



**European
Cruise Council**

2012/2013 REPORT



CRUISE NORWAY

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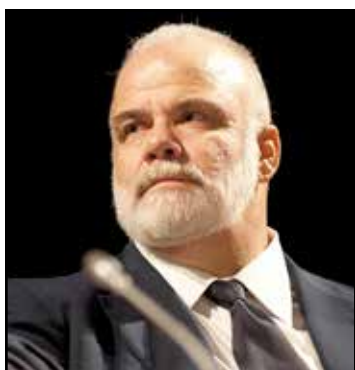
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Foreword

Welcome to the European Cruise Council's 2012/2013 Report.

The past twelve months have probably been the most challenging for the industry for many years. It is now almost a year since the grounding of the Concordia, and for cruise ship operators there is nothing worse than the loss of passengers or crew members. The industry is fully committed to learning lessons from this incident, to applying those findings as quickly as possible, and to working ever harder to ensure that nothing like this ever happens again. The cruise industry's number one priority has always been, and remains, the safety of its passengers and crews.

It is in this context that the Report describes the operational measures that have been taken by the global industry as part of its Operational Safety Review, and the issues that the sector will be focusing on in the coming months.

It is encouraging that the EU institutions have responded to this unprecedented incident in a measured and responsible manner. Immediately following the incident the ECC reached out to the EU institutions – Commission, Parliament and Council – and it is working closely with them with regard to any possible initiative to further improve the safety of the sector. I believe this is a proper recognition that the cruise sector operates to the highest standards, has an excellent safety record, and is socially and economically important for Europe.

The contribution from the cruise industry can clearly be seen in five key areas:

- Primarily, perhaps, the number of direct and indirect jobs generated by the cruise sector: well over 315,000, compared with some 180,000 five years ago.
- The fact that the overwhelming majority of the world's cruise ships are built by European shipyards: up to 2016 they are scheduled to deliver 24 new vessels

with a combined capacity of 67,000 passengers, representing a total investment by the industry of more than €12 billion. Indeed the cruise industry has been a key driver in maintaining a European shipbuilding industry.

- The cruise industry's role in regenerating the increasing number of destinations and regions it serves. It is notable also that cruise tourism can have particularly positive and immediate impacts on parts of Southern Europe which are particularly suffering from the economic downturn. The number of people who chose a cruise holiday in Europe has more than doubled in the past decade, to more than 5.6 million passengers.
- As a catalyst for growth in European culture tourism – a key and welcome aim of the Commission and of the European Parliament.
- Very much linked to the goal of the EU policy of stimulating tourism is the fact that the cruise sector brings into Europe some 1 million non-European nationals, who clearly make a significant economic contribution.

The industry is proving to be resilient, but it is clear that we face significant obstacles which could seriously threaten the steady growth that we have experienced over the past decade. Such challenges in the years ahead include not only the economic downturn in Europe but also rising fuel prices, environmental issues such as waste management, port costs and port efficiency, among many others.

This report openly discusses such issues, and hopefully provides policy makers in Brussels and the wider international community with an interesting insight into the many facets of the European cruise sector.

Manfredi Lefebvre D'Ovidio, Chairman European Cruise Council and Chairman Silversea Cruises

Ashcroft & Associates Ltd., the publishers of the ECC Report, would like to express their sincere thanks and gratitude to the many organisations that have helped in the production of the magazine by contributing to articles and reports, or supplying facts and figures, information and pictures, or provided help in other ways.

We have made every effort to ensure the accuracy of the information but changes occur incessantly. Readers are advised to check that any material facts are still current with the responsible authorities.

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Cruise Toulon/La Seyne

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The European cruise industry has unique peculiarities

The cruise industry stands out today for its steady growth over the past decade and, in spite of the fragility of the current global economic framework, its potential for further growth.

As the economy forces consumers across Europe to tighten their belts, an increasing number of holidaymakers are looking at cruises as great value alternative getaway options, whether for a short weekend break, a longer ocean adventure or an original way to discover the world's most celebrated cultural and natural spots.

America's recovery has proved shakier than first expected, growth in the BRIC countries (Brazil, Russia, India and China) is slowing, and a happy ending to the Eurozone's debt crisis seems increasingly far away and difficult to achieve. Investors are fleeing both banks and the sovereign bonds of Mediterranean countries.

In this context of 'storms brewing', the cruise sector is still healthy, dynamic and highly competitive; but more than that, it continues to contribute massively to the European economy's recovery in general, and to the Italian, UK, German, Spanish and French economies in particular.

We keep repeating the impressive numbers of the economic impact in 2011 alone: €36.7 billion worth of goods and services generated; over 6 million passengers; €3.5 billion spent by passengers and crew during visits to the 250 European port cities that welcome cruise ships year-round. And last, but certainly not least, more than 315,000 jobs created across Europe: which, considering the eye-watering levels of unemployment in other sectors, is quite a remarkable result.

The spotlight today is understandably focused on the economic downturn and, of course, on safe shipping, even though the sector's response to the grounding of the Concoria has proved highly professional and responsible; the dust

is finally beginning to settle.

However these are not the only areas that the cruise industry is tirelessly working on, together with international and European institutions.

Global measures governing maritime greenhouse gas emissions and the European directive on low-sulphur fuels are part of our daily debates. Port waste facilities, taxation strategies and the constant threat of piracy are still high on the list of ECC concerns: these major issues could in fact seriously threaten cruise operations – and the entire profitability of the industry – if left unresolved.

Responsible for representing a leading sector, the ECC is also closely following the development of a robust social agenda. This includes the enforcement of key elements of the Maritime Labour Convention in matters such as employment conditions, working hours, food and catering, medical care, repatriation and accommodation at sea, updating the EU Training Directive to take into account the STCW Convention (Standards of Training, Certification and Watch keeping for Seafarers) as amended by IMO, and the implementation of the Passenger Rights Regulation that will apply from 18 December this year.

The European cruise industry has unique peculiarities, a strong know-how and an unparalleled strength, and it is actively engaging with EU institutions and all stakeholders to find the proper answers to essential questions. The ECC will continue to do its best to foster such a dialogue, so that we can ensure that Europe continues to issue benchmark legislation that fosters a strong cruise tourism sector, generating powerful 'virtuous circle' effects throughout our economies.

Pierfrancesco Vago, Vice-Chairman of European Cruise Council and CEO MSC Cruises

SAVE THE DATES

24 & 25 June 2013



Event programme:

- 24 June – Ports Forum 2.00pm-6.00pm
- 24 June – Reception 7pm-8pm
- 24 June – Conference speakers and delegates dinner 8pm-10.30pm
- 25 June – Conference programme 9am-5pm

Conrad Hotel Brussels

24 June 2013

3rd Ports Forum

25 June 2013

7th Annual Conference

ECC Sub-committee members and representatives from ECC member lines descend on Brussels to meet the port community during a period when the economic reality cruise lines face continues to be a challenge.

The impact of the regulatory changes – driving up fuel costs in 2015, 2020 and beyond – remains one of the major concerns for the industry's growth ambitions. The consequence is that cruise lines are deploying ever-larger ships to Europe to enable economies of scale to deliver the required 'return on assets' that they need to justify the deployment.

Port tariffs are under scrutiny – including an assessment of the standard of service that is being delivered. Port waste reception facilities are considered inadequate at most ports with member lines questioning the value of segregating waste to the highest environmental levels when there is a lack of supporting facilities at ports.

Ultimately though ECC member lines like to work together as partners to ensure that European ports continue to invest in the best berths, capable of handling the next generation of ships being built.

Cruise line executives join ports on each 'table of eight' to discuss agreed topics for follow-up and open debate.

ECC sub-committee: Chairman - Neil Palomba (MSC Cruises), Adam Sharp (RCCL), Bert Swets (Disney Cruise Line), Bjorn Hansen (Norwegian Cruise Line), Eduardo Lopez Puertas (Pullmantur), Elisabetta De Nardo (Costa Cruises), Enzo Visone (Silversea), Harald von der Osten-Sacken (AIDA Cruises), John Tercek (RCCL), Luis Pastena (MSC Cruises), Marc Berberian (Ponant), Tine Oelmann (TUI Cruises), Vassilios Gazikas (Louis Cruises).



Chairman
Manfredi Lefebvre,
Silversea Cruises



Vice-Chairman
Pierfrancesco Vago, MSC Cruises



David Dingle,
Carnival UK



Dominic Paul,
RCCL Cruises



Andy Stuart,
Norwegian Cruise Line



Michael Thamm,
Costa Cruises

Join the Executive Committee (above) and board members of ECC Member lines as they gather in Brussels to exchange views with the European Commission on the key issues of the moment: Economic impact and consumer confidence; state of the European cruise industry; safety; regulation; environment; port partnerships and ECC meets the EU involving speakers from European Institutions and member states.

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Executive Committee and board members



Chairman
Manfredi Lefebvre,
Silversea Cruises



Vice-Chairman
Pierfrancesco Vago, MSC Cruises



David Dingle,
Carnival UK



Dominic Paul,
Royal Caribbean
Cruises Ltd.



Andy Stuart,
Norwegian Cruise Line



Michael Thamm,
Costa Cruises

Board members



Kyriakos Anastassiadis,
Louis Cruises



Georges Azouze,
AFCC



James Duguid,
Saga Shipping



Wolfgang Flägel,
Hapag-Lloyd Cruises



Eric Krafft,
Star Clippers



Benjamin Krumpfen,
Phoenix Reisen



Robin Lindsay,
Oceania Cruises



Richard Meadows,
Seaborn Cruise Line



Lynn Narraway,
Carnival Cruise Lines



Gianni Onorato,
Costa Cruises



Mike Rodwell, Fred.
Olsen Cruise Lines



Hans Rood,
Hurtigruten



Graham Sadler,
Regent Seven Seas
Cruises



Jean-Emmanuel Sauvee, Compagnie
du Ponant



Alfredo Serrano,
Iberocruceros



Joseph Slattery,
Holland America Line



Dr Javier Somoza Ramis, Pullmantur Cruises



Michael Ungerer,
Aida Cruises



Richard J. Vogel,
TUI Cruises



Tom Wolber,
Disney Cruise Line

Chairmen of Sub-Committees



Ports & Infrastructure
Neil Palomba,
MSC Cruises



Tourism &
Consumer Affairs
Maria Pittordis,
Hill Dickinson



Environment, Safety
& Security
Tom Strang, Costa
Cruises



Public Relations
Fabrizia Greppi,
Costa Cruises



Health & Hygiene
Ruth Marshall,
RCL Cruises



Labour Affairs
Tino Hensel,
Aida Cruises

ECC Secretariat



Secretary General
Tim Marking



Director Technical,
Environment &
Operations
Robert Ashdown



Administrative
Support
Monica Ford

NB David Dingle,
Carnival UK is chair
of the Taxation
Sub-Committee.

Global growth led by emerging markets

Global source markets (millions of passengers)

Region	2006	2007	2008	2009	2010	2011
North America	10.38	10.45	10.29	10.40	10.78	11.52
Europe (all*)	3.44	4.05	4.46	5.00	5.57	6.18
Rest of world	1.29	1.37	1.45	2.18	2.40	2.91
Total**	15.11	15.87	16.20	17.58	18.75	20.61

* includes estimate for Eastern Europe passengers

** Includes river cruise passengers where sources do not extrapolate them for some markets.

Sources: ECC, UK Passenger Shipping Association (PSA), Cruise Lines International Association (CLIA), International Cruise Council of Australasia (ICCA)

Global cruise passenger numbers saw double-digit growth in 2011. Although this was the highest rise for more than a decade, recent years have seen consistent if slightly lower levels of growth.

As always, increased capacity was the key to the 2011 growth. Although the number of ships (eight) and berths (20,000) actually added during the year was lower than the average over the previous five years, it was augmented by a full year's contribution from the three ships introduced right at the end of 2010.

These three added a further 11,000 berths, more than half of which came from the second Oasis-class ship from Royal Caribbean International (RCI), *Allure of the Seas*.

But the real significance in the 2011 passenger growth was that, whereas in those recent years the growth was almost entirely attributable to an upsurge in bookings from European markets, in 2011 similar growth also came from the rest of the world, led by North America. This came in spite of the negative impact of the Japanese earthquake and subsequent tsunami early in the year, which disrupted sailings in the Asia region.

It meant that Europe's share of global passengers, which had risen sharply from less than 23% in 2006 to 29.7% in 2010, grew only marginally (to 30%) in 2011.

This pattern appears to have continued in 2012, with emerging markets in Australasia, South America and China continuing to grow rapidly while North America – despite a far-from-recovered economy – continues its recent return to growth.

Although volumes in Europe rose again, there was pressure on yields from a variety of factors. These included the geo-political situation characterised as the Arab Spring, which saw cruise lines having to make significant

last-minute changes to Mediterranean itineraries.

"It is true that the mobility of ships meant we could introduce new destinations almost immediately," says Manfredi Lefebvre D'Ovidio, Chairman of both the ECC and Silversea Cruises, "but there is always the concern that such events could impact future passenger decisions."

Although European passenger numbers will have risen again in 2012, this has been to some extent at the cost of lower yields as the UK and Euro-zone economic ills have forced cruise brands to market much more on price than they would normally do. As ECC Vice Chairman and MSC Cruises CEO Pierfrancesco Vago says: "Allowing for inflation, cruise tickets generally cost less today than they did in the 1980s."

This underlines the importance of the cruise industry's globalisation policy – not just in terms of deployment, but also in the sourcing of passengers.

In fact, global deployments are a key factor in opening up new source markets, particularly with the increasing cost – and taxation – of airfares which can put a dampener on the affordability of flycruises, especially among the all-important first-time cruiser segment.

This recent industry policy has allowed it to be in pole position to

exploit the benefits of marketing in countries such as Australia, Brazil and China, which have remained largely immune from the economic meltdown that affected first North America at the end of 2008 and then spread to Europe. The fastest-growing of the major cruise source markets in 2011 was Australia, with a 34% increase to 623,000 (including 35,000 river cruise passengers) – the latest in a series of double-digit increases.

The market-leading Carnival Australia recently brought forward its target for the whole market of 1 million passengers from 2020 to 2017, as it now believes that a total of 2 million is possible by 2020 if cruise infrastructure issues (notably at Sydney) can be successfully addressed.

There are several reasons for this bullishness. One is the aforementioned strength of the local economy, where low unemployment and high savings rates prevail. Another is the cruise companies' own increasing focus on Asia, because deploying ships in Asia fits neatly into Australasian programmes during Asian winters. This means that RCI's decision to send its original mega-ship *Voyager of the Seas* to be the largest cruise ship ever based in Asia has meant the same ship spending winter 2012/13 in Australia.

Although these deployments are having their largest impact on persuading more Australians to cruise out of Australia, there is also a spin-off across the whole cruise sector – with increasing numbers of Australians also booking flycruises in Europe, Alaska, Asia and the Caribbean.

Although the growth in Australasian deployment and local passenger numbers is unprecedented, the region does have a long-established record as both cruise destination and source market.

For China, though, cruising is a completely new concept, which is why numbers remain relatively low despite the recent focus on the country by the Costa and RCI brands and their home-porting of ships of increasing size and modernity in that country.

But just as Asia – led by China – is expected to dominate global tourism over the next two decades, so China is expected to become a major player in the cruise sector too. Costa's addition of a second ship cruising from China in

Cruise destinations chosen by Australians

Destination	2010 ('000)	2011 ('000)	Change
South Pacific	172	230	+34%
Australia	91	120	+33%
New Zealand	47	84	+80%
Europe	35	46	+30%
Asia	37	40	+7%

Source: ICCA

North American and European source markets

Year	North America Growth	Europe Growth
2007	+1%	+18%
2008	-2%	+10%
2009	+1%	+12%
2010	+4%	+10%
2011	+7%	+11%

Source: CLIA, ECC

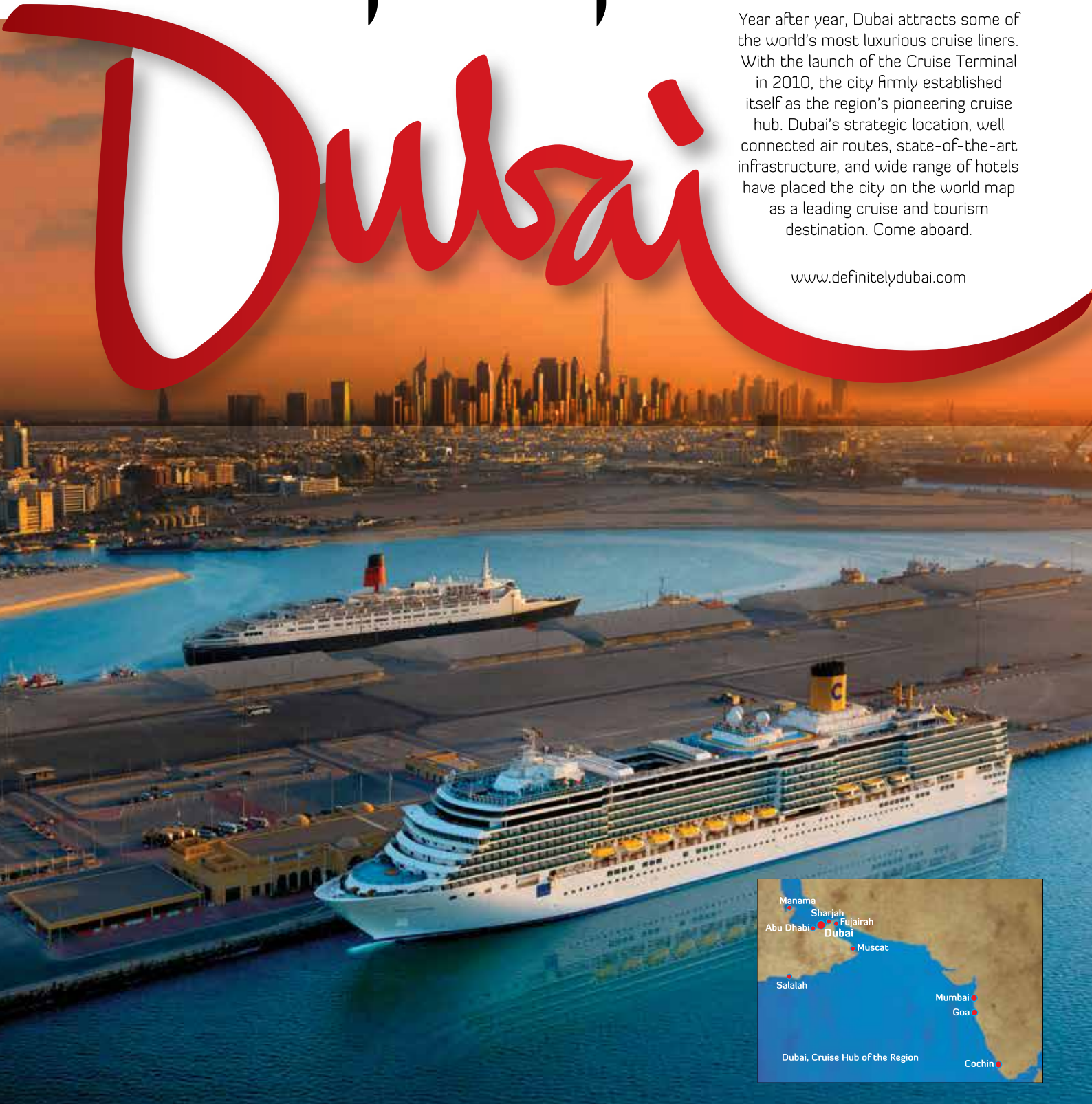
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2013 will mean its capacity there will have quadrupled in two years to more than 1 million passenger nights.

In some ways the RCI move to introduce Voyager of the Seas is even more significant, as the size and standard of the ship will create a wave of media and consumer interest which should move cruising to a new, much higher level of awareness.

Royal Caribbean Cruises Ltd. Chairman and CEO Richard Fain said in April: "In the long term, we will get strong enough returns to justify it [the investment]". A few weeks later, RCI announced the deployment of a sister ship to Voyager of the Seas to replace the smaller Legend of the Seas in China from 2013.

Elsewhere in Asia, both RCI and Costa embarked passengers on partial turnarounds at Busan, Korea during 2012; and RCI is also sourcing Vietnamese passengers for its Singapore-based cruises. But such new and emerging markets still account for less than 15% of the global cruise sector, and it will clearly be some years before they challenge Europe and North America.

With more than 11.5 million passengers in 2011, North America remains easily the largest source market – although it is being outgrown by Europe at such a rate that it could be overtaken within a decade.

This is also contributing to the way CLIA member lines have seen their share of international passengers treble over ten years, so that they now represent nearly a third of their overall carryings, compared with just 10% in 2001.

There was a sharp downturn in the travel plans of North Americans when the credit crunch hit in 2008, but that has marginally improved since then and – over the 2008–2011 period – prospective cruise passengers have consistently been more bullish than those planning non-cruise vacations.

The ability of the cruise companies to build larger and ever more innovative ships while effectively reducing the average price of cruises was a key factor in this consumer positivity. "For the past three decades the North America cruise industry has averaged 7.5% annual growth," notes CLIA Chairman Howard Frank, "and we expect that it will continue to grow as lines invest in

new ships and products, and enter new markets."

CLIA figures project an average annual increase in North American cruise capacity of 2.9% over the 2011–2014 period, but this can easily change as cruise companies redeploy ships in reaction to economic or geopolitical developments around the world.

For example, RCCL lowered its European capacity within its global deployment from 31% in 2011 to 29% this year, and 26% for 2013; and RCI has recently decided to reduce the number of ships in Europe for 2014 from 13 to nine.

There are other signs that the recent trend for increased deployment into Europe may be slowing down as the lines seek to achieve the right balance between capacity and demand, especially in the light of the ongoing issues in the various European economies.

In 2011 and 2012, though, the Baltic was still experiencing substantial growth, with 13% more cruise visitors in 2011 and an estimated 6% more in 2012. There have also been record numbers for Norwegian ports, with 11% more cruise visitors in 2011 and a near-20% rise estimated for 2012.

But around the world the factor that is now playing an ever-increasing role in itinerary planning – and even deployment decisions – is the rising cost of fuel, and the increasing impact of restrictions on fuel use imposed within

Emissions Control Areas.

But for those rising fuel costs, all the major companies would have enjoyed much better 2011 financial results than they managed and, although there has been some levelling off in the cost increase in 2012, the same will apply in 2012. Results have already been seen to be hit by that, and by the fall-out from the Costa Concordia incident and also the European economic situation.

Nevertheless ECC Vice Chairman Vago still remains confident about the industry's future, pointing out that "just 2% of the total tourist market took a cruise in 2011" but that cruising is making inroads into the tourism sector.

ECC Chairman Lefebvre says: "We are confident that there are underlying reasons why the industry will come through this current period of uncertainty into a stronger position. Together we can find pragmatic solutions and ensure steady, sustainable growth."

CLIA Chairman Frank says: "Today the cruise industry is global and, as our industry expands, we need to develop a global framework to ensure success."

"CLIA and the world's other major cruise associations have already started building that framework, so that a united industry can identify and implement best practices, work with regulators and stakeholders worldwide in ensuring cruise safety, and meet the challenges of an increasingly complex operating environment."

"We are confident that there are underlying reasons why the industry will come through this current period of uncertainty into a stronger position."

LEFEBVRE

“In all segments, including shipbuilding, we are projecting to grow and deliver a sustainable economic benefit to Europe over the coming years.”

THAMM

Welcome boost for European economies

Impressive results for 2011 meant that the cruise sector's contribution to European economies had almost doubled, and the number of jobs generated increased by more than two-thirds, in just six years.

The total economic impact of €36.7 billion was up 4.4% on 2010, and once again outstripped the contribution made by the North American cruise sector on the US economy, which increased nearly 7% to \$40.4 billion – about €32 billion – in 2011.

The European performance would have been even better but for cruise shipbuilding experiencing a near-8% drop (from €4.2 billion to €3.8 billion) as the post-credit crunch pattern of

fewer orders from cruise companies continued.

As a result of this third consecutive annual drop in cruise shipbuilding, manufacturing was the only sector to see a fall in cruise-related revenues. The other industries benefiting from cruising all saw growth on the back of the increased deployment of ships within the region.

“In all segments, including shipbuilding, we are projecting to grow and deliver a sustainable economic benefit to Europe over the coming years,” says Michael Thamm, the newly appointed CEO of Europe's largest brand, Costa Cruises.

“Although we are challenged by the

current weakness of European economies, with their high unemployment levels along with high operating costs, this industry has a good record for resilience – and seems to gain strength in difficult times.”

In terms of direct expenditure, the amount spent by cruise lines on goods and services from European businesses increased from €6 billion in 2010 to €6.4 billion in 2011. This included €1.45 billion (up from €1.3 billion) on financial and business services such as insurance, advertising and engineering; €900 million (€860 million) on travel agency commission; and nearly €550 million (€495 million) on F&B products for the ships.

Total passenger and crew spending on flights, pre- and post-cruise hotel stays, shore excursions, F&B and other purchases ashore rose nearly 11% to €3.4 billion in 2011.

Embarking passengers spent on average nearly €74 (€70 in 2010) at the embarkation port and €216 (€215) on airfares.

There was a marginal rise – from €60 to €61 – in passenger spending at each transit port, which meant that the average spend across every port on a cruise was just short of €100.

There was a more substantial rise in average crew spending from €16 to €21 at each port. The number of crew arriv-

Economic Impact of European Cruise Sector

	2005 € billion	2008 € billion	2010 € billion	2011 € billion	Change 2011 vs 2005
Direct expenditures	8.3	14.2	14.5	15.0	+81.3%
Direct compensation	2.8	4.6	4.4	4.6	+64.5%
Total compensation	6.0	10.0	9.3	9.8	+63.7%
Total economic benefit	19.1	32.2	35.2	36.7	+92.6%
No. of direct jobs	90,104	150,369	150,401	153,012	+69.8%
Total jobs	187,252	311,512	307,506	315,500	+68.5%

Source: ECC (G.P.Wild/BREA)

ing at European ports rose from 13.2 million in 2010 to 14.3 million, with the estimated number disembarking and spending ashore growing from 5.3 million to 5.7 million. This resulted in a 38% increase in their spending, from €87 million to €120 million.

About 52,000 (50,000 in 2010) officers and crew were European nationals, and 5,000 Europeans were employed in cruise company offices. They were paid a total of €1.3 billion – more than 6% up on 2010.

Across Europe cruising now generates 315,000 jobs, paying a combined €9.8 billion. The jobs total had been rising steadily to 2008, but the economic downturn caused a fall in 2009. This proved to be a blip, with growth returning in 2010, and 2011 saw the jobs total top the previous high of 311,500.

This is still a little behind the 348,000 jobs generated by the North American cruise industry in 2011 – a 5.4% increase – but MSC Cruises

Chief Executive Officer and ECC Vice Chairman Pierfrancesco Vago says: “Considering that unemployment rates in other sectors within Europe have reached eye-watering levels, this is a quite remarkable result.”

Both jobs and financial benefits continue to be spread across Europe but, with shipbuilding revenues dropping from 29% to 25% of the €15 billion direct expenditure by the cruise industry in Europe during 2011, countries home to major cruise shipbuilders

Economic benefits from cruise sector by country

Country	Direct expenditure (€ million)		Total jobs		Total compensation (€ million)	
	2010	2011	2010	2011	2010	2011
Italy	4,538	4,450	99,057	100,089	2,952	3,043
UK	2,569	2,830	58,604	63,834	2,120	2,332
Germany	2,306	2,524	36,084	39,238	1,313	1,433
Spain	1,186	1,298	25,219	27,437	766	834
France	972	1,224	13,012	16,009	577	726
Greece	580	605	11,612	12,078	227	234
Finland	528	232	7,909	3,408	297	125
Norway	496	500	11,914	12,364	377	388
Netherlands	309	347	5,130	5,733	148	165
Denmark	205	198	2,608	2,630	96	93
Sub-total	13,689	14,957	271,149	282,820	8,873	9,373
Rest EU+3*	787	160	36,377	32,680	405	429
Total	14,476	14,957	307,526	315,500	9,278	9,802

NOTE: Includes indirect and induced jobs and compensation

* Belgium, Denmark, Greece, France, Ireland, Luxembourg, Netherlands, Austria, Portugal, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia + Iceland, Norway and Switzerland of EFTA.

Source: ECC (BREA/G.P.Wild)

“Considering that unemployment rates in other sectors within Europe have reached eye-watering levels, this is a quite remarkable result.”

VAGO



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were inevitably impacted.

Italy is home to long-time cruise ship-building market-leader Fincantieri, and therefore experienced a 25% decline in revenues from that sector. This explains the 2% fall in its direct spending income, but it remains the clear leader among European countries benefiting from the cruise sector.

Finland was the most significant loser, with direct spending more than halved because its cruise shipbuilder STX (formerly Aker Yards) spent much of 2011 with an empty order book. This resulted in a 71% drop in revenues from that source.

France's STX-owned shipbuilder has also suffered with less cruise revenue, but this was more than offset by increased spending from other sectors of the cruise industry – thanks to the country's upturn both as a source market and also as a destination.

Without a cruise shipbuilding player to be affected by the downturn in orders, the UK extended the gap between its second place and Germany (where Meyer Werft is a major shipbuilding player) in third position with a 10% increase in direct spending by cruise lines, passengers and crew.

Spain's growth as a cruise destination and embarkation point prompted a 14% rise in passenger and crew spending.

The presence of Carnival UK's headquarters in Southampton and the fact that it also houses other Carnival Corp. departments goes some way to explaining the UK's pre-eminence in terms of compensation paid among European countries, but the employment of British officers and crew on major brands such as Cunard and P&O Cruises is another factor.

Similarly Costa and MSC's presence explains Italy's second place to the UK in the compensation stakes, with Germany, Norway and Spain some way behind.

The importance of the additional contribution that increased deployment in Europe made to the level of economic benefits being generated by cruising

cannot be underestimated.

Based on passengers making multiple visits to European ports, there were 2.9 million extra visitors in 2011 – a continuation of an upward trend that has seen numbers increase by more than a quarter since 2008. Italy, Spain and Greece remain the main beneficiaries with France, Norway and Portugal also receiving at least a million visits by cruise passengers.

The visitor numbers reflect the increased traffic in the Mediterranean, the Norwegian fjords and other Northern European regions – apart from the Baltic, which saw growth stagnate after a series of annual increases before resuming growth in 2012.

But the fact that there are signs not just of a slowdown in the increase in European deployment but even a general scaling back clearly has implications for future impact. The early signs were there in 2011, with the number of Europe-based cruise lines in Europe dropping from 45 to 41 and the number of ships falling from 132 to 120 (although their larger capacities still meant an increase from 137,100 to 143,200 berths).

This was, nevertheless, offset by the number of ships deployed by non-European (mainly North American) brands rising from 66 to 76, with berths up from 81,000 to 97,000. One or two of these have, though, also made cutbacks in European capacity

for 2013/14.

This trend is based partly on the prevailing economic climate, with yields being compared unfavourably with those achieved by North America-based ships, and partly on a feeling that some European areas are in danger of being oversaturated with cruise capacity. Other issues such as environmental regulation, taxation and visa requirements are also becoming an increasingly important factor in deployment decisions.

"We will move ships if it [taxation] becomes punitive in Europe or anywhere else," warns Carnival UK Chief Executive David Dingle (who is also Chair of ECC's Fiscal Policy Committee).

"A normal cruise will enter and leave different countries several times so, if normal taxation rules are applied, it would be an unmanageable situation. We are looking for proportionate taxation."

Lefebvre D'Ovidio adds: "Much depends on having a regulatory environment which balances the need for Europe to continue to be a good place to do business with meeting the environmental and safety provisions of the EU and the wishes of the public."

He and Vago agree on the potential for Europe as a cruise destination for the emerging Asian markets, particularly China.

"A normal cruise will enter and leave different countries several times so, if normal taxation rules are applied, it would be an unmanageable situation. We are looking for proportionate taxation."

DINGLE

Cruise visitors to Europe

2008 passengers	2009 passengers	2010 passengers	2011 passengers	Change 2011 vs 2008
21.7 million	23.8 million	25.2 million	28.1 million	+29.5%

Source: ECC (G.P.Wild/BREA)

Another tough year in Europe

A combination of factors is seeing cruise companies increase sales but battling to maintain yields in European cruise markets. Further sales growth is expected to have been achieved across European source markets in 2012, but no-one would pretend it has been an easy year for the industry.

And this followed another difficult year in 2011, even though the headline figures might suggest otherwise as there was an 11% rise to nearly 6.2 million in the total number of Europeans booking cruises.

More than 75% of European passengers (4.8 million) cruised within Europe, contributing to the near-7% growth (to 5.6 million) in total passenger numbers embarking on cruises from European ports.

The 2011 growth was also a continuation of the surge in European source markets over the previous four years but, back when it started in 2007, no-one was expecting a credit crunch the following year to usher in a period of serious economic downturn across Europe.

Business for cruise companies in Europe was further disrupted by the Arab Spring events, which caused a wide-ranging and short-notice re-deployment of ships within the Mediterranean during 2011. A key destination, Tunisia, was off-limits for months (or longer with some brands), with cruises to Egypt also significantly affected.

But this setback paled in comparison to the Costa Concordia aftermath a year later, which hit sales across all European source markets – though Italy was inevitably the most seriously affected.

To compound this, the ongoing Eurozone economic crisis has also depressed ticket prices through both years. The largest European market, the UK, went into double-dip recession early in 2012, further damaging consumer confidence – at a crucial stage in the booking cycle, too.

But the fact remains that market pene-

tration is still low, and behind the modest level achieved so far in North America.

It is the potential implied in that low penetration across Europe that has been the driving force behind the investment being made by European brands such as AIDA Cruises, Costa Cruises, Cunard Line, MSC Cruises, P&O Cruises and Ponant Cruises, along with the increased deployments of North American brands including Royal Caribbean International, Celebrity Cruises, Princess Cruises, Norwegian Cruise Line, Carnival Cruise Lines (CCL), Disney Cruise Line (DCL) and Seabourn Cruise Line.

For those like CCL and DCL which market European cruises primarily in North America, the appeal is clear – despite the challenges.

“We are very excited about cruising in Europe,” says DCL Chief Operating Officer Tom Wolber, “as we are essentially a family product, and North American families are extremely interested in travelling to Europe.

“This is despite some concerns being raised about their welcome, when they see news stories about austerity demonstrations in ports and cities. Here perception is as important as real-

ity; but our passengers trust us to take them to places where they will feel safe and welcome.

“Rising flight costs are also an issue, and we also believe there is room for improvement in the regulatory environment. Different countries are still enforcing rules in quite different ways.”

For those sourcing passengers primarily from Europe, though, the demographics also still add up despite the recent economic issues.

Although substantially lower than the US figure (\$47,140), the gross national income per capita for EU countries is, at \$31,190, relatively high in global terms.

Europeans also have much more vacation time, and 196 million of them (43% of the population of EU countries) live in coastal regions – many with easy access to cruise homeports.

This is why the European markets continue to grow in size, although each market is at a different stage of development – leading to market shares changing year-on-year.

In 2011 Germany and France were the top performers among the five leading markets, with the former still on course to overtake the long-time leader, the UK, within the next few years.

European cruise source market shares

Country	2011	2010
UK	28%	30%
Germany	23%	22%
Italy	15%	16%
Spain	12%	12%
France	7%	7%
Scandinavia	4%	3%
Benelux	3%	2%
Switzerland	2%	2%
Austria	2%	2%
Others	3%	3%

Source: ECC/IRN

Western European cruise markets performance 2007–11

Country	Average growth over five years
UK (incl. Eire)	+7.2%
Germany	+14.6%
Italy	+12.5%
Spain	+13.1%
France	+12.7%
Scandinavia*	+39.0%
Benelux	+20.1%
Switzerland	+17.1%
Austria	+19.0%
Others	+13.8%
Total	+11.8%

* Includes Finland Source: ECC

UK market growth

Growth in the UK (including Eire) market during 2011 was marginally down on the level projected, but a near-5% increase in passenger numbers to 1.7 million was still a relatively strong performance in a difficult economic climate.

UK market growth		
Year	Passengers	Change on year
2007	1,335,000	+10.9%
2008	1,477,000	+10.5%
2009	1,533,000	+3.8%
2010	1,622,000	+5.8%
2011	1,700,000	+4.8%

Source: UK Passenger Shipping Association

German market growth

Another substantial increase is forecast for the German market in 2012, after 2011 saw the fourth consecutive double-digit increase. Revenue was up substantially, and the fact that the average price per cruise also increased – albeit only marginally – suggested that the cruise lines were holding the line on fares.

German market growth		
Year	Passengers	Change on year
2007	763,000	+8.2%
2008	907,000	+18.8%
2009	1,027,000	+13.2%
2010	1,219,000	+18.7%
2011	1,388,000	+13.9%

Source: BRD Kreuzfahrten, Deutsche Reisebüro und Reisebeeren Stalterverband

Italian market growth

The tragic Costa Concordia accident on January 13, 2012 has inevitably overshadowed any other developments in the Italian cruise market over the past couple of years. It is likely that the Italian cruise market will not be fully back to normal much before 2014.

Italian market growth		
Year	Passengers	Change on year
2007	640,000	23.8%
2008	682,000	6.6%
2009	799,000	17.2%
2010	889,000	10.1%
2011	923,000	3.8%

Source: ECC

Spanish market growth

The Spanish economy has suffered more than most since 2008, although the cruise market has continued to grow in that period – and to outperform the rest of the travel sector.

Spanish market growth		
Year	Passengers	Change on year
2007	518,000	-4.1%
2008	497,000	18.1%
2009	587,000	18.1%
2010	645,000	9.9%
2011	703,000	9.0%

Source: ECC

French market growth

A 14% increase to 441,000 passengers in 2011 meant that the French market had doubled since 2004. It now accounts for more than 7% of all package holidays sold to the French.

French market growth		
Year	Passengers	Change on year
2007	280,000	15.7%
2008	310,000	10.7%
2009	347,000	11.9%
2010	387,000	11.5%
2011	441,000	14.0%

Source: ECC

Rest of Western Europe market growth

Passenger numbers increased by 26% and 44% respectively for Benelux and Switzerland, to boost the rest of Western Europe by an average of 13.5% compared to the 9% increase in the main five leading source markets of UK, Germany, Italy, Spain and France.

A 25% increase in cruise embarkations from homeports in the Netherlands accompanies a period of expansion in that market that has been stimulated by Holland America Line's decision to homeport a ship in Rotterdam year-round.

An additional estimated 112,000 passengers are sourced from Eastern Europe, mainly from Russia, although growth from there – as with other countries in the region – is being limited by visa issues when booking flycruises and by a lack of domestic brands homeporting in Eastern Europeans' own countries.

Rest of Western Europe cruise market		
Country	Passengers 2011	Change 2011 vs 2010
Scandinavia*	306,000	+8.1%
Benelux	159,000	+26.2%
Switzerland	121,000	+44.0%
Austria	104,000	+11.8%
Others	224,000	+5.7%
Total	914,000	+13.5%

*Includes Finland. Source: ECC

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Slow progress on visas



It is not the highest-profile issue in the sector, but there is no doubt that the way countries approach visitor access can have a major impact on their level of tourism, including that delivered by cruise ships.

Currently about 17% of all international tourists to G20 countries are required to obtain a paper visa, and recent research commissioned by the World Travel & Tourism Council and the UN World Tourism Organization suggests that in a three-year period (2013–2015) another 3.1 million jobs could be generated in those countries just by streamlining visa processing.

This would be because such a move would result in an additional 112 million international tourists, generating US\$216 billion.

US President Obama is one high-profile leader who has gone on record as being committed to easing the access process in order to benefit economically from increased tourism. Cruising would be one beneficiary of the increased numbers, and this fact is starting to be recognised around the world – not least in Europe.

After a long period of lobbying and negotiation, a multiple-entry United Arab Emirates visa for cruise passengers has been put in place. “This will create a wider market from places like Russia, China, India, South Africa and Brazil,” says Dubai Tourism Department’s Hamad bin Mejren.

This news coincided with start-up German cruise brand FTI dropping plans to operate out of India in the winter citing “visa complexities as well as high costs” as the reason.

In Europe, the Schengen visa is an issue for both passengers and crew. On the passenger front it is affecting emerging cruise markets such as Turkey and Russia.

Erkunt Oner, owner of Turkish specialist tour operator Tura Turizm, says: “It is very important for cruise lines looking to develop those markets for their Mediterranean and Aegean cruises that all European countries accept the part of the 1965 IMO Convention of Facilitation of International Maritime Traffic which recommends that ‘if a cruise ship stays at a port less than 72 hours, it should not be necessary for cruise passengers to have a visa’.

“Turkey does this, but its residents find they need to acquire a Schengen visa when they cruise to other countries.

“It also affects tourists travelling to Turkey from non-EU countries in order to join cruises starting there. As a result the huge potential of these sources for cruising remain unexploited by the industry.”

The need to simplify and harmonise the requirements and procedures for tourist visas was fully recognised by Euro-

pean Commission Vice President Antonio Tajani in his Communication on ‘Europe, the world’s No 1 tourist destination’ published in 2010. It is now expected that the Commission will take concrete initiatives in the coming months to this end, in the context of the review of the Visa Code to take place in 2013.

It is also anticipated that the issue will be specifically addressed in the Commission’s Communication on Maritime and Coastal Tourism in the EU, to be published early next year. Such initiatives have the potential to greatly assist the sustainable growth of cruise tourism in Europe.

There is a similar problem for crew members, and this is being pursued by the ECC through its Labour Affairs Sub-Committee. “Our aim is to ensure that Europe remains a profitable place in which to operate,” says Sub-Committee Chairman Tino Hensel, who is also Fleet Personnel Management Director for AIDA Cruises. “Part of this requires that securing crew visas be a quick, simple and unbureaucratic process.

“We have had difficulties with crew visas in Europe for a number of years.

“In 2010 the European Commission published a revised Visa Code Handbook, recommending how member states should handle applications and the granting of Schengen visas to non-European citizens.”

This was supposed to both streamline and standardise across Europe the different processes being used by those countries.

“But we – the European Community Shipowners Associations and the International Shipping Federation, as well as the ECC – found that there were still issues that were contradictory or not 100% clear in this Handbook. So in July 2011 we jointly sent a letter to the European Commission highlighting these.

“A meeting followed with the EC’s DG Home Affairs, and after further exchanges the EC said it accepted the points we had raised and it would be redrafting the Visa Code Handbook early 2013.

“We hope this will mean we get something closer to uniformity across the countries. It has been slow progress, but we are already seeing some of the member states beginning to streamline the process.

“We at AIDA went to the German Embassies in Manila, Jakarta and Mumbai and asked them to issue multi-entry visas for our crew, which avoids the problem of the single-entry visa that requires them to apply for an exit visa every time they sign off.

“We want to see this applied across the EU.”

“The EU has a policy of targeting senior citizens to extend tourism seasons into the off-peak autumn and winter months. So if we also had some flexibility from ports in levying lower head taxes for cruise calls made outside of peak times, that would definitely be a help.”

RODWELL

Small ships – adapting to the market

Mega-ships may have brought a new dimension to the cruise sector, but they have augmented and not replaced the smaller, classic ships – which continue to offer a different kind of cruise, and which underline the diversity of today's product range.

“The challenge we have is to put our message across to a public who may now have a rather blinkered view about cruising, believing it to be all about the big boys,” says Fred. Olsen Cruise Lines (FOCL) Managing Director Mike Rodwell.

“That message is that we offer a radically different product to that of the mega-ship operators, and one for which we are aiming to secure a premium price.”

Although the cruises remain more traditionally styled than those on today's modern resort-style newbuilds, they are not preserved in aspic. The trick, Rodwell says, is to adapt to the changing demands of their own particular passenger demographic.

“We have recently refined our entertainment to appeal to current tastes,” he explains. “It was not very long ago that our production shows were still including old World War II songs, but our target demographic now includes Mick Jagger and David Bowie.”

Although there are key differences between the products, Saga Cruises (UK-based, like FOCL) targets a similar demographic, and so has identified the same need to adapt its onboard offer.

“We target the over-50s, with a particular nod towards single travellers,” says Saga Shipping Director James Duguid. “But we recognise that the remaining Beatles now fall within that target market, so we have firstly adapted the design of our latest ship, Saga Sapphire, to reflect this by incorporating quirky features to appeal to our passengers' very British sense of humour.

“We have created an ‘Explosive’ production show, which has earned rave reviews, and the ship also carries iPads (and a couple of IT gurus to help passengers use them) and other new technology. The classes on how to use Photoshop and

other applications are proving very popular.”

Rodwell continues: “People in their 60s today are very different animals from those who were in their 60s 20 years ago. But they still enjoy many of the traditional aspects of our cruises, including afternoon teas and formal evenings, so we have not had to change the product substantially.

“It is vital that we make sure that the product is right, because word of mouth is very important. One satisfied passenger can tell four or five people who have not tried our cruises.”

Although FOCL has remained visible in its prime UK market through strong PR and marketing campaigns, it does not have the capacity (just four ships, and fewer than 5,000 berths) to justify the level of TV and print advertising of the mega-brands. “We rely heavily on our travel trade partners to promote us to their clients,” says Rodwell.

FOCL's recent policy of adding more regional departures around the UK has helped the line show its product to more retailers, as it utilises the turnaround days for agency ship visits.

“We rely on agents in those regions around our homeports to promote the cruises, more as we expect to sell the cruises to people who live in the same area as the homeport. Our intention is to bring the ships to the market – as opposed to the other lines, which bring the market down to Southampton.”

Having experimented with some regional homeporting, direct-selling Saga has decided on a different route, concentrating its efforts on Dover where it recently signed another long-term contract. And it has come up with a typically innovative way of bringing its product to the market without having to move its ships around the country.

“We believe we can reach the rest of the country through our personal chauffeur service,” says Duguid. “It is free up to 75 miles from Dover and, with a shared service, up to 250 miles.

“In fact people really enjoy the shared option, as it is a chance to meet their fellow passengers in advance of the cruise. This is very much in tune with the club-like atmosphere that our cruises thrive upon, and which helps produce up to two-thirds repeat business.”

Rodwell says, in contrast, “We expect to add more regional homeports in the future, as we believe that this can help us put together a richer programme of itineraries and reach ports that some of the big ships cannot.

“Ports are certainly keen to have us, as they appreciate that a turnaround is far more valuable to them than a day call.

“Ideally we would like to have wonderful terminals with easy access to the berths at all the ports from which we operate, but we understand that this is not always possible. Sometimes the facilities are far from ideal, but we use what is available and find solutions.

“We are currently looking at other regional ports which have no infrastructure at all, and are unlikely to have any in the near future, either. We will evaluate options such as marquees for check-in and baggage handling, and local coach operators to transfer passengers from such facilities to the ship.

“It is a trade-off – we all know that the facilities at Southampton are great these days but, if it takes passengers five hours to drive there, then there is a good chance some will see the benefit in cruising more locally – even if the facilities are not so good.”

On transit ports, Duguid says: “We do need a better balance between the trophy ports and those that are up-and-coming – especially as we have found that on, for example, our Baltic cruises, it is the lesser-known ports that our passengers have enjoyed the most. We could do with a little more EU support for the development of these non-marquee ports.

“The EU has a policy of targeting senior citizens to extend tourism seasons into the off-peak autumn and winter months. So if we also had some flexibility from ports in levying lower head taxes for cruise calls made outside of peak times, that would definitely be a help.

“We also try to avoid being in port alongside the mega-ships, so more transparency over berth bookings and allocations would be appreciated.

“We have recently been bounced a couple of times by ports because they have taken a subsequent booking and cancelled ours, which was more than a little frustrating. Generally ports behave well, though, and we do understand their need to look after their regular clients.”

Economies of scale are one area where smaller ship operators like FOCL and Saga recognise the advantage for the mega-ship lines, which can be particularly evident in pro-rata fuel costs.

“We re-engined two of our ships six years ago, so they are relatively new and fuel-efficient,” says Rodwell. “We have also taken many measures to reduce fuel consumption.

“Just as with the transformation of the Team GB cycling team from being also-rans into a world-beating team, it was not one big idea but a lot of smaller ones that achieved the required end result of reduced consumption and cost savings.

“We still face the challenge of the lower sulphur fuel requirements from 2015, and we will certainly have to change our itineraries. But we must still have cruises that appeal to the passengers.

“Ships cannot slow down dramatically, spend more time in ports than we or our passengers would really like, and

we can’t always sail south rather than north to the Baltic and Norwegian fjords. Demand for those destinations in our particular market is still strong, and we still achieve better yields cruising there. We are not going to stop cruising there – that is for sure.”

Duguid notes: “Our ships are leaving Dover earlier, and making other itinerary changes to save fuel. A major part of our recent ships refits has involved ensuring that consumption is reduced, particularly on the hotel side which is a major contributor.

“Saga Sapphire is a very spacious ship, with a 50-plus Passenger Space Ratio, so it was very important to make it as efficient as possible.”

Equally important was the contribution that Sapphire’s refit and the 2009 conversion of the acquired Astoria into Saga Pearl II made to two depressed local economies – in Palermo (Sicily) and Swansea (Wales) respectively.

“There was 22% unemployment in the area around Swansea Drydock, and there is no doubting the urgent need for investment and employment in the Palermo region.”

The three-month Saga Pearl II conversion and refit alone involved a £24 million investment and created 300 jobs, primarily for the Glamorgan-based Harris Pye Group. “Although newbuilds are very important for expanding the sector and also for the shipyards, the importance and economic impact of refits should not be underestimated,” says Duguid.

One is imminent for another Saga ship, Saga Ruby, despite the fact that the ship is due to be retired in 2014. “We have calculated that to continue to maintain and operate the ship to the high standards we and our passengers demand beyond that date would involve a level of investment too high for the age of ship,” explains Duguid. “But we will invest that money elsewhere.”

The exit of Saga Ruby means that the brand’s Quest for Adventure, which currently operates soft adventure itineraries, will revert to being Saga Pearl II for the main classic cruising brand in 2014.

“Classic cruising is where the demand is highest right now,” says Duguid, “and a decision will be made in due course whether to return to adventure cruising in the future. In the meantime we are planning to introduce a number of the product elements of our adventure cruising into our classic cruising.”

The dictates of the current marketplace, which is suffering from the double-dip recession in the UK economy, has prompted a change of emphasis for FOCL, too. It has introduced an all-inclusive price for early bookers of 2013 cruises.

“This offers a better value proposition for some of our passengers,” Rodwell explains, “and we have been excited about the level of the take-up so far. It has certainly stimulated the market.”

Beyond 2013, he says, all options are open: the brand may expand the all-inclusivity to all passengers whenever they book; it may offer all-inclusive package options; or it may drop the idea altogether.

“The industry is so huge today that you can have a wide range of products to appeal to all tastes,” concludes Rodwell. “We see brands like ourselves as serving a particular niche, so we do not have to be all things to all people.”



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Shipbuilders adapt to market changes

The most obvious impact of the economic downturn on the European cruise industry has been in the shipbuilding sector, which has seen its revenue from cruise newbuilds fall by 38%. This was only marginally offset by a 150% rise in earnings from the growing number and scale of cruise ship refurbishments and, in total, cruise-related revenues were down 28%.

The impact varies from shipyard to shipyard – hence Germany's Meyer Werft saw a small increase, while there were significant falls for Italy's Fincantieri and STX yards in France and, in particular, Finland. But all are aware that the sector is moving into a new era of more conservative ordering patterns by the major cruise companies, which always dominate the order books.

Including a couple of options and the long-delayed delivery (due to shipyard bankruptcy) of a Sea Cloud sail-cruise vessel, there are 20 on order through to 2016.

Although this five-per-year average will probably increase to between six and seven a year with new orders being placed for 2015/16, the fact is that the decades when there was an average of

ten a year – the 1990s and 2000s – are not going to be repeated in the foreseeable future.

The growth in the average capacity of the ships being built is also already slowing down, so the yards cannot look to increased revenues from building larger ships to offset much of the loss from the drop in unit numbers.

At the same time there is the growing threat from Asia, where Japan and Korea have been joined by China in searching for a share of the cruise shipbuilding sector. As part of that country's dramatic economic surge its yards have taken a much higher profile in shipbuilding with one of its companies currently having the largest order book in international shipbuilding.

Another Chinese shipbuilder, in Xiamen, has reported an imminent start to the building of the country's first home-grown cruise ship.

But – in the short term at least – there is more activity among Chinese shipbuilders looking for partnerships and alliances with the European cruise shipbuilders which currently have the expertise and supplier networks that China's yards lack in this more complex area of shipbuilding.

Approaches have been made, but so far no firm alliances formed. There is little doubt, though, that the playing field in this sector will look very different 20 years from now – or possibly even sooner.

In the meantime the European cruise shipbuilders have to face up to increased competition within a reduced marketplace, while adapting their design and production processes to meet the requirements of the new safety and environmentally based regulations being imposed now, and to be imposed in the future.

For example, the standards for cruise ships that will be required for the Energy Efficiency Design Index (EEDI) concept is in the process of being defined. EEDI has been formulated by the International Maritime Organization Marine Environment Protection Committee (MEPC) as a measure of the CO2 emission performance of ships. This is calculated on characteristics of the ship at build, incorporating parameters including ship capacity, engine power and fuel consumption.

The yards have already had to incorporate new stability requirements and the Safe Return To Port concept,

Expenditure on newbuilds and refurbishment within Europe (€ million)

Country	Newbuilds		Refurbishment		Total	
	2008	2011	2008	2011	2008	2011
Italy	1,494	1,033	45	192	1,539	1,225
Germany	1,133	984	189	352	1,322	1,336
France	962	643	14	31	976	674
Finland	791	88	5	29	796	117
Other EU+3*	512	338	46	151	558	489
Sub-total	4,892	3,086	299	755	5,191	3,841
Non-EU	125	38	6	5	131	43
Total	5,017	3,124	305	760	5,322	3,844
Netherlands	309	347	5,130	5,733	148	165
Denmark	205	198	2,608	2,630	96	93
Sub-total	13,689	14,957	271,149	282,820	8,873	9,373
Rest EU+3*	787	160	36,377	32,680	405	429
Total	14,476	14,957	307,526	315,500	9,278	9,802

*Switzerland, Norway and Iceland. Source: ECC

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ENERGY
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New ships on order

Line	Ship name	Tonnage/pax	Due	Cost (million)
2013				
MSC	MSC Preziosa	140,000/4,087	4/13	€550
Princess	Royal Princess	139,000/3,600	4/13	€558
Norwegian	Norwegian Breakaway	143,500/4,000	4/13	€600
Hapag-Lloyd	Europa 2	39,500/516	4/13	US\$360
Ponant	Le Soléal	10,700/264	6/13	€140
AIDA	AIDAstella	71,000/2,644	9/13	€385
Sea Cloud	Sea Cloud Hussar	TBA/136	TBA/13	US\$140
2014				
Princess	TBA	139,000/3,600	4/14	€558
Norwegian	Norwegian Getaway	143,500/4,000	4/14	€600
Royal Caribbean	TBA	158,000/4,100	10/14	US\$1032
Costa	TBA	132,500/4,928	10/14	€556
TUI	TBA	97,000/2,500	TBA/14	US\$546
Viking Ocean	TBA	49,000/998	TBA/14	n/d
2015				
P&O Cruises	TBA	141,000/3,611	3/15	€560
AIDA	TBA	125,000/3,250	3/15	€455
Royal Caribbean	TBA	158,000/4,100	10/15	US\$1,032
TUI	TBA*	97,000/2,500	TBA/15	US\$546
Viking Ocean	TBA	49,000/988	TBA/15	n/d
2016				
AIDA	TBA	125,000/3,250	3/16	€455
Viking Ocean	TBA*	49,000/998	TBA/16	n/d

* option n/d = not disclosed. Source: Cruise lines and shipbuilders

as well as the new ballast water, anti-fouling and recycling conventions put in place by the IMO.

Fincantieri Chairman Corrado Antonini speaks for all the specialist cruise shipbuilders when he says: "We have to increase efficiency and improve quality and safety standards. We also have to share those targets with our suppliers, which contribute up to 75% of the value of any newbuild.

"Introducing new products and new technology platforms presents a big challenge, as it requires strong cooperation between owners, builders and suppliers.

"Improving environmental performance through compliance with green issues presents even more challenges as it involves heat recovery, the introduction of low-energy lighting and ballast water systems, and the reduction of emissions either through low-sulphur fuel use, scrubbers or alternative fuel technology such as LNG.

"This, though, does bring the poten-

tial of more work for us in terms of the renewal and revitalisation of the existing fleet. This is important, as the reduction in the number of cruise ships being ordered will be with us for quite some time.

"But the time will come when a whole generation of ships will need to be replaced, and the emergence of new source markets like China will also be a driver for more orders."

That next generation of ships will need not just to be of flexible design, energy-efficient and economical to operate but also to be increasingly tailored to match different national lifestyles and expectations.

The decision by Viking Ocean Cruises (the start-up launched by Viking River Cruises) to switch its two ships (plus one option) order from STX France to Fincantieri was a welcome boost for the Italian shipbuilder, which returned to profitability in 2011 after two loss-making years.

It does, though, continue to have is-

sues with over-capacity across its range of yards and this has led to difficult negotiations with unions over various downsizing plans.

Germany's Meyer Werft has been the most successful of the European shipbuilders in winning orders across the major cruise companies in the last couple of years and – despite the disappointment of one of its major clients AIDA Cruises switching its latest order to Japan's Mitsubishi – it has moved just ahead of long-time market-leader Fincantieri.

The other two specialist cruise shipbuilders in France and Finland are now part of South Korea's STX Group, and STX Finland has been particularly hard hit by the downturn in orders. Its cruise order book was empty for a while, but it has been boosted by a double order from Germany's fast-growing TUI Cruises.

Another German brand, Hapag-Lloyd Cruises, placed an order for a new five-star Luxury ship with STX

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France, which also benefited from MSC Cruises' decision to take over the order made by Libyan state shipping company GNMTC which went into default during the civil war.

STX France had gambled on continuing with the (then unpaid) build of the ship in the hope that MSC would do just that.

STX has created designs for ships

specifically to cater for the emerging Chinese cruise market, and is also working on new propulsion and energy-saving concepts.

Fincantieri order book

Line	Ship	Tonnage/pax	Due	Cost (million)
Princess	Royal Princess	139,000/3,600	4/12	€558
Ponant	Le Soléal	10,700/264	7/12	€140
Princess	TBA	139,000/3,600	4/14	€558
Costa	TBA	132,500/4,928	10/14	€556
Viking Ocean	TBA	49,000/998	?/14	n/d
P&O Cruises	TBA	141,000/3,611	3/15	€560
Viking Ocean	TBA	49,000/998	?/15	n/d
Total berths			17,999	
Total value (excl Viking ships)			€2.3 billion	

n/d = not disclosed. Source: Fincantieri and cruise companies

Meyer Werft order book

Line	Ship	Tonnage/pax	Due	Cost
Norwegian	Norwegian Breakaway	143,500/4,000	4/13	€600
AIDA	AIDAstella	71,000/2,644	9/13	€385
Norwegian	Norwegian Getaway	143,500/4,000	4/14	€600
Royal Caribbean	TBA	158,000/4,100	10/14	US\$1,032
Royal Caribbean	TBA	158,000/4,100	10/15	US\$1,032
Total berths		18,844		
Total value		€3.2 billion		

Source: Meyer Werft and cruise companies

STX Europe (Finland) order book

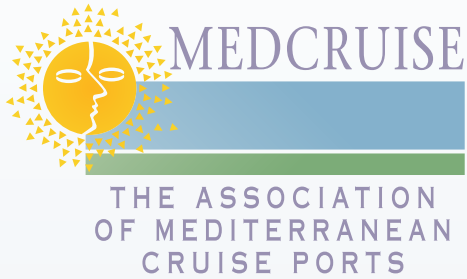
Line	Ship	Tonnage/pax	Due	Cost
TUI	TBA	97,000/2,500	?/14	€546
TUI	TBA	97,000/2,500	?/15	€546
Total berths		5,000		
Total value		€1.1 billion		

Source: STX and cruise companies

STX Europe (France) order book from 2013

Line	Ship	Tonnage/pax	Due	Cost
MSC	MSC Preziosa	140,000/4,087	4/13	€550
Hapag-Lloyd	Europa 2	39,500/516	4/13	US\$360
Total berths		4,603		
Total value		€0.85 billion		

Source: STX and cruise companies



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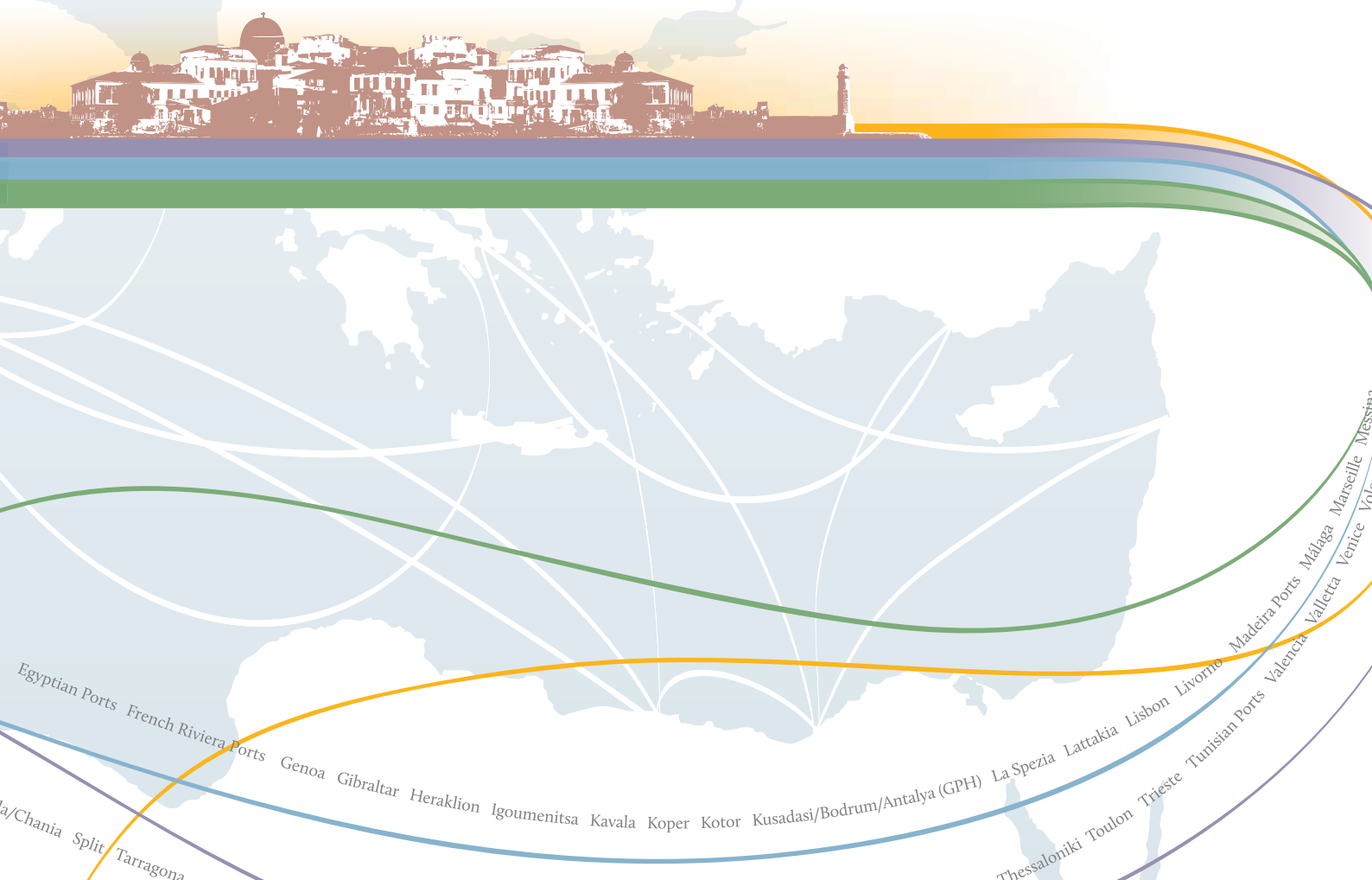
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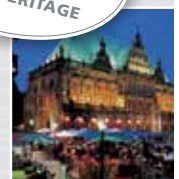
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Capacity reduction to trigger action on port charges?

A call for more flexibility in the port charges levied on cruise ships has come from ECC Ports & Infrastructure Sub-Committee Chairman Neil Palomba.

"Port costs have been rising steadily in recent years while average cruise ticket prices have fallen almost 30% since 2009," says Palomba, who is Chief Operating Officer for MSC Cruises.

"It is the norm for port costs not only to remain high but to be fixed year-round.

"Seasonal charging, with costs dropping in the off-peak months, remains very much the exception to the rule. In the Mediterranean, in particular, they could be used as an effective incentive for cruise lines to stay in the region for longer. With the recent news of capacity being reduced by some brands in Europe over the next couple of years, this kind of initiative should be strongly encouraged.

"It also makes little sense for ports to impose the same tariffs per passenger that were in force five years ago, when ships were often carrying only half the number of passengers that they do now.

"The lines bring as many customers to ports as they profitability can, and this increases the benefits to destinations. Not only will there be more visitors spending money ashore, there will also be more who will decide to return for a longer, land-based stay as a result of their cruise visit."

The economies of scale have been a major factor in the cruise sector's growth, of which European ports have been among the many beneficiaries.

"It makes sense for cruise ports to adopt the same concept and reduce pro rata charges for larger-capacity ships," Palomba says, "as this will allow brands to reduce lead-in prices to stimulate the market still further, without damaging overall yields."

This, he says, would be a win-win, as ports will also benefit from the increased traffic. It would also be a welcome example of ports listening to their clients and adapting their product, in the same way that the cruise lines have evolved their onboard style and delivery in response to their own clients' rapidly changing tastes and requirements.

"This is how cruise company load factors have continued to rise throughout the past decade, despite all the economic problems."

Palomba believes that lines and ports need to interact more, to resolve other issues between the two – not least the

continuing problem of berth allocation in the Mediterranean. "The lack of a clear and effective assignment and confirmation berth allocation system represents a major challenge to cruise operations," he says.

It was hoped that the MedCruise 2011 initiative in drawing up a system of berth allocation guidelines to promote best practices among member ports would be the required breakthrough; but problems remain.

"Unfortunately, these guidelines are still not always being implemented by all ports," says Palomba.

"In many Greek ports, berth assignments are still being made on a 'first come, first served' basis. This is clearly neither an acceptable nor a viable process for cruise calls, as lines plan their itineraries up to three years in advance and need clear berth booking confirmation rules to be applied and guaranteed."

Another long-running issue, which remains unresolved and – as with the berthing problem – has been exacerbated by the unprecedented recent growth of Europe's cruise tourism, involves the disposal of ship-generated waste.

Back in 2000 the European Commission's directive 2000/59/EC on port reception facilities was adopted. This was designed to protect the marine environment by reducing the discharge of waste into the sea. It applies to all commercial ports, regardless of their size.

The directive required each port to provide adequate waste reception facilities to meet the needs of ships, and to develop and put in place a waste reception and handling plan. The reality, though, is that – 12 years on – the facilities and plans have largely failed to materialise.

"Too many ports are failing to meet their legal obligations and, if anything, the situation appears to be deteriorating," says Palomba. "Having invested heavily in advanced new treatment plans, cruise ships can now recycle up to 95% of their own waste; but reception facilities for recyclables in Europe are virtually non-existent.

"Urgent action is required at EU level to protect the marine environment, and also the effective functioning of the internal market."

The directive is currently under review and, following the European Commission's consultation on its effectiveness, the ECC has called for its fundamental re-drafting to ensure that all European ports offer ships the appropriate reception facilities.

Onboard developments capture the imagination

Ask Andy Stuart (Norwegian Cruise Line's Executive Vice President for Global Sales and Passenger Services) to name the most exciting development in cruising over the past 20 years and he will give you a one-word answer: "Scale".

He argues that the dramatic enhancement of cruise ship dining, spa, accommodation and entertainment offerings we have seen in recent years would simply not have been possible without the vast increase in size of contemporary cruise ships, which passed the 100,000-ton mark with the launch of Carnival Destiny in 1996 and entered a whole new dimension with Royal Caribbean International's 225,000-ton leviathans Oasis of the Seas and Allure of the Seas.

"The move towards more and more massive ships caused considerable debate when it first began, but it has enabled the industry to do things not possible on smaller scale vessels," Stuart says, adding that each innovation has played its part in building global awareness of cruising.

"Onboard product innovations like Royal Caribbean's ice rinks and rock climbing walls captured the public imagination and showed that cruise ships really were moving on," he says.

"It gave a clear message to consumers that 'This is not cruising as your grandfather knew it.' It also established that cruise ships really can rival shoreside resorts in the range and variety of activities on offer, and energised the cruise industry by making all of us who work in it think 'What can we do next to get consumers' attention?'"

The cornerstone of his own company's drive to capture the public imagination and distinguish its products from the rest was its Freestyle Cruising concept, which offered passengers a more flexible cruise experience by providing a resort-style range of onboard restaurants instead of the old two-seating dining room arrangements which were for so long the norm on most ships.

First launched in May 2000, Freestyle's hallmarks initially included up to 11 restaurants per ship, with even main dining rooms offering open seating and extended hours. This more relaxed approach to cruising also included a 'resort-casual' onboard dress code, and a more leisurely disembarkation procedure which allowed passengers to occupy their cabins much later on getting-off day.

But Stuart believes that the real quantum leap came with 2010 launch of Norwegian Cruise Line's largest ship to date, the 153,000-ton/4,100-passenger Norwegian Epic. "The Epic gave us the scale to take Freestyle cruising onto a whole new level, expanding it beyond dining to encompass much more varied accommodation and entertainment," he says.

Innovations in accommodation include the first 'Studio' staterooms for solo travellers and the largest villa and suite complex at sea, set on two private decks at the top of the ship.

This size of ship also enabled the company to introduce more 'wow' factors of its own – like the first Ice Bar and rappelling (abseiling) wall at sea; an Aqua Park featuring the largest bowl slide afloat; the biggest of the line's signature onboard bowling alleys to date; and the next level of dining with more than 20 restaurants – some included in the fare, some at a supplement – and a similar number of bars and lounges.

In the fiercely competitive cruise business, such continuing innovation has to be the name of the game – because, as each line breaks new ground in onboard product developments, rivals move quickly to follow and in some cases surpass its innovations.

Brands now have to compete for consumers' attention with their own innovations – like the offbeat 'Alice in Wonderland'-style QSine restaurants designed for Celebrity's Cruises' latest generation Solstice Class ships; the 'Restaurant 2' dining clubs onboard Seabourn Cruises' latest newbuilds Seabourn Odyssey, Seabourn Quest and Seabourn Sojourn, and Disney Cruise Line's Animators Palate restaurants, which change from black and white to full colour as the meal progresses.

But Stuart says the biggest innovation has been the much greater variety and availability of its entertainment offering. "Just as we broke the 'first seating or second seating' mould, so scale allowed us to challenge the idea that cruise passengers have dinner and then attend either the early or the late show in one big ship's theatre."

In designing the ship, the line deliberately opted for a series of smaller venues dedicated to different styles of entertainment – a cirque show, a blues club, an intimate venue for stand-up comedy acts, an alfresco big-screen cinema, and so on.

"Shoreside resorts don't offer their visitors just one or two choices of night time entertainment, and we don't either," Stuart says. "Our aim is to offer passengers a vibrant choice of entertainment, from Broadway musicals and glitzy Las Vegas shows to 'duelling piano' gigs.

Keeping entertainment – and other aspects of onboard product development – relevant to a global audience is increasingly important as the latest-generation megaships venture beyond their original US heartlands to operate from ports in Europe and the UK.

With such a broad mix of international guests, he believes

"We have set out to develop facilities like the EpicPlunge in Aqua Park, which compare with the thrills on offer at shoreside theme parks like Disney World and Port Aventura – the difference being that while the kids are having fun, the parents get to enjoy a cruise."

STUART

the 'resort-at-sea' concept of cruising really comes into its own. "Anytime Dining has been a huge success with the Europeans – particularly the Spanish, who don't even think about eating until late in the evening.

The result has been not only a powerful response from a range of European markets, but a drop in the average age of passengers as a result of higher uptake from families.

"Because the American school holidays are earlier than those in Europe we get a long family season, so it's good for business. We have set out to develop facilities like the Epic Plunge in Aqua Park, which compare with the thrills on offer at shoreside theme parks like Disney World and Port Aventura – the difference being that while the kids are having fun, the parents get to enjoy a cruise."

So what's the next big thing in onboard product development? A quarter-mile-long, ocean-facing boardwalk lined with restaurants, bars and shops, says Stuart. Called The Waterfront, this area will stretch both sides of the ship and offer eight outdoor dining and drinks areas including a steakhouse, an Italian restaurant, a seafood restaurant, a cocktail bar and a bar offering speciality whiskies and beers.

Inevitably a brand's approach to innovation evolves in different ways. Princess Cruises always plays down the 'wow' factor side of its new ship design, but quietly this Premium brand has been one of the most successful innovators. It introduced Movies Under the Stars as the ocean-going version of the drive-in movie, and then the Sanctuary concept of an exclusive sunbathing area.

Executive Vice President Fleet Operations Rai Caluori says: "This was originally free-to-use, but the demand was so high we had to bring in a charge. I never thought I'd see the day when passengers would happily pay to sunbathe on a cruise, but these areas are among the most popular venues on our ships."

The Princess policy has always been that new ship classes should be evolutionary rather than revolutionary. "This is so that passengers can step on any of our ships and immediately recognise it as Princess," he says.

A new way of ensuring this is to revitalise older ships in the

fleet with the addition of the most popular innovations from the newest ships.

"For our next ship (Royal Princess), which will be our largest-ever," he says, "my brief from the President (Alan Buckelew) was to add some exciting new features – but to make sure that they could be retro-fitted to the other ships in the fleet."

The ideas for these new features come from many sources. The stand-out attraction on Royal Princess will be the Sea-Walk – a glass bottom walkway extending 28ft beyond the edge of the ship and 128ft above the ocean. Bridge wings on new ships these days are closed off from the elements, so captains asked for glass panels to be built into the hull so that they could look straight down to obtain a better view of the sea conditions.

"Visitors to the Bridge have been fascinated by these, so we thought we would extend the idea into the passenger area and make a real feature of it," says Caluori. "We expect it to be very popular, although anyone without a head for heights might be best advised to avoid it."

With new ships also being built for ECC member lines MSC Cruises, AIDA Cruises, Royal Caribbean International, Costa Cruises, TUI Cruises and P&O Cruises, it seems certain that the industry will continue to innovate apace and continue to deliver memorable experiences to the converted cruiser and newcomers alike. For the smaller ship operators such as Hapag-Lloyd and Ponant, which also have new ships scheduled for delivery, the task is more aligned to refinements to meet the expectations of their sophisticated clientele.

What all ECC member lines would like to see developed to the next level is onboard technology. "The big thing now is that people want to stay connected at all times, so the cruise industry really needs to tackle the challenge of offering reliable, fast and affordable Internet connection," Stuart says.

"This will benefit cruise lines as well as their customers. Can you imagine the advantages of having passengers posting Facebook pictures of how much fun they're having on their cruise on a daily basis?"



High capacity where you need it

Industry focus has recently been on designing large-scale evacuation systems able to handle up to 800 people at a time. Which has led to the incorporation of fewer, but larger capacity systems, many of which integrate the chute or slide and its liferafts into an inseparable unit.

Most accidents at sea involve fire or collisions - with a risk that certain areas of the ship cannot be used for evacuation, or that a crucial system sustains damage.

A key issue today, therefore, is how to equip vessels with evacuation capacity flexible enough to handle multiple accident scenarios.

The answer lies in designing evacuations systems with chutes and slides that can handle a higher capacity than their liferaft components, along with a series of associated, yet independent liferafts that can be quickly repositioned where needed.

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Swift response on operational safety

When Costa Concordia ran against the rocks off the Italian island of Giglio on 13 January this year, its loss would necessarily raise innumerable questions among the travelling public, as of course among those investigating the incident and those regulating the industry, about the safety of cruising. These questions would require answers, and that in turn would require delving into every aspect of ship operations – from the provision and accessibility of safety equipment, to the training of crew, to the way officers interact on the bridge.

The industry's response was swift and far-ranging. Two weeks after the incident the Cruise Lines International Association (CLIA) in concert with the European Cruise Council (ECC) announced the launch of a Cruise Industry Operational Safety Review (OSR), its aim being to undertake "a comprehensive assessment of the critical human factors and operational aspects of maritime safety".

That review would include an internal assessment by CLIA's member cruise lines of their safety practices and procedures; consultation with independent industry experts; the identification and sharing of industry best practices and policies as well as recommendations for substantive regulatory changes that would improve operational safety; and collaboration with the International Maritime Organisation (IMO), governments and regulatory bodies to implement any necessary regulatory changes.

According to Carnival UK Chief Executive David Dingle, the industry's response derived from "a recognition, first, that the general public might consider that any cruise ship might come with a risk similar to that which seemed to have been confirmed by the Costa Concordia incident: that if it happened to Concordia, it could happen to another ship.

"Second, there was a recognition that the regulators, when the Costa Concordia accident was investigated, might not

distinguish what was unique about that situation from what was generic to the industry as a whole. We wanted to anticipate whatever new regulations might result, and ensure that we collaborated with the regulators to provide sensible solutions."

Dingle notes that among the cruise lines there was "very much a meeting of minds" on the need to respond to the challenges posed by the Concordia incident. "The lines realised very quickly that this was not a competitive area, and that we should all work together. What was interesting," he adds, "is how much of the rapid implementation of new voluntary requirements that resulted came purely from cruise companies sharing best practices."

The OSR generated a steady stream of new safety provisions in the period following the incident. Within weeks it generated a new emergency drill policy, requiring mandatory muster for embarking passengers before departure from port, and enhancements to regulations covering the reporting of casualties at sea.

A panel of four independent maritime and safety experts was appointed in April to review the OSR's recommendations: they were Mark Rosenker and Dr Jack Spencer, both veterans of the US National Transportation Safety Board; Stephen Meyer, a former head of the UK's Marine Accident Investigation Branch; and Willem de Ruiter, a former head of the European Maritime Safety Agency.

Later that month the industry adopted three more safety policies covering voyage planning, with all bridge team members to be thoroughly briefed on the plan well in advance of its implementation; restrictions on the access of personnel to the bridge; and the carrying of additional life jackets.

June saw the release of new guidelines on the recording of nationalities of passengers and the formulation of 12 common elements to be included in musters and emergency

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"We are showing an ability to change quickly and effectively, and we will continue to do so"

DINGLE

instructions. And in September the industry adopted a new policy on lifeboat training, with crew required to fully load and launch a lifeboat every six months.

According to Dingle, the new safety initiatives "are all equally valuable". "But," he adds, "getting ourselves all on the same page as far as when the emergency passenger drill is conducted – ensuring that it is done before a ship sets sail – is an absolutely basic requirement.

"I also think that the commitment to a rigorous and fully signed-off voyage-planning process is really valuable. It is part of the wider issue of appropriate bridge resource management. A fundamental part of that is the potential for all bridge officers to sign off on the plan, and that also implies that a member of the bridge team is able to question the voyage plan if he has concerns about it. It is all part of the effort to ensure that collective responsibility is at work on the bridge."

That, he concedes, may mark a shift in the traditional position of the master, and will require something of a change in culture within the industry. But he also argues that successful businesses are good at changing cultures. "When you look at the power generation industry or other transport industries, there are very good examples where a culture of autocratic leadership has been removed from organisations and checks and balances brought in."

He adds that many cruise lines have already anticipated this change of approach, in the belief that while leadership qualities are important in a master, individual fallibility is such that checks and balances must be in place to deal with it.

Of the other safety measures introduced thus far, Dingle says: "I would also isolate the requirement with respect to surplus life jackets being made available, creating a rule so that there are a number of additional life jackets available at muster stations to deal with people who are not able to return to their cabins."

More is on the way. "There are some issues we are working on codifying at the moment," he says, "including quite a

detailed policy on the securing of heavy objects. It is not a difficult task, and many cruise lines have already dealt with it, but it should be codified."

That aside, he believes that for the world's cruise lines individually or collectively, probing to the nth degree the opportunities offered by improved bridge management is a very promising area. "There has already been a sea-change with respect to how a bridge can be managed more effectively."

As the industry's review process continues it is keeping IMO abreast of developments and, according to Dingle, it is grateful that the regulators have taken "a very wise and very thoughtful" approach. "They have recognised that it is important not to jump the gun, or to act until the full findings of the accident investigation are fully understood.

"What is particularly good here," he notes, "is that, in the interim, the regulators have been in close contact with the cruise industry and have been impressed and reassured by the voluntary actions the industry has taken. Without that they would have felt a need to intervene earlier, whereas now they are able to intervene when the full facts are understood."

Dingle expects regulation to come. "Anything that ensures that every member of the cruise industry is operating a safer ship is good for everybody, and we would welcome that," he says. "At the same time, we have to take sensible, risk-assessed precautions without closing down risk to an unnecessary extent – because, obviously, we have ship operations to run."

As for how safety will be regulated, he says: "I'd like the first thing to be to ratify the additional suite of voluntary requirements the cruise industry has proposed. That would be an excellent outcome, and by the time the regulations come into effect they would be in use by the industry already.

"I'm sure there will be additional regulations beyond that – preferably coming through IMO – but I think we are showing an ability to change quickly and effectively, and we will continue to do so." In other words, the cruise industry is ready and able to adapt to what comes its way.

IMO: Well suited to the complexity of issues facing the sector

The International Maritime Organisation – the United Nations agency that, since 1948, has been the regulatory fulcrum for the global shipping industry – has regularly become a target, generally from politicians and advocacy groups eager for speedy solutions to pressing problems, because of its perceived slowness in responding to a fast-changing world.

Yet for many of those who are exposed to its inner workings, IMO's deliberate approach, grounded as it is in technical expertise and an awareness of how decisions taken in haste can backfire, is well suited to the complexity of the issues facing the sector – many of which are stubbornly resistant to the 'quick fix'.

It also has a forbiddingly full plate. Bud Darr, Vice President for Technical and Regulatory Affairs at the Cruise Lines International Association (CLIA), which takes the industry lead on such issues at IMO, says its workload this year has been challenging and far-ranging.

In the wake of the Costa Concordia disaster, says Darr, "Passenger ship safety has become far and away the top item on our agenda this year." The industry responded immediately to the challenge of reassessing and improving its safety procedures, setting up an operational safety review within two weeks of the incident that has already generated a raft of new proposals.

Darr says there is more to come, adding: "On their own, the individual measures might not be earth-shattering; but taken together they will have a significant impact on the way we run our ships." He notes in particular that the industry model that sees individual companies working independently on their own safety enhancements before sharing the resulting improvements with their peers is proving of immense benefit.

As the process continues, the industry is keeping IMO informed of developments – with another presentation due

at the next MEPC session – though IMO's own response has been stymied somewhat by the delay in the casualty investigation report by the Italian authorities, according to Darr.

He also points out, however, that from the beginning the member states were very pragmatic about the situation and exercised substantial restraint under great political pressure to do otherwise. "They insisted on waiting until the facts were in," Darr says, before embarking on regulatory changes that, particularly in such areas as construction standards, might not have been justified by the evidence.

As for the safety improvements that are emerging from this process, which received strong backing earlier this year from IMO's Maritime Safety Committee, he anticipates that "We will end up with a combination of IMO regulation and industry best practices," and a much-improved safety regime.

Carbon issues, part of the global effort to slash greenhouse gas emissions, have also been to the fore this year, with the industry working on a proposed mechanism that would bring cruise ships into the framework of the Energy Efficiency Design Index (EEDI) introduced in 2011. Cruise ships were not initially included in the EEDI because their diesel electric engines, and the power demands generated by their hotel load, differentiate them significantly from regular cargo ships.

CLIA has presented two additional papers on the issue. "There are some modifications," Darr says, "but we have done our best to fit as seamlessly as possible into the existing framework. There is much still to do, but we would hope that IMO will complete the process in the June session next year."

Where there is frustration, he says, is in the lack of progress in advancing market-based measures for reducing greenhouse gases. He argues that the political differences that have emerged in the UN Framework Convention on Climate Change discussions have also surfaced at IMO – where, he says, "We are trying to address 3% of the problem.

"On their own, the individual measures might not be earth-shattering; but taken together they will have a significant impact on the way we run our ships."

DARR

The cruise industry is open-minded about the alternatives, but it is extraordinarily unlikely that we will get any progress any time soon."

Meanwhile discussions continue on the issue of sulphur emissions and MARPOL Annex VI in general, with debate on the low-sulphur fuel availability review currently scheduled for 2018 particularly active. Many in the industry would like to see that review brought forward, in the belief that it may expose practical difficulties with the current time frame for the introduction of the 0.5% global limit in 2020 – and thus allowing an informed decision to be taken on whether the introduction should be delayed to 2025, as provided for within Annex VI.

Darr reports that recent developments on the sulphur emissions issue in North America were particularly encouraging for the industry, with the Bahamas approving an alternative compliance method – based on the generation of sulphur credits via such 'equivalents' as exhaust gas scrubbers and alternative fuels – for Royal Caribbean's four gas turbine ships operating in the North American Emission Control Area. The new compliance method, which is permitted under Annex VI, has also been approved by maritime authorities in the US and Canada.

Darr welcomed the move, adding that although fuel averaging – which would see emissions averaged out over a single voyage or period of operation – has yet to come up for serious discussion at IMO, "We would expect it to emerge in the relatively near future, though perhaps first on a national, bilateral or trilateral basis."

Among the other issues now on IMO's table is the technical work on sewage treatment systems for passenger ships. "The Baltic Sea has been designated as a special area for such discharges," says Darr; but in the absence of reasonable standards for nutrient discharge, "if the reception facilities are not available, we could have a real dilemma." However, he says, "Ships that install existing, state-of-the-art technol-

ogy should be able to meet the less stringent of the two alternative choices."

Ballast water discharge remains a hot topic, particularly in the US. The US Coast Guard recently published its final regulations, creating a national standard; but certain states continue to show a willingness to create their own more stringent regimes. This has international implications, Darr says, "Since if the US standards are not compatible it very much undermines the Ballast Water Convention as the type for the industry."

He adds that this process has also highlighted what many view as the significant shortcomings of the type-approval process at IMO. "It is important that when ship-owners purchase a system that is type-approved, they can have confidence that it will perform in service as it is type-approved to do. The IMO process needs to be improved significantly before you can make that case.

"This is a very serious practical problem that needs to be highlighted. It needs just one more major flag state to approve the convention to bring it into force. There will then be a huge demand for the system, but it is very difficult to see how it will be satisfied." He cites Wilhelmsen's recent "responsible" withdrawal from the market of its type-approved system "because it did not perform to their level of service". Darr adds that suggestions for improving the procedure are currently blocked because it cannot be amended until the convention enters into force. Work to resolve the issue will continue in the year ahead.

Another one for the future is the Polar Code, which has generated a lot of interest. IMO is currently developing the code, covering the full range of safety issues – from design and construction to equipment and training – for ships operating in polar waters. "The final scope of the code has yet to be established," Darr says, "but it could have a significant effect on cruise companies operating at both poles, on both environmental and safety grounds."



Alternative fuel

Over the past decade the combination of hard environmental realities, tough regulatory response and rising industry awareness of the need to take on the environmental challenge has pushed emissions reduction, and the technologies required to achieve it, to the top of the industry's agenda.

Economic pressures have applied their own impetus. Spurred in part by an alarming surge in the price of oil, and by an increase in the volatility of global oil markets that has made controlling fuel costs increasingly difficult, the industry has moved aggressively to improve fuel efficiency in ships' engines and to cut back on fuel consumption in other areas of operation, whether onboard or ashore.

New abatement technologies, such as the use of scrubbers to strip noxious gases from the emissions stream, are also under development as the industry looks for alternatives to the new low-sulphur fuels demanded by the regulators, and which look likely to be both expensive and, at least initially, scarce.

Yet by common consent, improving fuel efficiency and developing alternative abatement technologies are unlikely of themselves to be sufficient for the industry's long-term needs, both environmental and economic. Quite apart from the urgency of the fight against climate change – and the world is already slipping behind UN targets for combating

global warming – as the world enters the era of peak oil, beyond which recoverable oil reserves begin to diminish, prices of traditional marine fuels are only likely to increase.

Alternative fuels are thus very much on the agenda, and none more so than liquefied natural gas (LNG). A recent joint study by Germanischer Lloyd (GL) and MAN noted that there are three main drivers behind the focus on LNG as the fuel of the future. "Using LNG as a ship fuel will reduce sulphur oxide emissions by 90–95%," was their first conclusion – this at a time when sharp mandated reductions in the sulphur content of marine fuels are due to be extended steadily to shipping worldwide.

Not only that but, reported the study, "The lower carbon content in LNG compared to traditional ship fuels enables a 20–25% reduction of CO₂ emissions," though the GL/MAN study also noted that any slip of methane during bunkering or use needs to be avoided to maintain this advantage.

And finally: "LNG is expected to be less costly than the marine gas oil which will be required to be used within the Emission Control Areas – in the Baltic Sea, the North Sea and the English Channel – if no other technical measures are implemented to reduce sulphur oxide emissions." "Current low LNG prices in Europe and the USA," the study added, "suggest that a price – based on energy content – below heavy fuel oil seems possible, even when taking into account

the small-scale distribution of LNG.”

Disney Cruise Line Vice President of Marine and Technical Operations Bert Swets is an enthusiast, describing LNG as “a terrific fuel source with great potential, though unfortunately there is a perception out there that it is somehow more dangerous than regular marine fuel, and of course it is not”.

“But,” he adds, “it also has problems that must be overcome. How big do the tanks have to be to last seven days before refuelling? When are the facilities and the infrastructure going to be ready? It is also very difficult to do as a retrofit to an existing vessel. This is going to be about newbuildings.”

LNG aside, Swets says Disney has looked at a number of alternative fuels, but he adds that they not only have to help the environment but they have to be feasible from a practical and financial point of view. He cites biofuels such as palm oil, which “has logistics issues”. “By the time you get it to where it’s needed you’ve added so much CO₂ that you have to wonder if there is a net gain to the environment at all.”

Similarly, solar energy has yet to progress to the point where it can provide significant amounts of energy to a cruise ship. “You need a lot of panels to make it worthwhile,” says Swets. “The technology has not advanced to the stage where it can contribute substantially to the energy mix.”

Where Swets does see real and relatively immediate potential is in the provision of shoreside power for ships in port, using alternative fuels. He cites the ports of North America’s Pacific Northwest, notably Seattle, Vancouver and Juneau, where cold ironing has long been a fact of life – powered generally by hydroelectric energy – as well as the California ports of San Francisco, Los Angeles, Long Beach and San Diego. Indeed Disney Wonder was due to make its first connection in San Diego in late September.

Princess Cruises Director of Technical Services Piero Susino told an ECC conference on shoreside energy in Venice last April that the Alaskan port of Juneau was the leader in this area, making its debut as far back as 2001. Since then the provision of shoreside power as a way of eliminating the use of cruise ship auxiliary engines in port and so slashing emissions has spread steadily down the coast, and the cruise lines have participated enthusiastically in the process. Indeed, Susino said he expected Princess Cruises to make 205 connections this year, almost 100 of them in Juneau, up from a total of 109 in 2011.

Europe, however, is another matter. Some obstacles to progress are relatively tractable, among them the need for an industry connection standard that would allow cruise ships to plug in anywhere without a problem, and the willingness of ports to be flexible and innovative in offering cruise ships regular berthing at adequate, sensibly priced facilities. With the retrofit of a modern cruise ship to take shoreside power costing \$1.5 million a time, certainty was critical, Susino told the conference.

Other obstacles will be more difficult to overcome, among them the relatively high price of power in Europe and the use in some countries of highly polluting traditional fossil fuels to generate electricity, effectively eliminating the environmental gains to be made from a shoreside power investment. Civitavecchia faced exactly this problem when it embarked on an ambitious cold ironing project several years ago.

Though there is the potential for the development of sus-

“You could convert one engine to dual-fuel, operating on both liquid fuel and gas, and connect to a tanker truck when in port.”

DANSKA

tainable shoreside power in Scandinavia, where hydroelectricity plays a significant role in the power mix, and France’s extensive use of nuclear power also appears promising, such cruising powerhouses as Italy are badly handicapped by their widespread use of coal and other ‘dirty’ fuels to produce electricity.

Some industry observers believe LNG could be the answer to Europe’s shoreside power conundrum. Swets notes that it would certainly be more flexible in its delivery than the electrical hook-ups now in place on the West Coast of North America. “You could convert one engine to dual-fuel, operating on both liquid fuel and gas, and connect to a tanker truck when in port. The ports are certainly interested in looking into the LNG option, and it is something we should explore,” he says.

Fred Danska, Director of Cruise Business Ship Power at Wartsila, which has worked extensively on developing LNG options for cruise ships, is also a true believer. Speaking at the same Venice conference, he noted: “During a ten-hour stay in port, the diesel engines of a single cruise ship burn 20 tonnes of fuel and produce 60 tonnes of CO₂, which can be eliminated by supplying the ship’s infrastructure with shoreside power.”

And LNG was the likeliest candidate as an alternative power source. Danska claimed that, while the cost of converting an engine to dual fuel through the installation of a gas valve unit – now available in a far more compact and easily installable form than in the past – is higher than installing an onboard electrical connection, its operating costs are most probably lower than shoreside electricity. And though the initial supply might be via tanker, an upgrade first to a combination of tankers and in-port stationary tanks and then to an eventual gas pipeline tracking a series of cruise berths would provide an increasing level of flexibility and convenience for busy ports.

SECA: No flexibility on 2020 limit

It had been a long time coming, and there were occasions when the short sea shipping sector might have achieved a delay of the inevitable, but on 11 September the European Parliament finally confirmed that it would impose strict new limits on the sulphur content of marine fuels from 1 January 2015.

In the main the new compromise agreement on the EU sulphur directive follows the stance formulated by the International Maritime Organisation in 2008 and enshrined in Annex VI of the MARPOL Convention.

It will see a new sulphur limit of 0.1% applied in the two sulphur emission control areas – the Baltic Sea, and the North Sea and English Channel. Outside those areas, the limit will fall to 0.5% from 2020, with the existing limit of 1.5% continuing to apply to passenger ships on regular services until that date.

Among its notable provisions it includes a fuel availability clause (akin to regulation 18 of MARPOL Annex VI) that exempts ships from the requirements of the regulations, and the consequences of non-compliance, in cases where the compliant fuel is not available. The 0.1% sulphur limit for all ships at berth in EU ports also remains in place, while the definition of passenger ships on regular service remains unchanged, meaning that it is not generally applied to cruise ships operating patterns.

The revised Directive also requires the European Commission to consider the potential impact of a 0.1% sulphur limit in the territorial waters of member states as part of its more general air quality policy review next year.

However, there is no flexibility within the Directive with regard to the global limit scheduled to come into force in 2020. A review of fuel availability – set for 2018 in the IMO regulations – is supposed to determine whether the 0.5% limit enters into force in 2020 or 2025. In the new EU compromise agreement the 0.5% limit is hard and fast for ships operating in EU waters, even if that phrase is legally ambiguous.

According to Tom Strang, Senior Vice President for Maritime Development and Compliance at Costa Crociere and Chairman of the European Cruise Council's Environment, Safety and Security Sub-Committee: "What we got from the EU was about as good as we could get, and we're relatively happy. The ECC did a very good job of making sure that our voice was heard in the deliberations.

"However," he says, "the problem with fuel availability is still there. There is also the problem that they are still looking at extending the ECAs into other regions of Europe as of 2020."


On this issue the industry is under intense scrutiny well beyond the EU. Strang notes that pressures are also building lower down the governmental food chain. "In the Mediterranean, in individual ports such as Venice, there are increasing calls for low-sulphur fuels not just in port but in the approaches to ports. Politicians are looking to make some political mileage out of this, and non-governmental organisations believe there is a need to ensure that more is done."

But it is at the European level that the industry will focus most intently in the months and years ahead. "It's all about the availability issue," Strang notes. "Until we have a resolution of that, it is very difficult to say how the situation will develop.

"We have to assume there is going to be availability, whatever happens. On the other hand, from what we see, the necessary investments are not going in – either at the refiners or at the supplier level, in new barges, say, or storage capacity at the ports – that would make it work."

The consequences of over-hasty regulation are already emerging, Strang says. "We've certainly seen in the Pacific Northwest that, with the introduction of the American ECA, there is a lack of availability of 0.1% fuel in the right grade."

It remains to be seen whether the imposition of tighter regulations in the ECAs, and the higher costs and availability issues that ensue, will drive business away from the ECAs. "Itineraries in Northern Europe and especially the Baltic are



"We are pushing very hard at the IMO to have its 2018 fuel availability study brought forward."

STRANG

very popular," he says, "but ships are moveable assets."

And if there are concerns for 2015, those worries are all the more profound for 2020, when the limits are due to be significantly reduced.

"We are pushing very hard at the IMO to have its 2018 fuel availability study brought forward," says Strang. "We hope that it can start in the next couple of years, and if the study shows that sufficient fuel is not going to be available until 2025, we will ask [the European authorities] to reconsider their position."

"This is not just about the cruise industry," he adds, "but the entire shipping industry."

Annex VI also includes provision for 'equivalencies' that have the same beneficial effect on emissions levels as burning low-sulphur fuel. On this score the industry is particularly enthusiastic about sulphur averaging, which at its most straightforward would see emissions from a single ship or a fleet of ships averaged out, whether over a single voyage or a period of operation. This in turn would lower the cost burden of the regulation, and reduce the pressure on the supply of low-sulphur distillate fuel.

The debate is far advanced in the US, with Royal Caribbean recently striking a landmark deal on sulphur averaging with authorities in the North American ECA. "Right now," says Strang, "weighted averaging [factoring in the distance of a ship from shore, and so from vulnerable populations] is not on the table yet – what RCCL is doing is straight averaging – but we believe in it, and will continue to pursue it." In terms of its application in Europe, he adds: "We need to do the modelling to see if it will work. Obviously, the geography is different; but we will look at it in due course to see if it is possible."

In the meantime work on abatement technologies that might reduce the need to use low-sulphur fuels is also going on furiously around Europe. RCCL's arrangement in North America includes credit for the use of such technologies as exhaust gas scrubbers and cold ironing, and alternative fuels

such as LNG.

Referring to scrubbers, Strang says: "A number of companies are testing systems, but it is still very difficult to get them to work 24/7, 365 days a year in a compliance regime. In terms of reliability, there is still a long way to go. Then it will be about converting a land-based design to a ship-based design. It won't happen overnight. They have to be made fit for purpose, and then trialled."

On LNG, too, a host of issues must be addressed before it can reasonably be expected to substitute extensively for low-sulphur distillate fuel. "We are looking at piloting in port first, and later putting it on ships. From the point of view of approval systems, we are working at IMO to ensure the safety technology is there with respect to building the infrastructure. A fair amount of infrastructure has already been built, especially in Northern Europe, but it's all about being able to access it in the right place at the right time."

Strang notes that some smaller ferries are already running on LNG in Northern Europe, and that larger LNG-fuelled ferries are now coming on stream. "Wartsila and others are working on developing safety systems for getting the LNG onboard, and work is going into building storage capacity." Again, however, "You can't just buy these systems off the shelf. There is also the question of where you put it on the ship, and the whole human element, including training requirements."

The European cruise industry is eager to muster as broad a palette of solutions for addressing the sulphur question as possible, from low-sulphur fuels to equivalencies to abatement technologies; and on this last score there was some encouragement in the EU agreement, which permits subsidies for scrubbers.

With technology still lagging, however – and fuel averaging still but a gleam in the eye of the optimists, whatever is happening in the US – Europe's cruise industry will be focusing first and foremost on fuel availability as it looks ahead to the transition to a low-sulphur regime.



Carbon issues

Of all the environmental issues facing the cruise sector, and indeed society as a whole, the need to reduce greenhouse gas (GHG) emissions in general and CO₂ in particular is at once the most pressing and the most intractable.

As the years tick by, the insufficiency of the global response to the GHG challenge makes the United Nations' ambitious goals for combating climate change – including the headline target of keeping global temperature increases to less than two Celsius degrees above pre-industrial levels – more difficult to attain, and less likely.

In terms of shipping, however, there has certainly been progress of late, founded in particular on effective collaboration between the industry and governments at the International Maritime Organisation (IMO). As a result, the IMO adopted a series of measures last year designed to cut CO₂ emissions from ships.

Enshrined in a new Chapter 4 of MARPOL Annex VI, they include a mandatory new Energy Efficiency Design Index (EEDI) aimed at improving efficiency and so cutting emissions in newbuildings. Cruise ships were not included in the system initially but, with the EEDI due to come into effect next year, work is now proceeding to develop the EEDI mechanism for such vessels. Monitoring will be handled by classification societies at the shipyard as a newbuilding takes shape.

According to Tom Strang, Senior Vice President for Maritime Development and Compliance at Costa Crociere and Chairman of the ECC's Environment, Safety and Security sub-committee: "We have been working on the EEDI mechanism for cruise ships to come into the system, cooperating with the rest of the passenger shipping industry to make sure that it isn't a very punitive set of requirements, and that it takes into account the industry's long-standing efforts to make ships more energy efficient."

He adds that he is optimistic that the industry's proposed mechanism for calculating the energy efficiency of cruise ships will have been agreed to at the meeting of the IMO's Marine Environment Protection Committee (MEPC) in October. The industry's one real concern in terms of substance is that it is allowed flexibility when it comes to the non-propulsion load, says Strang.

Along with the extensive use of diesel-electric engines, the significant power demands of the hotel load is a major differentiator of cruise ships from other ship types. Those differences explain why cruise ships were not immediately covered when the EEDI was launched: it initially embraced merchant vessels, representing 72% of total emissions from new ships.

Strang says that, until now, the industry has been very positive about what IMO has done. "Above all, we are looking for flexibility, and for something that will work. What we don't want is a 'one size fits all' solution that doesn't."

The EEDI (along with the Ship Energy Efficiency Management Plan or SEEMP, which covers best practices in vessel operation) is not the only measure in place for improving shipping's performance as the war against greenhouse gas emissions intensifies. The IMO is also looking at market-based measures to provide incentives for greater efficiency. Here talks on such measures as a levy on CO₂ emissions and a cap-and-trade scheme were scheduled for that MEPC meeting in October.

The European Union has already started a process of its own by launching a public consultation that will look at such alternatives as a compensation fund, an emissions trading system, fuel and carbon taxes, and mandatory emissions reductions. The European Commission is hoping to present a final proposal on the way forward by the end of next year.

The United Nations Framework Convention on Climate Change (UNFCCC), meanwhile, is considering measures that would address both the aviation and the maritime industries. As ever, the cruise industry would like to see an international regime hammered out at the IMO which at least has a firm grasp of affairs maritime.

Strang describes the proposals emerging elsewhere as chilling in their implications. "I'd like to think it can be dealt with at the IMO. If not, there is a huge risk that we will be excessively penalised. The figures being bandied about in terms of financial contributions could destroy the industry: the UNFCCC's Green Climate Fund, for instance, is talking about raising billions from the shipping sector. It is money that isn't there."

Industry joins forces with EU on waste treatment project

Europe's cruise lines are involved in a variety of projects, often in collaboration with leading players in other segments of the industry, designed to improve environmental performance.

Among them is the 'Sustainable Cruise' project, launched with co-funding from the EU at the end of 2011, which is dedicated to improving onboard waste management – one of the key environmental challenges facing the cruise industry as it aims to build a sustainable future. The project, funded to the tune of €2.7 million, is scheduled to run until mid-2014.

Genoa-based Costa Crociere is the project leader, and Costa Pacifica the cruise vessel designated as the pilot ship for the project. But, as Costa Vice President for Quality Standards, Compliance and Auditing Ernesto Gori emphasises, this is a collegial effort, developed with various partners, each bringing its own specific and complementary expertise to the project.

That group includes Italian classification society Rina and MedCruise, the Association of Mediterranean cruise ports. Also involved are Ce.Si.S.P. an academic research centre for the development of sustainable products; Design Innovation, a product development firm with 20 years' experience and particular expertise in paper processing systems; and VOMM Impianti e Processi and Contento Trade, two companies with proven track records in European research projects dealing with process engineering and biomaterials.

As Gori describes it, the project has a broad variety of aims, including assessing packaging flows in a bid to cut this type of waste at source; investigating ways to process food waste and turn it into a useful by-product such as pet food or plant nutrient; developing initiatives to reduce paper use at source and reuse paper sustainably; and creating a network of Mediterranean ports that will cooperate on waste management and recycling.

Gori says Costa has long taken an aggressive approach on waste management and notes that, though 100% treatment of all onboard waste is unrealistic given its variety, the company separates all solid waste produced onboard. "All our ships are equipped with state-of-the-art systems to treat our waste," he says, "including a pulping system for food residues, incinerators for mixed waste (mostly paper, cardboard and oily rags), glass crushers, metal compactors, plastics compactors and a 'puncturing machine' for aerosol cans."

Looking ahead, he says: "The major change will be the possibility of treating certain waste-water streams prior to discharge at sea. I am thinking of ballast water, where

requirements will soon enter into force, and also grey water." As for recycling ashore, he describes it as "a delicate matter". Costa is committed to diligent separation, even outside European waters, he says, noting that "only correct separation and identification of the various kinds of waste allows for correct recycling or, even better, the reuse of what has been discarded".

However – and it is a big however – what happens to the waste once it is landed is, in most cases, outside the control of the ship or the ship-owner. In Europe, for example, the waste service of the port is responsible for the waste, and it is up to this company to decide its final destination. Gori notes that all the company can do is land waste where it knows it will be recycled. He says Costa has established programmes with local vendors "wherever possible and practically feasible" to recycle and reuse its waste, and cites just such a programme for the discharge of edible oil in Brazilian ports, with the proceeds going to charity.

In numerous countries, however, performance is often less complete than billed. "Another problem – commonly found in Italy, where unfortunately most waste goes into a landfill due to an absence of alternative means of disposal – is the need to classify the waste as accurately as possible from a chemical point of view. This often includes the need to perform an analysis prior to discharge, with a significant waste of time and money."

Waste management remains a challenging area for the industry, Gori observes. "After all," he says, "a cruise ship is a large community, very similar to a small town. The type of waste generated onboard reflects this reality, ranging from what might be described as household waste to less standard waste that MARPOL Annex V does not regulate."

Expired drugs can also be a problem, depending on the location of the port. Italy, for instance, requires Italian-flag ships to arrange a police escort to accompany the consignment to the nearest incinerator.

Gori says that, recycling issues aside, there is no significant difference between garbage handling capacity in the various areas of Europe, as over time all ports have set up a reliable waste collection service. However, he points out, only a few ports are able to handle what he terms 'special waste', such as expired materials from life-saving appliances.

"There is only one place in Europe where we can easily land them, and that is Tallinn in Estonia. Elsewhere there is Salvador de Bahia in Brazil, because we set up a special agreement with a local vendor and the army."

Perception of passenger rights regulation goes far beyond reality

Over the past decade passenger rights issues have become a major area of concern for the European cruise industry, straddling as it does the challenging and very diverse worlds of tourism and shipping.

During that period sweeping societal changes – from advances in the recognition and legislation of individual rights to the rise of the Internet as a commercial tool – have put the existing framework of regulation in this area under severe strain, in Europe and beyond.

The widespread recognition of the need to update and in many ways expand that framework has led to several years of intense discussion, particularly at EU level, on the way forward. The fruits of that process are now beginning to appear.

Maria Pittordis, leader of the marine, trade and energy business group at London law firm Hill Dickinson and head of the European Cruise Council's Tourism and Consumer Affairs sub-committee, says the new passenger rights regulation adopted earlier this year by the European Parliament and Council is due to come into effect on 18 December.

Among the primary aims of the regulation, which applies to cruise and ferry passengers travelling by sea or inland waterway, is to prevent discrimination and offer assistance to disabled persons and persons with reduced mobility (PRMs), and to provide passengers with rights in the event of cancellation or delay.

As regards the disabled and PRMs, carriers, travel agents and tour operators may not refuse a reservation, or refuse to ticket or embark a passenger, on the grounds of disability or reduced mobility. There are only two exceptions to this rule: where refusal is necessary in order to meet safety requirements; and where the design of the ship or the port facilities make it impossible to embark, disembark or carry the person in a safe or operationally feasible manner. These exceptions, Pittordis says, relate strictly to the physical design of the ship or port, or to a legal safety requirement.

On the same grounds, carriers and terminal operators may

require an accompanying person for the passenger – though this person will not travel free of charge on cruise ships, as some press reports have suggested.

Denial of carriage for any other reason than contained in those two exceptions is likely to result in a discrimination claim, Pittordis states. Company policy on such issues, including the requirement for an accompanying person, is expected to be based on risk assessments carried out by ships, ports and terminals in order to justify refusal of carriage. Though there is no requirement in the regulation to make structural changes or reasonable adjustments to ships to accommodate such passengers, national law may require it (as it does in the UK).

Clearly there is an onus on carriers, travel agents and tour operators to identify the needs of disabled persons or PRMs as early in the process as possible, and staff training and appropriate systems will need to be put in place to that end.

At the same time serious questions remain over how the regulation will work in practice. "There are two real difficulties with the regulation," Pittordis points out. "The first is whether it will be applied uniformly across the member states. What might be permissible in one member state may not be in another: what you can or cannot do will depend on the policy view they take."

The second issue is enforcement. Pittordis says that enforcement will be carried out in the state of booking or embarkation, and that more than one country may have jurisdiction; but there is no clarification, for instance, on how fly-cruises will be handled. Again, the unwillingness of the EU to put too much detail into the regulation, despite the cruise industry's best efforts, means that each state must determine how it interprets the regulation and put in place its own enforcement procedures.

In the UK, Pittordis says, the draft guidelines from the Department for Transport (DfT) are "sensible and pragmatic", clearly defining such nebulous terms as "assistance" and "care", and explaining how to distinguish between medical conditions and disabilities. It remains to be seen how

"The expectations of passengers will have to be managed very carefully."

PITTORDIS

other European countries will respond: and even in the UK, the slow response of the DfT in formulating the guidelines meant the industry could not present them in negotiation as a template that others might follow.

Regarding enforcement, in the UK aggrieved passengers can claim a breach of the regulation directly in civil court. Alternatively they may first approach a voluntary complaints body in the shape of the Passenger Shipping Association (PSA), moving on to the Maritime and Coastguard Agency (MCA) as the local enforcement body, or again to the civil courts, if they are not satisfied with the PSA's finding. It is unclear whether other member states will include the additional mechanism for complaint provided in the UK by the PSA, which was added to take some pressure off the poorly resourced MCA: the regulation itself calls only for a designated enforcement agency to handle complaints.

"The expectations of passengers will have to be managed very carefully," Pittordis adds. "There is a perception that the regulation gives passengers rights far beyond what it actually does: in fact, what it essentially requires is that passengers be carried on ships as they are, if it is safe to do so." It is less about hardware, in other words, than software.

As the passenger rights regulation moves towards implementation, work on a revised version of the Package Travel Directive first introduced in 1990 continues to limp along, as it has done for several years. There are suggestions that significant progress may be made by March or April of next year, but experience suggests further delays in crafting the final document.

The cruise industry has a lengthy wish-list when it comes to revising the directive, which is intended in part to accommodate the new ways in which travel packages are bought and sold in the Internet age. In pursuing greater commercial uniformity across Europe – a yawning gap even in the original directive – it is eager to see insolvency protection schemes in one member state accepted in others, thereby obviating the need for separate bonding and security in different jurisdictions.

It also wants greater flexibility on pricing, including a relaxation of tight rules on travel brochures, and an extension of liability from the organisers of packages to service suppliers, though on this last score there is understood to be scepticism in Brussels – where the paramount aim of this discussion is, after all, consumer protection – as to the need to protect well-insured package organisers in this way.

Dynamic packaging – which typically can involve consumers assembling their holidays from disparate online providers – is another core issue. The industry is eager to see these collections of services treated as a single package, with the corresponding controls and protections. Passengers would thus be able to bring a claim against one party, and operators would be able to insure against such claims.

The other major piece of passenger rights legislation now exercising the industry is the 1974 Athens Convention, which established a liability regime covering death of or personal injury to a passenger as well as dealing with lost or damaged baggage. A 2002 protocol to the Convention provides enhancements that include compulsory insurance and higher liability limits. It also replaces the fault-based system with a strict liability system for shipping incidents, and allows victims to make claims against the insurer directly. The protocol has yet to come into force, however, with the compulsory insurance element a particular stumbling block to ratification: just eight countries have ratified it, but ten are needed for it to come into force.

At the end of this year, however, a regulation is due to come into effect that would extend the Athens 2002 protocol almost wholesale across the EU, ensuring uniform rules and levels of compensation. It would also permit member states to apply it to domestic seagoing voyages if they so choose. Again, the compulsory insurance provision has caused concern and uncertainty in the industry, particularly as regards the likely availability of terrorism insurance for high-value vessels, or lack of it.

CRUISE insight



If you don't just want to know *what* is happening in the cruise industry – but also *why* and what it means for you, read Cruise Insight - the magazine that asks all the right questions.

Published by



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**European
Cruise Council**

Conference and Ports Summit Brussels, 24 & 25 June 2013

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"When something happens, it is not about hiding it, but sharing information and best practices with the health authorities in order to deal with the problem more effectively."

MARSHALL

Sharing information on health and hygiene

Ruth Marshall considers that it's been a good summer overall, without any serious outbreaks to date. Any isolated issues that have arisen have been well managed by European Cruise Council (ECC) member cruise lines.

If there is some relief in that analysis, it is understandable. Marshall, who is Associate Vice President International Legal at RCL Cruises Ltd. (Royal Caribbean, Celebrity Cruises and Azamara Club Cruises), also chairs the ECC's health and hygiene sub-committee, comprising "a highly professional team of doctors and nurses, cruise industry health executives and consultants" and formed precisely in response to the H1N1 virus outbreak of spring 2009.

But in terms of health concerns, Marshall notes, "You can never know for certain what is going to be around the corner. The industry – both in Europe and, through the Cruise Lines International Association (CLIA), in the US – has striven to ensure that effective [health and hygiene] procedures are in place on cruise ships, and that we have the best standards we can, given the knowledge available."

"We will always focus on key issues such as norovirus, for instance, because it is so prevalent in society generally," she adds. "We know that people go on cruises to enjoy themselves, so we have procedures in place so that people are looked after properly, and so that if a problem does arise it can be contained."

Quite apart from the work going on at ECC and CLIA, Marshall says, the cruise lines are looking at themselves very closely. "They can probably see patterns and draw conclusions about what is happening onboard better than any land-based authority."

At the same time, however, Marshall notes that, as the leading cruise lines work to share information, develop best practices and implement the results, interaction with the authorities is critical to enhancing systems of detection and prevention and guaranteeing the effective handling of any outbreak that does occur.

Not only did the H1N1 scare get the whole industry thinking about how it could work better together, she says, but it "helped us build bridges" with such organisations as the World Health Organisation, the European Centre for Disease Control and DG SANCO and DG MOVE – respectively the

European Commission's health and transport directorates.

Marshall stresses that transparency is critical to the effort to minimise the likelihood of health and hygiene incidents onboard, and to deal with them when they do occur. "When something happens, it is not about hiding it, but sharing information and best practices with the health authorities in order to deal with the problem more effectively."

Dealing with public concern through effective communication is more difficult, given the opportunity this offers to some eager news editors. Educating the public, however, is part of the strategy to help manage public awareness; and the cruise lines do everything they can to inform guests and to offer guidance and support, both prior to boarding their ships and while onboard.

The regulators are also working quietly alongside the industry to improve the industry's health and hygiene performance. The European Commission's Shipsan programme, for instance, which was set up in 2006 to examine the prevention of public health threats on passenger vessels, is seen as a very successful programme within the EC, which has just given it another three-year project to sink its teeth into on the management of communicable diseases, says Marshall.

Shipsan, which relies heavily on the industry for its expertise, has already produced a very detailed and quite useful guide for the inspection of ships, she reports. "We got very involved in the project, and our input helped make it much more practical, compared with the very theoretical version they produced initially."

With Shipsan now being extended to cover cargo as well as passenger ships, Marshall says ECC is eager that the passenger ship focus must not be lost. As a result, she says, "We are pushing for representation on any of the boards they are going to create," in the hope that Shipsan can help develop "a consistent approach to these issues at EC level and among local authorities".

Protecting personal data will be one key element of any new regime, she stresses; and, more broadly, "We very much want a well-managed control centre with correct expertise. We are fine with ship inspections: we already have them in other countries, like the US. But we want them carried out by properly qualified people. And we want a risk-based approach to health issues, based on sound science."



European
Cruise Council

Members profiles



SEABOURN®







Aida Cruises

www.aida.de

AIDA, which began operating in 1996, is the leader and most recognized cruise brand in the German cruise market. AIDA operates 9 contemporary ships, with 3 additional vessels scheduled to enter service between 2013 and 2016. The vessels are noted for their innovative customer features, such as the "Brauhaus" micro-brewery and AIDA's hallmark "Theatrium".

AIDA offers an exceptionally relaxed, yet active, cruising experience with an emphasis on a healthy and youthful lifestyle, choice, informality, friendliness and activity. In addition, AIDA's ships include a variety of informal and formal dining options, including buffets, grills and exclusive restaurants. AIDA's product is especially tailored for the German-speaking market, including German-speaking crew as well as German-style food and entertainment.

AIDA vessels call on over 170 ports. During the summer, the AIDA ships sail in the North Sea, the Baltic Sea, the Mediterranean, the Black Sea and New England and Canada. During the winter, AIDA ships sail in the Caribbean, Central America, South America, the Atlantic Isles, the Western Mediterranean, the Far East, the Arabian Gulf and the Red Sea.

As the market leader in the German cruise market, AIDA takes its duty towards its guests, its employees and the environment extremely seriously. Accordingly, AIDA ships operate in compliance with the highest international quality, safety and environmental standards.

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Fleet

Fleet	Capacity	GRT
AIDAstella	2,194	71,304
AIDamar	2,194	71,304
AIDAsol	2,194	71,304
AIDAblu	2,192	71,304
AIDAdiva	2,050	69,203
AIDAbella	2,050	69,203
AIDAluna	2,050	69,203
AIDAvita	1,266	42,289
AIDAaura	1,266	42,289
AIDAcara	1,180	38,557

Under construction

Newbuild 2014	125,000
Newbuild 2015	125,000



Azamara Club Cruises

www.azamarclubcruises.com

Founded in 2007 and re-launched as Azamara Club Cruises in 2009, the cruise line caters to discerning, up-market travellers who love cruising and are interested in new and immersive ways to see the world. The cruise line's two European boutique-style, 694-guest ships each offer a sophisticated, yet relaxing ambiance to unique destinations, delivered uniquely.

Azamara Club Cruises sails around the globe, with more late-night departures and overnight stays at ports of calls in order to provide guests opportunities to fully experience a destination, by day and by night. The cruise line sails to European destinations, including the Baltic and Scandinavia, British Isles, Western Europe, French and Italian Riviera's, Greek Isles, Croatia, Holy Land and Black Sea.

Azamara Club Cruises' guests are active, experienced, and self-driven travellers who are searching for new and better ways to see the world. Travellers also can choose even more immersive experiences with Azamara cruisetours in many destinations, including Italy, Greece and Turkey.

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Lawrence Pimentel, President and Chief Executive Officer

Brian J. Rice, Vice Chairman and Chief Financial Officer

Edie Konigsberg-Bornstein, Senior Vice President Sales and Marketing

Harri U. Kulovaara, Executive Vice President, Maritime

Dominic Paul, Vice President and Group Managing Director EMEA

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www.AzamaraClubCruises.com

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www.AzamaraClubCruises.com

Norway - RCL Cruises Ltd (Norway)

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Spain - RCL Cruises Ltd (Spain)

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Royal Caribbean Cruises Ltd. has an expansive network of 41 International Representatives (IRs) spanning the globe to include the regions of Africa, Asia, Europe, Latin America, and the Middle East.

EMEA IRs

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www.AzamaraClubCruises.com

Helen Beck, Director of EMEA IRs

Fleet

Ship Name	Capacity	GRT
Azamara Journey	700	30,000
Azamara Quest	700	30,000



Carnival Cruise Lines

www.carnivalcruise.co.uk www.carnival.com

As the world's largest cruise company, and one of the most innovative, Carnival Cruise Lines (a member of Carnival Corporation) broke the mould of traditional cruising with the launch of its modern 'Fun Ships' some years ago. It now operates 24 'SuperLiners' on more than 40 mainly 3–7-night itineraries cruising from most major Florida ports, New York and California to the Caribbean, Mexico, Canada & New England and Alaska (from Seattle).

For summer 2012 the company will return to Europe, operating a new 3,646-passenger Fun Ship Carnival Breeze on 12-night Mediterranean cruises from Barcelona and Venice throughout the summer season.

Carnival Fun Ships are known for their relaxed and informal atmosphere, and the ships boast extensive amenities and activities to suit passengers of all types and all ages – including the state-of-the-art Cloud 9 Spa and fitness centres. Activities include a huge choice of sports alongside alternative activities such as wine tasting and quizzes/pool games. Dining ranges from elegant restaurants to informal bistros, oriental or Mexican cuisine, and a 24-hour pizzeria and round-the-clock room service for snacks. Many ships even have a sophisticated reservations-only steakhouse. Night-time entertainment is headed by spectacular Broadway-style stage shows performed in the three-tier theatre; more intimate interludes can be enjoyed in the cosy piano bars.

Camp Carnival, one of the best kids' clubs afloat, offers a free programme of daytime activities for youngsters aged 2–15 in four separate age groups – and onboard the latest Fun Ships there are even spectacular waterparks and even ropes courses.

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Senior management UK

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Iain Baillie, Head of Sales, UK and Ireland
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Reservations: **0845 351 0556**

www.carnival.co.uk

carnivaluk@carnival.com

Fleet

Ship Name	Capacity	GRT
Carnival Dream	3,646	130,000
Carnival Magic	3,690	130,000
Carnival Breeze	3,690	130,000
Carnival Splendor	3,006	113,300
Carnival Conquest	2,974	110,000
Carnival Glory	2,974	110,000
Carnival Valor	2,984	110,000
Carnival Liberty	2,978	110,000
Carnival Freedom	2,974	110,000
Carnival Spirit	2,124	88,500
Carnival Pride	2,124	88,500
Carnival Legend	2,124	88,500
Carnival Miracle	2,124	88,500
Carnival Triumph	2,758	101,509
Carnival Victory	2,758	101,509
Carnival Destiny**	2,642	101,353
Carnival Sunshine**	3,006	102,853
Carnival Fantasy	2,056	70,367
Carnival Ecstasy	2,056	70,367
Carnival Sensation	2,056	70,367
Carnival Fascination	2,052	70,367
Carnival Imagination	2,056	70,367
Carnival Inspiration	2,054	70,367
Carnival Elation	2,052	70,367
Carnival Paradise	2,052	70,367

***The Carnival Destiny will be re-designed in February of 2013 and will emerge from the ship yard renamed as the Carnival Sunshine.*



Celebrity Cruises

www.celebritycruises.com

Celebrity Cruises is the world's highest-rated premium cruise line, and has one of the youngest and most innovative fleets. Since Celebrity's first sailing in 1990, it has been recognised as an industry leader, praised for its personalized service, the exotic AquaSpaSM, gourmet cuisine, exciting entertainment, widely varied shore excursions and an overall atmosphere of easy elegance.

The successful introduction of Celebrity Cruises' Solstice class of ships in 2008, representing a US\$3.7 billion investment, has now led to the "Solsticizing" of its Millennium-class fleet – a programme that started in 2011 and will continue over the next several years. The last of the five Solstice class ships, Celebrity Reflection, joined the fleet in Fall 2012.

Celebrity Cruises' iconic 'X' is the mark of modern luxury, with its cool, contemporary design and warm spaces; dining experiences where the design of the venues is as important as the cuisine; and the amazing service, all created to provide an unmatched experience for vacationers' precious time.

The ultimate in premium cruising, Celebrity sails in Alaska, Bermuda, California, Canada/New England, the Caribbean, Europe, Hawaii, the Pacific Coast, Panama Canal and South America, and year-round in the Galapagos Islands. Celebrity also offers immersive cruisetour experiences in Alaska, Canada, Europe and South America.

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Dominic Paul, Vice President and Group Managing Director EMEA

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Italy - RCL Cruises Ltd (Italy)
www.celebritycruises.it

Norway - RCL Cruises Ltd (Norway)
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Royal Caribbean Cruises Ltd. has an expansive network of 41 International Representatives (IRs).

EMEA IRs RCL Cruises Ltd
+44 1932 265 700 www.celebritycruises.com
Helen Beck, Director of EMEA IRs

Fleet

Ship Name	Capacity	GRT
Celebrity Reflection	2,850	126,000
Celebrity Silhouette	2,850	122,000
Celebrity Eclipse	2,850	122,000
Celebrity Equinox	2,850	122,000
Celebrity Solstice	2,850	122,000
Celebrity Constellation	2,050	91,000
Celebrity Summit	2,050	91,000
Celebrity Infinity	2,050	91,000
Celebrity Millennium	2,050	91,000
Celebrity Century	1,800	71,000
Celebrity Xpedition	100	2,000



La Compagnie du Ponant

www.ponant.com

The only French cruise ship line, Compagnie du Ponant, established in 1988, is an integral part of France's great shipping tradition.

Five ships of character, flying the French flag comprise our fleet today and symbolize the «Art of Cruising at Sea» as we have conceived it.

Legendary destinations and world's most secretive ports, only accessible to small capacity ships. Delights of a French-inspired cuisine in an intimate environment – a discreet service where no attention to detail is spared – and unforgettable moments of relaxation aboard elegant yachts.

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Philippe Mahouin, Executive Vice President of Sales and Marketing

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Worldwide sales

Philippe Mahouin, EVP Sales and Marketing

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Fleet

Ship Name	Capacity	GRT
Le Ponant	65	1,443
L'Austral	264	10,944
Le Boreal	264	10,944
Under construction		
Le Soleal (June 2013)	264	10,944



Costa Cruises

www.costacruises.com

Costa Cruises is Europe's no.1 cruise company. For over 60 years its ships have plied the seas of the world, offering the best in Italian style, hospitality and cuisine and providing dream holidays with the utmost in terms of fun and relaxation.

Its fleet has a total of 14 ships, all flying the Italian flag, each with her own distinctive characteristics and unique style. Together they offer the chance to visit some 250 separate destinations in the Mediterranean, Northern Europe, the Baltic Sea, the Caribbean, Central America, South America, the United Arab Emirates, the Far East, the Red Sea, offering also Round the World cruises and Grand Cruises. A new ship has been ordered from Fincantieri and will be delivered in October 2014.

Costa Cruises has been certified by RINA (Italian Shipping Register) with the BEST4, an integrated system of voluntary certification of corporate compliance with the highest standards governing social accountability (SA 8000, issued in 2008, thanks to the first voluntary pilot program in the maritime industry), environment (UNI EN ISO 14001, 2004), safety (OHSAS 18001, 2007) and quality (UNI EN ISO 9001, 2008) (www.costacruise.com/Best4). All the ships in the Costa fleet have been assigned RINA's Green Star notation certifying that they are operated in compliance with the highest environmental protection standards.

With revenues of 3.1 billion euros and 2.3 million total Guests in 2011, Costa Crociere S.p.A. is the largest Italian travel group and comprises the brands Costa Cruises, AIDA Cruises and Iberocruceros. Costa Crociere S.p.A. is a member of Carnival Corporation & plc (NYSE/LSE: CCL; NYSE: CUK), the world's largest cruise operator.

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Michael Thamm – Chief Executive Officer

Gianni Onorato – President

Norbert Stiekema – Executive Vice President Sales & Marketing

Alessandro Centrone – Vice President Corporate Human Resources

Giuseppe De Iaco – CIO & Vice President Corporate Information Technology

Beniamino Maltese – Vice President and CFO Corporate Finance Administration and Control

Tom Strang – Senior Vice President Maritime Development and Compliance

Ernesto Gori – Vice President Quality Standards Compliance & Auditing

Marco Diodà – Vice President Excellence & Continuous Improvement

Soren Krogsgaard – Vice President Technical Operations

Frederik Pénot – Vice President Corporate Marketing

Fabrizia Greppi – Vice President Corporate Communication

Sales Offices

Barcelona, Buenos Aires, Brussels, Hamburg, Hong Kong, Lisbon, Madrid, Linz, Miami, Paris, Rio de Janeiro, Sao Paolo, Shanghai, Zurich.

Fleet

Ship Name	Capacity	GRT
Costa Favolosa	3,800	114,500
Costa Fascinosa	3,800	114,500
Costa Serena	3,780	114,500
Costa Pacifica	3,780	114,500
Costa Fortuna	3,470	102,600
Costa Magica	3,470	102,600
Costa Luminosa	2,826	92,600
Costa Deliziosa	2,826	92,600
Costa Atlantica	2,680	85,700
Costa Mediterranea	2,680	85,700
Costa Victoria	2,394	75,200
Costa neoRomantica	1,800	56,000
Costa Classica	1,680	53,000
Costa Voyager	927	24,400
Costa Voyager	920	25,000
Under construction		
Newbuilding (Oct 2014)	4,928	132,500



CUNARD

Cunard Line

www.cunard.com

Cunard Line was formed in 1839 principally to carry the Royal Mail between the UK and North America, and in doing so inaugurated in 1840 the first timetabled steamship service across the Atlantic. But today's fleet is one of the youngest and certainly the most famous in the cruise industry – supported by one of the oldest names in shipping.

The fleet currently consists of flagship Queen Mary 2, which operates the only regularly scheduled transatlantic service, Queen Victoria and Queen Elizabeth. Cunard voyages include transatlantic crossings, the Mediterranean, Northern Europe, the Caribbean, Canada and New England as well as World Cruises – Cunard being the first to offer a World Cruise in 1922.

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Anja Tabarelli, Director Sales & Marketing

Fleet

Ship Name	Capacity	GRT
Queen Mary 2	2,620	148,500
Queen Elizabeth	2,092	92,000
Queen Victoria	2,014	90,000



Disney Cruise Line

www.disneycruises.com



Disney Cruise Line offers a unique family vacation that every member of the family believes was created just for them – from pint-sized cruisers to sea-savvy veterans. The focus is on providing a setting in which families can reconnect, adults can recharge and kids can immerse themselves in worlds of fantasy only Disney can create.

Disney's success in cruising has been built upon the legacy and heritage of The Walt Disney Company's best known assets – master storytelling, world-class entertainment and legendary guest service. Guests enjoy some of the most spacious accommodations afloat, more original entertainment than any other ship, truly unforgettable dining experiences and much more.

Disney Cruise Line created the blueprint for family cruising and grown the fleet to four ships. With the addition of the Disney Dream and Disney Fantasy, guests can sail to more destinations than ever before – from locations close to their own backyards, including new regional home ports Galveston, Texas and Miami, Florida. In the summer of 2013, the Disney Magic will return to the Mediterranean, with a home port in Barcelona.

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Fleet

Ship Name	Capacity	GRT
Disney Fantasy	4,000	130,000
Disney Dream	4,000	130,000
Disney Magic	2,700	83,000
Disney Wonder	2,700	83,000



Fred. Olsen Cruise Lines

Fred. Olsen Cruise Lines

www.fredolsencruises.com

Fred. Olsen Cruise Lines' four ships – Balmoral, Braemar, Black Watch and Boudicca – are all small by today's standards, with the largest carrying only 1,350 guests. They offer a warm welcome with a friendly and relaxed atmosphere on board, and many guests cruise with the company time and time again.

These ships and cruises have great appeal to the 50-plus UK market, as the language on board is English and prices are in Sterling. Cruises depart mostly from a variety of convenient regional UK ports.

Itineraries range from popular European areas, such as the Mediterranean, Baltic and Norway, to the long-voyage routes – 'Indian Ocean' and 'Around the World'. The compact size of Fred. Olsen ships makes them ideal for exploring some of nature's most wondrous sights, such as the scenery of the fjords and the Arctic, and tiny islands in the Pacific and Caribbean.

Onboard activities include Vistas, Fred. Olsen's award-winning programme of special-interest cruises which allows guests to dip in and out of subjects, such as 'Wine-tasting' and 'Photography', as they choose. Fred. Olsen's popular Music & Laughter programme provides guests with an exciting variety of live entertainment throughout their cruise, from some of the best music and comedy acts around.

Headquarters

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UK
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Reservations: **+44 (0) 1473 742424**
Email: internet@fredolsen.co.uk

Senior management

Mike Rodwell, Managing Director
Nathan Philpot, Sales and Marketing Director
Susana Entrena, Director of Hotel Operations
Peter Deer, Commercial Director
Richard Chilvers, Director of IT and Facilities
Rachael Jackson, Public Relations Manager
Kate Wooldridge, International Sales Manager

Fleet

Ship Name	Capacity	GRT
Black Watch	804	28,613
Boudicca	880	28,388
Balmoral	1,350	43,537
Braemar	929	24,344



Hapag-Lloyd Cruises

www.hl-cruises.com

Hapag-Lloyd Cruises is one of Germany's foremost providers of luxury and expedition cruises. Today Hapag-Lloyd Cruises is a wholly owned subsidiary of TUI AG within the group's cruise ship division, but is functionally fully independent. TUI is Europe's leading travel group.

Hapag-Lloyd Cruises offers four ships with their own unique character, hundreds of destinations, onboard and land programmes and attractive travel combinations.

MS Europa, the flagship, is the only cruise liner to have been awarded the coveted 5-star plus distinction by the Berlitz Cruise Guide since its commissioning in 1999. MS Hanseatic (the only 5-star expedition ship*) and MS Bremen (four stars plus*) are both designed for travel in polar regions and for destinations 'off the beaten track', such as Antarctica, the Northwest Passage, the Amazon and the South Seas.

In April 2012 Hapag-Lloyd Cruises expanded its fleet with a two-year charter of the Oceania Cruises' ship Insignia. The ship now sailing under the name of COLUMBUS 2 in the fleet of Hapag-Lloyd Cruises, fulfils the demand for a relaxed, small 4-star-segment-ship* with a modern concept in the German-speaking cruise market.

Additionally Hapag-Lloyd Cruises will strategically extend its product offering by 2013: For the first time ever, a second ship of the same name will be positioned in the luxury segment of the Hapag-Lloyd Cruises fleet alongside the Europa. The 40,000 ton EUROPA 2 will be positioned as the modern, lifestyle-orientated sister ship of the EUROPA and will cater to a sophisticated, international and cosmopolitan audience. The EUROPA 2 will offer an international atmosphere on board – all our cruises being conducted in German and English.

Since 2004 Hapag-Lloyd has increased its number of international cruises (German/English), which ensure that English-speaking passengers feel comfortable from the moment they step onboard. Travel documents as well as information, announcements, lectures and safety drills onboard are provided in both languages, and the entire crew is fluent in English.



Hapag-Lloyd Cruises

Great moments. Truly exclusive.

Headquarters

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Senior management

Dr. Wolfgang Flaegel, Managing Director
Negar Etminan, Head of PR and spokeswoman
press@hlkf.de

Fleet

Ship Name	Capacity	GRT
MS Columbus	698	30,277
MS Europa	408	28,890
MS Hanseatic	184	8,378
MS Bremen	164	6,752
Under construction		
MS Europa 2 (May 2013)	516	40,000



Holland America Line

www.hollandamerica.com

Holland America Line's fleet of 15 ships offers nearly 500 cruises to 415 ports in more than 98 countries, territories or dependencies; its one- to 110-day itineraries visit all seven continents. Highlights include Antarctica, South America, Australia/New Zealand and Asia voyages, a Grand World Voyage and popular sailings to ports in the Caribbean, Alaska, Mexico, Canada/New England, Europe and Panama Canal.

The company features Signature of Excellence enhancements across its fleet – a commitment totalling more than US\$540 million. It showcases the Culinary Arts Center, presented by Food & Wine magazine, a state-of-the-art onboard show kitchen in which more than 60 celebrated guest chefs and culinary experts provide cooking demonstrations and classes; Explorations Café powered by The New York Times; teens-only activity areas; and all-new stateroom amenities highlighted by flat-panel TVs and plush 'Mariner's Dream' beds.

The highest-rated premium cruise line in the world, Holland America Line is a member of the exclusive World's Leading Cruise Lines alliance, which includes Carnival Cruise Lines, Princess Cruises, Cunard Line, Seabourn Cruise Line and Costa Cruises. Sharing a passion to please each guest and a commitment to quality and value, these lines appeal to a wide range of lifestyles and budgets. The World's Leading Cruise Lines offer exciting and enriching cruise vacations to the world's most desirable destinations.

Headquarters

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Senior management

Stein Kruse, President and CEO
Rick Meadows, Executive Vice President, Marketing, Sales, Guest Programs
Dan Grausz, Executive Vice President, Fleet Operations
Paul Goodwin, Executive Vice President, On Board Revenue, Services/ Port Operations/Planning/Tour Operations
Larry Calkins, Senior Vice President of Finance & Information Technology
Joe Slattery, Vice President, International Sales & Marketing



Sales offices

Australia

Holland America Line
www.hollandamerica.com.au
Tel: **1300 987 321** - Travel Agents
Tel: **1300 987 322** - Direct Passengers

Netherlands

Holland America Line
Tel: **0900-SAILHAL (0900-7245425)**

United Kingdom

Holland America Line UK
+44 843 374 2300 (Reservations)
enquiries@hollandamerica.co.uk

Fleet

Ship Name	Capacity	GRT
Nieuw Amsterdam	2,106	86,273
Eurodam	2,104	86,273
Noordam	1,924	82,318
Westerdam	1,916	82,348
Oosterdam	1,916	82,305
Zuiderdam	1,916	82,305
Zaandam	1,432	61,396
Volendam	1,432	61,214
Rotterdam	1,432	61,859
Amsterdam	1,380	62,735
Veendam	1,350	57,092
Ryndam	1,260	55,819
Statendam	1,260	55,819
Maasdam	1,258	55,575
Prinsendam	835	37,983



HURTIGRUTEN

Hurtigruten

www.hurtigruten.com

Hurtigruten is renowned for its comprehensive and adventurous voyages to some of the most beautiful, remote and dramatic coastlines on the planet. With 120 years of maritime experience and a fleet of 13 ships it offers voyages that go beyond the realms of other cruise lines, providing an opportunity to encounter incredible environments, wildlife and people.

Hurtigruten's ships have been an integral part of Norwegian coastal life for generations. They call at remote ports almost never visited by commercial liners, delivering goods and passengers to isolated communities lying amidst a backdrop of breathtaking scenery. Also offered are explorer cruises in the Antarctic and around Greenland and Spitsbergen.

Hurtigruten's other business activities include bus transportation, freight and ship chartering, and it has a limited portfolio of properties related to its operations.

Headquarters

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Norway

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Senior management

Daniel Skjeldham, Chief Executive Officer.

Torkild Torkildsen, Deputy Chief Executive Officer.

Glen Peter Hartridge, Director Product and Revenue

Ole Frederik Hienn, Director Legal Affairs

Asta Lassesen, Chief Financial Officer

Hans Rood, Sales & Marketing Director

Dag Arne Wensel, Director Maritime & Technical Operations

Sales Offices

Germany

Hurtigruten GMBH

Kaspar Berens, Managing Director

United Kingdom

Hurtigruten Limited

Kathryn Beadle, Managing Director

Fleet

Ship Name	Capacity	GRT
MV Midnatsol	1,000	16,151
MV Finnmarken	1,000	15,000
MV Trollfjord	822	16,140
MV Polarlys	737	11,341
MV Nordnorge	691	11,386
MV Nordkapp	691	11,386
MV Richard With	691	11,205
MV Nordlys	691	11,204
MV Kong Harald	691	11,204
MV Vesteraalen	560	6,261
MV Fram	500	12,700
MV Lofoten	400	2,621
MV Nordstjernen	400	2,191



Iberocruceros

www.iberocruceros.es

The cruise company, owned by Costa Crociere SpA, specializes in offering a product with a distinctive Spanish style. Iberocruceros operates three modern vessels of medium size, its largest offering a maximum capacity of 1,900 Guests.

The company has a team of 2,000 highly qualified professionals who are continuously working to provide Guests the highest level of comfort and satisfaction during their stay on board.

As novelties for 2013, besides the transatlantic cruises, Iberocruceros also offers a selection of longer cruises with durations of 14 or 15 days, new destinations and themed cruises.

Iberocruceros strives to accommodate every Guest needs, hence its decision to continue offering the successful Todo Incluido de Marca®

Moreover Iberocruceros offers the best stand-up comedy at sea with the prestigious company 'El Club de la Comedia' presently showing on all vessels.



Sales Offices

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Reservations: **902 282221**

Email: cruceros@iberocruceros.es

Senior management

Alfredo Serrano, General Manager

Luis Grau, Deputy General Manager

Fleet

Ship Name	Capacity	GRT
Grand Holiday	1,848	46,052
Grand Mistral	1,807	48,200
Grand Celebration	1,910	47,262



Louis Cruises

www.louiscruises.com

With an array of destinations and 27 years of experience in international cruising, Louis Cruises meticulously prepares exciting and unique itineraries offering great value for money. Louis Cruises welcomes its passengers to its home waters in the Eastern Mediterranean for a truly enjoyable onboard experience, sumptuous cuisine and warm service with a genuine smile, leaving them enriched with a... Sea of Memories!

A member of the Louis group, founded in 1935, Louis Cruises started operating short cruises out of Limassol, Cyprus to the Eastern Mediterranean from the early '70s. Louis Cruises has over the years evolved and expanded its cruise programmes, becoming the specialist cruise operator in the Eastern Mediterranean.

Today, with a fleet of seven cruise ships, Louis Cruises operates cruises from various East Med ports, such as Piraeus, Istanbul, Limassol, Izmir and Kusadasi to the Greek islands and Turkey's most enticing ports.

Headquarters

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Louis Cruises (HQ Greece)
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Greece
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Senior management

Costakis Loizou, Executive Chairman
Kerry Anastasiadis, CEO
George Paschalis, CFO
Captain George Koumpenas, Fleet Operations Director
Pythagoras Nagos, Commercial Director
Chris Theophilides, Business Development Director
Manolis Makris, Marketing Manager



Sales offices

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United Kingdom

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Cyprus

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sales@louiscruises.com

Fleet

Ship Name	Capacity	GRT
Thomson Majesty	1850	40,876
Louis Olympia	1664	37,773
Thomson Spirit	1400	33,930
Louis Cristal	1200	25,611
Coral	968	14,194
Orient Queen	895	15,781
The Calypso	740	11,162



MSC Cruises
www.msccruises.com



Following several years of unprecedented growth, MSC Cruises is the market leading cruise company in the Mediterranean, South Africa and Brazil. MSC Cruises sails throughout the year in the Mediterranean and offers a wide range of seasonal itineraries in Northern Europe, the Atlantic Ocean, the Caribbean, the French Antilles, South America, South and West Africa, and the Red Sea. The 12 ships comprising its ultra-modern fleet will carry over 1.4 million guests in 2012 and this number is expected to reach over 1.5 million in 2013.

MSC Cruises is a privately owned European company, employing 15,500 staff around the world and present in 45 countries.

As a leading member of the European Cruise Council (ECC) MSC Cruises has agreed to promote a transparent and sustainable cruise industry; to lead the development of uniform environmental standards; to share lessons learned and good practices; to establish and maintain partnerships, co-operation and open constructive dialogue with relevant maritime authorities and other stakeholders; to encourage increased availability of appropriate reception and recycling facilities at major European ports, improve energy conservation, increase recycling and reduce waste.

A family company based on family values, MSC's social priorities are children, families, and education. The company contributes to both international and local charity organizations working hard in these areas, most notably through its important partnership with the United Nations Children's Fund (UNICEF) which raised 1,000,000 euros.

MSC Cruises is proud of its Mediterranean heritage, which is reflected in the company's reputation for sophisticated design and outstanding hospitality.

Headquarters

MSC Cruises - HQ
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Senior management

Pierfrancesco Vago, CEO
Giacomo Costa Ardisson, CFO
Domenico Pellegrino, Managing Director
Neil Palomba, COO

European Offices

MSC Crociere – Naples, Italy
MSC Cruceros – Madrid, Spain
MSC Croisières – Paris, France
MSC Kreuzfahrten – Munich, Germany
MSC Cruzeros – Lisbon, Portugal
MSC Croisière/MSK Kreuzfahrten – Basel, Switzerland
MSC Kreuzfahrten – Wien, Austria
MSC Croisières/MSK Cruises Belux – Bruxelles, Belgium
MSC Cruises – Amsterdam, Netherland
MSC Cruises UK & Ireland – London, UK
MSC Cruises Sweden/Norway/Denmark – Stockholm, Sweden
MSC Krstarenja – Dubrovnik, Croatia
MSC Cruises – Istanbul, Turkey

Other offices

MSC Cruises – Johannesburg, South Africa
MSC Cruises – Miami, USA & Canada
MSC Cruceros – Sao Paulo, Brazil
MSC Cruceros – Buenos Aires, Argentina
MSC Cruises – Sydney, Australia
MSC Cruises – Shanghai, China

Contacts

Corporate Communications Office :
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Fleet

Ship Name	Capacity	GRT
MSC Divina	4,345	139,400
MSC Splendida	4,363	137,936
MSC Fantasia	4,363	137,936
MSC Magnifica	3,013	93,330
MSC Poesia	3,013	92,627
MSC Orchestra	3,013	92,409
MSC Musica	3,013	92,409
MSC Opera	2,055	59,058
MSC Lirica	2,069	59,058
MSC Armonia	2,087	59,058
MSC Sinfonia	2,087	59,058
MSC Melody	1,492	35,143

Under construction

MSC Preziosa (March 2013)



Norwegian Cruise Line

www.ncl.com

Norwegian Cruise Line is the innovator in cruise travel with a 45-year history of breaking the boundaries of traditional cruising, most notably with the introduction of Freestyle Cruising which has revolutionized the industry by allowing guests more freedom and flexibility.

Today, Norwegian invites consumers to "Cruise Like a Norwegian" on one of its 11 purpose-built Freestyle Cruising ships, providing guests the opportunity to enjoy a relaxed cruise vacation on some of the newest and most contemporary ships at sea. The Company has two 4,000-passenger vessels, Norwegian Breakaway and Norwegian Getaway, on order for delivery in April 2013 and early 2014.

Norwegian's largest and most innovative Freestyle Cruising ship, Norwegian Epic, debuted in June 2010 and has been named "Best Overall Cruise Ship" by the readers of Travel Weekly and "Best Ship for Sea Days" by Cruise Critic. Norwegian Cruise Line is the official cruise line of Blue Man Group, appearing for the first time at sea on Norwegian Epic, as well as the official cruise line of Legends in Concert, The Second City®, Howl at the Moon Dueling Pianos, and Nickelodeon, the number-one entertainment brand for kids. Cirque Dreams™ & Dinner is also featured on board Norwegian Epic as the first show of its kind at sea under a big top.



Sales offices

Miami Headquarters

7665 Corporate Center Drive, Miami, FL 33126
Kevin Sheehan, Chief Executive Officer

United Kingdom (London)

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Hammersmith, London, UK W68JA
Francis Riley, Vice President and General Manager Europe

Continental Europe (Germany)

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Wiesbaden, Hessen, Germany 65205

Headquarters

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www.ncl.com

Senior management

Kevin Sheehan, Chief Executive Officer
Andy Stuart, Executive Vice President of Global Sales and Passenger Services
Wendy Beck, Executive Vice President and Chief Financial Officer
Bob Becker, Senior Vice President, Consumer Research
George Chesney, Senior Vice President, Human Resources
Vincent Cirel, Senior Vice President & Chief Information Officer
Dan Farkas, Senior Vice President & General Counsel
Howard Flanders, Senior Vice President of Finance and Treasurer
Michael Flesch, Senior Vice President, Hotel Operations
Crane Gladding, Senior Vice President, Revenue Management & Passenger Services
Maria Miller, Senior Vice President, Marketing
Captain Svein Sleipnes, Senior Vice President, Marine Operations
Dave Sprechman, Senior Vice President and Chief Accounting Officer
Brian Swensen, Senior Vice President, Technical Operations and Refurbishment
Camille Olivere, Senior Vice President, Sales

Fleet

Ship Name	Capacity	GRT
Norwegian Epic	4,100	53,000
Norwegian Gem	2,392	93,530
Norwegian Pearl	2,384	93,530
Norwegian Jade	2,392	93,558
Norwegian Jewel	2,374	93,502
Pride of America	2,120	80,439
Norwegian Dawn	2,338	92,250
Norwegian Star	2,348	91,740
Norwegian Sun	1,928	78,309
Norwegian Spirit	2,000	75,338
Norwegian Sky	2,000	77,104
Under construction		
Norwegian Breakaway (2013)	4,000	
Norwegian Getaway (2014)	4,000	



Oceania Cruises

www.oceaniacruises.com

Oceania Cruises offers unrivalled cuisine, stylish accommodations, gracious service and extraordinary value. Award-winning itineraries visit more than 330 ports in Europe, Asia, Australia, New Zealand, and the Americas aboard the 684-guest Regatta and Nautica. (In April 2012, Oceania Cruises chartered Insignia to Hapag-Lloyd Cruises of Germany for two years.) The line's 1,250-guest Marina joined the fleet in January 2011 and was followed by Riviera – a sister ship – in May 2012.

The culinary experience takes centre stage at Oceania Cruises with creations from the renowned Jacques Pépin being served in a wide choice of open dining venues, including speciality restaurants at no extra charge. Private Dining venues are also available on the new O-Class ships, Marina and Riviera – as is the Culinary Studio, sponsored by Bon Appétit Magazine.

With the launch of Riviera, Oceania Cruises expanded and enhanced its culinary enrichment program with the introduction of Culinary Discovery Tours to more than 25 ports worldwide. Uniquely designed for each port, the new tours provide guests with the opportunity to explore local food markets in small groups side-by-side with an expert chef. On the O-class ships the tours end with a cooking class in the Bon Appétit Culinary Center, drawing inspiration from the local market. On the line's smaller ships – Regatta and Nautica – Culinary Discovery Tours will combine excursions to local markets with hands-on cooking experiences at a shore-side cooking school or a well-known restaurant kitchen.

In 2012, as part of its ongoing Pillars of Distinction initiative, Oceania Cruises introduced new beverage packages designed to enhance the culinary experience while at the same time offering additional convenience and value. The line also introduced more than 1,000 new tours and excursion packages that allow guests to custom design their destination experience and enjoy significant savings. As part of the initiative, Oceania Cruises had previously completed a multi-million-dollar enhancement of Regatta, Insignia and Nautica. Staterooms and Penthouse Suites were enhanced with custom, tufted headboards with nail-head trim mounted on floor-to-ceiling Wenge walnut panels; refrigerated mini bars; wall sconces and bedside reading lamps.

OCEANIA CRUISES®

All accommodations were also outfitted with the line's proprietary Prestige Tranquility Beds composed of 400 encapsulated springs in seven zones covered by two inches of memory foam; a two-inch thick cushion filled with gel and wrapped in Chamomile-infused fibre tops the mattress. In addition, all beds received 1,000-thread-count, Egyptian cotton linens and duvets and a plush down comforter.

Senior management

Kunal Kamrani, President

Headquarters

USA

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Sales offices

UK and Europe

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www.oceaniacruises.com
Bernard Carter, Managing Director

Fleet

Ship Name	Capacity	GRT
Riviera	1,250	66,084
Marina	1,250	66,084
Regatta	684	30,277
Nautica	684	30,277



P&O Cruises

www.pocruises.co.uk

P&O Cruises can trace its roots back to 1837 and 2012 will mark the 175th anniversary of when the Peninsular Steam Navigation Company was awarded the lucrative Admiralty contract to carry mail to the Iberian Peninsula and beyond. Not long afterwards the concept of cruising was born and since then has evolved into a popular holiday choice and now P&O Cruises carries more British cruisers than any other line. Today, as trusted cruise experts, P&O Cruises has a fleet of seven ships offering holidays tailored to British tastes combining genuine service, a sense of occasion and attention to detail, ensuring passengers have the holiday of a lifetime, every time. Azura was launched in April 2010 – officially named by Godmother Darcey Bussell CBE. Small ship Adonia was added to the fleet in May 2011, named by Dame Shirley Bassey, DBE, and a new 141,000 ton as yet unnamed ship will be added to the fleet in spring 2015.



Fleet

Ship Name	Capacity	GRT
Azura	3,100	115,000
Ventura	3,078	116,000
Arcadia	2,016	83,700
Oceana	2,016	77,400
Aurora	1,870	76,100
Oriana	1,828	69,100
Adonia	777	30,300

Headquarters

P&O Cruises
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Senior management

David Dingle, Chief Executive Officer, Carnival UK
Carol Marlow, Managing Director P&O Cruises



Phoenix Reisen

www.PhoenixReisen.com

Phoenix is a privately owned and managed company, founded in 1973 in Bonn, the former German capital. Although cruise holidays are the company's main business – it is the German market leader in Nile cruises – the company also offers beach vacations, roundtrips and special oriental programmes.

Phoenix is one of Germany's leading classic cruise operators/ charterers. It has three seagoing vessels and 46 river cruise ships around the world. In 1988 Phoenix began operating the unforgettable TS Maxim Gorki to offer German style cruising throughout the world. From this one ship the fleet has gradually grown and now consists of an Albatros ship (TS Albatros from 1993 to 2004, MV Albatros from 2004), MV Amadea and MV Artania (ex MVArtemis).

Cruising with Phoenix means classic manageable cruise ships, not mass market megaliners. Only German is spoken onboard. Cruises feature a very personal, familiar and casual atmosphere; modern balcony cabins, spa & wellness areas, production shows, open seating restaurants, excellent kitchen etc.; and a traditional cruise style with Captain's handshakes, Captain's Gala Dinner, lectures etc.

A Phoenix sea or river cruise offers excellent value for money with a variety of ship types and products for different demands and budgets. There are a high number of repeaters. The vessels are classic ships with a modern touch which operate worldwide including round-the-world-cruises each winter season. Phoenix means a traditional but casual cruise style combined with a large variety of itineraries – many off the beaten track.



Headquarters

Phoenix Reisen GmbH

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Germany

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Senior management

Johannes Zurnieden, CEO

Jörg Kramer, CFO

Benjamin Krumpen, COO

Michael Schulze, Director of Cruising

Fleet

Ship Name	Capacity	GRT
MV Artania	1,200	44,500
MV Albatros	830	28,000
MV Amadea	600	29,000

*42 river & coastal cruise ships under Phoenix Charter



Princess Cruises

www.princess.com

One of the best-known names in cruising, Princess Cruises is a global cruise and tour company operating a fleet of 16 modern ships. They are renowned for their American-style luxury and innovative features including Movies under the Stars. The Sanctuary (an adults-only retreat) and a wide array of choices in dining, entertainment and amenities – all provided in an environment of exceptional customer service.

A recognised leader in worldwide cruising, Princess offers its passengers the opportunity to escape to more than 350 destinations around the globe.

Headquarters

Princess Cruises

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Senior management

Alan Buckelew, president and chief executive officer
Paul Ludlow, UK director

Sales Office

United Kingdom

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Hampshire, SO15 1ST, United Kingdom
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enquiry@princesscruises.co.uk



Fleet

Ship Name	Capacity	GRT
Ruby Princess	3,080	113,000
Crown Princess	3,080	113,000
Emerald Princess	3,080	113,000
Caribbean Princess	3,080	113,000
Diamond Princess	2,670	116,000
Sapphire Princess	2,670	116,000
Grand Princess	2,600	107,500
Golden Princess	2,590	109,000
Star Princess	2,590	109,000
Coral Princess	1,970	92,000
Island Princess	1,970	92,000
Sea Princess	1,950	77,000
Sun Princess	1,950	77,000
Dawn Princess	1,950	77,000
Pacific Princess	680	30,200
Ocean Princess	680	30,200
Under construction		
Royal Princess (June 2013)	3,600	
Regal Princess (Spring 2014)	3,600	



pullmantur

Pullmantur

www.pullmantur.es

Pullmantur is a major cruise line and leisure travel group in Europe and Latin America, in business for more than 40 years, delivering a unique vacation experience to more than a million holidaymakers each year. The company offers cruises, holiday packages, land and city tours, MICE, scheduled and charter flights, and it also operates a retail travel business.

As Spain's leading cruise line, Pullmantur operates five ships with an aggregate capacity to accommodate more than 11,000 passengers daily, offering an 'All Inclusive' cruise experience. It also offers holiday packages in the Caribbean, and land tours in Europe and Africa. In addition, the group operates Pullmantur Air, with a fleet of four Boeing 747-400, which provides regular and charter flights between Spain and Caribbean destinations, and sub-charters to third parties, carrying a total of 500,000 passengers each year. Pullmantur also owns Nautalia Viajes, a network of more than 200 retail travel agencies in Spain.

The group, with headquarters in Madrid, boasts a staff of 7,000 specialist employees, and it has sales offices in Brazil and in France -where the company operates through Croisières de France- plus sales representatives in Mexico and Portugal. Today more than 65% of its turnover comes from international markets.

Pullmantur has been a Royal Caribbean Cruise Ltd. brand since 2006.

For additional information please visit: www.pullmantur.es, <http://prensa.pullmantur.es/>, @Pullmantur_ES and www.facebook.com/pullmantur

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Senior management (Group Management Executive Board)

Gonzalo Chico Barbier, President & CEO
José Manuel Carmona, VP & General Manager International Markets
Sonia Prieto Marqués, VP & General Manager Sales, Marketing & Revenue Management
Carlos Pedercini, VP Marine Operations
Eduardo López-Puertas, VP Land Operations & On Board Revenue
Eric Davaille, VP Hotel Operations
Antonio Díez Muro, VP Finance & Administration CFO
Montserrat Barriga, AVP Strategy Planning, Internal Control, Compliance & Insurance
Javier Somoza, AVP General Counsel
Enrique Bretos, Managing Director Aviation & Tour Operations
José Luis de Arcenegui, AVP Director Human Resources & SCR
José María Lucas, General Manager Nautalia Viajes

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www.pullmantur.com.mx

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www.cdfcroisieresdefrance.com

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Agency Reservations: **+351.21.350.92.50**

Malta

Pullmantur Malta
+35.621.224.796

Fleet

Ship Name	Capacity	GRT
Monarch	2,836	73,937
Sovereign	2,733	73,592
Empress	1,877	48,563
Horizon	1,828	47,427
Zenith	1,828	47,413



Regent Seven Seas Cruises

www.rssc.com

Regent Seven Seas Cruises is the world's most inclusive luxury cruise line. Fares include all-suite accommodations, round-trip air, highly personalised service, acclaimed cuisine, fine wines and spirits, sightseeing excursions in every port, a pre-cruise luxury hotel package and gratuities. Three award-winning all-suite vessels visit more than 300 destinations around the globe. Recently, Regent has raised the bar on their all-inclusive offering by adding a 1-night pre-cruise hotel package on all of its 2013 cruises.

With some of the highest space-per-guest ratios in the cruise industry, accommodations onboard the line's intimate Seven Seas Mariner, Seven Seas Voyager and Seven Seas Navigator are considered among the most luxurious afloat. Suites include amenities such as down comforters, Egyptian cotton linens, flat-screen televisions, DVD players and Wi-Fi access. Top suites have iPod music systems with Bose speakers and iPads.

In 2008/09 RSSC completed a multi-million dollar fleet-wide refurbishment programme. Almost every area was updated and some public rooms were substantially redesigned.

In 2010, RSSC partnered with world-famous Canyon Ranch, a leading US operator of destination health resorts, to operate the wellness and fitness facilities onboard all three vessels. The ships' Canyon Ranch SpaClub offers many of the most desirable spa amenities: massage, gym with cardio and weight-training equipment, juice bar, men's and women's locker rooms, thalassotherapy, sauna and steam rooms as well as a full-service beauty salon. Canyon Ranch-certified fitness instructors conduct daily group and private fitness, yoga and tai chi classes.

Regent
SEVEN SEAS CRUISES

Headquarters

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Senior management

Mark Conroy, President

Sales Offices

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Southampton, SO14 2AQ
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www.rssc.com

Graham Sadler, Managing Director

Fleet

Ship Name	Capacity	GRT
Seven Seas Mariner	700	48,075
Seven Seas Voyager	700	42,363
Seven Seas Navigator	490	28,550



Royal Caribbean International

www.royalcaribbean.com

Royal Caribbean International is positioned at the upper end of the contemporary segment of the global cruise vacation industry, though its quality enables it to attract consumers from the premium segment as well. This allows the company to achieve one of the broadest market positions of any of the major cruise brands in the vacation industry.

Royal Caribbean operates 22 ships with some 62,600 berths, offering cruise itineraries that range from two to 18 nights. Royal Caribbean offers a variety of itineraries to worldwide destinations including Alaska, Asia, Australia, Bermuda, Canada, the Caribbean, Europe, Hawaii, Latin America, the Middle East, the Panama Canal and New Zealand. Royal Caribbean's goal is to attract an array of global vacationing consumers by providing a wide variety of itineraries and cruise lengths with multiple innovative options for on-board dining, entertainment and other activities.

The company has introduced many product innovations such as surf simulators, an interactive water park called the H2O Zone, 'Royal Promenades' which are boulevards with shopping, dining and entertainment venues, ice skating rinks, bungee jumping trampolines and rock climbing walls. On-board its Oasis-class ships Royal Caribbean has introduced the new neighbourhood concept which consists of seven distinct themed areas including Central Park, a park open to the sky, and Boardwalk, an outdoor family-friendly area featuring a handcrafted carousel and an amphitheatre at sea known as AquaTheater.

Royal Caribbean is also renowned for innovative partnership deals, such as working exclusively with DreamWorks Animation to offer the DreamWorks Experience on five of its ships around the world, including 3D theatres showing DreamWorks films, entertainment shows and parades with renowned characters like: Shrek, Fiona, Puss in Boots, Kung Fu Panda's Po and others.

Headquarters

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Senior management

Richard D. Fain, Chairman and Chief Executive Officer
Adam M. Goldstein, President and Chief Executive Officer
Brian J. Rice, Vice Chairman and Chief Financial Officer
Lisa Bauer Rudzki, Executive Vice President, Sales and Marketing
Lisa Lutoff-Perlo, Executive Vice President, Operations
Harri U. Kulovaara, Executive Vice President, Maritime
Dominic Paul, Vice President and Group Managing Director EMEA

Sales Offices

France - RCL Cruises Ltd (France)
www.royalcaribbean.fr

Germany - RCL Cruises Ltd (Germany)
www.royalcaribbean.de

Italy - RCL Cruises Ltd (Italy)
www.royalcaribbean.it

Norway - RCL Cruises Ltd (Norway)
www.royalcaribbean.no

Spain - RCL Cruises Ltd (Spain)
www.royalcaribbean.es

United Kingdom RCL Cruises Ltd (UK & Ireland)
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Royal Caribbean Cruises Ltd. has an expansive network of 41 International Representatives (IRs).

EMEA IRs

RCL Cruises Ltd +44 1932 265 700
www.royalcaribbean.com
Helen Beck, Director of EMEA IRs

Fleet

Ship Name	Capacity	GRT
Allure of the Seas	5,400	220,000
Oasis of the Seas	5,400	220,000
Freedom of the Seas	3,600	158,000
Independence of the Seas	3,600	158,000
Liberty of the Seas	3,600	158,000
Adventure of the Seas	3,100	142,000
Explorer of the Seas	3,100	142,000
Mariner of the Seas	3,100	142,000
Navigator of the Seas	3,100	142,000
Voyager of the Seas	3,100	142,000
Majesty of the Seas	2,350	74,000
Monarch of the Seas	2,350	74,000
Enchantment of the Seas	2,250	74,000
Brilliance of the Seas	2,100	90,000
Jewel of the Seas	2,100	90,000
Radiance of the Seas	2,100	90,000
Serenade of the Seas	2,100	90,000
Rhapsody of the Seas	2,000	78,000
Vision of the Seas	2,000	78,000
Grandeur of the Seas	1,950	74,000
Legend of the Seas	1,800	69,000
Splendour of the Seas	1,800	69,000



Saga Shipping

www.saga.co.uk/cruises

Saga has been operating its own fleet of cruise ships since 1997, and is unique in offering cruises exclusive to people aged 50 and over (although a travelling companion may be aged 40 and over). Saga currently has two ships – Saga Ruby (661 passengers) and Saga Sapphire (706 Passengers).

Saga Ruby and Saga Sapphire are elegant ships which offer a traditional cruise experience enhanced by spacious cabins and public rooms, single-sitting dining and a high crew-to-passenger ratio.

Saga Sapphire joins the fleet in March 2012 after a multi-million pound refurbishment. She offers the same stylish surroundings and superb service that cruise goers have come to expect from our elegant ships, but with a contemporary new style.

MV Quest for Adventure

We also offer a range of discovery cruises to interesting destinations aboard MV Quest for Adventure (446 passengers) and is open to adults aged 21 and over providing one member of the party is over 50.

The small size of Quest for Adventure means she can reach destinations that are inaccessible to larger ships.

Adventure Cruising and Saga Shipping are divisions of the Acromas Group.



Headquarters

Saga Shipping
Enbrook Park
Sandgate
Folkestone
Kent CT20 3SE

Senior management

Susan Hooper, Chief Executive, Acromas Travel

Robin Shaw, Chief Executive, Cruise Division of Acromas Travel

Fleet

Ship Name	Capacity	GRT
Saga Sapphire	706	37,301
Saga Ruby	661	24,492
Quest for Adventure	446	18,591



SEABOURN®

Seabourn Cruise Line

www.seabourn.com

Seabourn is a pioneer of ultra-luxury cruising that has earned unanimous accolades from cruising guidebooks, travel critics and traveler polls since its launch in 1987. With six intimate, all-suite vessels roaming the globe, Seabourn has earned a reputation for extraordinary levels of personalized service, with nearly one staff member per guest; sumptuous accommodations in spacious ocean-view suites, many with balconies; exceptional shoreside experiences in the world's most desirable destinations and award-winning cuisine served in open-seating restaurants.

Carrying just 208 fortunate guests each, the three original Seabourn ships – Seabourn Pride, Spirit and Legend – offer a wealth of onboard touches and luxuries to assure smooth sailing whatever the destination. Guests can look forward to spacious accommodations of 277 square feet or more, 40 percent with balconies; complimentary wines and spirits throughout each cruise; superb dining in open-seating venues; innovative Massage Moments on deck; festive Caviar in the Surf beach parties; designer soaps, Molton Brown toiletries and Pure Pampering therapeutic bath menu – and all of the above with no tipping required or expected.

Seabourn Odyssey, the 450-guest ship launched in June 2009, has been hailed as “a game-changer” for the luxury segment. Along with its sister-ships Seabourn Sojourn in 2010, and Seabourn Quest in 2011, it enables guests to enjoy the exceptional levels of service that distinguish Seabourn, with added amenities and features made possible by a larger vessel. A wider variety of luxurious suite accommodations, over 90 percent of which have private verandas, more alternative dining options, generous areas of open deck and the largest spa on any luxury ship are just a few of the advantages that have made these the most admired vessels in the world's leisure cruising fleet. They consistently dominate the highest rankings for small ships in polls conducted by consumer travel publications, and all six of the Seabourn ships occupy spots among the ten highest-rated ships in the world in the 2012 Berlitz Guide to Cruises and Cruising.

Headquarters

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Netherlands

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Netherlands
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Senior management

Richard D. Meadows – President

John Delaney – SVP, Sales & Marketing

Press contact:

Bruce Good – Director of Public Relations

Email: bgood@seabourn.com

Fleet

Ship Name	Capacity	GRT
Seabourn Odyssey	450	32,000
Seabourn Sojourn	450	32,000
Seabourn Quest	450	32,000
Seabourn Pride	208	10,000
Seabourn Spirit	208	10,000
Seabourn Legend	208	10,000



Silversea Cruises

www.silversea.com

Silversea is a cruise company that reflects generations of maritime and travel experience. In the early 1990s the Lefebvre family of Rome, former owners of Sitmar Cruises, conceived and organised a unique cruise company with a pledge to build and operate the highest quality ships in the ultra-luxury segment. The name 'Silversea' was chosen because it connotes quality and luxury as well as capturing the romance and special sensations of the sea.

Silversea Cruises is recognised as an innovator in the luxury segment, offering guests large-ship amenities onboard its intimate, all-suite vessels: Silver Cloud, Silver Wind, Silver Shadow, Silver Whisper and Silver Spirit – all designed to offer an atmosphere of conviviality and casual elegance. And along with the regal expedition ship Silver Explorer along with the inclusion of a new expedition ship dedicated to the Galapagos Islands, the company's itineraries encompass all seven continents.

Distinctive European styling is reflected in every detail, from uncompromising service to exquisite gourmet dining. Intimate spaces and well-travelled, international guests foster a welcoming onboard ambience in an all-inclusive environment. And in each fascinating destination Silversea provides access to exclusive explorations and enriching cultural connections.

Silversea caters to the cosmopolitan world traveller and maintains branch offices in the US, UK, Germany, Australia and Singapore. The company's headquarters are in Monaco.

Headquarters

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Senior management

Manfredi Lefebvre D'Ovidio, Chairman
Enzo Visone, Chief Executive Officer
Christian Sauleau, Executive Vice President, Fleet Operations
Alvarino Biasotti, Senior Vice President, Worldwide Financial Controller

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Fleet

Ship Name	Capacity	GRT
Silver Spirit	540	36,000
Silver Shadow	382	28,258
Silver Whisper	382	28,258
Silver Cloud	296	16,800
Silver Wind	296	17,400
Silver Explorer	132	6,072
Galapagos	100	4,077



STAR CLIPPERS



Star Clippers

www.starclippers.com

In 1989 Swedish entrepreneur Mikael Krafft turned his boyhood dream into a reality when he founded Star Clippers, the only modern-day cruise line dedicated to re-creating the golden age of the tall sailing ships while providing passengers with a mega-yacht experience.

Meticulously researched down to the last detail, Star Flyer and Star Clipper entered service in the early 1990s as the tallest clipper ships ever built, with main masts rising 226ft and a maximum sailing speed of 17 knots. In July 2000 the twin sister-ships were joined by Royal Clipper, the line's flagship and the first fully rigged five-masted square-rigger since Preussen in 1902.

Visiting ports untouched by larger cruise ships and offering passengers the activities, amenities and atmosphere of a private yacht, Star Clippers is recognised as one of the premier speciality cruise lines. Guests enjoy delectable cuisine in one unhurried sitting, and are pampered by services in a casually elegant atmosphere. Whether climbing the mast for a better view or relaxing in the net off the bow, guests step into a world where unique experiences abound and new adventures await.

During the winter and spring months, Royal Clipper sails throughout the Caribbean. The ship repositions to the Mediterranean for the summer and fall seasons. Star Clipper spends the winter and spring in the Caribbean, repositioning to the Mediterranean for the summer and fall seasons. And Star Flyer sails up the Pacific Coast of Costa Rica in the winter and repositions to the Mediterranean for the summer and fall seasons.

Headquarters

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Senior Management

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Eric Krafft, vice-president
Jack Chatham, vice-president sales & marketing
Capt. Farhat Shamim, vice-president marine operations

Sales Offices

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Star Clippers Americas
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Australasia
Diana Siderova
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Fleet

Ship Name	Capacity	GRT
Royal Clipper	227	5,000
Star Clipper	170	2,298
Star Flyer	170	2,298



TUI Cruises

www.tuicruises.com

From prow to stern, the Mein Schiff fleet from TUI Cruises is designed with well-being and relaxation in mind. On board the well-being ships, the focus is on free space and generosity: many decks, spacious cabins, balconies and verandas characterise the architectural concept of the ships. In particular, the personalised and respectful service offers the well-travelled and quality-conscious guest a cruise to his taste. Almost half of the 962 cabins on Mein Schiff 1 and 956 cabins on Mein Schiff 2 feature balconies and verandas up to 24 square metres in size. These are the ideal areas for withdrawing, finding time for inspiration and space for beautiful moments for two. The en-suite Nespresso machine guarantees a private start to the day.

Over a total 12,000 square metres of sun deck, guests find great opportunities for relaxing – for instance, in one of the hammocks, on a comfortable recliner or in one of the relax islands on deck 14. The spacious spa area ensures relaxation on the high seas as well. In its gastronomic offering, TUI Cruises sets value on individuality and service. Different restaurants and bistros are an enticement to enjoy culinary delights: nine on Mein Schiff 1 and eight on Mein Schiff 2. There are no fixed meal times guests have to decide on at the start of the cruise. Instead, guests can choose when it suits them from a variety of restaurants with table service.

TUI Cruises offers guests its Premium All Inclusive-Concept. From Italian delicacies in Bistro La Vela, seafood specialties in Gosch Sylt through to cocktails in the TUI Bar almost all meals and drinks in most restaurants, bars and bistros are included in the price of the cruise. Not included in the Premium All Inclusive-Concept are the Surf & Turf steakhouse, Richards – Fine Dining restaurant, the Blaue Welt Bar Sushi as well as shore excursions, articles in the on-board shopping outlets and spa treatments. Guests only have to pay a small extra charge in the specialty restaurants referred to above.

The successful market launch of Mein Schiff 1 and Mein Schiff 2, is now followed by a systematic fleet expansion – a new build will come into service in 2014. TUI Cruises has signed a contract with the STX Finland Oy shipyard. The new



well-being ship is some 294 metres long and has a capacity of about 99,000 gross register tons. 1,250 cabins with 2,500 beds are spread over 15 decks. Of the 1,250 cabins on the new well-being ship, 90 percent will be outside cabins and 82 percent will feature balconies. With the new ship TUI Cruises will also be setting new environmental standards. The most highly developed fuel efficiency lies at the heart of the drive for sustainability.

Headquarters

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Germany

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Reservations: **+49 (40) 28 66 77 - 111**

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www.tuicruises.com

Senior management

Richard J. Vogel, CEO

Frank Kuhlmann, CFO

Alexa Hüner, Director Communications

Godja Soennichsen, Director Communications

Fleet

Ship Name	Capacity	GRT
Mein Schiff 1	1,924	76,998
Mein Schiff 2	1.912	77,302
Under construction		
Third ship (2014)	2,500	97,000



**European
Cruise Council**

Associate Members





LIFE MATTERS



PORT OF TROMSØ





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