



Evaluation of the Cruise Business

2022-2023 Season

By Ana Rey, Commercial Manager.

The arrival of cruise ships to the port of Montevideo plays a major role in overall tourism in Uruguay. Thus, each season, the National Ports Administration (ANP, for its acronym in Spanish), responsible for the operation of the country's main port, makes relevant efforts throughout the year to ensure its optimal development and growth.

Below are the main strategic business objectives achieved in the 2022-2023 season:

- a) Longer stays of ships in dock.
- b) Overnight stays of cruises in port.
- c) Two days with 4 stopovers in Montevideo.
- d) Arrival of next-generation ships in terms of their environmental impact.
- e) Arrival of the ship with the highest passenger capacity: MSC Seaview.
- f) A record number of cruise passengers in a season.
- g) Greater direct and indirect economic contribution in port.
- h) Increased revenues for the tourism sector due to increased stopovers and passengers, as well as longer stays of passengers in the city.

Statistics confirm that there has been a solid recovery from the Covid-19 pandemic and that, after two slow business seasons, cruise lines have resumed operations, not only by making new sales but also carrying out trips that had been already booked and paid for by passengers before the pandemic but that had been suspended for health reasons.

At the commercial level, we work with the Cruise Cluster both nationally and regionally, to promote, together with cruise lines, the fulfillment of objectives that foster improvements in the business' profitability for all involved stakeholders. It is a fact that Montevideo is regarded as a very attractive destination, mainly for cruise passengers from Brazil and other regions who visit our coasts for the first time.

To facilitate business growth, a longer stay in port is coordinated with shipowners. This is because when a ship is docked for a longer time, not only does it encourage passengers to visit landmarks like the *Ciudad Vieja* (Historic District) and other areas of Montevideo, but it also allows visitors to access other destinations near the city. Up until now, the average stopover time for large ships had been from 8 to 10 hours, which limited recreational activities to 5 or 6 hours. Achieving progress in this area allows tour operators in the city to offer a wider range of services, which is further improved by cruise ships staying overnight in the port of Montevideo.

It should be noted that the current season began in December with the arrival of large-capacity ships. Our port received four cruise ships on two occasions, and we also had several days with three stopovers. This generated a very high concentration of tourists in the port area. These factors can lead to the city accommodating over 5,000 tourists in one day, including crew members and cruise passengers.

Cruise passengers mainly tour the Pérez Castellano and Sarandí pedestrian streets, walking up to *Plaza Independencia* (Independence Square), a public area offering highly-appreciated Wi-Fi hotspots.

The season was opened by the **SeaView** ship (featured on the cover of this issue of *Uruguay Portuario* magazine), the second “smart” ship of the Seaside generation. It has 2,067 passenger cabins, 759 crew cabins, and a length of 323 meters. This ship can accommodate 5,331 guests, a record number of passengers arriving on the same ship to the port of Montevideo.

It is equipped with environmental technology that has received the RINA's Green Star 3 notation in recognition of the features that help reduce its environmental impact. They are next-generation ships that reduce emissions in port areas, including wastewater treatment, and which feature lighting, ventilation, and air-conditioning systems designed to reduce energy consumption.

[A Source of Revenue to Our Country](#)

A large ship can bring in between US\$ 35,000 and US\$ 40,000 per stopover in revenue. These funds are received in exchange for services rendered by the Administration, by port operators providing pilotage and towage services, by maritime suppliers operating in port, as well as for minor maintenance repairs.



All income directly received by the ANP is related to fees charged to ships for use of the port's facilities, use of the dock, drinking water supply, **bilge** and grey water cleaning, among others, as well as services provided to passengers in port.



In addition to profits generated by cruise ships in connection to port services, we must take into account the increase in tourism expenditure in the area, both through direct consumption of goods and services in the city and by booking excursions with local tour operators.

During the 2019-2020 season, before activities were suspended, passengers spent a minimum of US\$ 40 each, without including the revenue from excursions offered by local operators that were booked through large cruise ships. That number could be further increased with longer stays, which would allow more time in the city to consume its goods and services. Booking excursions onboard, priced anywhere from US\$ 50 to US\$ 70, means an additional expense for cruise passengers. This has a positive impact on our city, particularly benefiting professionals like tour guides and translators, as well as various businesses such as wineries, shopping centers, markets, guided bicycle tours, bus transport, etc. All of this amounts to a direct contribution to SMEs in the sector.



Regarding services enjoyed by tourists in the port area, when they go ashore without having booked any excursions, there is a higher level of direct consumption near the port, such as in artisanal street markets, the *Mercado del Puerto* (Port Market), and other local eateries, breweries, wineries, museums, souvenir shops, bookstores, boutiques, churches, etc.



The Ports Administration facilitates the safe transfer of passengers who go ashore without excursions, providing a professional taxi cab service that offers transfers and city tours at competitive prices.



Antarctica Cruises, a Special Sector Within the Business

One of the strategic objectives of the ANP's Commercial Department, in addition to those that are currently being met, is to promote the arrival of river and Antarctica cruises to Uruguay, encouraging an operation for which there is already specific experience in using Montevideo as a base port for cruise ships, having Uruguay as a stopover before their departure to the South of the continent. Not only are these operations highly profitable, but also offer the opportunity to overcome seasonality, providing a year-round service that tours the region featuring highly attractive and little-known destinations.

These operations would increase tourism expenditure, since passengers have to spend the night in the city before boarding, and, in general, they tend to spend that time making different excursions to nearby attractions, in addition to booking transfers to and from the airport. The per capita expenditure of Antarctica cruise passengers doubles that of cruise passengers with daytime stopovers.



Montevideo as a Port of Departure

Another objective that has been promoted, and that is linked to air connectivity, has to do with being a port of departure for passengers from other regions who want to visit the east coast of the Río de la Plata on cruises that reach cities such as Buenos Aires, Rio de Janeiro, Montevideo, and Punta del Este. Cruise lines must take note of this approach towards international passengers, considering that it has a more relevant multiplier effect on the business.



Conclusions

ANP's marketing strategy is based on direct dialogue with shipowners at the Seatrade international fairs in the United States and Europe, especially the Seatrade fair (Miami) specializing in the cruise business. It also draws on the **Regional Cruise Meeting**, an annual event in which regional and local stakeholders meet, evaluate the seasons, and discuss the region's needs.

Maintaining those objectives that have already been met, as well as taking on new challenges, is what motivates the National Ports Administration to support the cruise business throughout the year, committing to increase its efforts for upcoming seasons. This business is growing globally, and the region must use its destinations to generate a competitive offer.