

# Seatrade

## Cruise Review

June 2019 Quarterly

**FROM THE RIVER TO THE SEA**

Mário Ferreira's journey



# From the river to the sea

Mystic Invest's Mário Ferreira is a force of nature. **Anne Kalosh** reports.

**M**ário Ferreira built up Douro River cruising in his native Portugal, acquired Germany's Nicko Cruises and is branching into the expedition sector with a planned fleet of 10 ships. The first, World Explorer, is now in service. These vessels are for charter to companies like Quark Expeditions, as well as operation by Nicko and the new customer-facing Mystic Cruises brand in the US. There's even talk of a float on the New York Stock Exchange in a few years.

Oh, and space travel.

'Mário is extremely creative, passionate and he loves to take on new challenges. There is never a dull moment with him,' says fellow entrepreneur Rudi Schreiner, president and co-founder of AmaWaterways.

Ferreira, 51, is a self-made man who rose to become a national figure in Portugal. People stop him in the street for selfies, and prime ministers attend his ship namings. His newbuilds keep shipyards viable, provide jobs and create opportunities for suppliers.

'We're delighted to be a partner for crew management' for World Explorer, says Per Bjørnsen, director, V. Ships Leisure. 'We are passionate for this industry and so when we can share the experience with passionate people like Mário, it means a lot. The industry is so consolidated now. It is nice to see new shipowners, operators and brands. It makes the industry more vibrant.'

Ferreira just got a boost from Certares

Holdings, which paid €250m for a 40% equity stake in Mystic Invest's cruise holdings – DouroAzul, Nicko and Mystic Cruises. The Ferreira family retained full ownership of their non-cruise businesses, which include hotels and real estate.

'Our partnership with Certares comes at a wonderful period of opportunity and growth for Mystic,' Ferreira says. 'We look forward to continuing our growth in the river cruising market and expanding our capabilities with the launch of our expedition fleet.'

Certares also holds stakes in AmaWaterways and owns Travel Leaders Group, a collection of prominent travel brands and distributors including Travel Leaders Network, Nexion, Protravel International, Tzell, CruCon Cruise Outlet and Cruise Specialists, among others.

There could be synergies as Mystic is dedicating four expedition newbuilds to the US market, starting with two in 2021. 'We are not totally unknown' to the distribution channel stateside, Ferreira says; the company already has charters and products serving Americans but, until now, they haven't been Mystic branded.

Are the big retailers stateside taking a closer look?

'While I am currently satisfied with our current roster of preferred suppliers and not exploring to add to that list, I am intrigued by their strong financial backing and open to hear how their product is different than anything we may offer

today,' says David Crooks, senior vice president of product and operations, World Travel Holdings, the parent of brands including CruisesOnly, Dream Vacations, CruiseOne and Cruises Inc.

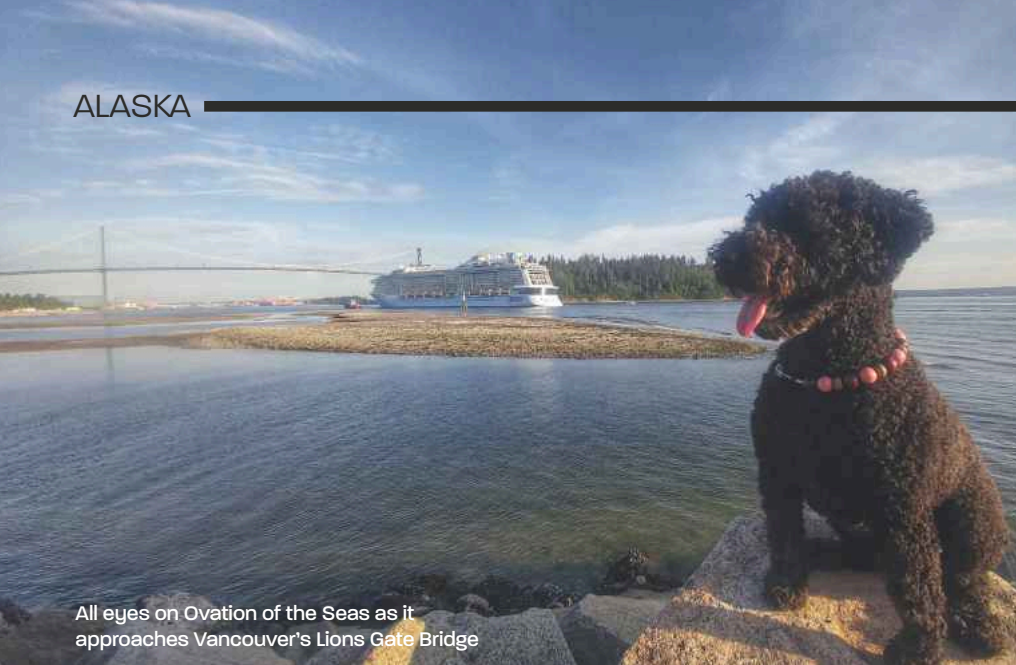
The new US office in downtown Fort Lauderdale is led by Mystic Invest veteran Alberto Aliberti as president of Mystic Cruises USA. He previously served as owner's representative and before that was development executive, after joining 14 years ago as chief operating officer for DouroAzul. Earlier, Aliberti worked at Cunard in shoreside operations.

Mystic Cruises USA will focus on travel agents and tour operators to distribute 90% of its product, and is staffing with key executives known to the trade. Technology and support systems are being selected, with sales to open in the fourth quarter this year. The office is planned to number up to 60 people in three years.

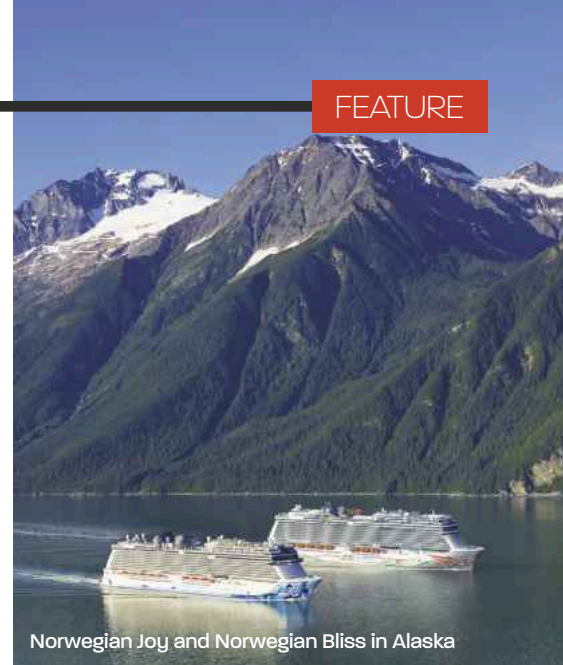
'The market is bullish,' Ferreira says of the decision to launch stateside. 'The clientele exist. There is huge demand for smaller, high-end vessels.'

The US-dedicated fleet will consist of World Navigator and World Traveller, due to enter service in 2021, followed by World Seeker and World Adventurer in 2022.

Value for money is how Mystic Cruises intends to stand out in a market that's seeing a growing number of expedition ships coming from established brands. 'We are absolutely sure that we're going to be better



All eyes on Ovation of the Seas as it approaches Vancouver's Lions Gate Bridge



Norwegian Joy and Norwegian Bliss in Alaska

# Bridging the infrastructure gap

**Anne Kalosh** reports on developments that may shift the equation in Alaska.

**C**ruise lines are stepping in to help solve infrastructure challenges in an increasingly important market, Alaska. A record 1.36m people are projected to visit by ship this year, a number that could pass 1.4m in 2020, according to CLIA Alaska.

The count has been climbing for several seasons as Princess Cruises, Royal Caribbean, Norwegian Cruise Line and Celebrity Cruises send bigger ships, while brands including Cunard, Azamara, Windstar, Viking and Hurtigruten, among others, come for the first time or return after a gap.

'In the next couple years, as demand continues to increase for Alaska as a cruise destination, the cruise lines will engage to a greater extent to apply capital to infrastructure to handle larger ships,' CLIA Alaska president John Binkley says. He points to Skagway, where Holland America Princess Alaska Tours acquired port, railroad and retail operations for \$290m in 2018, and the Railroad Dock is being enlarged to serve two neo-Panamax ships.

Norwegian Cruise Line Holdings is backing developments at Icy Strait Point in Hoonah and Ward Cove near Ketchikan that could add a total three new mega-ship berths in 2020. MSC Cruises, Royal Caribbean Cruises Ltd. and Carnival Corp. are jointly bidding to partner with the Port of Seattle to develop and operate a cruise facility at Terminal 46 that would add a mega-ship berth by 2022.



Ken Muskat

enrich our US-based itineraries in light of the continued expansion of our fleet as well as our growing customer base across North America, including in Canada,' says Ken Muskat, evp & chief operating officer, MSC Cruises USA.

The involvement of more lines may shift the balance in Alaska, which has always been dominated by Carnival Corp.'s Holland America Princess Alaska Tours, with decades of investments in tour operations, lodging and ground transportation.

'Will the independents get more control? With MSC in there, the model is going to change,' an industry source predicts. The group including MSC hasn't been selected by the Port of Seattle, only shortlisted, and among three strong contenders.

Another shift is occurring between the homeports of Seattle and Vancouver.

'Seattle has jumped ahead of Vancouver by already moving towards a fourth berth, and Vancouver is still trying to find what their solution is,' the industry source says.

MSC doesn't have a ship on the West Coast – yet. 'While we cannot comment further on the specifics of this tender, it would only make sense that we are

looking to further

Seattle plans a \$200m facility, half paid by a private development partner, on a 29-acre site near historic Pioneer Square. The location is south of the Bell Street Cruise Terminal at Pier 66 and the Smith Cove Cruise Terminal at Pier 91, putting it closer to the Seattle-Tacoma International Airport.

Following a request for qualifications, the port shortlisted three groups and is honing a request for proposals. On the shortlist are Cruise Industry Leaders Group, the partnership including Royal Caribbean, MSC Cruises and Carnival Corp. plus SSA Marine; Global Ports Holding and Civil & Building North America; and Ports America with Jacobs Engineering Group.

Royal Caribbean, MSC and Carnival are all seasoned port builders and operators.. Seattle-based partner SSA Marine, a subsidiary of Carrix, is a giant in marine terminal operations whose cruise business includes Seattle's Smith Cove Terminal.

Global Ports Holding, world's largest cruise port operator, has been expanding into the Americas with ports in the Bahamas and the Caribbean; this would be a first West Coast location. Partner Civil & Building North America is part of Bouygues Group, a Paris-based global player in construction, with operations in more than 60 countries.

Ports America is the largest stevedore and terminal operator in the US, operating in more than 42 ports and 80 locations. Its cruise business includes Seattle's Pier 66



# Merging of design and safety

**T**he merging of design and safety on board cruise ships and how brand values can be incorporated into design concepts will come under the spotlight at specially crafted Marine Interiors panel discussions featured at Seatrade Europe 2019 Cruise and River Cruise Convention, co-located with the new MARINE INTERIORS Cruise & Ferry Global Expo, powered by SMM. Both take place September 11-13 in Hamburg.

Finding competent project partners is one thing, complying with strict safety regulations another.

The art of implementing regulatory requirements on board a cruise ship in an aesthetically pleasing way will be the subject of a panel discussion titled 'How to design to comply' at 14.30-16.00 on September 11.

The panel will be moderated by David McCarthy, marine projects & communications director at AD Associates who has nearly 25 years of professional experience in hospitality, cruise operations, ship newbuilding and renovation.

His advice to future ship designers: 'Go and experience things, touch the materials, and take in the ambience with all your senses. This was a great piece of advice I received during my early career at sea.'

The notion that safety always comes first even for designers of cruise ships is more than familiar to Siegfried Schindler and Kai Bunge, the founders and managing directors of Partner Ship Design.

'The basics for a safe ship are created during the early concept development stage. The first step is to subdivide the ship into fire zones and watertight partitions. Planning the escape routes and the lifeboat positions is the second step, material selection the third,' says Schindler.



David McCarthy, AD Associates

'The main objective is to minimise the use of readily flammable materials. For example, laminate is preferable to solid wood. The same safety-first approach applies to on-board furniture: Rounded edges and corners on cabinets and beds help reduce injury hazards at high sea,' explains Bunge.

## Incorporating brand values

A second panel discussion: How design helps to convey, define or create brand identity will explore how brand values can be incorporated into design concepts to help create a unique identity for each cruise brand, takes place at 10.30 -12.00 on September 12.

Tal Danai, founder and ceo of the art consulting and curating agency ARTLink. Inc, is someone who knows about the effects of art on this unique identity. 'At the moment we are curating collections for five large cruise ships as well as five luxury hotels, and we are developing and operating galleries on board 14 ships,' says Danai. He will explain why the impact of art goes far beyond simple decoration, and why cruise ships are a perfect environment for presenting art.

From a Cuban-inspired flair or the sophisticated atmosphere of a lounge to a nature-loving approach that transcends into every design detail, it is the target audience



Tal Danai, ARTLink

that determines the ambience. For example, TUI Cruises places great emphasis on design quality, generous spaces, and tranquillity.

'In the case of the new Mein Schiff 2, we are relying even more on well-known designers. This ship will complete a journey we have begun on other newbuilds: Its interior decoration will offer both, broad variety, and at the same time great harmony,' says Wybcke Meier, ceo of TUI Cruises.

Star designer Patricia Urquiola is once again on board in this project. A native of Spain, she had already designed the suites of the new Mein Schiff 1. 'I love being close to the sea. I had great fun elaborating the unique spirit of this place on board a cruise ship.'

In the case of the recently delivered expedition cruise ship Hanseatic Nature by Hapag-Lloyd Cruises, Christian Klein and Johannes Jensen of Oceanarchitects were in charge of interior design. Their concept revolves around nature: For example, the structure of the flooring imitates the irregular shapes of ice floes. Some of the wallpaping feels like fish skin; and the water flows from faucets resembling corals.

MARINE INTERIORS is co-located alongside the 10th Seatrade Europe – Cruise and River Cruise Convention. More than 7,500 participants are expected to attend both events.