and the Mexican government resulted in it".

Busto acknowledges that the cruise lines have been concerned about port congestion at weekends and as a result commenced three-day and four-day short cruises from San Juan and staggered over weekdays.

The number of ships hosted by

Continental reached a peak of 587 during the 2003-2004 season but then declined in the following two seasons to 499 and 472. During the 2006-2007 season the total began to climb again to 497 vessels.

Home porting

"We are not doing enough to tap this market," said Busto. "The ships are getting bigger and bigger and that means more passenger volume." Another factor that Busto points to is home porting. "Right now, both Santo




Tremendous potential in Puerto Rico

Domingo and Barbados are both developing as home ports," he said. "They know that the longer vessels stay in port translates into more money spent as well."

Indicating that the cruise lines analyse the passenger questionnaires closely, Busto said they show that among "the top complaints are that the tour selection in San Juan is not so hot, that the shopping is so-so and that the port facilities could improve".

He recalled that the 'Pacific Princess' had stopped calling at San Juan several years ago because its passengers – mainly Europeans – had complained loudly about delays in processing debarking passengers. "While the situation has improved, the 'Pacific Princess' has not returned," he said.

Busto welcomes the forthcoming hearings of the House Finance Committee called by chairman Antonio Silva Delgado because "they will bring the attention of the community to the importance of cruise tourism". 



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St Thomas facing cruise revenue decline

New Crown Bay facility draws business away from West Indian Co dock

By John Collins

THERE HAVE BEEN DAYS in recent years when St Thomas was visited by close to a dozen cruise ships and half of them would have to anchor out, with passengers being ferried ashore by tenders.

The West Indian Co (WICo) dock had a virtual monopoly. But then last year the Virgin Islands Port Authority signed a 10-year agreement with Princess Cruise Lines and Holland America to receive their vessels at the new Crown Bay Dock, operated by the port authority.

Although the number of visitors continues to grow, it has not been at a rate to keep both facilities happy. So now WICo is complaining that it stands to lose \$1.2 million this year as a result of the Crown Bay deal with the two cruise lines.

In addition, Edward Thomas, chief executive of WICo, says the loss of some 200,000 passengers at the WICo dock will translate into a reduction of \$20 million in retail sales at the adjoining Havensight Mall along with a decrease in wharfage, docking and passenger fees.

WICo originally belonged to the Danish West Indian Co but after its departure

reverted to the Virgin Islands government. Under an agreement, WICo contributes \$1 million each year to the government's General Fund.

Thomas wants the annual contribution reduced to \$500,000 which is 10 per cent of WICo's net profit.

"Passenger arrivals continue to grow, but gross receipts taxes – a good barometer of retail spending – have not kept pace this year with the increase," said Thomas. "We are of the firm opinion that the major factor is the movement of Princess Cruise and Holland America from the bustling Havensight area to the underdeveloped Crown Bay area."

Remaining optimistic, Thomas said new attractions in the Havensight area were expected to bolster revenues and jump-start a more successful 2007-08 season. He said more than 700 vessels were slated to call at St Thomas, led by the 'Freedom of the Seas', 'Emerald Princess' and 'Queen Mary 2', which will make 15 calls between November and April.

WICo wants the Virgin Islands government to submit legislation to change the way WICo's payments are computed. ☐

Caudeco expands its container handling capacity



Operating the Caribbean's newest container terminal

IN THE LATE 1990s continued growth in the national economy of the Dominican Republic created an urgent need to expand the port system near the capital, Santo Domingo.

Plans to expand in the near future include another US\$70 million in investment

Existing cargo handling facilities on the south coast were unable to cope with the growing economy of the nation.

In 2000 CSX World Terminals came together with the Caucedo Development Corporation in a \$200 million plan for a new container terminal.

The joint venture set up a local company, Zona Franca Multi Modal SA, to build the terminal. CSX World Terminals was responsible for development, marketing and management of ongoing port operations.

Construction of the new terminal began in 2001 on a greenfield site on

the Caucedo peninsula.

In February 2005 Dubai Ports International (DPI) announced formally what had been in public discussion since December 2004. It had completed

acquisition of CSX World Terminals, the international terminal business of CSX Corporation. Caucedo was an operating container terminal and already working numerous containerships.

Glen Hilton, executive director of DP World Caucedo, told Caribbean Maritime:

“With an estimated initial investment of US\$300 million, we commenced operations and received our first vessel on December 4, 2003. We are now receiving vessels for 16 different shipping lines. Plans to expand in the near future include another US\$70 million in investments, building additional berths and container

yards and building the Caucedo Logistics Centre. This mega terminal complex will allow for direct access to the expanded container terminal, a first-class cargo logistics centre and the Las Americas International Airport. This will provide logistics services unparalleled in the Dominican Republic.”

According to Mr Hilton, DP World Caucedo has “a very strategic and privileged location” between one of the country’s most important international airports and a successful free zone area. The port is only five minutes’ drive from Santo Domingo’s international airport and just across the highway from the Santo Domingo Cyberpark, a free zone facility with mostly high-tech industries.

Safety

Personal safety and a clean environment are given priority in the port’s management and operations philosophy.

“DP World Caucedo is committed to providing a safe and healthy >



Caucedo – vital statistics

DP World Caucedo began operating the Dominican Republic's new container terminal in December 2003. The facility now has:

- 622 metres of quay with 13.5 to 14.0 metres of depth
- 50 hectares of container yard
- 30 hectares for future logistics centre, due to open at the end of 2008
- Gate operations: 12 entry lanes and four exit lanes
- Five post-panamax cranes, 17 RTG yard cranes, 43 yard tractors/ six container carriers and three empty container handlers
- Storage for 336 reefer containers

- Navis terminal operations system, EDI capacity, electronic access to information and generation of reports (web access)

- Yard operations 24 hours and seven days a week

- Annual installed capacity of 1,000,000 teu per annum with expansion plans to reach 1,900,000 teu in future.

Certifications achieved:

- ISPS (International Ship & Ports Security Code) certified – July 2004

- BASC (Business Alliance for Secure Trade) certified – March 2005

- CSI (Container Security Initiative) certified – September 2006

- ISO/PAS 28000-2005 certified – April 2007.

workplace to protect all those affected by its activities and to avoid or minimise any adverse environmental impact of its business," said Mr Hilton. "Everyone within DP World Caucedo's organisation is responsible for managing health, safety and environment matters. It is critical that each individual accepts their responsibility and accountability to ensure that we have a safe and healthy workplace and environment."

Fatal Five

Mr Hilton said DP World Caucedo put special emphasis on controlling those hazards that represent the greatest potential for fatal injury – the so-called Fatal Five:

- Pedestrian safety
- Handling loads
- Mobile equipment
- Working at heights



Maritima Dominicana S.A. welcomes the delegates of the shipping industry attending the Caribbean Shipping Association Annual General Meeting in Santo Domingo, October 15 to 17, 2007.



- Contractor management.

"Our job is not finished till everyone gets home safe, every day," said Mr Hilton.

DP World Caucedo has declared its total commitment to complying with the strictest environmental standards and norms. According to Mr Hilton, studies show that local water quality is superior to other parts of the Region – witness the colonies of young and adult fish in the Caucedo turning basin as well as the clarity and transparency of the water, with low levels of sedimentation over the past three years.

"DP World Caucedo is also contributing to national tourism," said Mr Hilton. "We have just created an underwater marine museum in front of the Boca Chica beaches, sinking an old tugboat for scuba divers to explore.

"Our vision is to fulfil our position as a leading world-class operator, recognised for the quality and service we offer and for the satisfaction of our clients."

In 2006 the terminals operated by DP World handled nearly 42 million teu in ports from the Americas to Asia. A significant expansion is under way in markets around the world, including China, India and the Middle East. Today, DP World has a capacity of about 48 million teu and employs 30,000 experienced people serving customers in some of the most dynamic markets in the world including the Dominican Republic.



Dominican Republic set to receive 500,000 cruise passengers

MORE THAN half a million cruise passengers are expected to visit the Dominican Republic from some 300 vessel calls during the 2007-2008 tourist season.

This is expected generate an income of over US\$60 million according to Tourism Vice Minister Magalys Toribio as quoted in the local media.

The Minister said a recent study had shown that the cruise industry contributed over US\$21 million to the port's immediate area.


From October 2006 to April 2007 a total of 256,165 cruise passengers arrived in 139 ships. This was down from the corresponding period in 2005-2006 when about 300,000 passengers arrived in the course of 260 vessel calls.

A study by the Business Research &

Economic Advisors (BREA) found that a cruise ship's 2,000 passengers and 800 crew members spent US\$190,476 in the city where it made a stop. "If the harbour and services taxes are added to this, each ship that arrives in a Dominican port contributes nearly US\$260,000 to the region."

Investment

Toribio said Sans Souci and Don Diego ports had been leased with US\$50 million invested in the new terminals. Sans Souci Port will open in December with standards to compete internationally.

Currently, of Dominican Republic's ports, only Santo Domingo (Don Diego) and La Romana receive cruise ships, whereas Catalina island and Samaná have facilities for docking. 





St Maarten's future as a popular cruise port seems assured.

As the Port of St Maarten continues to enjoy its role as a cruise call of choice, the territory's government has moved to secure the future of the industry.

The plan is to build a 445 metre cruise pier parallel to the existing pier at the A.C. Wathey Cruise and Cargo Facilities.

Cost of the expansion project is US\$97.5 million. Financing will include a US\$40 million loan from cruise lines Carnival and Royal Caribbean. Carnival will provide US\$34.5 million at a fixed rate of 5.9 per cent per annum for 20 years

while RCCL will provide US\$5 million at similar rates. Remaining funds will come largely from loan refinancing, existing cash flows and projected income.

New pier

The new 15 metre wide pier will be able to accommodate two Genesis class ships of 220,000 gt. This means the port will be able to accommodate six cruise ships alongside simultaneously.

Two acres of land will be created in Great Bay to allow the pier complex to be linked to the main thoroughfare in front of the John Craane Cruise Terminal Build-

ing. The expansion project also embraces infrastructure work including a beautification of Back Street and Festival Village.

To make the investment worthwhile, Carnival has guaranteed an annual figure of 700,000 passenger arrivals. In a similar commitment, RCCL has guaranteed 300,000 to 400,000 passengers a year for St Maarten.

The second part of the project includes a 260 metre extension of the cargo facility quay wall. This will provide an additional 8,400 square metres of storage and handling space for containers. A breakwater will be installed to protect cargo ships docked at Captain David Quay from rough seas.

Harbour Affairs Commissioner Theo Heyliger told the local 'Daily Herald': "We had to give up none of our assets to Carnival to guarantee the loan. We just have to guarantee our harbour rates, which we are also allowed to increase over time with Carnival's approval. Between the two cruise lines, St Maarten would not only have an investment for the two largest cruise partners but also a guarantee of more than a million passengers annually to ensure business is sustained."

St Maarten to expand cruise facilities



The new 15 metre wide pier will be able to accommodate two Genesis class ships of 220,000 gt.

Port of Port of Spain – transformation brings improvements

FOR OVER 60 YEARS the Port of Port of Spain, operated by the Port Authority of Trinidad and Tobago (PATT), has been the gateway to the nation’s capital.

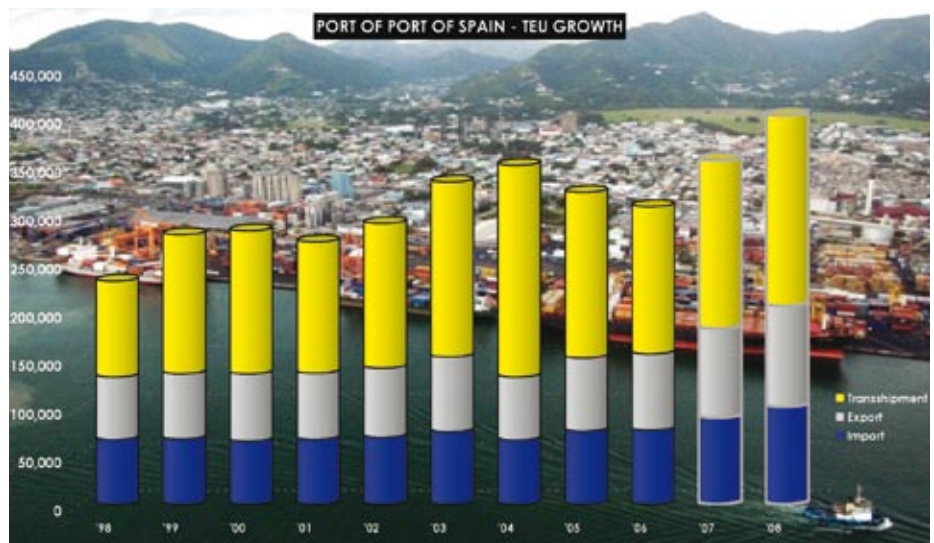
A natural harbour on the sheltered north-west coast of Trinidad, only a few miles from Venezuela, the Port of Port of Spain is ideally positioned to serve the major sea lanes between the Americas, the countries of the Caribbean and trading links between the Atlantic and Pacific *via* the Panama Canal.

Threshold

Today, the port is on the threshold of a new era, with the functions of the port authority being assigned to three strategic business units (SBUs) in pursuit of greater efficiency, focus and accountability:

- Port of Port of Spain (PPOS) – Cargo terminal operator/manager
- Port of Spain Infrastructure Company (Posinco) – Landlord and real estate owner and manager and provider of cruise shipping and towage services in Port of Spain
- Trinidad and Tobago Inter-island Transportation (TTIT) – Inter-island fast ferry and ro-ro service operator.

The PATT Governing Unit (PGU) >



Developing the human resources

It is widely recognised that, to become world-class, the Port of Port of Spain must develop its human resources.

In order to achieve this, a counterpart programme to the main development initiatives (see main article) is being implemented. The consultant’s functional experts – in general management, marketing, operations and finance – have been assigned local counterparts. These Trinidad nationals are being coached to carry out functions in totality at the end of the management contract. The local counterparts also contribute significantly in providing industry and institutional knowledge to achieved the desired results and are equally

accountable for delivery of services.

Since this transformation began in February 2006, a high priority has been given to training, with a specific focus on health and safety, improving productivity and customer service.

All equipment operators are being certified by internationally recognised trainers. They go on regular refresher courses to ensure the highest standards.

Health and safety is a vital part of the port’s new thrust for development and is an integral part of the performance incentive system that has been introduced.



was set up to manage the transition into the three SBUs and to ensure that corporate governance is maintained.

In March 2006 the international firm of consultants Portia Management Services, based in the UK, was contracted for three years to manage operations at the port. Its mandate was to spearhead the transition of Port of Spain into a world-class cargo port with premier ranking in the Region.


PPOS's strategic plan, now being implemented, focuses on implementing the 'hardware', 'software' and 'knowledge transfer mechanisms' to ensure that global standards are met and maintained. The plan is supported by an aggressive marketing drive to build trust and confidence in the PPOS brand.

Boost for vessel productivity

PPOS has been showing an encouraging level of performance in 2007, with throughput expected to reach over

360,000 teu, vessel productivity to grow by over a third and truck round time to be reduced by about 50 per cent. The port has acquired five new rubber tyred gantry cranes and 12 new tractor trailers and will take delivery of its fourth rail mounted ship-to-shore gantry crane in March 2008. A dedicated ro-ro vehicle storage facility has also been developed.

The outlook for 2008 is even more promising, with throughput expected to top 400,000 teu. Additional capacity will be made available by relocating a container freight station from the port area to an off-site location, where it will be run by a private company. This will give the port a 50,000 teu boost in capacity.

The management also anticipates that vessel productivity will increase by over 50 per cent. The main catalyst for this is the timely introduction of a performance incentive programme that has already been agreed by the labour union. 



Throughput is expected to reach 400,000 teu by 2008

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Barbados invests in more cruise berths



Large increase in passenger arrivals

By Charles Harding

BARBADOS has seen a significant increase in cruise passenger arrivals in the first five months of this year compared with the corresponding period in 2006.

The January to May 2007 figure of 306,951 passengers was 15.6 per cent better than cruise passenger arrivals for the same period in 2006 when a number of new ships called at Bridgetown for the first time.

Carnival Cruise Lines, Celebrity Cruises, P&O and Royal Caribbean Cruise Line are among the main cruise lines serving Bridgetown.

Cruise passenger arrivals exceeded 500,000 for the first time in 1996 (509,975).

Cruise visitors continued to increase, from 529,319 in 2002 to 721,270 in 2004, one year after breaking the 600,000 barrier.

Passenger arrivals surpassed the 200,000 figure for the first time in 1987 (224,778), jumping to 290,993 in 1988 and 337,100 in 1989.

Transformation

When the cruise business in Barbados started to expand in 1985 the government renovated an underused cargo transit shed, turning it into a 20,000 sq ft passenger terminal. By 1994 it had transformed the building into a modern air conditioned shopping mall in a project costing US\$3 million. The main section of the terminal includes 24 duty-free outlets

offering jewellery, liquor, china, perfumes, crystal and leather goods.

A new berth was commissioned late last year. An important extension to the multipurpose port, the new Berth 5 has provided an additional 225 ft of berthing, leading to improved handling of cargo and cruise tourism business. This facility now operates on a 24-hour basis, providing more options for offloading cargo vessels at night.

Berth 4, a US\$5 million investment, is scheduled for completion this year, while a new US\$3 million cross berth is also expected to be ready by December.

Higher levels of cruise and cargo traffic have also led the port to consider building

a \$20 million cruise pier.

Freda Nicholls, of Barbados Port Inc, said: "We are going to add another cruise terminal. That cruise pier will assist us with the congestion. Where we have five or six cruise ships coming in per day, we'd be able to deploy two at the cruise pier and leave more space for our cargo operations to continue without any problems."

As well as trying to persuade ships to overnight in Barbados, cruise industry officials here have been working on initiatives to counter the appeal of emerging destinations and what has been identified as a "softness" in the Caribbean market. This "softness" is attributed to lower >



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Bridgetown is an enticing destination



price-point American consumers being squeezed by the economy and rising gas prices.

Barbados has been seeking to capitalise on the relationship that has arisen from the twinning of Bridgetown

Port with the Port of Miami. Discussions between the two ports are known to have included joint marketing arrangements centred on the development of cruise ship itineraries for the strategic benefit of both ports.

Confirming the joint marketing arrangements talks, Larry Tatem, chairman of Bridgetown Port Inc, said: "One destination cannot make up an itinerary, so there is some scope for better co-operation in this area."

Tight-lipped about incentives

Last year, Barbados signed an agreement with Carnival Cruise Lines in which Carnival is expected to bring more than 1.2 million tourists to Barbados in the next three years. Neither Gordon Buck, who signed the agreement for Carnival Cruise Lines, nor the Barbados Minister would give details of the agreement. Lynch was

also tight-lipped about the incentives agreed upon.

"Clearly, no partner is going to ensure there is a certain number of calls, a certain number of flights, unless there are incentives," said Lynch, noting that the incentive offered was not one that counted heads but one which created business for joint marketing for the destination.

Commenting on the agreement with Carnival Corporation, Stuart Layne, president of Barbados Tourism Authority (BTA), said: "We are operating in a very volatile industry and without certain programmes in place we would have no control over the situation for the next three years." ❏



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New maritime insurance products can help avoid costly claims

By Bill Roversi

The maritime industry is in constant flux and growth, providing a continuing opportunity for businesses in this field. With this growth comes increasing exposure to liability and lawsuit from accidental and negligent acts on the part of the operator. Below are examples of innovative products designed to support the operator.

Tour Operator's Liability:

Until fairly recently one of the biggest problems facing the cruise industry was liability for the tours it sold onboard the ships. The private tour operators contracting with the cruise lines could not find insurance to meet two of the most important requirements: United States jurisdiction and inclusion of the cruise lines as an Additionally Insured. Working with the Florida Caribbean Cruise Association (FCCA), a product was developed in 2001 through a well known and respected insurer, ACE USA, rated A+ Superior, for tour operators throughout the Caribbean. It has now grown to include tour operators worldwide.

The coverage is basically in three parts: General or Third Party Liability; Contingent Automobile Liability; and Watercraft Liability. Invariably, if someone is

injured on a waterborne sightseeing tour, for example, the injured party will not sue in the foreign country where the accident occurred. The party generally sues the cruise line from whom they purchased the tour (and the tour operator) in the country where the ship is based – predominantly the United States. The problem arose in that the tour operator's locally purchased insurance would generally not respond to suits outside of its home country and rarely would provide more than nominal limits, thus subjecting the cruise line to suit because of its 'deep pockets'.

This policy protects both the tour operator and the cruise lines for such suits. The programme is expected to make this available to US tour operators as well in the near future.

Further cruise line-oriented efforts are progressing to include Ship Agent's Liability, Concessionaire's Liability and many other products tailored to the needs of members of the Caribbean Shipping Association and the FCCA.

Ship Agent's Liability:

Currently the only coverage available to ship agents is Errors & Omissions (E&O). A far more inclusive policy will be introduced in the near

future. In addition to the standard E&O it will provide coverage for General Liability with bodily injury & property damage, Contingent Automobile Liability, Employer's Responsibility, Executive Assistance, Employer's Liability, Maritime Employer's Liability and Employee Dishonesty. The additional coverage is very necessary to ship agents because collectively they provide comprehensive and

There is a clear need for additional products

broad arrays of services to and on behalf of their client.

For example, errors made in booking a medical evacuation of an injured party for its client cruise line whereby the transporter is involved in an accident may not be a covered incident under a typical E&O policy the ship agent may have. This will be a truly comprehensive policy for the ship agent and priced competitively compared with the simple E&O policy currently available.

Concessionaire Liability:

A concessionaire is a ship-board employee employed by the concessionaire, not the cruise line, but still considered a part of the crew, such as the photographer, the spa staff, the art auction staff, the shop

staff, *et al.* These personnel need General Liability insurance, coverage for contents and/or equipment onboard and Jones Act coverage for their crew. The GL policy covers bodily injury and property damage that might be caused by the assured, loss or damage to the assured's inventory or equipment and bodily injury liability to the employees of the assured. For example, the photography staff inadvertently operates

improperly grounded flood lights and a staff photographer staff is accidentally shocked by the device, causing a heart attack and death to the crewman. Improper coverage could result in catastrophic financial harm to the concessionaire.

Based on feedback and acceptance of these programmes by the maritime community, there is a clear need for additional products and in future this should result in new and innovative ways to meet that need. ■

William P. Roversi has over 35 years' experience in marine insurance. Most of his clients are in the cruise industry or are associated businesses. He is also a licensed US Coast Guard captain.



Does Caribbean cruise face a strong challenge from Europe?

By Gary Gimson



Picture credit: Port of Akureyri

SHOULD well established and consistently well marketed Caribbean destinations be concerned about competition from Europe in their main North American source market? It's an interesting question and one that should be addressed. But does the Caribbean really have much to worry about?

Well, it seems that it does as more and more North America-based operators are looking to position new tonnage into the European market. Yet Europe accounts for only 20 per cent of the 12 million passenger global cruise market – well below the figure of over 50 per cent held by the Caribbean.

Picture credit: Haukur Snorrason



Main pic: Reykjavik is a popular destination in the North Atlantic

Inset: Akureyri on Iceland's north coast provides an interesting alternative

There is also evidence that demand and rates are stronger in Europe than the Caribbean. But it does not follow that those cruising in the Mediterranean or northern Europe would otherwise take a Caribbean cruise instead at the same time of the year. Nevertheless, when long-time Caribbean-focused operators such as Carnival and Disney start to move to Europe then the Caribbean as a destination should sit up and take notice.

In fact, Disney claims that Europe was the number one destination in a recent poll of its existing clients. And Carnival, which entered the market in 2006, says Europe is proving especially popular with North American families.

Long-term competition

So let's take Europe and see what the Caribbean is facing in terms of competition. In northern Europe there is a relatively short season – one that coincides conveniently with the Caribbean's low-summer (hurricane) period. Can a destination that, perhaps, is effective only from June to August really give Caribbean tourist organisations any sleepless nights? Somehow I don't think so.

Yet northern Europe has various sub-markets to which passengers can return year after year without tiring: the North Atlantic (Iceland, Greenland and the Faroe Islands), the Norwegian fjords, the Baltic Sea and the British Isles/Near Continent. Each is a marvellously varied destination in its own right and it would be a disingenuous marketer who would try to argue that the Caribbean can match this for sheer variety.

The Mediterranean provides a different picture. The climate is more favourable and it mirrors the Caribbean in terms of peak seasons. There is little overlap here. However, there are signs on the horizon that the Mediterranean can impact on a more mature Caribbean market.

It is also interesting to note an emerging – but still limited – trend in year-round Med cruising, provided by operators such as P&O Cruises, Costa



The Port of Dover is a popular port of call

Picture credit: Port of Dover

and, most notably, MSC, which kept its flagship 'MSC Musica' at home last winter. MSC now prefers to base some ships in Italy, for example, rather than move to the Caribbean.

eastern Mediterranean's rainy season, with a fair chance of high winds and rough seas, so the Caribbean may have little to fear when it comes to competing for weather.

Northern Europe has various sub-markets to which passengers can return year after year without tiring


Winter rates in the Med may be lower, but there are no rock-bottom rate repositioning voyages. Mediterranean cruise ports are largely deserted in the off-season months, in direct contrast to their Caribbean counterparts. What's more, many older passengers might prefer to see the sights without enduring the crowds and blazing heat of summer.

The weather

Destinations such as Libya, Egypt and the eastern Mediterranean are the new winter favourites for P&O, Costa and MSC. In these areas the weather is still comparatively warm, with highs perhaps in the mid-teens Centigrade and with an average of maybe six hours of sunshine per day. But this is also the

Maybe the original question is wrong. It could be destinations other than Europe, such as the Arabian Gulf, the Indian Ocean and South America, that are the real long-term threat to the Caribbean as passengers seeks fresh attractions.

Good year-round weather, undiscovered destinations and highly exotic itineraries could prove a tempting combination when compared with the tourist-crowded islands of the Caribbean which, as has been said, have little to distinguish one from another.

For the time-being, at least, it seems that if you want to take a cruise between November and April then there are few serious rivals to the Caribbean as a destination. As for the rest of the year – well, that's a different story. 



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What every port should know about hazardous materials

By Harry Lux

Port operations play a significant role in ensuring that shipments of hazardous material (hazmat), inbound and outbound, meet the regulations. Not only are they responsible for facilitating global commerce without barriers, but they must now ensure the security of the cargo and the port.

The International Ship and Port Facility Security (ISPS) Code applies to companies, ships and port facilities engaged in the transport of hazardous materials and the International Maritime Dangerous Goods (IMDG) Code prescribes the international regulations that control how a shipment must be prepared for ocean transport.

Countries that are signatories to the United Nations are agreeing to these international rules and regulations.

So how can ports meet compliance?

1. Meet the ISPS requirements. This means doing a port assessment to determine your risks, developing methods to address and reduce these risks and developing a written plan that addresses actions to follow in case of a security breach.

If you are not controlling who can gain access to your facilities – warehouse, terminal, ships – then you are not securing hazmat shipments.

2. Ensure that hazmat shipments comply with the regulations. This can be different for each port depending on the role you play. If your port operations have responsibility for warehousing, loading and unloading of containers, stevedoring and interchanging, then your employees become the primary gatekeepers to ensure that shipments are correct.

This would include – but is not limited to – ensuring that:

- Hazmat declarations are received for each hazmat shipment

- Hazmat segregation rules are followed when loading containers and when stowing containers on vessels

- Hazmat containers are properly placarded (port loaded and/or shipper loaded)

- A container packing certificate is completed for each container loaded with hazmat

- Employees are trained in hazmat general awareness, job function specific, safety and security.

If your port contracts out these services to private companies, then it becomes their responsibility to follow these rules. However, to ensure port security, you should develop a system to audit their compliance with the regulations.

How can non-conformance affect your port?


Because many hazardous materials have the potential for use as weapons of mass destruction, ensuring their safe transportation has become a priority for regulatory agencies. Many island ports may not have the agencies to enforce these rules. This makes it the port's responsibility to enforce them if it intends to introduce hazmat shipments into international commerce from its locations.

In countries with strong enforcement groups, such as the United States, Canada and in Europe, agencies regularly inspect hazmat shipments based off the paperwork. These agencies will open containers to verify

that what is listed as hazmat is indeed what is in the container, that the cargo is compatible, that all hazardous materials are adequately blocked and braced to prevent movement and that the package labels match the placards on the outside.

Shipments that are not correct will be detained until corrected, which could delay shipments for days, weeks or months. In addition, fines can be imposed for non-compliance. If a receiving country continues to find discrepancies with inbound hazmat shipments, it can ban the repeat violator – the shipper and/or the port – from sending further hazmat shipments into that country.

As levels of containerised shipping grow higher each year, ports must be ready to meet this demand. They are ensuring not only that they have adequate facilities to handle the volume of cargo but also that they can safely handle, store and process hazmat shipments. Ports that fail to make the necessary adjustments to comply with hazmat transportation rules may find themselves limiting their growth potential in the long term.

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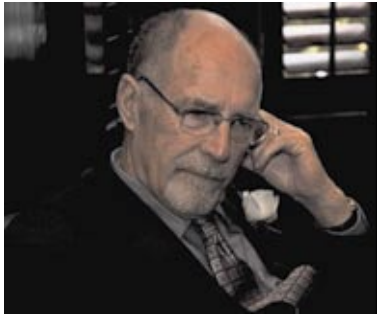
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Cleaning up the environment – What have we done?

By Commander Peter Fitt

During July we had worldwide concerts inviting us to focus on global warming and preserving the environment and the former Vice President of the United States, Al Gore, received an Oscar for his movie, 'The Unwelcome Truth'.

Over this period we were invited to consider whether we would be able to tell our grandchildren what we did or whether we should hang our heads in shame.

So who are we?

We are the ship owners, agents, forwarders, stevedores and terminal operators who pass freight through the transport chain. We use the oceans, covering 70 per cent of the earth's surface, to move 90 per cent of world trade.

The big ocean liners, like the cargo ships, disposed of raw sewage straight into harbours and the world's oceans

Let us focus on the past 30 years (1977-2007) and see what we have accomplished and whether, in fact, we can be proud of our achievements.

Before considering our achievements, let's remind ourselves that we are the primary users of 70 per cent

of the earth's surface. We get free use of the 'ocean highway' to carry the fuel, ores, food and finished goods required by the world market.

In 1977 I had nine years of sea time behind me. I must admit, with guilt, that we were major polluters. We used the ocean as a big rubbish bin. This was witnessed by hordes of seagulls that awaited their next meal circling the wake of the ship. Statistics proved that the world's fleet was dumping 12 million cans and plastic containers per year.

Smoke stacks

We burned 50 tons of oil per day to make steam for our inefficient steam turbines, whose lack of efficiency was reflected in the smoke from the stack and the soot on

the deck in the morning.

We had little thought of the impact of oil being pumped into the sea and took hardly any precautions against oil spills when refuelling. Oil spills in harbours were a minor clean-up to us.

The big ocean liners, like

the cargo ships, disposed of raw sewage straight into harbours and the world's oceans.

We built tankers of horrendous size to carry oil from the Persian Gulf to the United States and Europe to fuel growing economies, forgetting that only a one inch thick steel plate separated 400,000 tons of crude oil from the ocean. The 'Torrey Canyon' and 'Exxon Valdez' disasters were a major wake-up call.

Since the end of the Second World War, the International Maritime Organization (IMO) has guided the world's maritime nations. This United Nations organisation is responsible for enacting legislation on maritime matters. Its motto is 'Safer Shipping and Cleaner Oceans'.

In 1983 representatives of 180 nations met and signed the Convention combating marine pollution (Marpol). Since then we have enacted six Annexes to that Convention, all of which have to be written into the laws of participating nations.

Annexe 1, published on October 2, 1983, drew up new construction standards for tankers and prohibited the disposal of oil slops at sea. Shipping was made

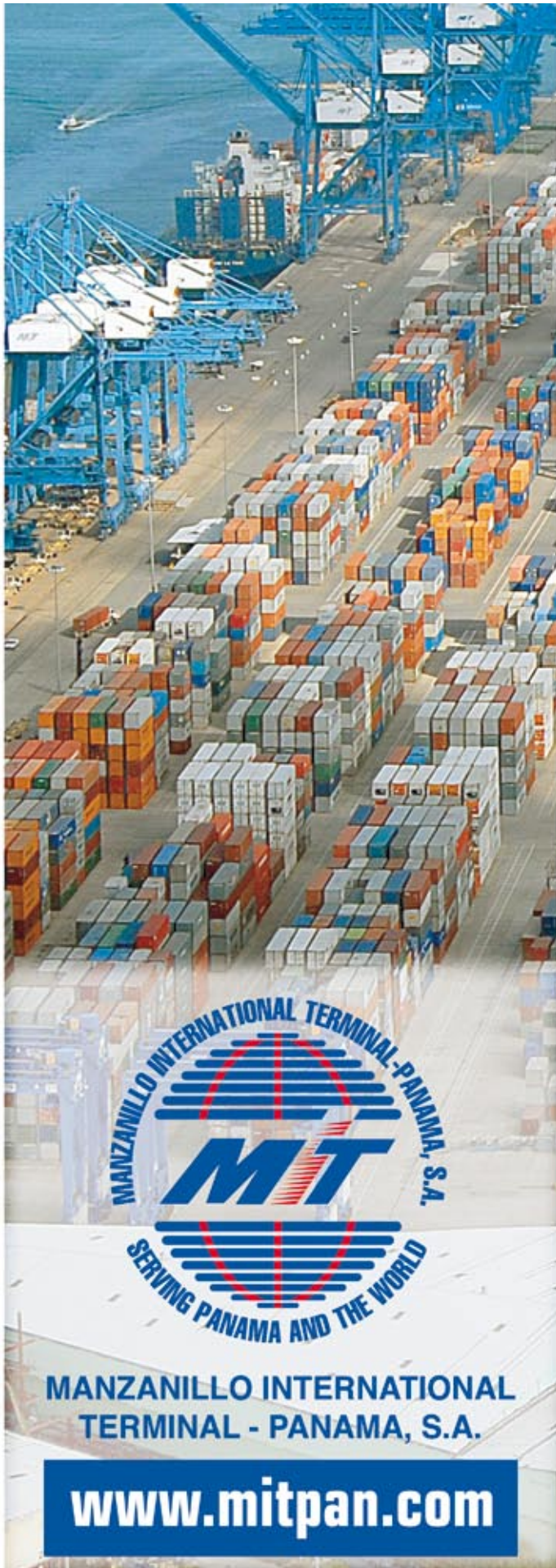
safer by separation and routing of traffic. After the 'Exxon Valdez' disaster, double-hulled tanks became mandatory for tankers entering United States territorial waters.

Legislation

Over the period 1987 to 1992 legislation was enacted to improve the carrying of noxious substances by sea. In 1994 we saw the implementation of Annexe 4 prohibiting the dumping of raw sewage and requiring on-board sewage treatment plants.

Then came Annexe 5, prohibiting the dumping of garbage at sea. This was the first legislation affecting the whole maritime transport chain and it required the participation and co-operation of all individuals. We had to change the attitudes and behaviour of all users of ships (passengers and crew) as well as stevedores, agents and others. It required a team effort. The dumping of one plastic container became a serious offence.

Compliance with Marpol 5 took many years and required ships to be refitted with garbage disposal systems, incinerators and compactors. Ships also entered the recycling business. >



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Cleaning up...


Ports were getting involved in preventing the spread of oil spills and providing clean-up equipment. They were also required to remove refuse from visiting ships.

Next, the industry tackled air pollution. Marpol Annex 6 deals with improving the quality of gases from ships' exhaust systems. It must be noted that, over the 30 years under review, the efficiency of marine engineers has led to a dramatic reduction in overall consumption from 55 to 15 tons of fuel per day.

Annexe 6, enacted in 2005, seeks to:

- Further increase the efficiency of marine diesel engineers
- Improve the quality of marine fuel
- Fit exhaust cleaning devices.

My marine engineering colleagues would be happy to expound on SOx emissions and how each diesel engine has to have a certificate of efficiency.

So here we are in 2007. Have we done enough to protect the environment? Can we hold our heads up high and be proud of our achievements? I believe we can. There is still more to be done. 

Commander Peter J. Fitt is a ship master and industrial engineer who spent his career in the ports industry in southern Africa and Canada

Suriname's busiest port gets major upgrade

By Ivan Cairo

Suriname's busiest port, Paramaribo, is undergoing a major upgrading with financial help from the European Union.

Work began in 2006 and is due to be completed in 2008 and the project is "well on track" according to port authority manager John Defares.

Three local companies – Continental Shipping Agencies, Integra Marine & Freight Services and VSH Shipping – are bidding to operate the new port facilities.

Mr Defares said that, after reviewing the proposals, the port authority would sign a lease contract with the successful bidder. The authority will continue to be responsible for port security but generally will function only as a landlord.

The Port of Paramaribo lies on the Suriname River, the country's main river. The so-called New Port is Suriname's main facility for general cargo and containers. It was built 40 years ago and has not changed significantly over its history, while maintenance has been poor.

With volumes of imports and exports continuing to grow over the years, the port has become less and less able to handle the number of containers it receives.

"The layout of the port is no longer conducive to modern cargo handling operations and the facility has badly deteriorated," said a spokesman for the Dutch engineering company Lievens BV, a consultant for the rehabilitation project.

Under its ninth European Development Fund, the European Commission has allocated Euros 29.8 million for the reconstruction. This is not the first time that Paramaribo has benefited from EC assistance. The Commission also sponsored improvement projects at the port in the 1960s.


New deck

Rehabilitation work includes repair of piles and construction of a new deck, new front beam, new bollards and new fender systems as well as new utility infrastructure including electricity, lighting, fire-fighting, sewerage and reefer systems. There will also be new paving over a total area of some 50,000 square metres.

Rehabilitation of the New Port is part of an integral overhaul and restructuring of Suriname's transport sector. Its second-largest port, the Nickerie Port, near the border with Guyana, is currently being improved,

also with help from the EU. A ferry terminal was established at the border with Guyana and a road improvement project has been financed.

The Port of Paramaribo plays a key role in the transport of goods throughout Suriname and to the neighbouring countries of French Guiana and Guyana. Of the ports in the three Guianas – Suriname, French Guiana and Guyana – only the New Port can receive and handle large oceangoing vessels. Suriname's main port therefore has an important regional function as well.

According to the Minister of Trade and Industry, Clifford Marica, within the Caricom, Suriname is positioning itself to become a gateway linking South America and the Caribbean. 

At press time we were informed that the time for the rehabilitation of the Port of Paramaribo has been extended to April 2009, while a dredging programme to deepen the channel of the Suriname River was expected to start in December 2007. The study to deepen the channel was executed by bauxite mining companies Suralco and BHP-Billiton



CSA pays tribute to its founding president, Peter Evelyn




A delegation of Caribbean Shipping Association (CSA) members led by Vice President Carlos Urriola attended a memorial service for CSA founding president Peter Evelyn on Saturday June 2.

Mr Evelyn died peacefully at home in Florida on May 11 surrounded by his family.

CSA President Fernando Rivera was unable to attend

because of other scheduled commitments.

The CSA Vice President read the CSA's tribute at the memorial service at Marco Presbyterian Church, Marcos Island, Florida, where Peter Evelyn had worshipped. A copy of the tribute and the flag of the CSA was presented to his family. 

CSA tribute to Peter Evelyn

The Caribbean Shipping Association owes its very existence to the work and leadership of Peter Evelyn. He was Jamaica's gift to the Caribbean. And the Region has benefited immensely from his intelligence, skills and talents.

Peter Evelyn led the steering committee which developed the plans for the Caribbean Shipping Association. And, on October 19, 1971 shipping executives from Antigua, Barbados, Bermuda, Dominica, Grenada, Jamaica, Montserrat, St Kitts-Nevis, St Lucia, St Vincent, The Bahamas and Trinidad & Tobago met in Nassau, Bahamas, making the CSA a reality. It was here that the representatives from these 12 countries honoured Peter Evelyn for his pioneering work by electing him our founding president.

Today, in 2007, with membership in over 24 countries, the association is recognised as the voice of the Caribbean shipping industry. Heads of state and heads of government have spoken at the CSA podium and the association has assisted the many peoples of the Caribbean to develop their shipping industries. This is the legacy of Peter Evelyn.

The CSA is happy to have been able to pay our respects to Peter in person at our 36th annual general meeting in Panama City where, on October 17, 2006, he graciously received the instrument of honorary membership of the CSA. Honorary membership is the highest award that the CSA can bestow on any individual and only five persons have received this honour. And yet, at the time we presented it to Peter, it seemed so insignificant a token for recording the sincerity and depth of our gratitude for his work and contribution.

We note, with apologies to Henry Longfellow, that:

*Our dear Peter has now sailed and left us,
Having lived a life sublime,
But behind he has left to guide us,
Footprints on the sands of time.*

On behalf of the CSA, its members past, present and those to come, we acknowledge the contribution of Peter Evelyn. And to his family and loved ones we extend our gratitude and appreciation for sharing his life with us.

**Fernando Rivera,
President**

Carnival profits up

The world's largest cruise group, Carnival Corporation, reported an increase in profits of nearly three per cent in the second quarter of 2007 with a strong performance in Europe combating weak pricing in the Caribbean and higher fuel costs. Carnival reported a net income of \$390 million, or 48 cents per share, for the quar-

ter ended May 31. For the corresponding period last year the company reported \$380 million or 46 cents per share. Revenue rose to \$2.9 billion from \$2.66 billion. Advance bookings for the second half of 2007 were up on last year. Carnival operates 82 ships, with 17 new vessels due to enter service by June 2011.



Bob Dickinson to retire

Bob Dickinson, chief executive of Carnival Cruise Lines and a pioneer of cruise industry marketing, has announced that he will retire at the end of 2007. Dickinson, who joined the company 30 years ago when the Caribbean cruise business was in its infancy, is widely acknowledged for expanding and building the market and bringing the attractions of cruising to a wider and younger market – for example, by initiating the use of TV for cruise marketing. Dickinson joined Carnival in 1972 as executive vice president and was instrumental in creating the 'fun ship' concept. During his tenure, Carnival went from a small and little-known cruise line to the largest in the business with 22 ships. Dickinson, who turned 65 in August, will continue as a director of the parent firm.

Super-strong security barriers for Barbados

The United States Government has provided the Port of Barbados with \$80,000 worth of anti-vehicle barriers to help the port's security efforts. Designed to prevent vehicle bombs from getting through the port's perimeter security, the new barriers are said to be capable of stopping a fully loaded tractor and trailer moving at 70 mph.

Dominican Republic sees upswing in cruise sector

Government planners in the Dominican Republic are forecasting an income of some US\$ 60 million from over 500,000 passengers and 300 ship calls in the 2007-2008 season. Magalys Toribio, Vice Minister of Tourism, said that, from October 2006 to April

2007, about 256,000 tourists had visited the republic in 139 ships. In the corresponding period of 2005-2006 some 300,000 passengers arrived in 260 ships. Cruise ships are handled at two ports in the republic, Santo Domingo (Don Diego) and La Romana.

Cuba to upgrade Port of Havana

A planned upgrade of the Andrés González Lines terminal in Havana will boost cargo handling capacity from 640,000 to over 1 million tonnes. There are plans for more storage facilities and new lifting equipment and generators. The project also includes construction of a 220 metre dock with 10.5 metres depth. Rehabilitation of the port terminal is part of a national programme, to be implemented by 2010, to modernise Cuba's seaports and improve their efficiency.

St Maarten adds \$1 to cruise 'head tax'

St Maarten Island Council has approved a \$1 rise in its cruise passenger 'head tax' to \$6. The rise, approved this

summer, will be in two increments of 50 cents, the first at the end of this year and the second in 2008. The council

also approved a new security fee of \$1 per passenger to cover the cost of security programmes at the port.



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Delegates at the sixth annual Caribbean Shipping Executives Conference in Mayagüez, Puerto Rico



Capt Johan Bjorksten (left), CSA General Council member and Chairman of Group C, expresses thanks to Milton Samuda, of the Kingston law firm Samuda & Johnson, who spoke on maritime law, piracy and terrorism at the sixth Caribbean Shipping Executives Conference

Burnett Coke (right), of Silverback Consultants, Jamaica, receives a token of appreciation from CSA General Council member Ian Deosaran for his presentation on personal organisation and stress management at the sixth annual Caribbean Shipping Executives Conference



Robert West (right), of Global Insight, spoke about the growing importance of east-west trade lanes in an absorbing session at the sixth annual Caribbean Shipping Executives Conference. This first day session was moderated by Group A Chairman Robert Foster



Jose Busto, President of the Puerto Rico Shipping Association, and US Coast Guard Captain Raymond Perry

CSA President Fernando Rivera (left) with two CSA Past Presidents, Corah Ann Robertson-Sylvester (centre), immediate Past President and 13th President of the CSA, and David Harding, 11th President



Hector Peters (left), Cargo Operations Manager of St Maarten Ports Authority, and Joseph Lowe, Group Operations Manager at Maritime and Transport Services in Jamaica, share ideas during a coffee break at the sixth annual Caribbean Shipping Executives Conference



SCENES FROM THE SIXTH ANNUAL CSEC

Dr Cleopatra Doumbia-Henry (right), Director of the International Labour Standards Department of the United Nation's International Labour Organisation (ILO), receives a token of appreciation from CSA General Council member Mike Bernard after her talk about labour relations and collective bargaining in the Caribbean



Dennis Bechara (right), President of the Mayagüez Port Commission, receives a ship's decanter from CSA Vice President Carlos Urriola after addressing the opening ceremony of the sixth annual Caribbean Shipping Executives Conference



CSA President Fernando Rivera (right), of Puerto Rico, and Vice President Carlos Urriola (left), of Panama

Vivette Grant (left), Deputy Executive Director of the Caribbean Maritime Institute, and Jose Bello, of Royal Marine Insurance Group



Robert Foster (left) and Tony Gittens (centre) engage Mai Elmar, Executive Director of Cruise Europe, in further discussion after her presentation to the CSA



CSA President Fernando Rivera (centre) introduces Fernando Bonilla (right), Puerto Rico's Secretary of State and Executive Port Director, who gave delegates a visual presentation of the extensive plans for cruise port development in San Juan. On the left is Jan Sierhuis, chairman of the CSA's Cruise Committee, who moderated the sessions on the cruise industry

Frankie Camacho, co-founder of C&V Caribbean Shipping Ltd, of Guyana



CSA General Manager Stephen Bell (left) and Jan Sierhuis give serious consideration to a point made in a Cruise Committee meeting in Mayagüez



Hernan F. Ayala-Rubio, Puerto Rico Shipping Association



Commander Elmer Emeric, of the US Coast Guard, addresses Caribbean shipping executives about port security issues at the CSA's conference



Greg Miller (right), of Fairplay, in an impromptu interview with Rick Murrell, of Tropical Shipping, and Mai Elmar (left), of Cruise Europe and Cruise Port Rotterdam, after sessions on the cruise industry at the Caribbean Shipping Executives Conference

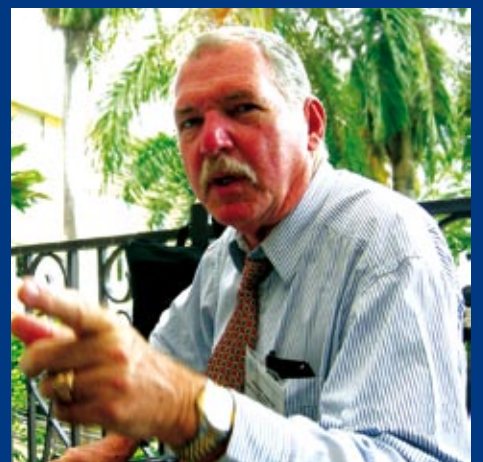
Mai Elmar, Director of Cruise Port Rotterdam and executive director of Cruise Europe, discussed regional cruise co-operation



BARBADOS ELECTS NEW PRESIDENT



The Shipping Association of Barbados has elected Glyne St Hill as new President at its 26th Annual General Meeting in June. Mr St Hill, a member of the CSA's Silver Club, had been serving as the Barbados national association's Vice President. He will now have the immediate support of newly elected Vice President Marc Sampson. The Committee of Management of the Shipping Association of Barbados for 2007/2008 includes Anthony Gittens (trustee), Robert Bowen (trustee), David Harding (member), Kevyn Yearwood (member) and Scott Veira (member) while Robert Foster continues ex-officio as immediate Past President.



Robert Foster, Chairman of the CSA's Group A, immediate Past President of the Shipping Association of Barbados.

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A Jamaica Fire Brigade unit attends the KWL Terminal as part of a simulation exercise to test compliance with the ISPS Code

KWL puts its security measures to the test

The Jamaican terminal operator Kingston Wharves Limited (KWL) has underlined its commitment to port security by conducting a major training exercise at its Port Bustamante facility.

The International Ship & Port Facility Security (ISPS) Code requires more than the implementation of a set of

systems and procedures. For security to be dependable, people need to be trained and systems and procedures must be effective and ready.


In compliance with the ISPS Code, KWL successfully carried out an exercise on Thursday, June 28. The exercise tested communication, co-ordination, response and resources and involved



a real-time evacuation of all persons on the terminal.

The two-part exercise included a table-top exercise in which the KWL Port Security Committee simulated the actions that would be taken in the event of a bomb threat at Berth 8 as well as the live evacuation of facility users to designated assembly areas.

Facility users responded to the emergency siren and were evacuated to the assembly areas under the direction of the safety monitors.

The exercise was observed and evaluated by representatives of key national security and emergency response agencies along with guests from the maritime sector and related industries. 



Customs modernisation and the Caricom single market and economy

By Kawanhar Doopan

In a presentation to the Caribbean Shipping Association

It was in 1989 at Grand Anse in Grenada that the heads of government of Caricom declared their intention to deepen the integration process and strengthen the Caribbean community by working towards the setting up of a single market and economy.

Technical work on the concept of the Caricom Single Market and Economy (CSME) was completed in 1992 and presented to the heads of government for endorsement.

The CSME was conceived as a way of fostering the economic development of Caricom member states in a liberal and global environment by creating a single enlarged economic space for free movement of goods and services, skilled labour, capital and technology among the community.

It became clear that the 1973 Treaty of Chaguaramas could not be a basis for the CSME and that the treaty should be revised. This revision, completed in March 2000, resulted in nine protocols which have been consolidated into the revised treaty.

Among the key elements identified in the setting up of

the CSME are:

- Free movement of goods and services by measures such as eliminating barriers to intra regional movement.
- Forming a common external tariff and the application of a common rate of duty by all members of the community to a product imported from a country outside the community.

The Customs service is a key player in the movement of goods across borders and the procedures applied to these goods have a significant impact and influence on regional or international trade. Customs throughout the Region have assumed a growing responsibility for implementing government policy with specific reference to trade facilitation and the rationalisation and simplification of Customs procedures.

The setting up of the CSME by its incremental development brings with it many challenges, many changes, many threats – and yet many opportunities. Customs departments are at a point where demands are being made for improved efficiency in order to meet growing competition in the global environment and ‘just in time’ manufacturing. Discussions have centred on reform and

modernisation, succession planning, delinking from the public service and greater emphasis on information technology. In spite of all these activities, however, the ‘dilemma of development’ continues to haunt us and to tear at the very fabric of our organisations.

The dilemma that we must confront head-on is how to make our boundaries more easily accessible to legitimate trade while making it impassable to illegal and criminal activities.

The Customs service is a key player in the movement of goods across borders and the procedures applied to these goods have a significant impact and influence on regional or international trade

How, in fact, do we eradicate the bureaucracy and the hassle to allow the legitimate trade in goods, services and tourism while shutting out the illegal trade in arms, ammunition, dangerous drugs, psychotropic substances, other illegal commercial activities and terrorism?

Reform and modernisation of Customs among member states with the focus on facilitation of legitimate trade have become impera-

tive not only for the success of the CSME but also for the individual member states. We recognise that trade facilitation is an engine for economic growth and, to this end, several member states have already implemented a number of measures to simplify and harmonise documentation and procedures. This has led to a reduction in processing time for both goods and people.

Examples:

- Introduction of a Single Administrative Document to

process import and export transactions

- Development of the Common External Tariff based on the Harmonised System of Classification
 - Application of Rules of Origin by Caricom member states
 - Implementation of automated systems in the Region (Asycuda etc)
 - Application of the GATT Valuation Code.
- While reform and mod-

ernisation are taking place among several member states, a lot remains to be done. The framework for trade facilitation has to be formalised throughout the Region. Customs procedures need to be improved to make them simpler and more systematic without losing any enforcement responsibilities by addressing the following:

- Harmonisation of Customs laws in member states
- Implementation of IT to manage import and export transactions to permit electronic submission and processing of documents
- Harmonisation of documents and data requirements
- Amendment of Customs laws to provide for the submission of documents for processing before importing
- Amendment of Customs laws to allow fast clearance of low value shipments of goods
- Adoption of automated risk assessment techniques to facilitate the pre-arrival processing of documents and to speed the examination of passengers and cargo brought in by importers who have a long history of compliance with the Customs laws
- Establishment of a closer collaboration with the immigration authorities with respect to passenger management
- Implementation of post-clearance audits and greater reliance on the examination of traders' books of accounts and cargo documentation
- Introduction of a more flexible means of duty payment
- Application of a more uniform and transparent

interpretation of the Customs laws and procedures

- Increasing the level of professionalism of the staff of the various administrations by instituting proper training not only in the area of Customs procedures but more specifically in the area of customer satisfaction
- Setting up regular meetings with staff and the business community
- Ensuring compliance by the business community with the Customs laws and procedures and penalising transgressors.

A great deal of progress has to be made within the Customs administrations of member states in order for the CSME to be meaningful and successful in the area of regional and international trading. However, this is not only a challenge for the Customs administrations, but it also for every member of the business community.

For too long, Customs administrations have taken the blame for delays in the processing and delivery of cargo when this can be traced to the delinquency of the importers and/or their agents. Let us not seek to castigate anyone, but let us form an unbroken partnership between Customs and business, working hand in hand towards the development of the CSME. ■

Kawanhar Doopan is a retired Comptroller of Customs & Excise in the Customs & Excise Division of Trinidad & Tobago, a position he held from April 1997 until his retirement in November 2002.

Are we really prepared to deal with a major oil spill in Caribbean waters?

By Milton J. Samuda and Stacey-Ann Soltau-Robinson*

The recent experience of the coal carrier 'Pasha Bulker' running aground off the east coast of Australia and the oil spill that occurred during attempts to refloat the vessel have once again brought into sharp focus the issue of whether Caribbean territories are sufficiently prepared to deal with oil spills in regional waters.

This issue is particularly important because several Caribbean jurisdictions depend on tourism – and therefore their beautiful beaches – as well as on the fishing industry as vital sources of employment and national income.

The fear of oil spills in regional waters is a legitimate one because our

waters provide a through-way for many ships laden with oil. Over a trillion gallons of oil are transported through Caribbean waters each year according to a senior consultant to the International Maritime Institute and to the Regional Marine Pollution Emergency, Information and Training Centre Wider Caribbean.

Collisions

Unfortunately, the Region has had some experience in this regard. One need only remember the collision involving the very large crude carriers 'Atlantic Express' and 'Aegean Captain' in 1979 that led not only to the loss of many lives but also to the explosion and sinking of the >



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'Atlantic Express' 10 miles off the coast of Tobago and the spilling of a reported 240,000 tonnes of crude oil.

More recently, in 1991, the Trinidadian barge 'Vesta Belle', en route to Antigua with over 500,000 gallons of bunker fuel, sank 12 miles north-east of Nevis, resulting in an oil spill, at points 35 miles long, that damaged beaches in both St Kitts and Nevis.

Caribbean countries such as Jamaica and St Kitts and Nevis have assumed the responsibilities set out in the Protocol Concerning Co-operation in Combating Oil Spills under the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region. This includes, under Article 3 of the Protocol, an obligation to co-operate by taking all

necessary remedial measures to protect the marine and coastal environment from oil spill incidents.

The Protocol also sets out specific obligations on the part of each party, including:

- Appropriate procedures for rapid reporting of oil spills
- Assisting each other as far as possible in responding to an oil spill incident
- To take steps, as far as possible, to respond to an oil spill: Articles 5, 6 and 7.

Implementation


From an implementation perspective, there is the Regional Marine Pollution Emergency, Information and Training Centre Wider Caribbean, which is responsible for implementing the Protocol. From a regional

perspective, most countries are parties to the Caribbean Islands ORPC Plan, which allows for a regional approach and mutual assistance in the event of a major oil spill beyond the capacity of an affected state.

From a domestic point of view, several Caribbean territories such as Jamaica and St Lucia have drawn up plans to manage oil spills within their territorial waters. In Jamaica, for example, this is led by the Office of Disaster Preparedness and Emergency Management with participation by entities such as the Jamaica Defence Force Coast Guard and the National Environmental Protection Agency.

The question must be asked, however, whether the Region is actually prepared to respond rapidly and effectively to a major oil spill in its

waters – as occurred in 1979 – even with the assistance of external parties such as the United States?

Even with the best of plans, and however understandable, the untested is still untested. Perhaps the solution lies in simulating such an occurrence and having a 'trial run' in order to expose the areas that require further refinement, similar to an earthquake preparedness drill. The benefits to the Region and its marine environment may well outweigh the costs of such a 'trial run'. 

Milton Samuda and Stacy-Ann Soltau are attorneys-at-law practising in Jamaica

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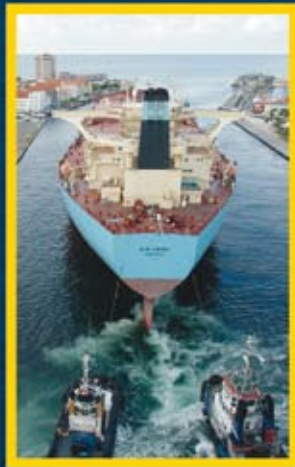
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