

FEDERAL MARITIME COMMISSION

FACT FINDING INVESTIGATION NO. 30

COVID-19 IMPACT ON CRUISE INDUSTRY

**INTERIM REPORT: ECONOMIC IMPACT OF COVID-19 ON THE CRUISE
INDUSTRY ON U.S. TERRITORIES IN THE CARIBBEAN**

MAY 19, 2021

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I. Executive Summary

In April 2020, the Federal Maritime Commission (Commission) initiated a fact-finding investigation (Fact Finding 30 or FF30). The Order of Investigation¹ directed Commissioner Louis E. Sola to investigate and respond to the current challenges impacting the cruise industry and the U.S. ports that rely on it. Commissioner Sola, as the Fact-Finding Officer, has been engaging cruise industry stakeholders, including passenger vessel operators (PVOs), cruise passengers, and marine terminal operators, in public and non-public discussions to identify possible solutions to COVID-19-related issues that interfere with the operation of the cruise industry. Commissioner Sola also established consultative panels comprised of representatives from various port authorities, marine terminal operators, cruise lines, trade associations, consumer advocates, and the financial industry. The culmination of this process is a series of reports with each report dedicated to either a particular concern or to the ports of a designated region. This report will focus on U.S. territories in the Caribbean and touch upon other port communities in neighboring nation states that serve as ports of call for passenger vessels sailing to or from the United States. As per the Commission's Fact Finding 30 Order, this report will focus on the economic impact of the inability of the cruise lines to sail. This report will not address such items as crew member repatriation or the environmental impact of the cessation of passenger vessel sailings; nor will it address the various health related issues which must be attended to prior to the resumption of travel.

On March 13, 2020, members of the Cruise Lines International Association (CLIA) announced a pause in the operations of its members to assess and address the risks posed by the COVID-19 pandemic. On March 14, 2020, the Centers for Disease Control and Prevention (CDC) issued a No Sail Order and Suspension of Further Embarkation applicable to PVOs whose vessels carry 250 or more individuals (passengers and crew) with an itinerary anticipating an overnight stay onboard or a 24 hour stay onboard for either passengers or crew.² Both voluntary suspension of operation by CLIA and cruise lines, and extensions of the CDC No Sail Order continued through most of 2020.³ Although the CDC's No Sail Order was not extended at the end of October 2020, the CDC released on October 30, 2020 a Framework for Conditional Sailing Order. Since then, additional guidance has been issued by the CDC regarding steps needed before cruise lines might embark or disembark passengers and crew at any port under United States jurisdiction. These guidelines continue to be modified by the CDC based on public health considerations and as new

¹ Order of Investigation, Fact Finding Investigation No. 30, COVID-19 Impact on Cruise Industry (FMC April 30, 2020), https://www2.fmc.gov/readingroom/docs/FFno30/ffno30_ord.pdf/.

² The CDC's No Sail Order applies to vessels with a capacity to carry 250 passengers and crew anticipating to stay overnight or for over 24 hours. The Commission's requirements apply to vessels with berth/stateroom capacity to carry 50 or more passengers. So, there could be small PVOs the Commission regulates that are not subject to the CDC's No Sail Order (with vessels carrying more than 50 passengers but less than 250 passengers and crew).

³ On April 9, 2020, the CDC extended the termination date of the order to July 24, 2020. On June 19, 2020, CLIA announced that the major cruise lines have agreed to voluntarily extend a suspension of operations out of U.S. ports until September 15, 2020. On July 16, 2020, the CDC extended the termination date of its order to September 30, 2020. On August 5, 2020, CLIA voluntarily extended its suspension of operations until October 31, 2020. (<https://cruising.org/en/news-and-research/press-room/2020/august/clia-announces-third-voluntary-suspension-of-us-cruise-operations>). On September 30, the CDC extended again the order until October 31, 2020.

information becomes available.⁴ Currently, most cruise lines have announced that no cruise will embark from the United States until at least the summer of 2021. However, it is unclear what impact the appearance of viral variants and the COVID-19 vaccination may have on the anticipated resumption by the cruise lines or the public's comfort in sailing. In March 2021, Antigua and Barbuda as well as Curacao were added to the CDC's highest advisory regarding COVID-19 travel. It should also be noted that limited cruise operations are taking place outside of North American waters and are being monitored by cruise lines to determine the efficacy of their safety protocols. Several cruise lines are expanding their operations in the Caribbean as they cannot yet sail out of the U.S.

To understand the effect of these events on the regional economy, Commissioner Sola examined the fiscal impact of the cruise industry on regional economies and included those figures in this report.

II. Fact Finding Method

Meetings with Government, Port, and Industry Leaders

Commissioner Sola communicated with port directors, government officials, cruise industry leaders, business executives, and labor leaders in the region examined in this report. The Commissioner appreciates all those who contributed their valuable insight to this review.

Open-Source Information

A variety of open-source information is used in this report. These include annual reports by ports and studies by various research firms.⁵ Port websites, industry association websites, industry-related magazines and news sources were also considered.

Individual Port Analysis

This report presents brief observations related to individual cruise ports in the region examined and attempts to provide a consistent format for each individual port review. Due to the unique nature of each port and the variety of source material available from one port to another, each segment will vary to some degree.

⁴ “On May 5, 2021, CDC released the next two phases of the Framework for Conditional Sailing Order (CSO) for cruise ships operating or seeking to operate in U.S. waters. CDC published technical instructions for cruise ship operators preparing to conduct simulated (“trial”) voyages in advance of restricted passenger voyages under a COVID-19 Conditional Sailing Certificate.”, Centers for Disease Control and Prevention, CDC COVID-19 Orders for Cruise Ships (May 5, 2021), <https://www.cdc.gov/quarantine/cruise/covid19-cruiseships.html> (last visited May 17, 2021).

⁵ More information on methodology used for the studies can be found in the studies, provided in footnotes or text.

Terminology

This report discusses direct, indirect, and induced impact as found in various documents, especially in job and wage numbers. In general, these terms can be defined as follows:

Direct jobs are those that would not exist if activity at the Port's cargo and cruise facilities were to cease... Direct employees created by the cruise operations include the jobs with the firms providing the direct vessel services – chandlers, pilots, longshoremen, line handlers, local advertising firms, caterers, liquor wholesalers, linen companies, security firms, waste disposal firms, parking, local transportation -- as well as the firms providing services to the passengers on the vessels.⁶

Indirect jobs are created throughout the state as the result of purchases for goods and services by the firms directly impacted by the port activity, including the tenants, terminal operators and the firms providing services to cargo – which includes...cruise passenger operations.⁷

Induced jobs are jobs created in the state by the purchases of goods and services by those individuals directly employed by each of the lines of business at each port...The induced jobs are jobs with grocery stores, restaurants, health care providers, retail stores, local housing/construction industry, and transportation services, as well as with wholesalers providing the goods to the retailers.⁸

⁶ Florida Seaport Transportation and Economic Development Council, The Statewide Economic Impacts of Florida Seaports (Dec. 2016) at 2, <http://scdn.flaports.org/wp-content/uploads/EconomicImpactsOfFloridaSeaports.pdf> (last visited Aug. 17, 2020).

⁷ *Id.* at 3.

⁸ *Id.* at 3.

III. Observations



A. Puerto Rico

The cruise terminals at the Port of San Juan are part of the Puerto Rico Ports Authority. According to the Ports Authority website,⁹ three piers are used for cruise ships. One is used for both in-transit and homeported ships of lower passenger capacity. A second is used for in-transit ships and is big enough for large cruise ships, and a third pier can host large in-transit and homeported cruise ships. Several major cruise lines use San Juan as a homeport.¹⁰

⁹ Puerto Rico Ports Authority, MARITIME – Sea Ports, https://translate.googleusercontent.com/translate_c?hl=en-US&sl=es&tl=en&prev=search&u=http://www.prpa.pr.gov/Documents/MAR%25C3%258DTIMO.pdf&usg=ALkJrhgkex8Y_mCrOoAqCijIT9TBsWBmPQ (last visited April 2, 2021).

¹⁰ San Juan Puerto Rico.com, San Juan Puerto Rico Cruise Port, <https://sanjuanpuertorico.com/cruises/> (last visited May 17, 2021).

Puerto Rico had a number of events that affected ship calls before COVID-19. In September 2017, the area was affected by Hurricane Maria.¹¹ In July 2019, during protests in Old San Juan, several ship calls were cancelled.¹² Discussions on change in terminal operators in 2019 may have affected future cruise scheduling.¹³



Puerto Rico is a popular cruise destination both as a homeport and an in-transit port. According to the Puerto Rico Tourism Company's website (Puerto Rico Tourism Statistics),¹⁴ during Puerto Rico's fiscal year of July 2018-June 2019, San Juan had 1,814,157 passenger movements. About 507,000 were homeport passenger movements¹⁵ and 1,307,105 were in-transit cruise visitors. That year, there were 558 ship calls; 217 from homeported ships and 341 in-transit cruise ships.

Economic impact studies were done by the Florida-Caribbean Cruise Association (FCCA) in partnership with Participating Destinations on the 2017/2018 and 2014/2015 cruise years, and, therefore, information is being provided about those years as well.

Per the FCCA and Participating Destinations' 2017/2018 report (2017/2018 Destinations Report),¹⁶ during the 2017/2018 cruise year, Puerto Rico had 1.19 million cruise visitors. Of these, over 826,000 were in-transit visitors and over 361,000 embarked on their cruise in Puerto Rico. Approximately 419,000 crew members came to the port. An estimated 90% of in-transit visitors and 41% of crew members left the ship while in port.

Puerto Rico has more than twice as many non-cruise visitors than cruise visitors. During Puerto Rico's 2017-2018 fiscal year, it had over 4.3 million visitors, compared to the cruise visitor numbers of 1.19 million referenced above.¹⁷

¹¹ Gene Sloan, USA Today, Hurricane Maria forces more changes to cruise itineraries already scrambled by Irma (Sep. 18, 2017), <https://www.usatoday.com/story/travel/cruises/2017/09/18/hurricane-maria-forces-more-changes-cruise-itineraries-already-scrambled-irma/676185001/#> (last visited Mar. 21, 2021).

¹² Tom Steighorst, Travel Weekly, The impact of the Puerto Rico street protests on cruise (Jul. 23, 2019), <https://www.travelweekly.com/Cruise-Travel/Insights/impact-of-the-Puerto-Rico-street-protests-on-cruise> (last visited Mar. 21, 2021).

¹³ Giovanna Garofalo, The Weekly Journal, Puerto Rico Gov't Puts on Hold P3 Project for San Juan Cruise Port (Dec. 24, 2019), https://www.theweeklyjournal.com/top-stories/puerto-rico-govt-puts-on-hold-p3-project-for-san-juan-cruise-port/article_728a309e-25c8-11ea-a5ba-8b50dc70660a.html (last visited Mar. 21, 2021).

¹⁴ Puerto Rico Tourism Company, Statistics, Cruise Ships & Visitors, Cruise Passenger Movement in Old San Juan (Fiscal Year), https://www.prtourism.com/dnn/Portals/0/PDF_Statistics/CY%20%20FY%20Cruise%20Info.pdf?ver=2019-11-05-140344-240 (last visited Mar. 21, 2021).

¹⁵ When counting passenger movements, in general, a homeport embarkation is counted once and a homeport disembarkation is counted once. Passengers who both began and ended their cruise in San Juan are counted twice.

¹⁶ May 2017-April 2018

¹⁷ Puerto Rico Tourism Company, Statistics, Visitors and their Expenditures, https://www.prtourism.com/dnn/Portals/0/PDF_Statistics/Visitors%20%20Expenditures.pdf?ver=2019-11-05-140344-193 (last visited Mar. 28, 2021).

Direct economic impact

Cruise line expenditures were mainly for services and supplies for the ships. Per the 2017/2018 Destinations Report, cruise line expenditures, including navigation services, port fees and taxes, utilities, and supplies, were estimated to be \$28.3 million in the 2017/2018 cruise year.

Puerto Rico has the sixth-highest cruise line spending in the Caribbean.¹⁸

Total direct spending by passengers, crew, and the cruise lines was an estimated \$151.2 million during the 2017/2018 cruise year, resulting in 1,947 direct jobs paying \$28.6 million in wages, according to the 2017/2018 Destinations Report.

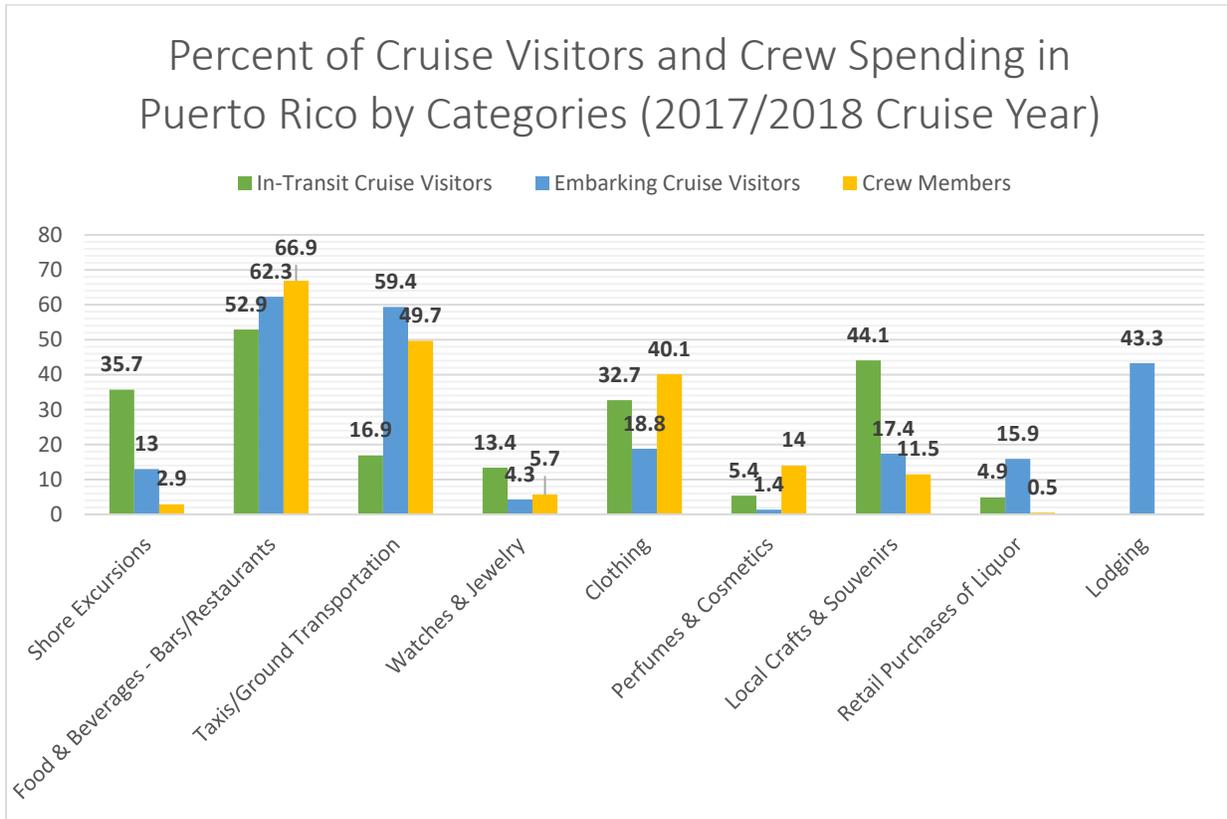
Passenger spending is the largest portion of cruise-related expenditures, but the average amount spent differs greatly between in-transit cruise visitors and embarking cruise visitors. According to the 2017/2018 Destinations Report, each in-transit cruise visitor spent an average of \$65.47 in Puerto Rico. This totals an estimated \$48.67 million for in-transit cruise visitor spending for the 2017/2018 cruise year. The highest average dollar amounts were spent on watches and jewelry, shore excursions, and food and beverages at bars and restaurants. The largest portion of in-transit cruise visitor participation in spending activities were for food and beverages at bars and restaurants, local crafts and souvenirs, shore excursions, and clothing. Each embarking cruise visitor spent an average of \$142.83 in Puerto Rico, totaling over \$51.6 million in spending during the 2017/2018 cruise year. Over three-fourths of the spending was on lodging, food and beverages, and shore excursions. The highest portion of embarking cruise visitor participation in spending activities were for food and beverages at bars and restaurants, taxis/ground transportation, and lodging.

Crew member spending also contributed to the cruise-related expenditures. The 2017/2018 Destinations Report estimates that crew members disembarking the ship in Puerto Rico spent an average of \$130.63. During the 2017/2018 cruise year, this resulted in around \$22.6 million in crew member spending. Over two-thirds of the spending was on food and beverages, clothing, and other unspecified purchases. The highest portion of crew member participation in spending activities were for food & beverages at bars & restaurants, taxis/ground transportation, and clothing.¹⁹

¹⁸ Florida-Caribbean Cruise Association and Participating Destinations, Economic Contribution of Cruise Tourism to the Destination Economies, Volume I: Aggregate Analysis, <https://www.f-cca.com/downloads/Caribbean-Cruise-Analysis-2018-Vol-I.pdf> (last visited Mar. 9, 2021).

¹⁹ Florida-Caribbean Cruise Association and Participating Destinations, Economic Contribution of Cruise Tourism to the Destination Economies, Volume II: Destination Reports (Oct. 2018), <http://www.f-cca.com/downloads/Caribbean-Cruise-Analysis-2018-Vol-II.pdf> (last visited Mar. 6, 2021).

A breakdown of the percentages of cruise visitors and crew members participating in each spending activity can be seen on the chart below.²⁰



Indirect economic impact

The total economic impact increases when indirect jobs and wages are factored in. According to the 2017/2018 Destinations Report, the total economic impact of the cruise industry in Puerto Rico, including indirect jobs and wages, was 3,644 jobs paying \$56 million in annual wages.

Several industries benefit from the cruise industry directly and/or indirectly. The 2017/2018 Destinations Report explains that the industries that result in the most jobs from the cruise industry are commercial services, transportation & utilities, and community services & government. Of the jobs that the cruise industry is responsible for, 76% are in commercial services, 13% are in community services and government, and 7% are in transportation and utilities.

²⁰ *Id.*

B. U.S. Virgin Islands

The Virgin Islands Port Authority owns and manages most of the public seaports; the cruise ports are Frederiksted, St. Croix and Crown Bay, St. Thomas.²¹ According to the port's website,²² the port authority is expected to be financially self-sufficient. The Virgin Island Government's Department of Planning and Natural Resources controls the mooring and anchoring of ships in port. A second cruise port on St. Thomas is part of the West Indian Company Limited.²³ The West Indian Company Limited is a public corporation owned by the Virgin Islands Public Finance Authority.²⁴



The U.S. Virgin Islands (USVI) has in-transit stops for cruise ships. Cruise ships at St. Thomas can be docked or anchor in the harbor and tender cruise visitors ashore. Cruise visitors to St. Thomas can take a ferry to St. John. The cruise terminal at St. Croix can handle cruise ships with up to 2,000-2,500 passengers; ships that are too large to be docked anchor in the outer harbor and tender cruise visitors to shore.²⁵

In 2019, St. Thomas and St. John had 1,391,802 cruise visitors, and St. Croix had 54,827 cruise visitors, totaling 1,433,122 cruise visitors to the USVI.²⁶ According to the USVI Bureau of Economic Research's Annual Tourism Indicators,²⁷ that year, the USVI had 640,800 non-cruise visitors. Though the majority of visitors come from cruise ships, the majority of tourist spending comes from non-cruise visitors. In 2018, USVI visitor expenditures totaled over \$1.045 billion. Of that, \$363.3 million was from cruise visitors and around \$862.3 million was from non-cruise visitors. A comparison of cruise and non-cruise visitor numbers, as well as visitor expenditures, can be seen on the charts below.²⁸

²¹ Virgin Islands Port Authority, About Us, <https://www.viport.com/about-us> (last visited Mar. 22, 2021).

²² *Id.*

²³ The West Indian Company Limited, Cruise Ship Dock, <http://wico-ltd.com/cruise-ship-dock> (last visited Mar. 22, 2021).

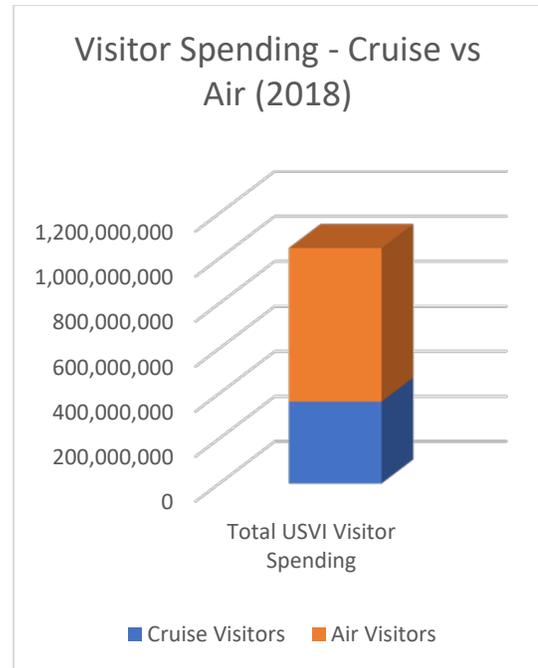
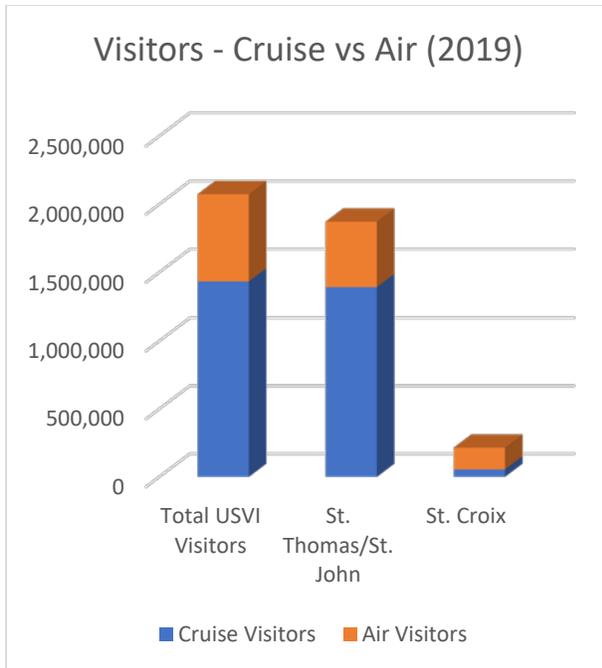
²⁴ Virgin Islands Public Finance Authority, Subsidiaries, <http://www.usvipfa.com/Home/Subsidiary/2> (last visited Mar. 22, 2021).

²⁵ Virgin Islands Port Authority, Cruise to St. Croix, <https://www.viport.com/ann-e-abramson-marine-facility> (last visited Mar. 23, 2021).

²⁶ United States Virgin Islands Bureau of Economic Research, Cruise Passenger Arrivals – U.S. Virgin Islands, January 2019 to December 2020 (Dec. 8, 2020), <http://usviber.org/wp-content/uploads/2016/11/CP20-dec.pdf> (last visited Mar. 23, 2021).

²⁷ United States Virgin Islands Bureau of Economic Research, U.S. Virgin Islands Annual Tourism Indicators, <http://usviber.org/wp-content/uploads/2016/11/TOUR19.pdf> (last visited Mar. 26, 2021).

²⁸ *Id.*



The information in the following sections is based on the 2017/2018 Destinations Report (cruise year May 2017-April 2018). That report states during that one-year period, the USVI had approximately 943,855 cruise visitors. Around 174,800 crew members also disembarked while in the USVI.

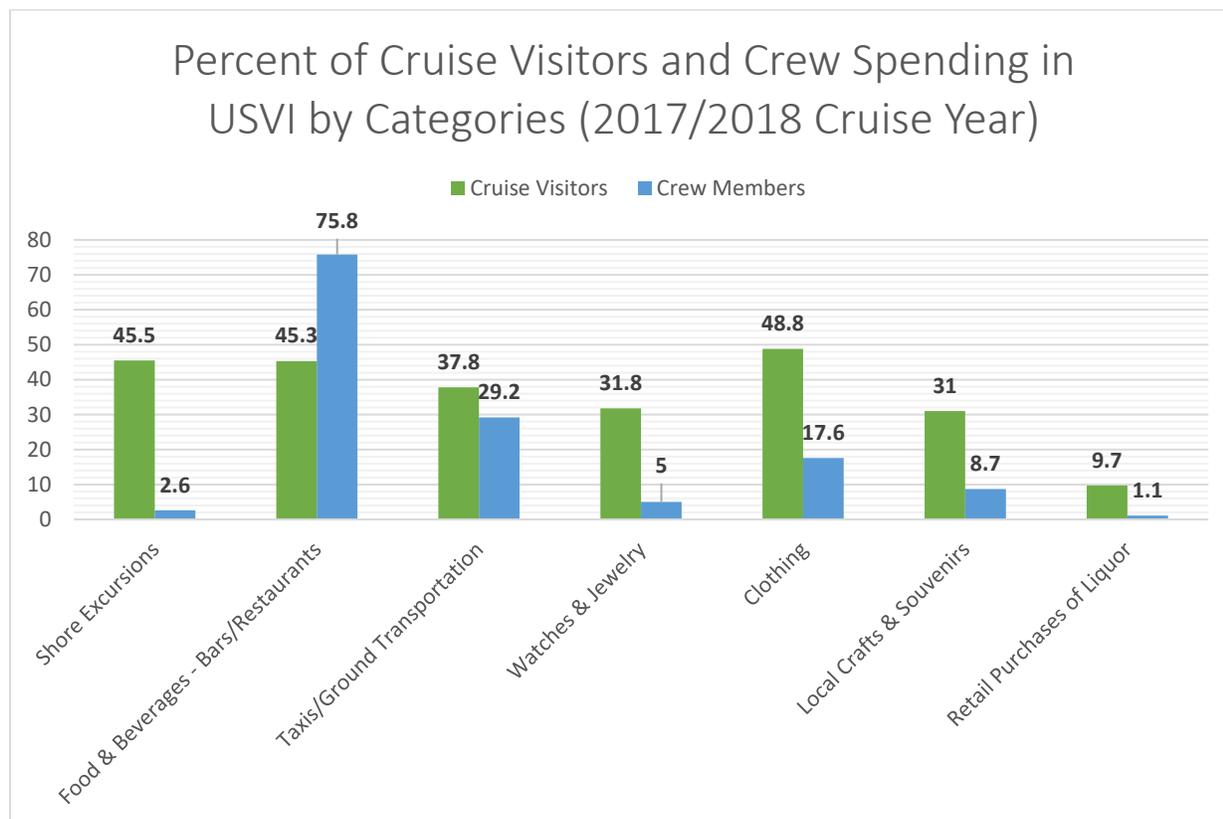
Direct economic impact

According to the 2017/2018 Destinations Report, total direct spending by cruise visitors, crew members, and cruise lines during the 2017/2018 cruise season is estimated at \$184.7 million. The highest portion of cruise visitors spending in categories (not the highest amount spent) were for clothing, shore excursions, and food & beverages at bars and restaurants).

Most cruise-related spending is from the ship’s passengers. The 2017/2018 Destinations Report averaged cruise visitor spending to be \$165.42 per passenger in the USVI. This totaled over \$156 million in cruise visitor spending that year. Shopping for watches and jewelry accounted for almost two-thirds of cruise visitor spending. The next highest categories were shore excursions and clothing.

Crew members going ashore also spent money in the USVI. Per the 2017/2018 Destinations Report, crew members spent an average of \$60.12 in the USVI, totaling an estimated \$10.5 million during the 2017/2018 cruise year. The highest average amounts were for food & beverages other purchases and clothing. The highest portion of crew members participation in the spending activities were for food & beverages at bars and restaurants, taxis/ground transportation, other purchases, and clothing.

A breakdown of the percentages of cruise visitors and crew members participating in each spending activity can be seen on the chart below.²⁹



Cruise line expenditures, including navigation services, port fees and taxes, utilities, and supplies, were estimated to be \$18 million in the 2017/2018 cruise year according to the 2017/2018 Destinations Report.

The spending by cruise visitors, crew members, and the cruise lines resulted in 1,869 direct jobs with \$42.5 million in wages per the 2017/2018 Destinations Report.

Indirect economic impact

One study estimates that “most economic activity in the USVI is in some way related to the ocean and, particularly, the tourism industry”³⁰ and “as much as 80% of the USVI’s GDP can be attributed to tourism-related activities.”³¹

²⁹ Florida-Caribbean Cruise Association and Participating Destinations, Economic Contribution of Cruise Tourism to the Destination Economies, Volume II: Destination Reports (Oct. 2018), <http://www.fcca.com/downloads/Caribbean-Cruise-Analysis-2018-Vol-II.pdf> (last visited Mar. 6, 2021).

³⁰ NOAA Office of Coastal Management, Describing the Ocean Economies of the U.S. Virgin Islands and Puerto Rico (Aug. 2016), <https://coast.noaa.gov/data/digitalcoast/pdf/econ-usvi-pr.pdf> (last visited Mar. 14, 2021).

³¹ *Id.*

The total economic impact increases when indirect jobs are added. The 2017/2018 Destinations Report estimated that the total economic impact of the cruise industry in the USVI during the 2017-2018 cruise year, including indirect jobs and wages, equates to 3,439 jobs paying \$77.9 million in wages. Industries that benefited the most jobs from the cruise industry were commercial services, transportation, utilities, community services, and government with about 75% in commercial services, 14% in utilities and transportation, and 8% in community services and government.

C. Neighboring Ports of Call

The Caribbean provides destinations for cruises leaving from Florida and other parts of the U.S., and is the most popular place to cruise. Before COVID-19, demand had been increasing. Between 2013 and 2018, the number of “bed days”³² grew by 40.9%.³³ In 2018, the Caribbean had over twice as many bed days than any other cruise region,³⁴ and over a third of the worldwide bed days.³⁵

Several countries and cities around Central America and the Caribbean are struggling financially as tourism has been dramatically curtailed since the onset of the pandemic. The cessation of cruise ship activity has contributed to this reduction. According to a recent study examining 2017/2018 numbers, the cruise industry brought in over \$3.3 billion in visitor, crew, and cruise line expenditures and was responsible for almost 79,000 jobs in the region.³⁶

Some countries, islands, and cities are not significantly affected by the lack of cruising, others more so. For example, the estimated cruise-related expenditures equated to approximately 15% of St. Kitts and Nevis’s GDP in 2017.³⁷ Mexico as a whole may not be significantly affected by

³² “Passenger bed days are the number of days that all berths could be occupied at 100% occupancy. For example, a cruise ship with 2,000 lower berths on a 7-day cruise generates 14,000 potential bed days.” See Cruise Lines International Association, *The Contribution of the International Cruise Industry to the Global Economy in 2018* (Nov. 2019) at 6, <https://cruising.org/-/media/research-updates/research/global-cruise-impact-analysis---2019--final.pdf> (last visited Mar. 27, 2021).

³³ Cruise Lines International Association, *The Contribution of the International Cruise Industry to the Global Economy in 2018* (Nov. 2019), <https://cruising.org/-/media/research-updates/research/global-cruise-impact-analysis--2019--final.pdf> (last visited Mar. 27, 2021).

³⁴ Other cruise regions are Alaska, Asia, Australia/NZ/Pacific, Europe not including Mediterranean, Mediterranean, South America, and the Rest of the World. Cruise Lines International Association, *The Contribution of the International Cruise Industry to the Global Economy in 2018* (Nov. 2019), <https://cruising.org/-/media/research-updates/research/global-cruise-impact-analysis---2019--final.pdf> (last visited Mar. 27, 2021).

³⁵ Cruise Lines International Association, *The Contribution of the International Cruise Industry to the Global Economy in 2018* (Nov. 2019), <https://cruising.org/-/media/research-updates/research/global-cruise-impact-analysis--2019--final.pdf> (last visited Mar. 27, 2021).

³⁶ All figures in this column are from Florida-Caribbean Cruise Association and Participating Destinations, *Economic Contribution of Cruise Tourism to the Destination Economies, Volume I: Aggregate Analysis* (Oct. 2018), <https://www.f-cca.com/downloads/Caribbean-Cruise-Analysis-2018-Vol-I.pdf> (last visited Mar. 9, 2021).

³⁷ Estimated expenditures during the 2017/2018 cruise year was \$149.28 million according to Florida-Caribbean Cruise Association and Participating Destinations, *Economic Contribution of Cruise Tourism to the Destination Economies, Volume I: Aggregate Analysis* (Oct. 2018), <https://www.f-cca.com/downloads/Caribbean-Cruise-Analysis-2018-Vol-I.pdf> (last visited Mar. 9, 2021). At 5. In 2017, the country’s GDP was \$997 million according to

the lack of cruising, but in the town of Cozumel, 11,945 jobs are attributed to the cruise industry.³⁸ The population of Cozumel, per a 2010 estimate, is around 100,000.³⁹ As the population has probably changed in the past decade, it is likely that somewhere between 10 and 15 percent of the local population rely on the cruise industry for work. This percentage, of course, does not include those who are dependent upon those so employed. Other islands may be in a similar situation to that of the USVI with a large sector of their economy dedicated to tourism, with a majority of visitors coming via cruise ships, but more of the visitor spending derived from non-cruise visitors. Other islands and countries in the vicinity may be similar to Puerto Rico where industries other than tourism dominate their economy.

The charts below show parts of Mexico, Central America, and the Caribbean, and the expenditures coming from the cruise industry and jobs attributed to the cruise industry in each country, island, or port.

Cruise Ports in Mexico⁴⁰			
Destination	Cruise tourism expenditures (in \$US millions)	Jobs	Wages (in \$US Millions)
Cozumel	\$474.07	11,945	\$78.21
Costa Maya	\$89.54	2,081	\$13.45
Puerto Vallarta	\$42.50	1,027	\$7.27
Ensenada	\$40.39	1,016	\$7.69
Progreso	\$32.72	807	\$5.02
Cabo San Lucas ⁴¹	\$22.40	587	\$3.90
Mazatlan	\$15.87	420	\$2.56
Manzanillo	\$2.71	58	\$0.45
Puerto Chiapas	\$1.59	38	\$0.25
Total	\$721.79	17,979	\$118.8

the World Bank at <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=KN> (last visited Mar. 14, 2021).

³⁸ Florida-Caribbean Cruise Association and Participating Destinations, Economic Contribution of Cruise Tourism to the Destination Economies, Volume I: Aggregate Analysis (Oct. 2018), <https://www.fcca.com/downloads/Caribbean-Cruise-Analysis-2018-Vol-I.pdf> (last visited Mar. 9, 2021).

³⁹ World Atlas, Cozumel Facts, <https://www.worldatlas.com/webimage/countrys/namerica/caribb/cozumel/cozumelfacts.htm> (last visited Mar. 27, 2021).

⁴⁰ Mexican ports on the west coast are also included. All figures, unless otherwise noted, are from the 2017-2018 cruise year, Florida-Caribbean Cruise Association and Participating Destinations, Economic Contribution of Cruise Tourism to the Destination Economies, Volume I: Aggregate Analysis (Oct. 2018), <https://www.fcca.com/downloads/Caribbean-Cruise-Analysis-2018-Vol-I.pdf> (last visited Mar. 9, 2021).

⁴¹ 2014-2015 numbers. Florida-Caribbean Cruise Association and Participating Destinations, Economic Contribution of Cruise Tourism to the Destination Economies, Volume I: Aggregate Analysis (Oct. 2015), www.fcca.com/downloads/2015-cruise-analysis-volume-1.pdf (last visited Mar. 16, 2021).

Caribbean and the Bahamas⁴²			
Destination	Cruise tourism expenditures (in \$US millions)	Jobs	Wages (in \$US Millions)
Bahamas	\$405.75	9,004	\$155.71
Jamaica	\$244.53	8,293	\$56.57
Cayman Islands	\$224.54	4,622	\$92.24
U.S. Virgin Islands	\$184.69	3,439	\$77.89
Puerto Rico (San Juan)	\$151.17	3,644	\$56.00
St. Kitts & Nevis	\$149.28	2,065	\$17.64
St. Maarten	\$143.24	3,499	\$72.34
Dominican Republic	\$134.72	4,052	\$17.43
Aruba	\$102.75	2,255	\$38.03
Turks and Caicos	\$86.47	1,461	\$26.76
Antigua & Barbuda	\$77.74	1,466	\$14.41
Curacao	\$71.73	1,106	\$20.73
Barbados	\$71.03	2,351	\$25.36
St. Lucia	\$59.42	1,465	\$11.64
Guadeloupe	\$52.94	994	\$8.56
Martinique	\$38.22	790	\$6.43
Bonaire	\$30.15	525	\$8.77
Grenada	\$19.25	529	\$3.65
St. Vincent	\$16.43	418	\$3.39
Dominica ⁴³	\$14.2	373	\$2.9
British Virgin Islands	\$12.63	234	\$4.33
Trinidad	\$3.5	116	\$1.59
Tobago ⁴⁴	\$0.6	30	\$0.4
Total	\$2,294.98	52,731	\$722.77

⁴² All figures, unless otherwise noted, are from the 2017-2018 cruise year, Florida-Caribbean Cruise Association and Participating Destinations, Economic Contribution of Cruise Tourism to the Destination Economies, Volume I: Aggregate Analysis (Oct. 2018), <https://www.f-cca.com/downloads/Caribbean-Cruise-Analysis-2018-Vol-I.pdf> (last visited Mar. 9, 2021).

⁴³ 2014-2015 numbers. Florida-Caribbean Cruise Association and Participating Destinations, Economic Contribution of Cruise Tourism to the Destination Economies, Volume I: Aggregate Analysis (Oct. 2015), www.f-cca.com/downloads/2015-cruise-analysis-volume-1.pdf (last visited Mar. 16, 2021).

⁴⁴ *Id.*

Central American Countries and Colombia ⁴⁵			
Destination	Cruise tourism expenditures (in \$US millions)	Jobs	Wages (in \$US Millions)
Honduras	\$107.36	2,198	\$11.61
Belize	\$86.12	2,530	\$27.68
Panama	\$77.75	1,827	\$12.65
Colombia	\$59.85	1,186	\$8.56
Costa Rica	\$29.24	825	\$5.17
Guatemala	\$11.08	345	\$1.66
Nicaragua	\$5.70	323	\$0.96
Total	\$377.10	9,234	\$68.29

With cruise operation in the U.S. still uncertain, one major cruise line announced in mid-March that it will be sailing out of the Bahamas starting in June 2021.⁴⁶ According to the cruise line’s blog,⁴⁷ destinations include the cruise line’s private island in the Bahamas and Cozumel, Mexico. All passengers must be fully vaccinated.

IV. Conclusion

The international cruise industry brings in hundreds of millions of dollars annually to the USVI and Puerto Rico economies. It also generates billions of dollars in revenue to neighboring countries throughout the Caribbean. Just as with the States studied in earlier reports, the populace of the U.S. territories and those port communities located in countries visited by cruise vessels originating out of U.S. ports depend upon the revenue generated by the cruise industry. While impacts vary when considering the GDP of any given territory or nation state, the harm to local communities is always disproportionately severe especially when one considers the limited income generating alternatives. Fortunately, with the new and evolving guidelines being set by the CDC for the resumption of cruising out of U.S. ports it seems that improvements to the current situation are on the horizon. However, the issue of shore side excursions has yet to be addressed and must be prior to any real return to normality being experienced by the port communities in neighboring nations. A failure to address this issue is a detriment to both the potential passengers who wish to enjoy a pre-pandemic cruise experience and to the foreign ports of call. Although not studied by this Fact Finding Officer, it should also be noted that a report

⁴⁵ Only Colombia is included for South American countries, as it is sometimes a stop on Caribbean or Panama Canal cruises. Some Central American country ports are on the west coast. All figures, unless otherwise noted, are from the 2017-2018 cruise year, Florida-Caribbean Cruise Association and Participating Destinations, Economic Contribution of Cruise Tourism to the Destination Economies, Volume I: Aggregate Analysis (Oct. 2018), <https://www.f-cca.com/downloads/Caribbean-Cruise-Analysis-2018-Vol-I.pdf> (last visited Mar. 9, 2021).

⁴⁶ Matt Hochberg, Royal Caribbean Blog, New Adventure of the Seas sailings out of Nassau, Bahamas now available to book (Mar. 24, 2021), <https://www.royalcaribbeanblog.com/2021/03/24/new-adventure-of-the-seas-sailings-out-of-nassau-bahamas-now-available-book> (last visited Mar. 28, 2021).

⁴⁷ *Id.*

from the Office of the Director of National Intelligence (DNI) issued in April 2021 advises of potential national security threats, emphasizing those concerns arising from the pandemic, which has weakened many developing countries. The report states:

The economic fallout from the pandemic is likely to create or worsen instability in at least a few—and perhaps many—countries, as people grow more desperate in the face of interlocking pressures that include sustained economic downturns, job losses, and disrupted supply chains. Some hard-hit developing countries are experiencing financial and humanitarian crises, increasing the risk of surges in migration, collapsed governments, or internal conflict.⁴⁸

The report also specifies that greater economic impact is felt in industries such as **tourism**, (emphasis ours) and the “effects on developing countries—especially those that rely heavily on remittances, tourism, or oil exports—may be severe and longer lasting; many developing countries already have sought debt relief.”⁴⁹ These countries could be more susceptible to competitive foreign influence. “[S]ome governments, such as China and Russia, are using offers of medical supplies and vaccines to try to boost their geopolitical standing.”⁵⁰

While we certainly should not deduce from the DNI statement above that the lack of cruise activity in the Caribbean and Central America pose a national security risk, we should acknowledge that sister agencies recognize the contributing detrimental economic pressures caused by its absence.

As we have discussed in other Fact Finding 30 reports, the significance of the cruise industry’s economic impact is unique to each state or region. We have also observed that the challenges being posed by the current pandemic are fluid and not easily met. This report, being specific to the cruise ports located in the Caribbean, focusing on U.S. Territories, is designed simply to provide an overview as to the financial impact being experienced by that region due to the cessation of cruise operations. It is hoped that the data provided will not only draw attention to the importance of the cruise industry, but also encourage and assist appropriate authorities to do what is necessary to relaunch the cruise operation in a timely and safe manner that builds confidence among cruise consumers. As Fact Finding Officer, Commissioner Sola continues to explore options to achieve these goals.

⁴⁸ Office of the Director of National Intelligence, Annual Threat Assessment of the US Intelligence Community (Apr. 9, 2021), at 17, <https://www.dni.gov/files/ODNI/documents/assessments/ATA-2021-Unclassified-Report.pdf> (last visited Apr. 28, 2021).

⁴⁹ *Id.*

⁵⁰ *Id.*