



Expansion can be achieved by:

- working with economies of scale
- developing ships that attract a broad demographic
- recognising that families will still want to travel

It is a crucial time for MSC Cruises, the world's third-largest cruise operator. Despite the worldwide economic slowdown, the Naples-based cruise operator is optimistic and forging ahead with one of the largest expansion plans in cruise history.

In April 2008, Sophia Loren named the *MSC Poesia*, which was followed in December by the launch of the *MSC Fantasia*, a 135,000-tonne behemoth that has the capacity to carry almost 4,000 passengers. In July 2009, the company plans to launch the *MSC Splendida*, the sister ship of the *MSC Fantasia*, followed by the *MSC Magnifica* in 2010. And MSC Cruises is not stopping there. It intends to launch two 93,000-tonne Musica-class ships: the *MSC Meraviglia* in 2011 and *MSC Favolosa* in 2012.

By the end of 2012, MSC Cruises says it will have a total of 14 vessels. The Italian cruise operator has come a long way since the days of StarLauro Cruises in the 1980s and early 1990s.

World Cruise Industry Review: How has the global financial crisis affected MSC Cruises? Have you noticed a slowdown?

PIERFRANCESCO VAGO: We have had some cancellations from passengers concerned about their jobs and the state of the market, but generally there have been two types of reaction: early bookers, who are looking to save money; and late bookers, who are waiting to see how the situation develops. Overall, though, there has been no slowdown, as we still offer excellent value for money.

You are introducing two new ships during 2009. Do you think you will be able to fill them during the economic downturn? Is this a good time for MSC to be expanding?

We firmly believe in our expansion strategy. By increasing the size of our fleet we increase our buying power for the products we use on board.

We base everything on economy of scale. This allows us to purchase products at a competitive price while maintaining our premium standards.



Lead the way

MSC Cruises chief executive **Pierfrancesco Vago** talks to *World Cruise Industry Review* about the cruise line's ambitious expansion plans in a time of economic downturn.

Which markets are you most excited by?

The whole world is an exciting place. We will always explore new destinations and offer a wide range of choice. We are working on developing ships that attract a broad demographic, offering a different set of experiences of all ages. Our newest ship, *MSC Fantasia*, provides lots of entertainment for children of all ages, from Polo Nord, to the Aqua Park, to I Graffiti, a teenage-only disco. Not to mention a Formula One simulator and a 4-D cinema.



MSC will expand into New England and Canada in 2010.

You are expanding further into North America with the line's first voyages to Canada and New England in 2010. Why are these destinations such a lucrative marketplace? Do you want to compete directly with the big US groups?

We do not want to compete with these companies. We are a mono-brand – our own brand – and are therefore very different from other cruise lines.

We are expanding our itineraries so we can increase our offering to our

passengers. Our US programme is also attractive to European passengers since they can fly to New York.

What are MSC Cruises' core values?

Our core values are service and controlling everything on each ship from start to finish, from their design and construction to the software onboard.

We also have a passion that we pass on to our crew and staff, who in turn pass that on to our guests.

What do you think of Costa Cruises' chairman and chief executive Pier Luigi Foschi's argument that there should be a permanent Middle East Gulf cruise association to promote and develop the fledgling sector?

We need to promote awareness, improve infrastructure and develop shore excursions in this region, so I totally agree.

With the changing attitudes towards seasonality, and the impact of regulations contributing to a revision of itinerary strategies for

cruise brands, what does this mean for your short-term deployment patterns?

We are still quite a young company, we started to invest in 2003, so we could create everything from the beginning. Also, we are a private company, so we can manage any decisions and changes immediately.

With the UN's Climate Change Conference, COP 15, taking place in Copenhagen in December 2009, the focus will be on moving the world towards a low-carbon economy, How is MSC Cruises rising to the environmental challenge?

MSC Cruises has received many certificates recognising its commitment to the environment. On 10 December 2008 *MSC Fantasia* was awarded the Six Golden Pearls by the international classification society Bureau Veritas. This was the first ship to receive this award.

Are you confident the cruise industry will survive this recession and possibly emerge from it stronger?

Yes, I am. Despite the financial crisis and the threat of terrorism, the cruise industry continues to grow, as can clearly be seen over the past few years. In the face of the global downturn, we believe the cruise industry is providing a positive approach.

We are optimistic. In a moment of crisis, families will still travel but they will look more carefully at their budget. They will seek a value-for-money holiday. People who ignored cruises before will look at what we have to offer and discover it's worth their while. [wc](#)



Spotlight: *MSC Fantasia*

The *MSC Fantasia*, launched in December 2008, has been dubbed 'the most beautiful ship in the world' by MSC Cruises. The cruise line's flagship, and the largest ship in its fleet, is reputed to be one of MSC Cruises' cleanest ships.

Built by STX Europe in St Nazaire, the *Fantasia* was awarded the Six Golden Pearls by the international classification society Bureau Veritas, the first ship in the world to have achieved this coveted title. The Six Golden Pearls is a voluntary scheme that certifies corporate compliance with the three highest international standards in the areas of environment (ISO 14001), food safety (ISO 22000) and health and safety (OHSAS 18001). It includes an extra notation, Cleanship 2 AWT, for the three areas of potential pollution: air, water, and waste.

The *MSC Fantasia* is equipped with advanced water treatment systems, the latest oily water separators and has large storage capacities for two days in full operation, allowing the ship to cruise

with environmental safety and responsibility for longer distances:

- The 133,500-tonne ship can accommodate nearly 4,000 passengers.
- It has 17 decks, with 80% of its suites featuring balconies.
- The ship sails at a maximum speed of 23 knots.
- The ship's common areas cover 450,000m² and include five swimming pools, including an indoor one with a retractable roof, five restaurants and 18 bars.
- Its luxurious MSC Aurea Spa measures 17,000ft².
- Other features include the MSC Yacht Club, which has 99 suites, between 18.6m² and 47.6m², and is furnished like a private yacht, with a personal butler, in-suite dining and access to cigars, liquors and champagne.
- *MSC Fantasia* has a theatre with 1,603 seats, a casino, a disco, a Formula One simulator and a 4-D cinema.