

The cruise industry

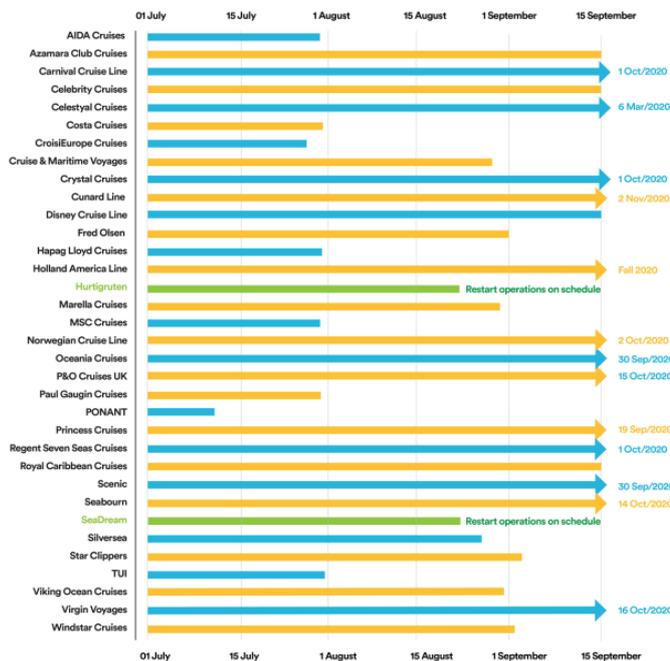
Cruise economy and COVID-19 impact

According to CLIA, each day of total shutdown of cruise activities leads to a loss of 2,500 jobs in the world, each drop of one percentage point of passengers per year represents 9,100 fewer workers in the sector. Halting European cruises to the end of July will lead to 133,500 fewer jobs, corresponding to 4.81 billion of unpaid wages.



Resume of cruise activity

The cruise industry is planning to schedule initial trips in several weeks.



* Data collected directly from Cruise Lines websites. Ocean vessels only.

Depending on the approval of a new government decree from the Italian Prime Minister authorising cruise activity in the Italian ports, subject to the presentation of a dedicated safety protocol, Costa Crociere, may be set to resume its cruise activity. Although the company has decided today of extending the suspension of the activity till the 15th of August, three ships may be concerned by these initial operations, *Deliziosa*, *Smeralda* and *Diadema* and they would eventually commence cruising in the Mediterranean area as soon as after the middle of August. These first cruises will be characterised by proximity itineraries that will include mainly Italian Ports and Italian passengers, as anticipated by Neil Palomba, President of Costa Cruises, during a technical webinar organised by MedCruise Association.

Also MSC Cruises is looking to restart its activity as soon after August, as declared by Leonardo Massa, Country Manager for Italy during the

Blue Economy Summit, held in Genoa this week. Massa declared that MSC has started to recruit crew to join ships or stay aboard to have "full manning" back onboard for a potential August 1st start in the Med area. After having recently announced the 2021 summer deployment, on June 22nd the cruise liner announced the new 2020/2021 winter season programme, confirming over 250 departures between October 2020 and March 2021 on more than 90 different itineraries.

TUI Group plans for its three cruise brands to resume sailings this summer, beginning with TUI Cruises offering short jaunts in the Baltic and North Sea. Marella Cruises is expected to follow suit later in the summer, in line with the easing of UK guidelines.

On the contrary, cruises for Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises are suspended through to September, excluding Seattle-based Alaska sailings. Royal Caribbean Cruises is moving the three-ship Pullmantur fleet to a cold lay-up, while Pullmantur has announced the cancellation of its cruise programs until November 15th.

Shipyards

Despite the economic crisis, Italian shipyards remain open for business: the Viking Venus, the seventh ship for Viking's ocean-ship series, was floated out in early June at Fincantieri's facility in Ancona, while the Valiant Lady was floated out at Fincantieri's Sestri Ponente shipyard on June 15th, scheduled to debut in the Mediterranean in 2021. Meyer Werft shipyard in Germany, which has been interested by the switch in

leadership with the Meyer Turku's management, has recently announced that Royal Caribbean's new Odyssey of the Seas won't debut in November 2020, but it will be delayed to April 2021.

Regarding new orders, on June 29th MSC World Class Europa, the first liquified natural gas (LNG)-powered ship belonging to the fleet, has been recently celebrated during the traditional coin ceremony. The vessel is under construction at the Chantiers de l'Atlantique shipyard in Saint-Nazaire and is scheduled to enter service in 2022.

Cruise safety

Cruise lines worldwide are working with public health officials, including the U.S. Centers for Disease Control and the World Health Organization, CLIA, their health and safety teams and groups of independent scientific experts, to devise and implement best practices to protect the health of guests and crew. That means protocols that vary from enhanced screening before embarkation to additional sanitization measures on board their ships, in compliance with national and international health regulations.

The European Union included in its Healthy Gateways programme the ad-hoc document "Interim Guidance for preparedness and response to cases of COVID-19 at points of entry in the European Union (EU)/EEA Member States (MS)", an interim advice for resuming cruise ship operations following an easing of restrictive measures in response to the COVID-19 pandemic, published on 30 June. The European Union Guidance contains several essential prerequisites, among which:

- Monitoring of epidemiological situation, rules and restrictions worldwide;
- Written contingency plan/outbreak management plan for COVID-19;
- Arrangements for medical treatment and ambulance services;
- Arrangements for repatriation;
- Arrangements for quarantine of close contacts (exposed passengers or crew members with negative RT-PCR test results for SARS-CoV-2);
- Arrangements for isolation of asymptomatic/ pre-symptomatic travellers (passengers or crew members with positive RT-PCR test results for SARS-CoV-2);
- Adequate testing capacity for SARS-CoV-2 infection on board or in cooperation with shore-based laboratories;
- Training of crew about COVID-19;
- Estimation of the maximum number of passengers and crew on board cruise ships;
- Focused inspection on COVID-19 prevention and control for resuming cruise ship voyages by EU Healthy Gateways.

Cruise passengers and crew's health and safety are the main concern of CLIA and, as stated by Tom Boardley, CLIA Europe Secretary-General, the Guidance from the public health authorities in Europe provides a useful tool for cruise lines as they prepare to resume operations. In fact, United States' Guidance for the resumption of the cruising activity may look similar to Europe's, as CLIA has confirmed its members will only restart operations with implemented protocols together with Centers for Disease Control and Prevention (CDC).

Ports of Genoa

Presently, only MSC Fantasia is laying-up in the Port of Genoa.

Costa Luminosa has left the Port of Savona after laying up for 3 months.

As anticipated, if current Italian legislation in terms of authorising cruise activity is to change, it is possible that Costa Smeralda, one of the three Costa cruise ships that have been designated to resume cruising activities, will call Savona in August.