

CLIA RAISES ALARM: CRUISES IN VENICE SUFFER LOSSES



The cruise industry calls for immediate action from the government and the Ministry of Infrastructure and Transport to find a solution for Venice. Cruise companies fear that the future of cruises in Venice is at serious risk due to the recent law decree 103/2021 that prohibits large ships (above 25 gross tons) from entering the San Marco Basin, Giudecca Canal, and the Maritime Station.

The delay in constructing new moorings, which were supposed to ensure a considerable restart of cruise activities, is causing significant disruption in the industry.

The executive chairman of MSC Cruises, Pierfrancesco Vago, has expressed his view on the future of cruises in Venice. While the company has continued to believe in the industry's potential in the city, **there have been significant logistical, economic, and organizational challenges due to reasons out of their control.**

The future of the cruise industry itself is now at severe risk, and despite the commitments made by the authorities in 2021 after the sudden ban on cruises, an alternative and credible plan for the cruise industry still needs to be prepared. The companies favored no longer passing through Giudecca, but they expected to be summoned to study a solution together. Unfortunately, that did not happen, and no severe alternative has been proposed.

As a result, many cruise companies have decided not to call at Venice anymore due to significant operational difficulties, resulting in a two-thirds drop in passengers. Before the pandemic, cruises brought around 1.5 million tourists to the city annually. Still, there will only be 500,000 this year, leading to severe economic damage for the operators and the entire city.

The financial impact of cruises in Venice was estimated at over 400 million per year, with around 160 million in direct expenditure in the area. Cruises also provided thousands of jobs, representing around 3% of the city's GDP.

The company trusts that the Ministry of Infrastructure and Transport will take adequate measures to give stable and specific prospects to the Venetian cruise industry. Otherwise, the companies will be forced to take alternative routes.

Fabrizio Spagna is the president of Venezia Terminal Passeggeri (Vtp), which manages cruise services in Venice. He estimates that the cruise sector has suffered losses of approximately 50 million euros since the entry into force of law decree 103/2021, which banned large ships (above 25 gross tons) from the San Marco Basin, the Giudecca Canal, and the Maritime Station. Spagna also mentions extra costs of 9 million euros per year and over 7 million euros of lost compensation from the government, accumulated between 2021 and 2022.

Roberto Alberti, senior vice president & chief corporate officer of Costa Cruises, shares concerns about the future of cruises in Venice. He states that they have always supported the sector's development in a way that respects the city's unique features. They want to find alternative solutions to allow companies to continue operating and feed an ecosystem that includes many local companies. However, the emerging situation is not going in this direction. The alternative solutions

for the docking of cruise ships that had been promised still need to be realized.

Clia is an international cruise association that brings together 70 companies, accounting for 95% of the total. They are concerned about the situation in Venice, where a temporary ban on cruise ships risks becoming permanent. This would negatively impact the entire cruise tourism sector, which operates well in advance and with rigorous planning.

Francesco Galietti, director of Clia Italia, emphasizes that acting without certainty about the situation in the coming years risks the presence of cruises in Venice. At present, only two companies have decided to confirm their stopovers despite facing many difficulties, including great economic, logistical, and organizational efforts. However, they may leave the city permanently if their commitments are not respected.

This would result in both losing Venice's status as a homeport, i.e., terminus port, and a structural decline in cruise traffic and tourism throughout the Adriatic. Venice has always been a hub of attraction, and the current lack of certainty has led many shipowners to divert ships to other ports and countries.

The companies have been expressing their support for not passing through Giudecca and requesting an alternative solution to be prepared long before 2021. However, concrete discussion has yet to be initiated. Even though cruises represent less than 2% of traffic in the Lagoon, they are the maritime industry's most technologically advanced and innovative sector. Therefore, they can contribute significantly to developing solutions that can preserve the lagoon ecosystem and promote the sustainable economic development of the city. Furthermore, questioning the presence of cruises in Venice is equivalent to questioning the existence of Venetian ports.

Regarding the solutions, the issue is not the decisions made but the delays in the execution phase of the projects. "We believe that the future of cruise tourism lies in Marghera, with an important location at Stazione Marittima for luxury ships. However, there are significant delays in realizing the new berths that had been assured to us," says Vago. **The cruises continue to operate in the two container terminals of Marghera, which is a temporary solution posing many operational limits. The new docks are yet to come, and it is unclear when they will be ready.**

Regarding the excavation of Vittorio Emanuele III, "we are still in a very preliminary phase. Only the tender for the assignment of the technical-economic feasibility project and for the environmental impact study relating to the dredging of the Malamocco-Marghera Canal has been published. We don't know when the works will begin, nor which ships will be able to transit," he concludes.

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