

SEA CLOUD NEWS UPDATE

OFFICIAL CREW NEWSLETTER FROM
UNICREW MANAGEMENT LTD.



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Lurching forward, uncertainly

Is the 2020 cruise tourism season over already, or do we still have some hopes left of recovering a few weeks from the rest of the calendar year with the right health and safety protocols and testing methodology? There are at least a dozen different opinions on that topic, but no definite conclusions. The Coronavirus pandemic has brought major disruption to the industry but cruise shipping continues to outgrow all other sectors in tourism.

As cruise liners test the waters in a prelude to a full resumption of service, two recent examples offer starkly contrasting pictures of what the future could look like — MSC Grandiosa and Hurtigruten's Roald Amundsen. The MSC Grandiosa sailed on 16 August with 2,500 passengers on aboard a 4,300-capacity ship, stopping at three Italian ports and the Maltese capital of Valletta on a seven-night voyage. The

company warned it would only allow passengers to leave the ship during port call if they were accompanied by a chaperone, thereby ensuring that travelers follow the company's health protocol and safety guidelines. A painstaking screening procedure had been put in place to ensure passenger transfers were properly sanitized.

This was a colossal task, and obviously, not liked by all the guests. But MSC Cruises insisted that this was not a regular joyride and all health and safety guidelines had to be observed in full. The Grandiosa's first voyage after Coronavirus outbreak was seen as a critical test for the industry amid lingering doubts over passenger safety.

Not everything went according to the script though. A family that broke away from the "social bubble" created by the company during a port call at Naples was not allowed back on board after it

broke away from the supervised shore excursion. MSC Cruises told the media that it had to stop the family from getting on the ship to ensure the health and safety of the ship's other passengers as well as the crew.

At the other end of the spectrum, Norwegian cruise operator Hurtigruten was forced to

The Grandiosa's restart cruise was declared a success, perhaps a little prematurely, but it did help restore some confidence in the late re-opening of the Mediterranean circuit. On the other hand, the Hurtigruten disaster led to the complete shutdown of the Norwegian cruise season for the rest of 2020. Over the past few weeks, some cruise lines have cancelled the rest



“In line with our health and safety protocol... we had to deny re-embarkation to a family who broke from their shore excursion while visiting Naples,” an MSC Cruises spokesperson said. MSC said health and safety standards for shore excursions were the same as those on board: frequent sanitizing, social distancing, health screenings and use of PPE such as face masks.

suspend its newly resumed service after dozens of passengers and crew tested positive for Coronavirus. At last count, 71 people on board the Roald Amundsen had contracted the Coronavirus, while one passenger had died from the infection. Strangely enough, Norway was one of the first countries to issue detailed health and safety guidelines for resuming cruise travel.

Norwegian health officials said they were opening a supervisory investigation of the ship's two doctors who were on board, and whether they had done everything within their professional capacity to address the situation. In addition to multiple investigations by various agencies, Norwegian police feels Hurtigruten employees violated health and safety protocol and may have endangered public health by trying to cover up Coronavirus infection on board.

of 2020 season while the Big Three — Carnival, Royal Caribbean and Norwegian — continue to announce cancellations on a rolling basis.

In a recent industry survey on booking and cancellation trends for 2020 voyages, 64% of 5,022 respondents said they have cruise booking till the end of the year, but as many as 46.8% of those with existing bookings said they think cruise lines should cancel their entire 2020 sailing schedules. Only 14% of the respondents felt that cruise lines should be announcing cancellations every 30 days or so. Public opinion on cruise travel has been shifting over the past six months and a similar survey earlier in the summer showed 76% saying they will go a cruise in near future.

It is important to remember here that these respondents are from the US; European tourists may have a different opinion. Most American

travellers are expecting cruising to resume fully by the second half of 2021, and only 11.9% of respondents felt that cruises would resume from the United States before the end of 2020. As many as 32.9% felt cruising would resume between April and June 2021.

There is cautious enthusiasm for cruising in the US and a persistent confidence deficit on the part of travellers and cruise operators. To be able to resume full operations, American cruise lines may have to put in place an airtight safety protocol on board as well as tweak the cruising product to offer shorter, more traveller focused sailing experiences. European companies are right now trying just that and succeeding to some extent. We will see how things go from here when Costa restarts operations this month from Italian ports.

New health and safety requirements mean cruise ships will have to make radical changes in boarding/disembarking procedures, Rest & Recreation products and services, entertainment options, dining arrangements and air quality. No more indulging in extravagant buffets. Large vessels will make way for smaller ships, more environment-friendly and better suited to visit both big and small ports.

As ocean-going mega ships have completely gone off circulation, smaller vessels may find it easier to operate and be more manageable even for the port

authorities. River cruises could be an option, as could sailing itineraries that either don't include port visits or stop at nearby ports only. Sea-going cruise ships with less than 1,000 passengers are suddenly in favour, while the acceptable load of river vessels could be as little as 150.

In all this disruption, the Cruise to Nowhere concept has gained acceptance among Scandinavian tourists. Seen as a mid-term solution meant to revive cruise shipping and get some revenue flowing in amidst the mounting losses, the Cruise to Nowhere is being sold as a short, rejuvenating break cum spa vacation with great food and entertainment options for seasoned travellers and first-timers alike. It's also much cheaper than normal cruises because of zero port charges and lower fuel consumption.

In reality, the Cruise to Nowhere may be more than a stopgap arrangement before giant floating cities once again start crisscrossing the oceans. Germany's TUI Cruises has already run an all-inclusive cruise to nowhere out of Germany, and the company plans to start introducing other vessels from its Mein Schiff fleet for longer voyages with no stopovers. Why can't the oceans be a destination unto themselves? Couldn't this be a viable cruise product on its own? After all, the cruise industry has been a fountainhead of product innovation and become the fastest growing revenue generator in global tourism.



CRUISE NEWS

SC Spirit is getting ready to sail

Work continues on Sea Cloud Spirit. The shipyard is making good progress with the masts being installed. We now see the shape of a sailing vessel. Here's Dejan Nikolic, our newbuilding supervisor.

Q. How is the progress of work on the vessel?

A. The progress is good. Shipyard is working with 100% manpower, Monday to Friday, 0700 hrs till 1900 hrs, and Saturday from 0700 hrs till 1400 hrs. Nearly all foreign sub-contractors are on site.

Q. Tell us what works were completed last week.

A. In the last week we installed the mizzen and main masts, and started per-commissioning of equipment, as well as preparation testing before the commissioning. Carpets and furniture installation in Deluxe Passengers Cabins have started.

Q. What are the planned tasks for the coming weeks?

A. Next week we are planning to install foremast and start with commissioning some equipment. We have also planned to begin installation of sail rigs for the mizzenmast.

A lot of work has been completed and we will continue completing as much as possible. The Engine Room is almost finished, crew areas are 70% complete, Cabin Deck 60%, Verandah Deck 50%, teakwood installations outside 85%, navigation equipment 80%. There is plenty to be done still but we are making good progress.

Crew Change August 2020

Deckhand Uros Djurickovic, [Joined 12th August](#)

Sailmaker George Ali, [Joined 12th August](#)

AB Ruben Anicoy, [Joined 28th August](#)

Sailing schedule cancelled

All scheduled Sea Cloud and Sea Cloud II sailings were cancelled, Sea Cloud till 24 November and Sea Cloud II till 30 November.

SC-2035 08/10/2020 – 12/10/2020

SC-2037 19/10/2020 – 28/10/2020

SC-2038 28/10/2020 – 08/11/2020

SCII-2032 19/10/2020 – 28/10/2020

SCII-2033 28/10/2020 – 04/11/2020

SCII-2034 04/11/2020 – 14/11/2020

Sea Cloud and Sea Cloud II will both go into dry dock in November as the Owners continue to invest in the vessels and to ensure that they are ready for service at any time.



Italy okays sailing again

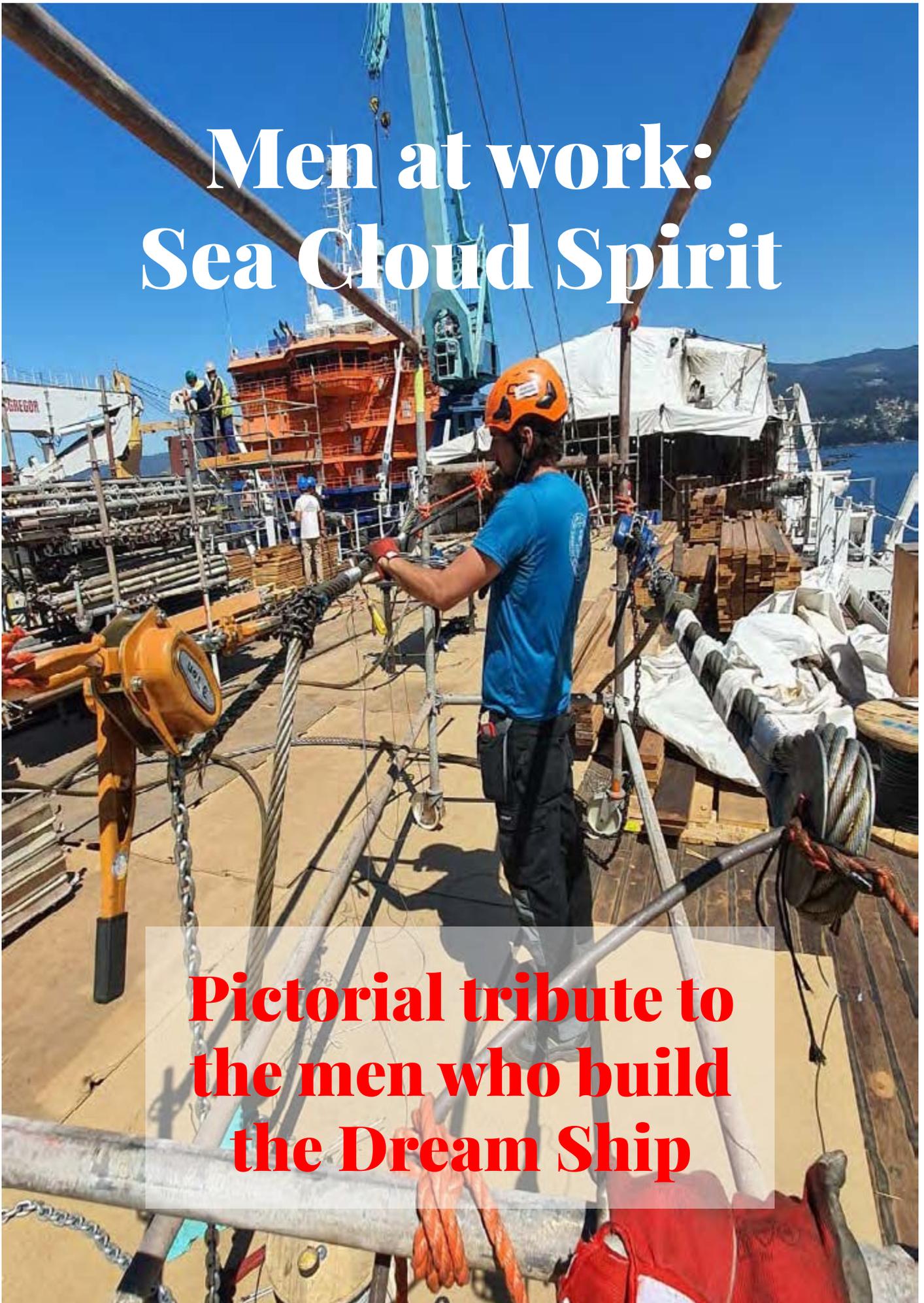
The Italian government has given permission to its cruise industry to start sailing again in Mediterranean waters. Prime Minister Giuseppe Conte said Italy will reopen its borders for cruise ships as of 15th August.

Not long after, MSC Cruises announced two departures from Italian ports starting 16th August. Costa Cruises announced plans to resume voyages in early September. The company said it had developed a Costa Safety Protocol for cruises in line with Italian and EU health guidelines.

Italy's decision to reopen, on the footsteps of Greece comes at a challenging moment for Italian tourism industry. Italy's cruise industry is worth of up to US\$ 18.5 billion and supports 53,000 jobs. Industry sources said if cruise operations remained suspended throughout Europe, the economic losses would add up to US\$ 30.5 billion.

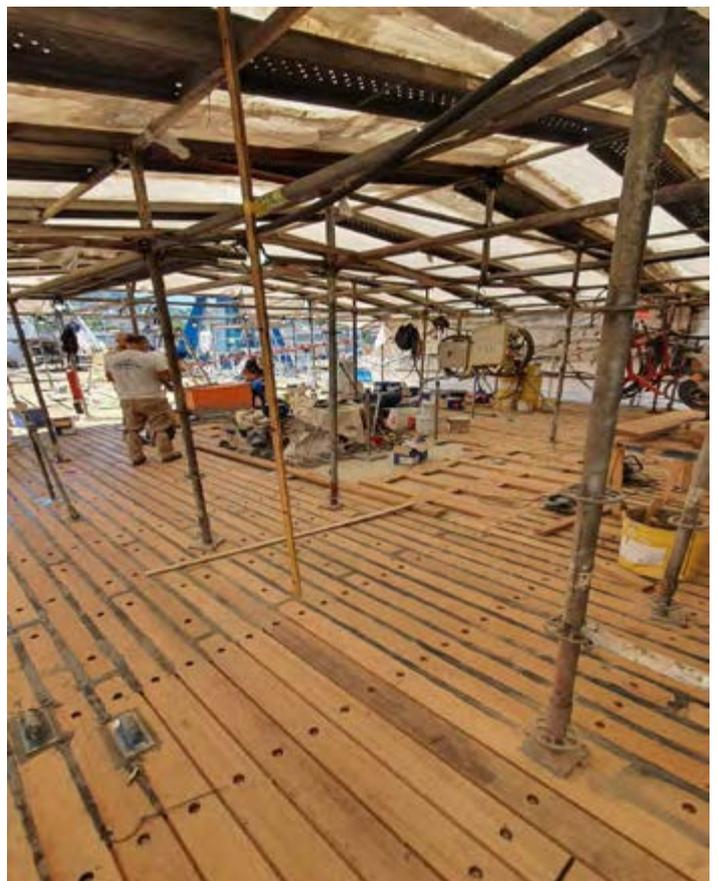
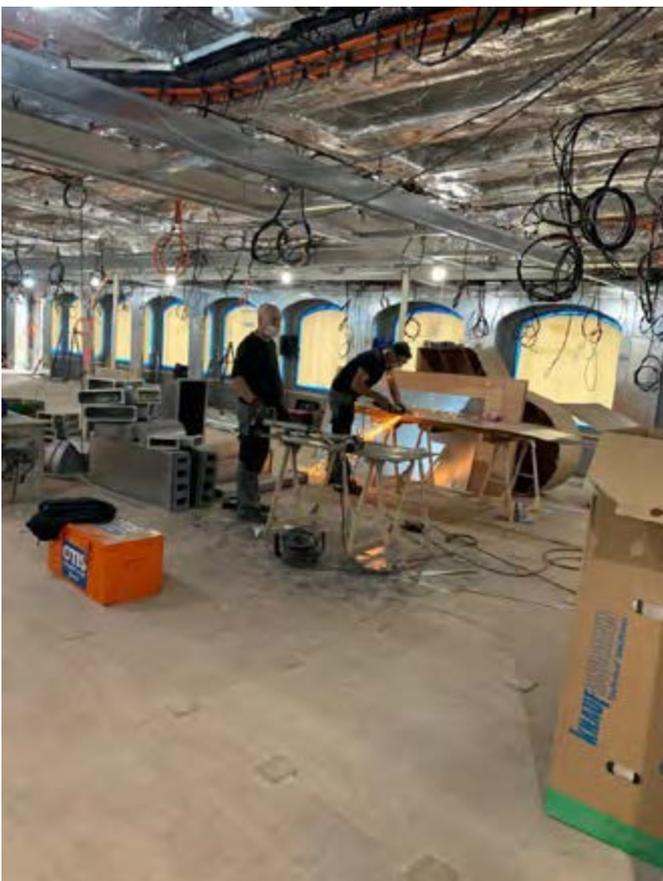
Men at work: Sea Cloud Spirit

**Pictorial tribute to
the men who build
the Dream Ship**











From Jason's Desk

I wanted to start this month's letter with some eye-opening numbers. US \$140 billion. That's how much the global cruise industry generates worldwide, directly or indirectly, in revenues. Over 1.2 million people directly employed in jobs, another 8-10 million jobs in associated businesses such as booking, ticketing, air travel, F&B, hospitality, entertainment, etc. Newbuilt vessels coming into circulation in the next 2-3 years: 100. By industry projections some 30 million passengers were supposed to take a cruise in 2020.

Now the eye openers. The top three cruise lines — Carnival Corporation, Royal Caribbean and Norwegian Cruise Line — are collectively burning up US\$ 1 billion every month without a dime in sight. As of 31st August, there were no signals that any of the Big Three cruise lines (accounting for 73.8% market share) planned to resume sailing this year. Carnival Corporation alone is said to be bleeding around US\$ 650 million every month. The CDC has cancelled all cruise till October, and likely to extend that by another six weeks at least.

It is imperative that cruise resume sailing again and soon, otherwise the mounting losses may

force many a medium and small operator to shut down. Millions of people will lose their livelihood and a thriving economic activity will bleed itself sick. But can the return of cruising be prioritised over the lives thousands of passengers and crew? Cruise shipping should return only if it can guarantee its passengers and crew immunity from infection..

Sea Cloud vessels will be ready to offer that guarantee when they finally resume sailing. There will be iron-clad health and safety protocol. Frequent screenings would be carried out at regular intervals. All embarkation and shore activities would be sanitised. Vessel interiors would be sanitised regularly and air quality on board would be monitored strictly to prevent transmission. Healthcare professionals would be available on to assist in any kind of emergency.

That is why we will continue to push back the sailing departures unless we are absolutely sure we can give the guests and our crew the confidence to leave their worries on shore when they come sailing with us.

Photo Captions: Page 1, Laying teakwood panels on the Sea Cloud Spirit deck. Page 2, MSC Grandiosa during a recent port call. Page 3, Naples cruise port where MSC officials denied a family to board after it broke out of the social bubble. Page 4, Brass ship plaque from Sea Cloud II getting a polish. Pages 6-9, Sea Cloud Spirit photo gallery with technicians working extra hours to make up for lost time and complete the vessel on time. Page 10, The ill-fated Roald Amidsen nfrom Norway's Hurtigruten, which compromised on safety protocol and paid a heavy price.