



Economic Letter December 2025



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Retailers no Longer Benefit from Cruise Tourism

Last month my wife Monica and I spent a most enjoyable week in Curacao. From the balcony of our hotel room we looked past the “Five O'clock Somewhere” bar to the dock where majestic cruise liners inched ever so slowly up to the pier under the watchful eyes of the crew of a little pilot boat. There they were tied up securely, bow and stern. A short while later a doorway was opened in the side of the vessel, the gangway was lowered and the first passengers appeared, ambling their way past the bar to the shops and cafes nearby.

The shops within easy walking distance, nestled within the walls of an old fort, mainly sold commonplace souvenir items, mugs, t-shirts, keyrings and the like, and they were interspersed with bars and cafes. The hotel and the fort are all in the district called the Otrabanda, across the water from the Punda district in the capital city, Willemstad. The Punda is the heart of the city and the seat of the country’s parliament.

I had last been in Curacao about 30 years ago and I remembered the Punda as a thriving commercial district with a Main Street that featured banks and stores selling clothing, perfumes and jewelry; it was a mecca for tourists, most of whom arrived on cruise ships. We therefore looked forward to walking across

the “Swinging old lady”, Willemstad’s world-famous floating pontoon bridge, to browse the shops of the Punda District. Alas, they are no more. The main street is now a shadow of past glory. The shops that remain sell the same souvenir items as those in Otrabanda. We did find one shop that sells exclusively locally-made craft items, the only place we were able to purchase unique gift items.

The disappearance of a bustling onshore duty-free commercial street fuelled by the passengers from visiting cruise ships, is a phenomenon that may also be observed in Bridgetown, the capital of Barbados. In the closing decades of the last century Broad Street in Bridgetown was a thriving avenue of venerable retail establishments, along with international banks that ran their operations for the Eastern Caribbean from head offices located on the street. On days when large cruise ships docked visitors thronged the street, and shops opened on Sunday, when they would normally be closed, whenever cruise ships were in the harbour. Today the last of the iconic commercial houses has disappeared from Broad Street; when bloggers post videos of Bridgetown nowadays they ignore Broad Street in favour of the capital’s bustling bazaar on Swan Street.

Although Curacao and Barbados are the only examples where I can claim to have observed the loss of retail businesses personally, a recent visit to the Dockyard in Bermuda confirms the impression that there are few benefits for retail businesses from cruise tourism. There is a pier for large cruise ships at the Dockyard, which has seen an officially-supported program to renovate the historic buildings of this former bastion of British naval power and convert them into a commercial district. However, when we visited the streets were quiet and the shops mostly empty, in spite of the nearby presence of large cruise ships.

There are three reasons one may think of for the disappearance of domestic retail spin-offs from the cruise industry. Firstly, the much larger cruise ships that have become the norm in the 21st century all provide on-board shopping featuring many of the brands which were formerly only available to those passengers who disembarked. Secondly, as cruising has become more affordable, the average cruise passenger is no longer interested in duty-free purchases of jewelry and personal and household items. The typical purchase is an inexpensive souvenir, displaying local scenes and symbols but imported from far away. The third, related, factor is that local producers cannot match the prices of the imported items. Local creatives and skilled artisans offer unique, high quality items, but the prices they must charge in order to sustain a viable business are beyond the reach of the typical cruise tourist.

This change in circumstances suggests a need for Caribbean governments, policy makers and research institutions to provide the public with new accounting of the net benefit to the economies of host countries from cruise tourism. The assumption that there is a positive net balance may now be called into question.

My Economic Letters may be found under "[Commentary](#)" at DeLisleWorrell.com.