# Covid-19 Update - Issue 12/2020

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## Global Economic Trends

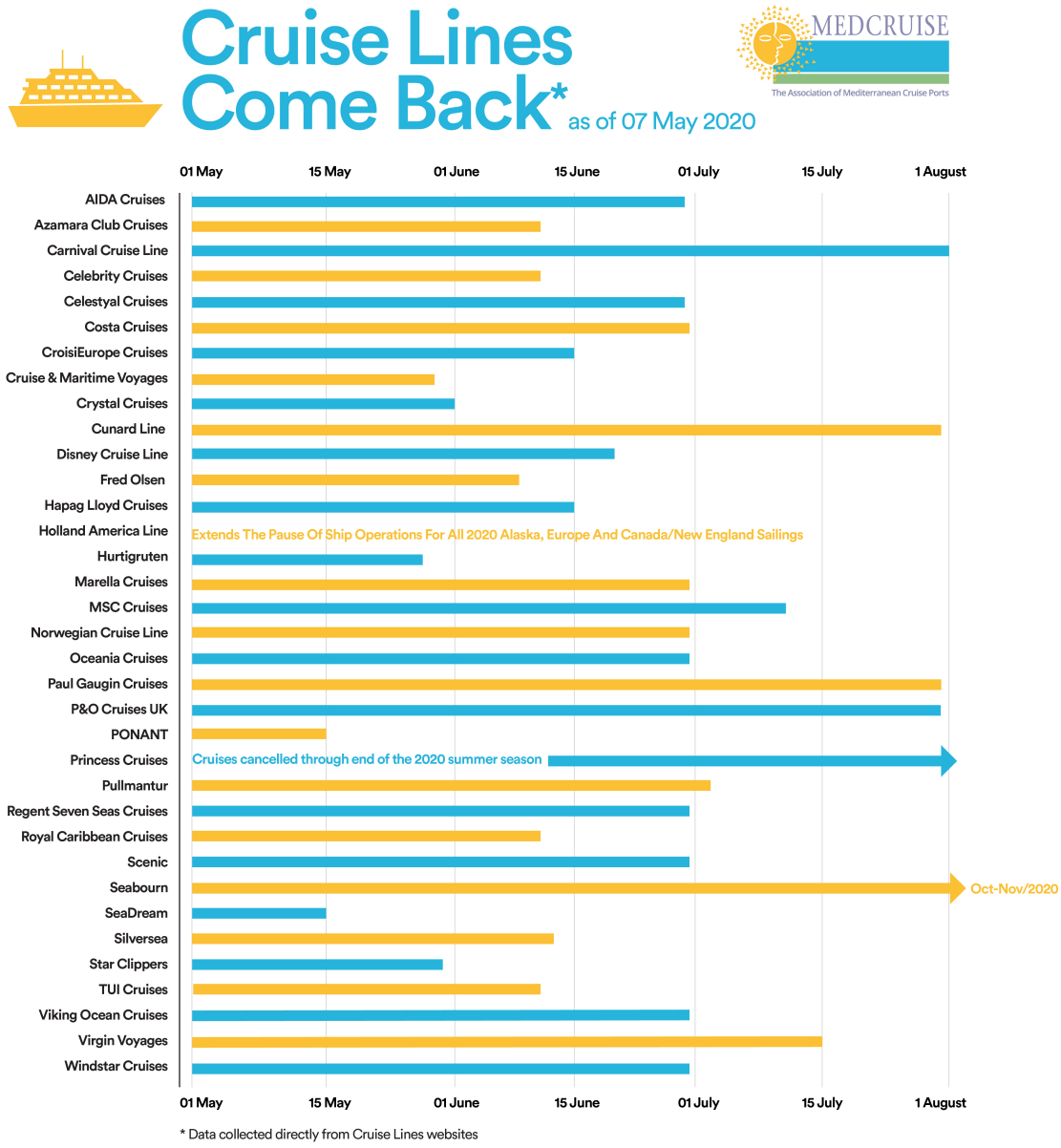
Tourism is one of the most affected sectors of the pandemic, in particular hospitality, aviation and cruises, are at greater risk and, according to the epidemiologist Penn State Maciej Boni, we will not return to travel before one year.

As claimed by the World Tourism Organization, the drastic drop in international tourism is causing damages to the extent of approximately 300 and 450 billion dollars; this means that about 5 to 7 years of value growth in tourism will be lost, corresponding to - 4% (the SARS epidemic in 2003 had “only” caused a - 0.4% loss).

As reported by Unimpresa, the Italian cruise industry runs the risk of suffering an 8 billion euro loss to which a loss of 2.3 billion euros of tax revenues (direct taxation and indirect taxation) should be added.

## Cruise Shipping

As governments announce plans to end the lockdown, a new phase in the COVID-19 pandemic is upon us. It is a time for hope but also for caution. The end of the lockdown will not spell a return to the old “normal”, nor will it be universal. The opening will take different shapes, with different countries, different regions, different ways and at differing speeds within the cruise industry.




Carnival Cruise Line has announced its intention to resume operations in North America starting from August 1st. Company plans are to restart with 8 cruise ships from Miami, Port Canaveral and Galveston whilst the departures from the other ports will be halted till August 31st.

Royal Caribbean's brands – Royal Caribbean, Celebrity Cruises and Azamara – have put their date back to June 12th.

Norwegian Cruise Line has announced that one of its ships, Norwegian Sun, will reposition to Port Canaveral, when cruising resumes to operate short three- to five-day-long voyages.

In Italy, Costa Crociere has recently announced the further suspension of its cruises until June 30th while MSC Crociere will extend the halt till July 10th. The two cruise companies that both call our ports, stated they will resume their operations exploiting the “proximity cruises”, shorter sailings from home ports, near major population centers, that passengers can reach by car. Those cruises will be meant to be deployed in the Mediterranean area, firstly calling at Italian ports, and in the future, following the evolution in air transport, they will include medium and long-haul destinations.

For sure, safeguarding the health of the passengers and the crew will be of fundamental importance for the cruise companies in order to restore guests’ trust, as also reported in the results of the survey carried out by Risposte Turismo, according to whom 84% of the respondents declared its willingness to come back cruising in 2020 if the industry will put in action measures to protect health and safety.

According to the above mentioned survey, the cruise product hasn’t lost its appeal, in fact, if, on the one hand, it may not be easy for the cruise companies to conquer new demand in the short term, on the other hand, they can be reassured by the evidence that most of the loyal customers, who know and

appreciate the product, are willing not to change orientation (64.3% ) and preference (72.2% ).

Moreover, CLIA UK surveyed the market and once again the result showed that two-thirds of those who had cruised before indicated that they were likely to do so again in the next two years. It is therefore believed that the sector will be able to start again thanks to the repeaters.

## *New orders and first transfers*

Meyer Turku shipyard, that launched Costa Smeralda in December 2019, plans to reorganize its activity due to the coronavirus emergency, as recently declared by Meyer Turku CEO Jan Meyer who also announced that in the future they will stick to one large cruise ship a year, not two as hoped. Costa Toscana is scheduled to be delivered in 2021.

Due to COVID-19, there will also be a delay in the delivery of MSC Virtuosa, sistership of MSC Grandiosa from the French Saint-Nazaire shipyard, that will be scheduled for the beginning of 2021 (originally October 2020).

Meanwhile, other companies like Marella Cruises have decided to reduce their fleet size. Marella Celebration will be retired.

As far as Fincantieri shipyard and the orders of the Virgin group are concerned, there is only the postponement of the technical launch, expected in April , of the "Valiant Lady". The company hasn’t released any communications with regard to the order book.

# Ports of Genoa

Presently, due to the suspension of the activity of the main cruise companies that home port in Genoa and Savona, Msc Cruise and Costa Cruises, the cruise industry is still waiting for an official date of for the resumption of operations.

Currently, 4 ships are laid up in our Ports:

- MSC Opera, MSC Splendida and Costa Deliziosa in Genoa
- Costa Luminosa in Savona