

THE GLOBAL ECONOMIC CONTRIBUTION OF  
**CRUISE TOURISM**  
2014



CRUISE LINES INTERNATIONAL ASSOCIATION

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## INTRODUCTION

Business Research and Economic Advisors (BREA) was engaged by the Cruise Lines International Association (CLIA) to provide estimates of the contribution of the cruise industry to the global economy in 2014.<sup>1</sup> Data on passengers by source and destination market, as well as the global deployment of the global cruise fleet were obtained from sources published by CLIA. Research reports on passenger and crew expenditures and the economic impact of the industry in specific national and regional markets were assembled and reviewed.

## METHODOLOGY

The global impact relied heavily on existing reports by BREA and other researchers and represents an aggregation of the results reported in these studies plus estimates developed for regions where data were not readily available. The majority of the global economic contribution reported below is derived directly from studies prepared for CLIA by BREA. Data on passenger and crew visits, direct expenditures of the cruise lines and their passengers and crew and the resulting economic impacts were taken directly from these reports and shown in the regional data for the United States, Europe EU+3 and Australia.

These reports were:

- I.** BREA, The Economic Contribution of the North American Cruise Industry to the U.S. Economy in 2014, prepared for Cruise Lines International Association, September 2015.
- II.** BREA and G. P. Wild (International) Ltd., Contribution of Cruise Tourism to the Economies of Europe, 2014, prepared for CLIA Europe, June 2015.
- III.** BREA, The Contribution of Cruise Tourism to the New Zealand Economy in 2014-15 Cruise Year, prepared for CLIA Australasia, July 2015.
- IV.** BREA, The Contribution of Cruise Tourism to the Southeast Asia Region in 2014, prepared for CLIA Southeast Asia, September 2015.

Combined, these three regions accounted for approximately 80% of the global total output contribution of cruise tourism. The estimates of the global contribution for the Rest of North America were estimated by extrapolating the 2012 estimates for the Caribbean, Canada and Mexico from the following reports.

<sup>1</sup> The terms economic contribution and economic impact are used interchangeably throughout this report.

- V.** BREA, Economic Contribution of Cruise Tourism to the Destination Economies, 2011-12 Cruise Year, prepared for The Florida-Caribbean Cruise Association, September 2012.
- VI.** BREA, The Economic Contribution of the International Cruise Industry in Canada, 2012, prepared for CLIA North West & Canada Cruise Association and Partnering Cruise Associations, March 2013.

The data on spending by cruise lines and their passengers and crew were extrapolated to 2014 by adjusting average spending rates for inflation as reported by the appropriate government and monetary authorities. Passenger and crew visits were updated with data for 2014 as obtained from the destination ports and the Caribbean Tourism Organization. Given the extrapolated visit and spending data, the direct cruise sector expenditures were estimated for each of the markets. The resulting economic impacts were estimated with the same models that were used to estimate the economic impacts for 2012. The Rest of North America accounted for about 8% of the total global economic impacts.

Limited data was available for the Rest of the World which consisted primarily of Australia, Asia and South America. Data for Brazil and Australia were obtained from the following reports.

- VII.** FGV Projetos, Maritime Cruises: Study on Profile and Economic Impacts in Brazil, prepared for CLIA Abremar Brasil, June 2014.
- VIII.** BREA, The Contribution of Cruise Tourism to the Australian Economy in 2013, prepared for CLIA Australasia, July 2014.

The expenditure and economic impact data reported in these studies were directly included in the estimated impacts for the Rest of World. Estimates for all of South America were estimated utilizing the Brazilian data and passenger and crew visit data for the rest of South America. Estimates for the remaining global destinations were estimated from average cruise line, passenger and crew expenditure rates for home port and transit port destinations as derived from the above seven studies. The resulting estimated impacts accounted for 12% of the global total output impacts.

## GLOBAL ECONOMIC IMPACTS

As noted above, the global impact relied heavily on existing reports by BREA and other re-searchers and represents an aggregation of the results reported in these studies plus estimates developed for regions where data were not readily available. All data that were re-reported in local currencies, i.e., expenditures, output, income, etc., were converted to US\$ for purposes of aggregation.

As shown in [Table 1](#), the 118.03 million onshore visits by passengers and crew generated \$55.77 billion in direct cruise sector expenditures at destinations and source markets around the world. These also include the direct expenditures of the cruise lines for goods and services in support of their cruise operations.

Table 1-Total Global Economic Contribution of the Cruise Sector – 2014

CATEGORY	GLOBAL
Passenger and Crew Onshore Visits (US Million)	118.03
Total Direct Expenditures (US\$ Billion)	\$55.77
Total Output Contribution (US\$ Billion)	\$119.90
Total Income Contribution (US\$ Billion)	\$39.34
Total Employment Contribution	939,232

These expenditures generated total (direct, indirect and induced) global output of \$119.90 billion. The production of this output required the employment of 939,232 FTE<sup>2</sup> employees who earned \$39.34 billion in income. The details of this global contribution are discussed in the following sections of this report.



<sup>2</sup> Full-time Equivalent

## BACKGROUND: CRUISING - A GLOBAL INDUSTRY

The cruise industry has enjoyed dynamic growth over a period of 30 years, driven initially by demand from North America and then by growing demand from Europe and more recently Australasia. [Table 2](#) sets out the international cruise sector growth between 2004 and 2014.

**Table 2-International Demand for Cruises, 2004 to 2014 (Millions of Passengers)**

Source: G. P. Wild (International) Limited from CLIA, IRN and other sources.

REGION	2004	2009	2010	2011	2012	2013	2014	10-Year Growth
North America	9.14	10.40	11.00	11.44	11.64	11.82	12.16	33.00%
Europe <sup>1</sup>	2.87	5.04	5.67	6.15	6.23	6.40	6.39	122.6%
Subtotal	12.01	15.44	16.67	17.59	17.87	18.22	18.55	54.4%
Rest of the World <sup>2</sup>	1.13	2.15	2.40	2.91	3.03	3.09	3.49	208.8%
Total	13.14	17.59	19.07	20.50	20.90	21.31	22.04	67.7%

1 Including Russia and Central and Eastern European countries outside the EU-27. 2 Rest of the world: Largely estimated and adjusted from 2009 to take account of dynamic growth in the southern hemisphere.

Over the ten years from 2004 to 2014 demand for cruising worldwide has increased from 13.14 million passengers to 22.04 million (+68%) with 3.4% growth achieved in 2014 (up from 2.0% growth achieved in 2013). Over a similar period, global tourist arrivals, mainly land-based tourism, has risen by around 45% to an estimated 1.133 billion tourists in 2014.<sup>3</sup> The UNWTO reports that 5% of global tourists arrived at their destination by water, cruise and ferry in 2014.<sup>4</sup>

Since 2004 passengers sourced from North America have increased by 33%, which includes a 2.9% increase for 2014, and the region remains the largest source market. However, strong global growth has created the emergence of new source and destination markets. As a result of the emergence of these new markets, and even with its strong ten-year growth, North America's 2014 share of the global cruise market settled at 55.2%.

Europe has also experienced very strong growth over the last 10 years. In 2004 Europe accounted for 21.8% of the global cruise market with 2.87 million passengers. In 2014 its market share had increased to 29.0% with 6.39 million passengers. The ten-year passenger growth accounts for a 123% increase.

<sup>3</sup> Source: World Tourism Organization (UNWTO)

<sup>4</sup> UNWTO Tourism Highlights, 2015 Edition.

The Rest of the World has seen the most significant growth in both passenger numbers and market share. In 2004 the Rest of the World accounted for 8.6% of the global cruise market with 1.13 million passengers. In 2014 its market share has increased to 15.8% with 3.49 million passengers. The ten-year passenger growth accounts for a 209% increase which includes an increase of 13.0% for 2014.

To further illustrate the continued dynamic and shifting pattern of growth in the global cruise industry from 2004 to 2009, passengers sourced from Europe increased by 75.6%, those sourced from the Rest of the World increased by 90.3%, while those from North America increased by 13.8%. Over the next five years, Europe's growth slowed to 26.8%, growth in the Rest of the World fell to 62.3%, and North America growth rose slightly to 16.9%.

Not surprisingly, the capacity deployed by the cruise industry, as measured by bed days<sup>5</sup>, has followed a similar growth and distribution profile. Overall, the global supply of bed days has increased by 83.9% from 2004 through 2014, increasing from 77.2 million bed days to 142 million which includes an increase of 5.6% for 2014 (see Table 3).

**Table 3–Global Deployment of Capacity, 2004 to 2014 (Millions of Bed Days)**

Source: CLIA and G. P. Wild (International) Limited.

REGION	2004	2009	2010	2011	2012	2013	2014	10-Year Growth
Caribbean	36.1	39.1	46.2	45.5	48.0	48.1	55.9	54.8%
Other North America	14.9	17.7	16.5	16.6	16.0	15.0	15.6	4.7%
North America	51.0	56.8	62.7	62.1	64.0	63.1	71.5	40.2%
Northern Europe	4.9	10.2	9.7	11.4	13.2	13.9	13.5	175.5%
Mediterranean	15.5	29.4	31.7	38.1	35.5	35.7	32.9	112.3%
Europe	20.4	39.6	41.4	49.5	48.7	49.6	46.4	127.5%
North America + Europe	71.4	96.4	104.1	111.6	112.7	112.7	117.9	65.1%
Rest of the World	5.8	13.2	13.8	15.1	20.7	21.8	24.1	315.5%
<b>Total</b>	<b>13.14</b>	<b>17.59</b>	<b>19.07</b>	<b>20.50</b>	<b>20.90</b>	<b>21.31</b>	<b>22.04</b>	<b>83.9%</b>

The Caribbean is the principal cruise destination for passengers sourced from North America. While its share of the cruise industry's global deployment has fallen from 46.8% in 2004 to 39.4% in 2014, it still remains the largest destination market with 55.9 million bed days deployed in the region during 2014. As shown in Table 3, this was a 54.8% increase in capacity over the ten-year period and includes a 16.2% increase in 2014.

<sup>5</sup> Passenger bed days are the number of days that all berths could be occupied at 100% occupancy. For example, a cruise ship with 2,000 lower berths on a 7-day cruise generates 14,000 potential bed days.

Europe, as a whole, has seen bed day capacity increase by 127.5% over the 10-year period, rising from 20.4 million bed days to 46.4 million. Overall, the growth in Northern Europe has been stronger than that in the Mediterranean as a result of an actual decline in deployed capacity in the Mediterranean that began in 2012 and has continued into 2014. With a slight Business Research and Economic Advisors Page 7 September 2015 dip in capacity in Northern Europe in 2014 the region experienced a 6.5% decrease in bed days from 2013. Even with these recent shifts European capacity has seen its capacity increase from 56% of that deployed in the Caribbean in 2004 to 83% of Caribbean capacity in 2014, and 32.7% of the global capacity (up from 26.4% in 2004).

Driven by strong growth in Australasia, the Rest of the World has seen bed day capacity increase by 315% since 2004 which includes a 10.6% increase for 2014. With 24.1 million bed days deployed in the Rest of the World, it accounted for 17% of the cruise industry's global capacity in 2014, up from 8% in 2004. The Caribbean and Europe have consistently garnered 70-75% of the global capacity over the last ten years but the Rest of the World has seen big increases compared to them. The Rest of the World has seen its capacity more than double from 10% of that deployed in the Caribbean and Europe combined in 2004 to 24% in 2014.

Thus, the cruise industry is truly a global industry with passengers sourced from around the world and with cruise itineraries destined for countries and ports around the globe. It is also a dynamic industry with overall global growth rates exceeding that of land-based tourism over the past ten years. The dynamism also carries over to the geographic distribution of growth which has shifted from North America, to Europe and now to Australasia. As a result, the industry impacts the global economy generating jobs, income and tax revenues in all regions of the world.



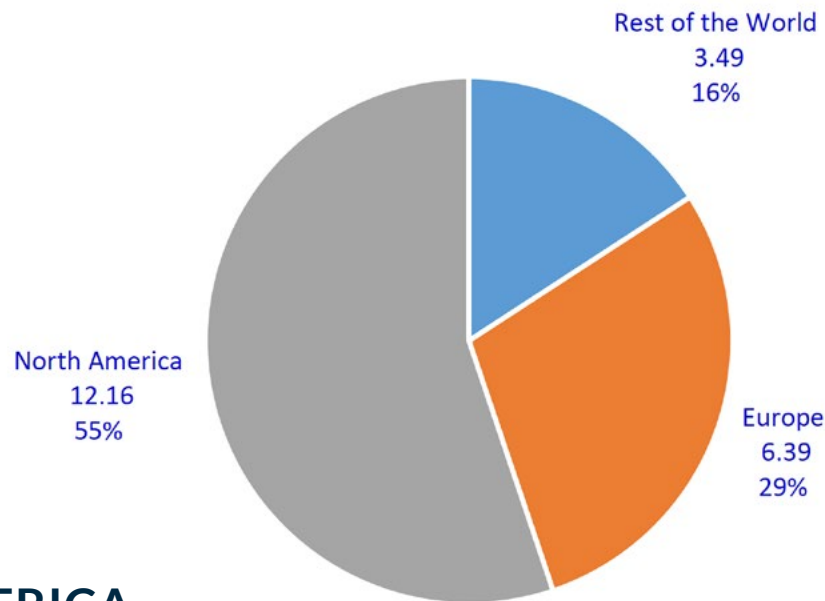


# SOURCE MARKETS: WHERE DO CRUISE PASSENGERS RESIDE?

As discussed in the previous section, cruise passengers are sourced from around the world. In this section, we focus on the global distribution for 2014. North America accounted for 55% of all cruise passengers with 12.16 million passengers. Europe was next with 29% and 6.39 million passengers and the Rest of the World accounted for the remaining 16% with 3.49 million passengers. The potential for growth in the Rest of the World is illustrated by the fact that it accounts for about nearly 85% of the world's population<sup>6</sup> and only 16% of world cruisers.

**Figure 1 – Global Distribution of Cruise Passengers by Source Market – 2014 (Millions of Passengers)**

Source: G. P. Wild (International) Limited from CLIA, IRN and other sources.



## NORTH AMERICA

Within North America, the 11.21 million passengers were sourced from the United States and accounted for 92% of the market's cruise passengers (see Figure 2). During 2014, passengers sourced from the United States rose by 2.7%. Canada accounted for 7% with 800,000 passengers, an increase of 3.9% from 2013. The remaining 1%, or 150,000 passengers resided elsewhere in North America. This group saw an increase of 15.4% over 2013. The largest of these other North American source markets are: Mexico, Panama, Bermuda and Barbados.

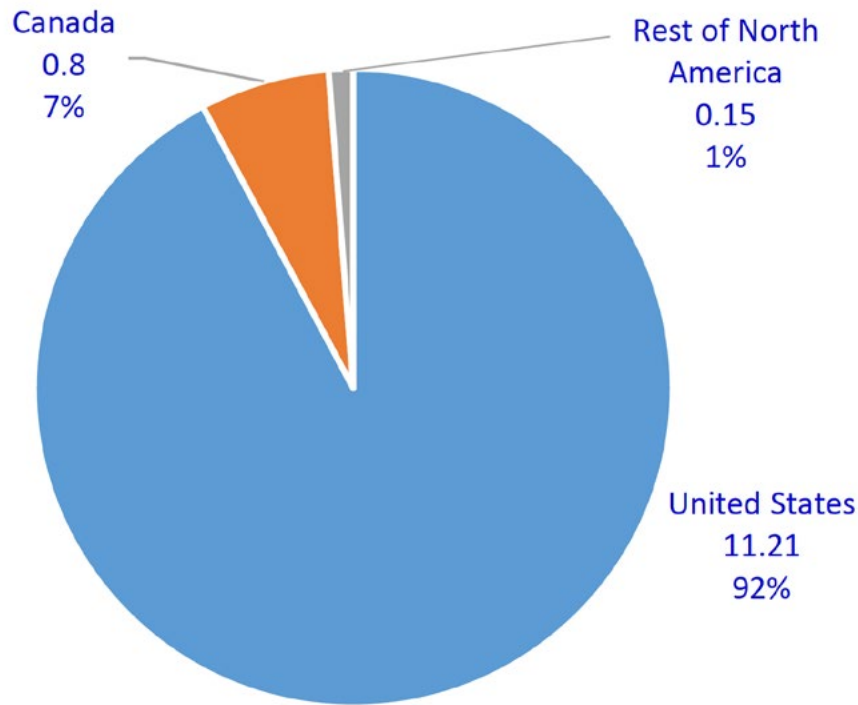
In addition to being the largest source market, the United States is also the largest originator of cruises. During 2014, more than 4,000 cruises originating from U.S. ports carried an estimated 11.06 million passengers. Thus passenger embarkations in the United States accounted for half of global cruise passengers. The five largest cruise ports, Miami, Port Everglades, Port Canaveral, Galveston and New York accounted for 68% of the passenger embarkations in the United States with 7.48 million passengers.

<sup>6</sup> Population Reference Bureau, 2013 World Population Data Sheet, 2014.

**Figure 2 –Distribution of Cruise Passengers Sourced from North America – 2014 (Millions of Passengers)**

Source: G. P. Wild (International) Limited from CLIA, IRN and other sources.

Note: Rest of North America consists of Mexico, Bermuda, Central America and the Caribbean.



## EUROPE

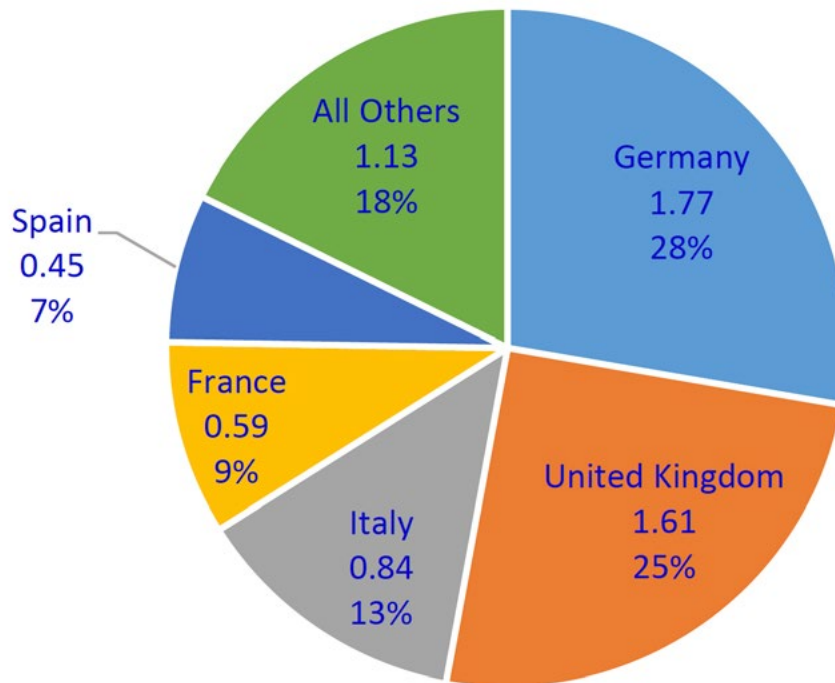
As shown in [Figure 3](#), the five largest source countries in Europe accounted for 82% of the passengers sourced from Europe in 2014. Like 2013, Germany and the United Kingdom accounted for over half of the passengers sourced from Europe with a total of 3.38 million passengers. However, Germany experienced an increase in the number passengers by 4.7% and the United Kingdom experienced a decrease in the number of passengers by 6.9%. An additional 1.9 million passengers were sourced from Italy, France and Spain, 29% of European-sourced passengers. Italy and Spain experienced decreases in the number of passengers by 3.4% and 6.2%, respectively, but passengers sourced from France experienced an increase of 13.5%.

Among the other European countries contributing more than 100,000 cruise passengers were Switzerland, Norway, Austria and the Netherlands. Combined 550,000 passengers were sourced from these four countries, about 9% of European sourced passengers. This is a 3% increase over 2013 and is due largely to a 28.6% increase in the number of passengers from Norway, which overcame the decreases in Switzerland and Austria of 6.7% and 7.7%, respectively. Finally, approximately 580,000 cruise passengers were sourced from the remaining European countries, 9% of European-sourced passengers.

**Figure 3 – Distribution of Cruise Passengers Sourced from Europe – 2014 (Millions of Passengers)**

Source: G. P. Wild (International) Limited from CLIA, IRN and other sources.

Note: United Kingdom includes Ireland



Of the 6.39 million passengers sourced from Europe, an estimated 5.85 million passengers embarked on their cruise from European ports. This is down from 6.1 million in 2013 and shows that a significant number of Europeans continue to board cruises outside Europe. The top non-European destination for European residents was the Caribbean. The top ten European home ports include: Southampton, Venice, Barcelona, Civitavecchia, Savona, Palma Majorca, Genoa, Hamburg, Marseille and Copenhagen. More than 200,000 passengers embarked on cruises from each of these ports. Combined these ten ports accounted for more than 75% of all European embarkations.

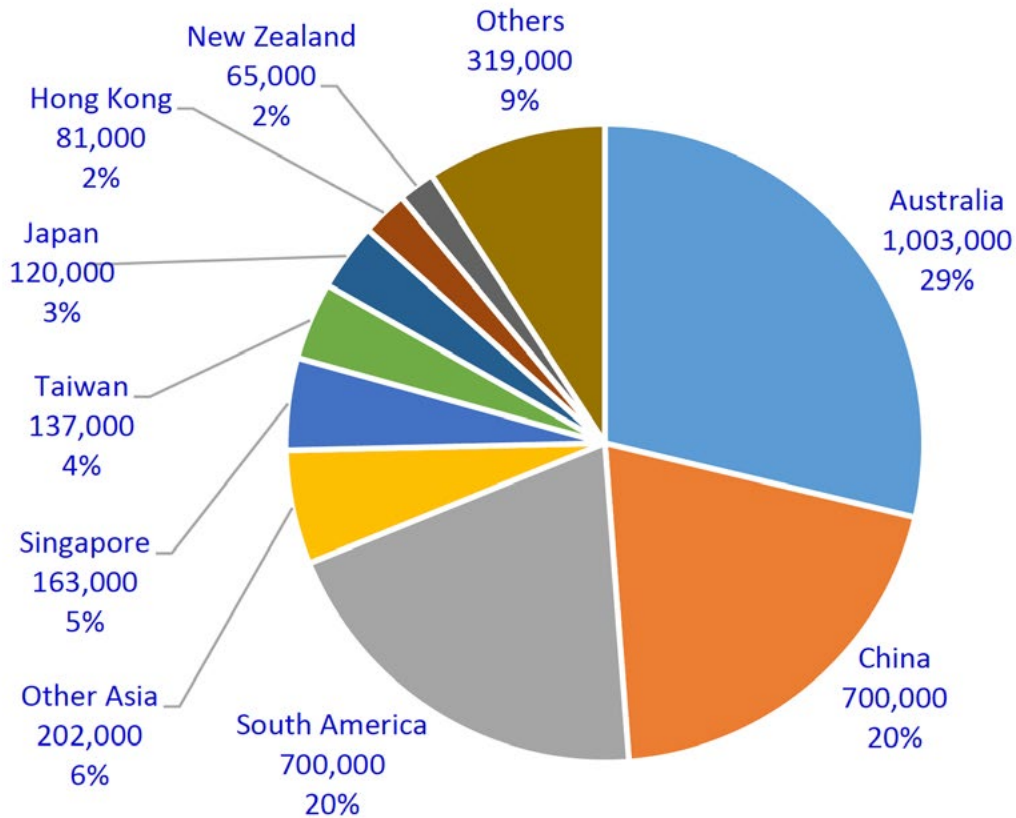
## REST OF THE WORLD

As shown in Figure 4, the two principal sources in the Rest of the World are the countries of Australia with just over 1 million passengers and China with 700,000 passengers. Combined these two countries accounted for about half of all passengers sourced from the Rest of the World. The countries in Asia other than China accounted for 703,000 passengers or 20% of the Rest of the World, and the countries of South America accounted for 700,000 passengers which also equates to about 20% of the Rest of the world. Finally, New Zealand and the remainder of the countries of the Rest of the World accounted for 384,000 passengers or 11% of the Rest of the World.

As discussed in the previous section, The Rest of the World has experienced the most growth of the designated groups with 13% in year-over-year growth. Many of the countries in this group experienced notable fluctuations in the number of year-over-year passengers. Hong Kong experienced the largest increase more than doubling (124%) their sourced passengers from 36,000 to 81,000. China, Australia, and Japan also saw a notable increases of 50%, 20%, and 20% respectively.

**Figure 4 –Distribution of Cruise Passengers Sourced from the Rest of the World – 2014**

Source: G. P. Wild (International) Limited from CLIA, IRN, Chart Management Consultants and other sources.



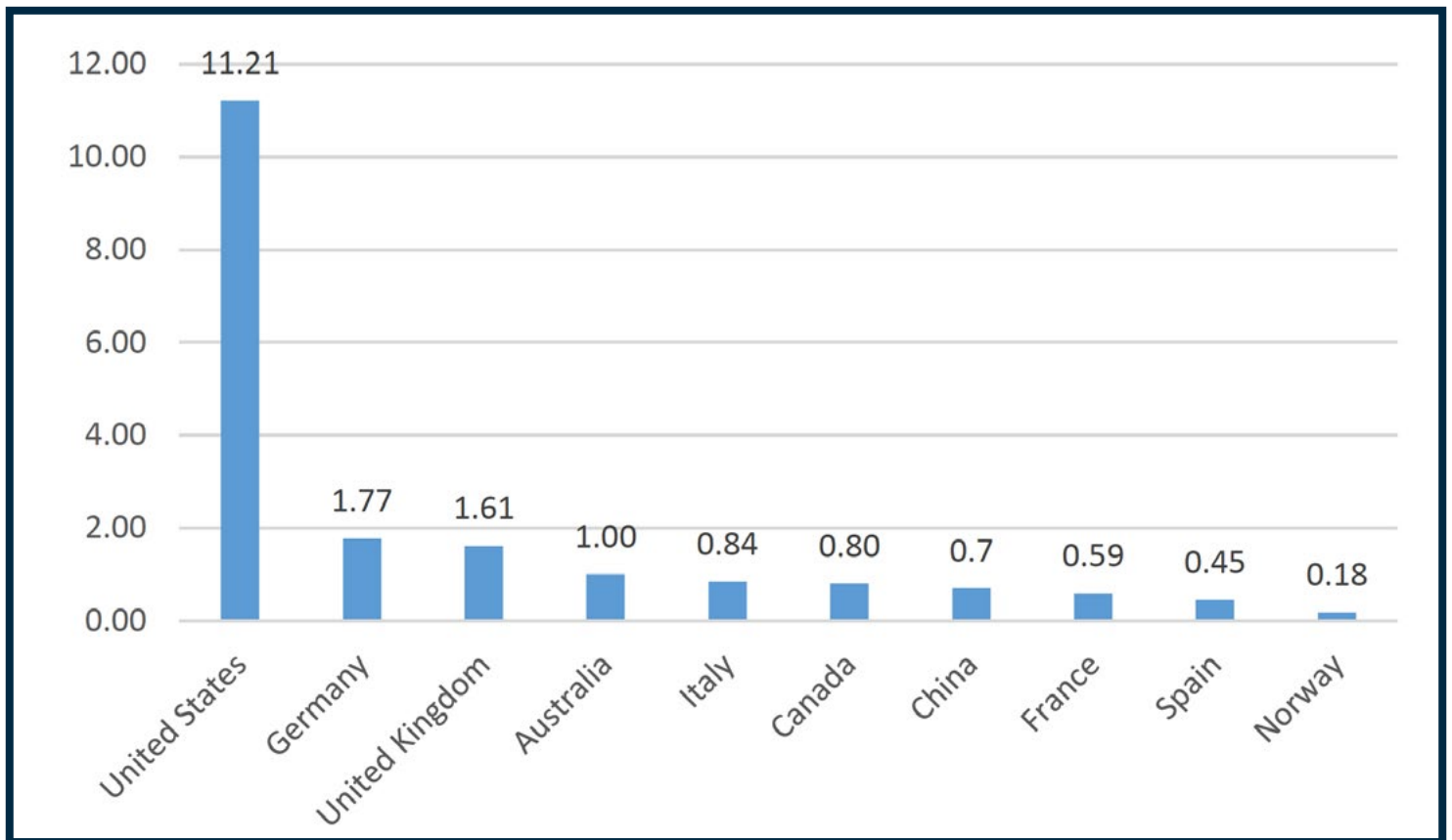
## TOP TEN COUNTRIES

In summary, a total of 19.2 million passengers were sourced from the top ten countries which accounts for 88% of global cruise passengers. As indicated in [Figure 5](#), these countries are located in all major global regions.

The United States with 11.21 million passengers was the largest source country by far, accounting for just over half (51%) of global cruise passengers. The next two countries, Germany and the United Kingdom, accounted for 15% of global passengers with a total of 3.38 million passengers. Australia, Italy, and Canada each had more than 800,000 passengers and accounted for 12% of global passengers. The last four countries: China, France, Spain, and Norway account for 1.92 million passengers, about 10% of the global passengers.

### Figure 5 –Cruise Passengers Sourced from the Top 10 Countries – 2014

Source: G. P. Wild (International) Limited from CLIA, IRN and other sources.

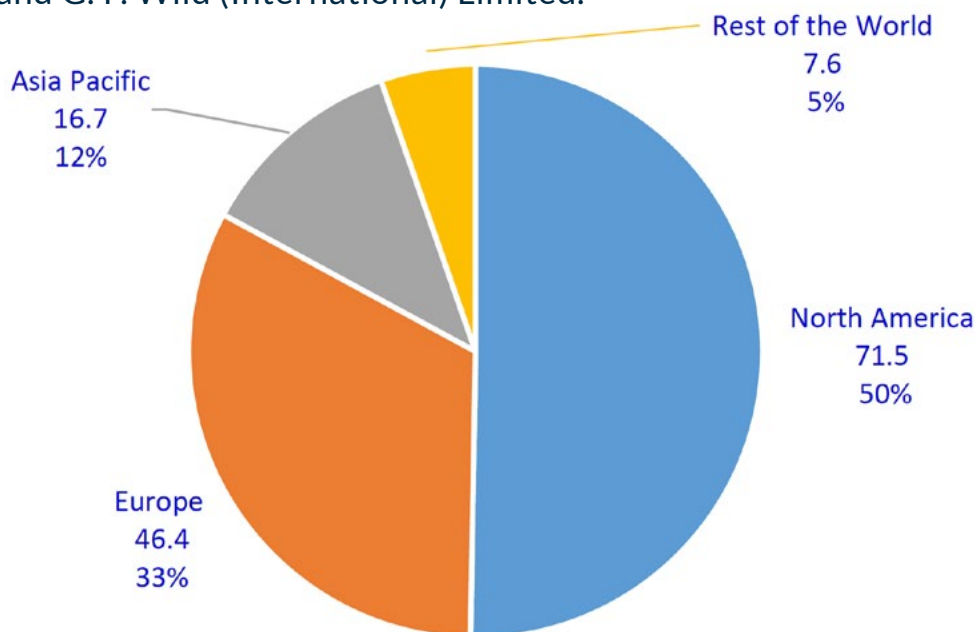


## DESTINATION MARKETS: WHERE ARE CRUISE SHIPS DEPLOYED?

As discussed in the Introduction, cruise lines deploy their ships around the globe. In this section, we focus on the global distribution of bed day capacity for 2014. As shown in Figure 6, North America accounted for 50% of the global bed day capacity with 71.5 million bed days. Europe was next with 33% and 46.4 million bed days. The Asia/Pacific region came in with 16.7 million bed days, 12% of the global capacity and the Rest of the World accounted for the remaining 5% with 7.6 million bed days.

**Figure 6 – Global Distribution of Passenger Bed Days – 2014 (Millions of Bed Days)**

Source: CLIA and G. P. Wild (International) Limited.



North America accounted for a smaller share of global capacity than global passengers, 50% versus 55%. Europe, on the other hand accounted for a larger share of capacity than passengers, 33% versus 29% while the Rest of the World, including Asia/Pacific, had about equal shares for capacity and passengers, 17% and 16%.

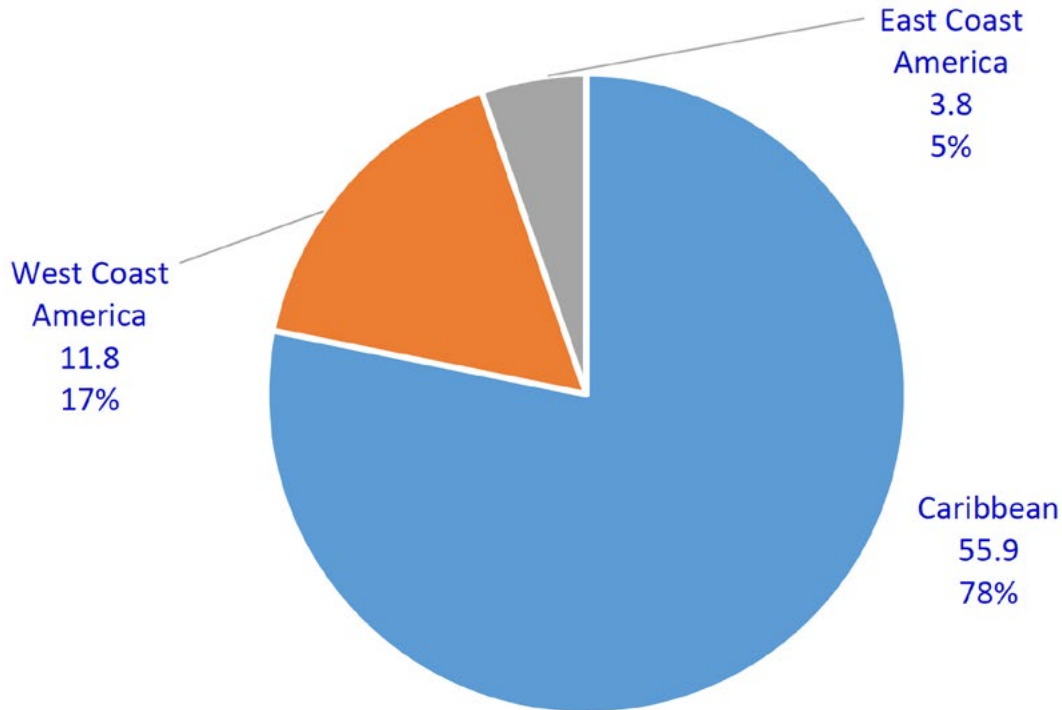
## NORTH AMERICA

Within North America, the Caribbean, with 55.9 million bed days, accounted for more than three-fourths (78%) of the capacity deployed in the market (see Figure 7). This figure accounts for a 17% increase over 2013. The Pacific side of North America including ports in Alaska, Hawaii, and Mexico was the next largest region with 11.8 million bed days (up 4.4% over 2013) or 17% of the capacity in the market. Finally, cruise lines deployed 3.8 million bed days (up 2.7% over 2013) among destinations in Canada, and the Atlantic coast of the United States, 5% of the capacity deployed in North America.

## Figure 7 – Distribution of Passenger Bed Days in North America – 2014 (Millions of Bed Days)

Source: CLIA and G. P. Wild (International) Limited.

Notes: West Coast America Includes Alaska, Hawaii, and ports on the Pacific side of the United States and Mexico. East Coast America includes Canada/New England and Bermuda. The Caribbean includes the Bahamas, U.S. and Mexican ports on the Caribbean and Transcanal (Panama) cruises.



Data published by the Caribbean Tourism Organization (CTO)<sup>7</sup> showed that seven Caribbean destinations had passenger arrivals<sup>8</sup> in excess of one million passengers during 2014. These were: the Bahamas (4.80 million), Cozumel (3.40 million), U.S. Virgin Islands (2.08 million), St. Maarten (2.00 million), the Cayman Islands (1.61 million), Jamaica (1.42 million) and Puerto Rico (1.36 million). Combined, these seven destinations accounted for two-thirds of the 25 million cruise passenger arrivals reported for the 24 destinations covered in the CTO report.

Within the United States, BREA has reported that 11.06 million passengers embarked on their cruises from U.S. ports (excludes San Juan, PR) while 5.4 million passengers visited U.S. ports as transit passengers. As noted previously the five largest embarkation ports in the U.S. during 2014 were: Miami (2.54 million), Port Everglades (1.94 million), Port Canaveral (1.77 million), Galveston (.64 million) and New York (.58 million). Thus these five ports accounted for 68% of embarkations among all U.S. ports.

The major transit ports were the Alaska ports of Juneau (953,000), Ketchikan (885,000) and Skagway (819,000) and the Florida ports of Key West (765,000) and Port Canaveral (398,000). These five ports accounted for about 70% of all passenger arrivals at U.S. transit ports.

<sup>7</sup> Caribbean Tourism Organization, Latest Statistics 2014, June 19, 2015

<sup>8</sup> Passenger arrivals are the number of passengers on cruise ships that arrive at destination ports. Since not all passengers will disembark at a given port, passenger arrivals are larger than passenger onshore visits.

In Canada the principal home ports were Vancouver, Montreal and Quebec. Vancouver, along with Seattle, is a major home port for Alaska cruises and handled more than 812,000 passengers while the two ports along the St. Lawrence handled approximately 185,000 home port and transit port passengers. Finally, the ports of Atlantic Canada handled about 537,000 passengers during 2014.

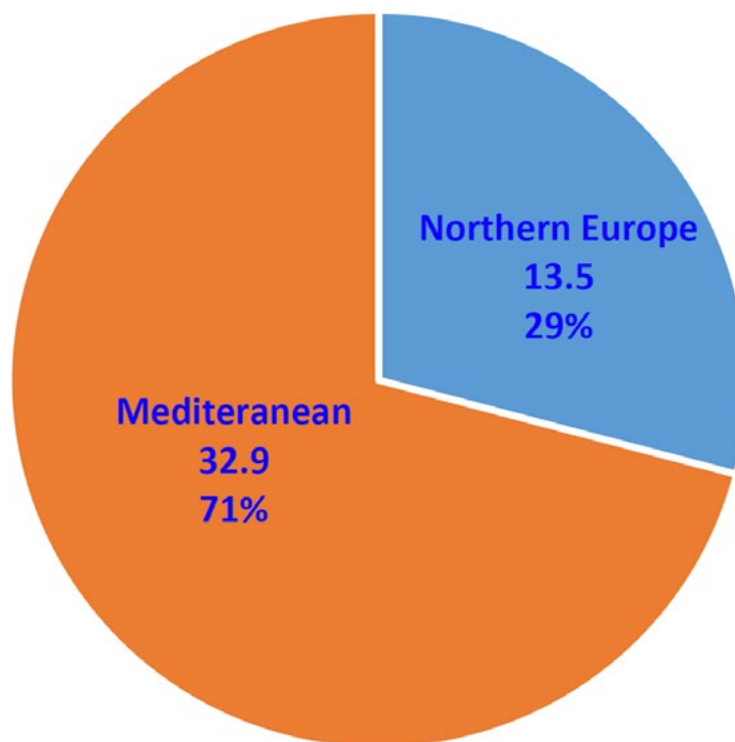
## EUROPE

The Mediterranean accounted for 71% of the capacity deployed in Europe during 2014 with 32.9 million bed days (see Figure 8). The Mediterranean is a fairly self-contained market with most cruise originating and terminating within the region. As noted previously the major home ports in the Mediterranean are Barcelona, Civitavecchia, Venice and Piraeus (Athens). Major destination or transit ports include Marseille, Naples, Dubrovnik, Santorini, Corfu and Livorno.

### Figure 8 – Distribution of Passenger Bed Days in Europe – 2014 (Millions of Bed Days)

Source: CLIA and G. P. Wild (International) Limited.

Notes: The Mediterranean includes the Atlantic Isles while Northern Europe includes the Black Sea.



Cruise lines also deployed an estimated 13.5 million bed days in Northern Europe. Like the Mediterranean, most cruises originate and terminate within the region. The principal home ports are Southampton, Copenhagen and Hamburg. Major cruise destinations in Northern Europe include Lisbon, St. Petersburg, Tallinn, Cadiz, Stockholm and Rostock/Warnemunde.



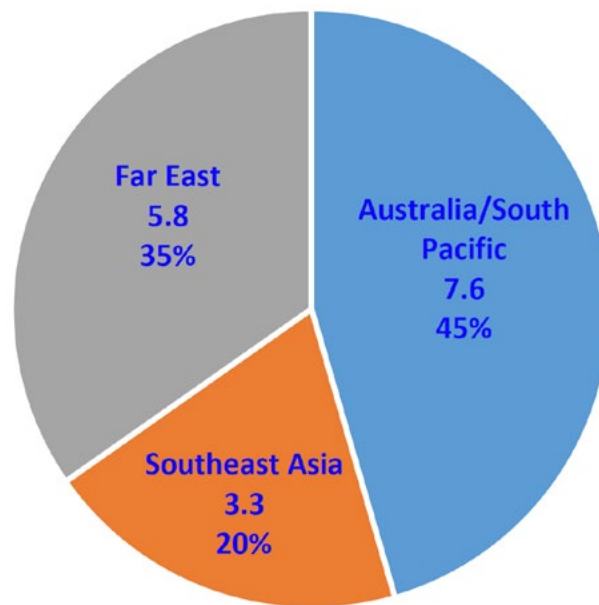
## ASIA / PACIFIC

As noted previously the Asia/Pacific destination market accounted for 12% of the cruise industry's global bed day capacity. As shown in Figure 9, the Australia/South Pacific region accounted for 45% of the capacity deployed in this market with 7.6 million bed days. Sydney serves as the primary homeport in the region with cruises primarily destined for New Zealand and South Pacific destinations as well as other Australian ports.

**Figure 9 – Distribution of Passenger Bed Days in Asia/Pacific – 2014 (Millions of bed days)**

Source: CLIA and G. P. Wild (International) Limited.

Notes: Southeast Asia includes Singapore, Indonesia, Malaysia, Thailand and Vietnam among others. Far East includes China, Japan, Hong Kong and others.



The Far East region, led by China, accounted for 35% of the capacity deployed in the market with 5.8 million bed days. This was followed by Southeast Asia with 20% of the capacity in the market and 3.35 million bed days. Most cruises in this region originate in Singapore with calls at destinations in Indonesia, Malaysia, Thailand and Vietnam.

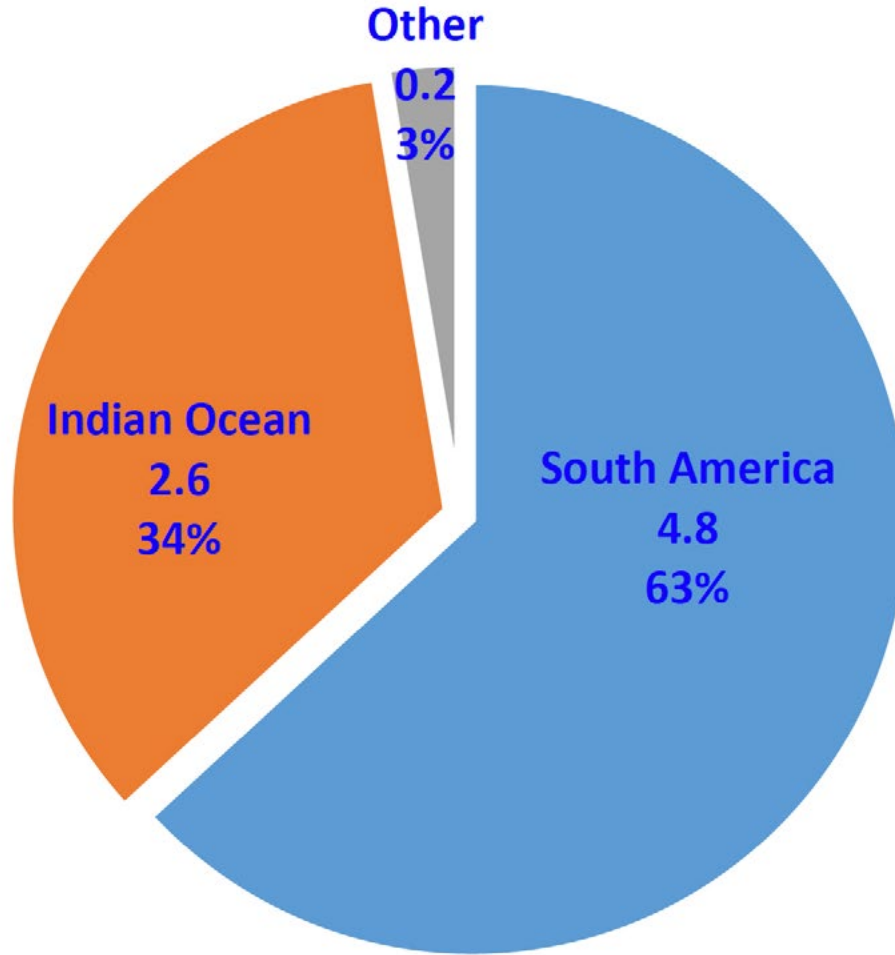
## REST OF THE WORLD

The Rest of the World accounted for 5% of the cruise industry's global capacity with 7.6 million bed days. South America was the largest region within this destination market with 4.8 million bed days, 63% of the market's capacity. Brazil and Argentina are the largest destinations within this region. Another 2.6 million bed days were deployed in the Indian Ocean region, 34% of the market's capacity. Finally about 200,000 bed days were deployed elsewhere in the world primarily for transatlantic and global cruises.

**Figure 10 –Distribution of Passenger Bed Days in the Rest of the World – 2014  
(Millions of Bed Days)**

Source: CLIA and G. P. Wild (International) Limited.

Notes: The Indian Ocean includes cruises in the Red Sea, the Middle East and to South Africa.



## PASSENGER AND CREW ONSHORE VISITS

As shown in Table 4, the cruise industry generated just over 118 million passenger and crew visit days at ports around the globe. These consisted of 22.04 million passenger embarkations, 73.4 million transit passenger visit days and 22.59 million crew visit days. European ports accounted for 34% of these while ports throughout North America accounted for 52% of global passenger and crew visit days.

**Table 4–Passenger and Crew Onshore Visits – Global and Regional Markets – 2014**  
(Millions of Visit Days)

CATEGORY	GLOBAL	REGIONAL MARKETS			
		UNITED STATES <sup>1</sup>	REST OF NORTH AMERICA <sup>2</sup>	EUROPE (EU+3) <sup>3</sup>	REST OF WORLD <sup>4</sup>
Passenger Embarkations	22.04	11.06	1.51	5.85	3.62
Transit Passengers	73.40	5.25	31.10	28.96	8.09
Crew	22.59	6.99	5.71	5.76	4.13
<b>Total</b>	<b>118.03</b>	<b>23.30</b>	<b>38.32</b>	<b>40.57</b>	<b>15.84</b>

<sup>1</sup> United States consists of all US ports including those in Alaska and Hawaii.

<sup>2</sup> Rest of North America consists of ports in Bermuda, Canada, the Caribbean, Central America and Mexico.

<sup>3</sup> Europe EU+3 includes the ports of the 27 member states of the EU plus Iceland, Norway and Switzerland.

<sup>4</sup> Rest of the World consists of ports in South America, Asia, the South Pacific and Australia.

Of the 22.04 million cruise passengers sourced from around the world, 11.06 million, 50%, embarked on their cruise from a port in the United States. Of these 62% boarded cruises from Florida's five cruise ports, Miami, Port Everglades, Port Canaveral, Tampa and Jacksonville. Another 1.51 million passengers, 7% of the global total, embarked on cruises from other ports in North America. The principal embarkation ports were San Juan in the Caribbean and Vancouver in Canada.

European ports with 5.85 million passenger embarkations accounted for another 27% global passenger embarkations. The major embarkation ports in Europe included Barcelona, Civitavecchia, Venice, Palma Majorca, Piraeus (Athens) and Savona in the Mediterranean and Southampton, Copenhagen and Hamburg in northern Europe. Combined, these nine ports accounted for almost two-thirds of the passenger embarkations in Europe.

A total of 3.62 million passengers embarked on cruises at ports around the Rest of the World, 16% of the total. Sydney and Singapore were the major home ports in the Rest of the World.

An analysis of global cruise itineraries and passenger arrivals indicated that the average length of a cruise was approximately seven days. On a seven day itinerary, the typical cruise ship made between three and four calls in addition to the home port call. Thus, the 22.04 million cruise passenger embarkations generated another 73.4 million visit days at transit calls at ports around the globe.

The ports of the Rest of North America accounted for the largest share at 42% with 31.1 million transit visit days. The Caribbean, including Mexico and Central America accounted for over three-fourths of these visit days. Europe was next with 28.96 million transit passenger visit days, 40% of the total. Europe's major transit ports included Civitavecchia, Barcelona, Naples, Marseille, Piraeus and Dubrovnik in the Mediterranean and St. Petersburg, Lisbon, Tallinn, Stockholm and Bergen in Northern Europe. Combined, these eleven ports accounted for about 30% of transit visit days throughout Europe. The ports of the United States generated 5.25 million transit passenger visit days, 7% of the total. The principal transit ports in the United States are located in Alaska, Hawaii and Florida. Finally, ports in the Rest of the World received 8.9 million transit passenger visit days. The principal transit ports in this region were located in Australia and Southeast Asia.



Finally crew onboard cruise ships also disembark and visit in both home and transit ports. Based upon data collected as part of regional and port specific cruise studies, BREAA has estimated that between 40% and 45% of crew disembark at each port call. Thus, on a global basis cruises generated an estimated 22.59 million crew visit days.

The ports of the United States and Europe generated 6.99 million and 5.76 million crew visits days, respectively. Combined this accounted for 51% of global crew visit days. The Rest of North America and the Rest of the World generated 5.71 million and 4.13 million crew visit days.

## DIRECT EXPENDITURES GENERATED BY CRUISE TOURISM

The direct expenditures generated by cruise tourism were analyzed for three segments: i) cruise passengers, ii) crew members and iii) cruise lines. Passengers purchased pre- and post-cruise vacations, shore excursions, souvenirs and other retail goods while crew purchased a similar set of goods and services with a heavier concentration on retail goods. In addition, cruise lines purchased a variety of goods in support of their cruise operations, including food and beverages, hotel supplies, bunker fuel, and utilities while in port. Cruise lines also made payments for a variety of services in support of their global cruise operations, including travel agent commissions, expenditures for advertising and promotion and other professional and business services. As shown in Table 5, the estimated direct global spending by cruise lines and their passengers and crew totaled \$55.77 billion during 2014.

**Table 5–Direct Cruise Sector Expenditures – Global and Regional Markets – 2014 (Billions of US\$)**

CATEGORY	GLOBAL	REGIONAL MARKETS			
		UNITED STATES <sup>1</sup>	REST OF NORTH AMERICA <sup>2</sup>	EUROPE (EU+3) <sup>3</sup>	REST OF WORLD <sup>4</sup>
Home Port Passengers	\$7.56	\$2.97	\$0.77	\$2.18	\$1.64
Transit Passengers	\$7.07	\$0.64	\$2.91	\$2.30	\$1.22
Passenger Total	\$14.63	\$3.61	\$3.68	\$4.48	\$2.86
Crew	\$1.27	\$0.33	\$0.49	\$0.17	\$0.28
Cruise Lines <sup>1</sup>	\$39.87	\$17.08	\$1.21	\$16.60	\$4.98
<b>Total</b>	<b>\$55.77</b>	<b>\$21.02</b>	<b>\$5.38</b>	<b>\$21.25</b>	<b>\$8.12</b>

<sup>1</sup> Expenditures by cruise lines consists of purchases of goods consumed and used on ships, port charges and fees, travel agent commissions, administrative expenses and wages paid to shore side employees and crew among others.

On a global basis, passengers spent an estimated \$14.63 billion during home and transit port calls, accounting for 26% of total cruise sector direct expenditures. Crew spent another \$1.27 billion, 2% of the total. Finally, cruise lines spent an estimated \$39.87 billion on cruise operations, 71% of the total.

As shown in Table 6, passenger and crew expenditures were concentrated in three categories, travel to home port, tours and local transit and retail and other. Combined these three categories accounted for 82% of the global expenditures of passengers and crew. On average \$126.93 in expenditures was generated by each visit day.

**Table 6–Global Passenger and Crew Spending by Category – 2014 (Millions of US\$)**

CATEGORIES	TOTAL	HOME PORT PASSENGERS	TRANSIT PASSENGERS	CREW
Visit Days (Millions)	114.86	22.04	73.40	22.59
Accommodations	\$1,014	\$1,360	--	--
Travel to Home Port	\$3,841	\$3,874	--	--
Food & Beverages	\$1,600	\$693	\$849	\$320
Tours & Local Transit	\$3,445	\$681	\$3,050	\$252
Retail & Other	\$4,679	\$953	\$3,171	\$698
<b>Total</b>	<b>\$14,579</b>	<b>\$7,561</b>	<b>\$7,070</b>	<b>\$1,270</b>
<b>Average Spend per Visit</b>	<b>\$126.93</b>	<b>\$343.06</b>	<b>\$96.32</b>	<b>\$65.03</b>

On a regional basis, the United States and Europe had similar direct expenditure totals, \$21.02 and \$21.25 billion, respectively. Thus, each market accounted for about 38% of global direct expenditures. Since the U.S. serves primarily as a source market for cruises to the Rest of North America, expenditures by home port passengers account for 75% of passenger and crew spending in the United States. In Europe, on the other hand, cruises originate and make port calls within the European market. As a result, expenditures by home and transit port passengers were nearly identical, \$2.18 and \$2.30 billion.

Expenditures by cruise lines were also similar in both the United States and Europe, \$17.08 billion in the U.S. and \$16.60 billion in Europe. The key difference is that shipbuilding, including maintenance and refurbishment, accounted for 27% of the expenditures by cruise lines in Europe and only 4% in the United States.

As alluded to above, the Rest of North America is principally a destination market for cruises originating in the United States. As a result, expenditures by transit passengers, \$2.91 billion, accounted for 70% of all passenger and crew spending in the region. The \$1.21 billion in cruise line spending in the Rest of North America was largely concentrated in Canada which accounted for about 23% of the total spending in the region. In total, the \$5.38 billion in direct cruise sector expenditures in the Rest of North America accounted for 10% of global direct spending.

The \$8.12 billion in direct expenditures in the Rest of the World accounted for 14.6% of global direct spending. The Home Port passengers of this region spent the highest proportion within their category than any other category. Home Port passenger spending accounted for 20% of spending within the region. Additionally, cruise lines spent \$4.98 billion, accounting for 61% of direct spending within the region. This is primarily due to the presence of cruise administrative offices and the construction and refurbishment of ships in Asia.

## ECONOMIC CONTRIBUTION GENERATED BY CRUISE TOURISM IN 2014

The objective of this analysis is to quantify the contribution of the spending generated by cruise tourism to the global economy during 2014. The quantification consists of the measurement of the direct expenditures and the resulting impacts on output, employment and income. The contribution analysis consists of three elements: i) the direct economic contribution, ii) the indirect economic contribution and the iii) the induced economic contribution.

The direct expenditures generated by the cruise industry and its passengers and crew that were quantified and discussed in the previous section, are the driving force of the industry's contribution to the global economy. These expenditures generate direct employment and employee income in support of providing the goods and services purchased by the cruise lines and their passengers and crew.

The indirect contribution results from the subsequent demand for goods and services generated by the directly impacted businesses. For example, food processors must purchase raw foodstuffs for processing; utility services, such as electricity and water, to run equipment and process raw materials; transportation services to deliver finished products to the cruise lines or wholesalers; and insurance for property and employees.

The induced contribution is generated by the spending of the employees of the cruise lines and their suppliers. The income of these employees is used to purchase a broad range of consumer goods and services including such goods as autos, food, clothing, furniture, health care and so forth. As a consequence, the induced contribution is concentrated in the final demand for final goods produced for the household sector.

As discussed in the Introduction, the estimates of the global direct, indirect and induced contribution are the sum of the impacts estimated for the regional markets. The regional estimates for 2014 are taken directly from published economic impact studies for 2014, extrapolated impacts for regions where studies were conducted in the past two years and estimates developed by BREA for those regions where recent economic impact data are unavailable.

### DIRECT ECONOMIC CONTRIBUTION

The \$55.77 billion in global direct cruise tourism expenditures by themselves generated a significant contribution to the global economy. As shown in [Table 7](#), these direct expenditures generated 448,685 FTE jobs paying \$16.85 billion in employee income, including the shore side employees and crew of cruise lines.

**Table 7–Direct Cruise Sector Economic Contribution – Global and Regional Markets – 2014  
(Billions of US\$)**

CATEGORY	GLOBAL	REGIONAL MARKETS			
		UNITED STATES	REST OF NORTH AMERICA	EUROPE (EU+3)	REST OF WORLD
<b>Output (\$ Billion)</b>	\$55.77	\$21.02	\$5.38	\$21.25	\$8.12
<b>Share of Global</b>		37.7%	9.6%	38.1%	14.6%
<b>Income (\$ Billion)</b>	\$16.85	\$7.02	\$1.10	\$5.93	\$2.79
<b>Share of Global</b>		41.7%	6.5%	35.2%	16.6%
<b>Employment</b>	448,685	152,272	55,372	169,831	71,210
<b>Share of Global</b>		33.9%	12.3%	37.9%	15.9%

The table also shows the regional distribution of the direct economic contribution. Europe’s direct economic contributions accounted for 38% of the global direct contribution of the cruise industry. The \$21.25 billion in direct expenditures in Europe generated 169,831 FTE jobs paying an estimated \$5.93 billion in employee income. As noted previously Europe’s shipbuilding industry represents a significant component, about 27%, of the direct economic contribution of the cruise industry in Europe.

The United States also accounted for 38% of global direct contribution to the cruise industry with \$21.02 billion in direct expenditures. These expenditures generated an estimated 152,272 FTE jobs paying \$7.02 billion in employee income. Given the significant headquarters and home port operations in the U.S., the direct economic contribution is heavily weighted toward those industries that supply goods and services to the cruise ships, i.e., cruise ports, suppliers of food and beverages, fuel and equipment, and administrative support services such as, advertising, accounting and professional services and transportation services, including travel agents.

Elsewhere in North America, the cruise industry’s direct expenditures of \$5.38 billion generated 55,372 FTE jobs paying \$1.10 billion in employee income. The share of the global economic contribution in this region ranged from 6.5% for the income contribution to 12.3% for the employment impact. The impacts in this region are largely generated by passenger and crew spending which accounted for 78% of the direct expenditures. Because these impacts primarily affect the retail trade and tour sectors, which have relatively low wages and productivity, the share of the employee income impact is lower than the share of the employment impact.

Finally, the direct expenditures of \$8.12 billion in the Rest of the World generated 71,210 FTE jobs paying \$2.79 billion in employee income. The share of the global contribution ranged from 14.6% for the direct expenditures to 15.9% for employment.



## INDIRECT AND INDUCED ECONOMIC CONTRIBUTION

As discussed previously, the indirect and induced contributions are generated by the spending of the directly impacted businesses and their employees. As a consequence, these impacts spread throughout the global and regional economies. The specific indirect and induced impacts are determined by the structure of the individual economies and as a result can vary significantly from region to region. As shown in Table 8, the \$55.77 billion in direct cruise tourism expenditures generated an additional \$64.13 billion in indirect and induced output, \$22.5 billion in employee income and 490,547 FTE jobs.

**Table 8–Indirect and Induced Cruise Sector Economic Impact – Global and Regional Markets – 2014 (Billions of US\$)**

CATEGORY	GLOBAL	REGIONAL MARKETS			
		UNITED STATES	REST OF NORTH AMERICA	EUROPE (EU+3)	REST OF WORLD
Output (\$ Billion)	\$64.13	\$25.07	\$4.83	\$27.48	\$6.74
Share of Global		39.1%	7.5%	42.9%	10.5%
Income (\$ Billion)	\$22.50	\$12.41	\$1.05	\$6.64	\$2.43
Share of Global		55.2%	4.7%	29.4%	10.8%
Employment	490,547	221,466	40,040	179,099	49,942
Share of Global		45.1%	8.2%	36.5%	10.2%

Combined, the United States and Europe accounted for about 82% of the global indirect and induced contribution. While Europe accounted for a larger percentage of the global output contribution than the U.S., the United States accounted for a larger percentage of the global employment and income contribution. The Rest of North America and the Rest of the World each accounted for between 8% and 10% of the global indirect and induced economic contribution.

## TOTAL ECONOMIC CONTRIBUTION

Combining the direct, indirect and induced contributions, cruise tourism generated an estimated \$119.90 billion in total output of goods and services throughout the global economy during 2014. As a result of the production of this output, 939,232 FTE jobs were required. The workers who were employed in these jobs were paid \$39.34 billion in income (see Table 9).

**Table 9–Total Cruise Sector Economic Contribution – Global and Regional Markets – 2014**  
Billions of US\$

CATEGORY	GLOBAL	REGIONAL MARKETS			
		UNITED STATES	REST OF NORTH AMERICA	EUROPE (EU+3)	REST OF WORLD
<b>Output (\$ Billion)</b>	\$119.90	\$46.09	\$10.21	\$48.73	\$14.87
<b>Share of Global</b>		38.4%	8.5%	40.6%	12.4%
<b>Income (\$ Billion)</b>	\$39.34	\$19.43	\$2.15	\$12.54	\$5.22
<b>Share of Global</b>		49.4%	5.5%	31.9%	13.3%
<b>Employment</b>	939,232	373,738	95,412	348,930	121,152
<b>Share of Global</b>		39.8%	10.2%	37.2%	12.9%

The table also shows the regional distribution of the direct economic contribution. Europe has the largest total output contribution of \$48.73 billion and accounted for about 41% of the total global output contribution of the cruise industry. This output resulted in employment of 348,930 FTE workers paying an estimated \$12.54 billion in employee income. The employment and income contribution were second behind the United States which accounted for 37% and 32% of the total global income and employment contribution, respectively.

The total output contribution in the United States was \$46.09 billion, 38.4% of the total global output contribution. The \$46.09 billion in total output generated an estimated 373,738 FTE jobs paying \$19.43 billion in employee income. As noted above the employment and income contributions were the highest among the four regional markets and accounted for 39.8% and 49.4% of the total global income and employment contributions, respectively.

Elsewhere in North America, the cruise industry’s total output contribution of \$10.21 billion generated 95,412 FTE jobs paying \$2.15 billion in employee income. The share of the global economic contribution in this region ranged from 5.5% for the income contribution to 10.2% for the employment impact. As noted previously, these impacts primarily affect the retail trade and tour sectors, which have relatively low wages and productivity, thus the share of the global employee income contribution is lower than the share of the employment contribution.

Finally, the total output contribution of \$14.87 billion in the Rest of the World generated 121,152 FTE jobs paying \$5.22 in employee income. The share of the global contribution ranged from 12.4% for the total output contribution, 13.3% for income contribution, to 12.9% for total employment contribution.

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