

Consumer Demand Will Dictate When Carnival Cruises Return

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Key insight:

- Carnival will likely roll out deals to attract new cruisers.

It's not up to Arnold Donald, the CEO and president of the world's largest cruise line, Carnival Corporation, to decide when his ships are back in the water. It's a decision that consumers will make.

"When society has decided at what level of risk it's willing to live with this particular virus, then we can begin to talk about cruise and the protocols that will ensure that cruise is no worse from a risk standpoint than a shoreside social gathering activity," Donald said on Monday in an interview hosted by travel website The Points Guy.

Technically, it's up to the Centers for Disease Control and Prevention, which has placed a No Sail Order on the entire industry within the United States. That order expires on July 31, and Carnival is plotting an August return.

The comments are a brief yet telling look at what it's like to lead a travel company in the face of a pandemic when shutdown regulations change state by state, and more importantly in Carnival's case, country by country.

Unlike airlines, which are still flying, and hotels beginning to see (some) capacity, the cruise industry has had a chance to bolster its safety protocols during the operational pause.

But no one can predict the future, and what environment the industry will return to remains uncertain. Donald said the protocols Carnival would take when cruises return are “evolving.” Travelers still don’t know if they’ll have to wear a mask at sea, or if the famous buffets will still be open. Regarding capacity, Donald said he was more focused on minimizing crowds at onboard areas like restaurants and theaters.

“Hopefully, we’ll have more time to see things evolve and we’ll get more science behind us to mitigate the spread of the virus,” he said. “If we sail sooner, earlier, almost certainly the crew will be wearing masks or shields like you see in restaurants today. If it occurs later, maybe they will, maybe they won’t—it depends on the epidemiology.”

Older ships will also be heading straight for the scrapyard as Carnival accelerates the retirement of some of its fleet instead of sending ships to secondary or tertiary markets. Additionally, the rollout of newer ships like Carnival’s Mardi Gras, which features a rollercoaster and will be the line’s largest ship at 180,000 tons, will be delayed.

Donald acknowledged the public relations toll on Carnival and other cruise lines when the virus first came to American soil as two Carnival Corp. ships, both under the Princess brand, were among the first hotspots.

“We’ll still have some work to do, obviously, after all the noise over Covid-19 with those that haven’t cruised before,” he said. “I’d count on a lot of deals.”

Before kicking off the interview, Donald, who is Black and previously served as the CEO and president of the Executive Leadership Council, an organization focused on Black business leaders, made note of the current unrest and protests in the aftermath of the killing of George Floyd.

“The encouraging side is the outpouring of disdain for the

events that happened that clearly should not have happened, the joining together of people of all races to say this isn't right," he said. "Travel is a key antidote for the poison that is discrimination, racism and injustice."

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