

THE CRUISE SHIP INDUSTRY IN VICTORIA
PRESENTATION TO VICTORIA ESQUIMALT HARBOUR SOCIETY
MAY 20, 2015

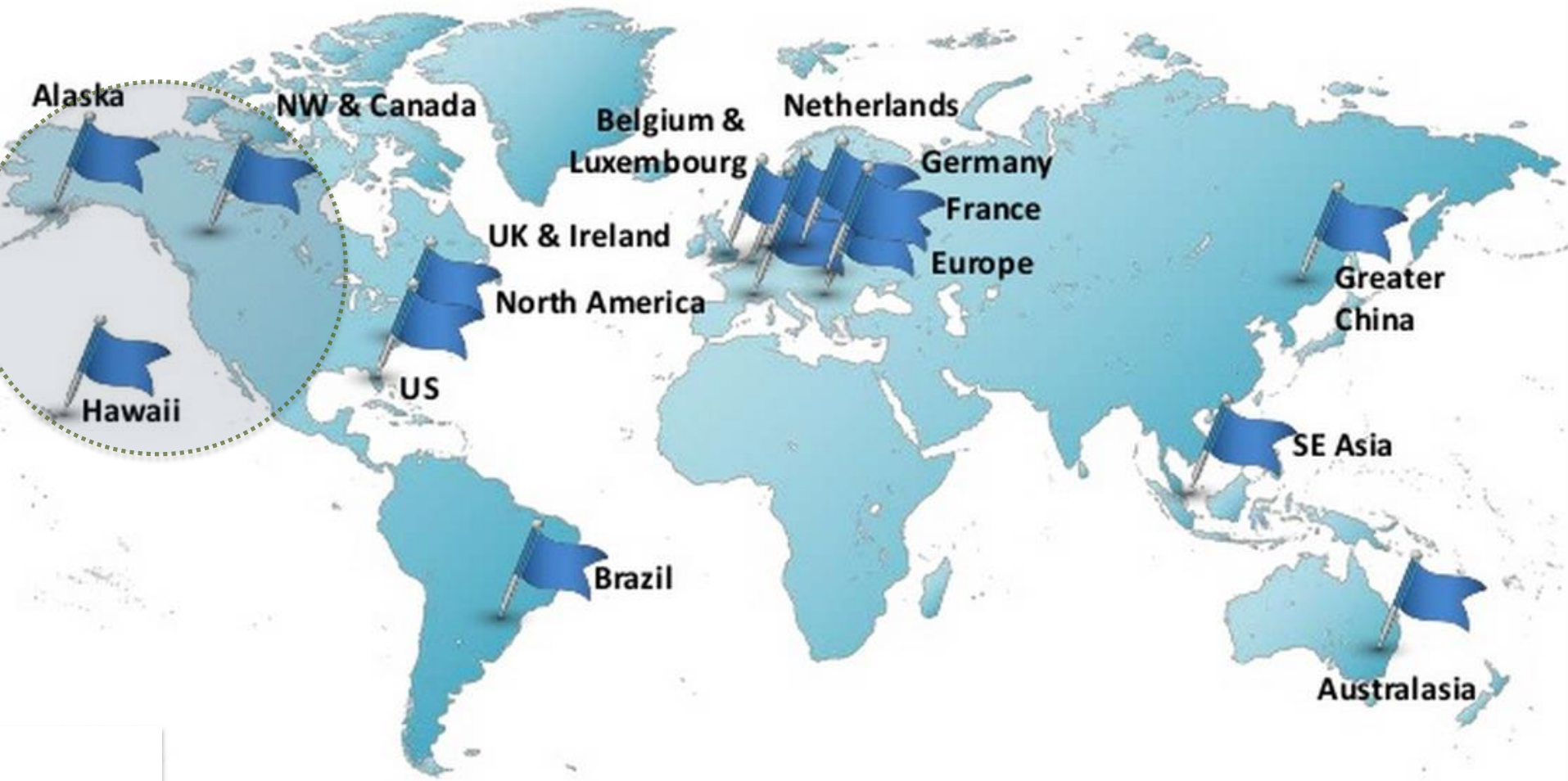
GREG WIRTZ
CRUISE LINES INTERNATIONAL ASSOCIATION
PRESIDENT, NORTH WEST AND CANADA



Cruise Line Members



A Global Industry Calls for a Global Association Network

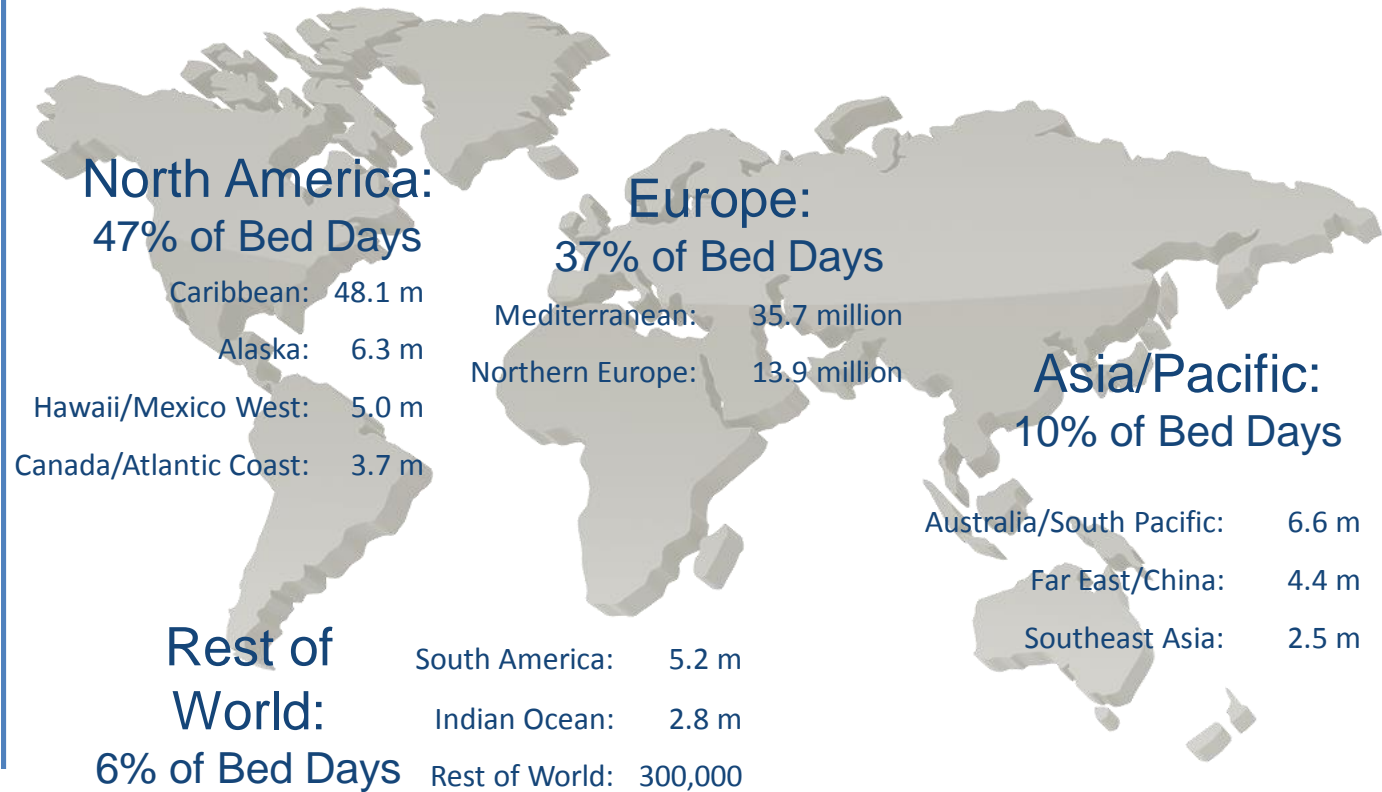


The Global Cruise Industry

In ten years:

- Capacity in Northern Europe grew 209%
- Mediterranean increased 161%
- New markets in the 'Rest of the World' expanded 296%

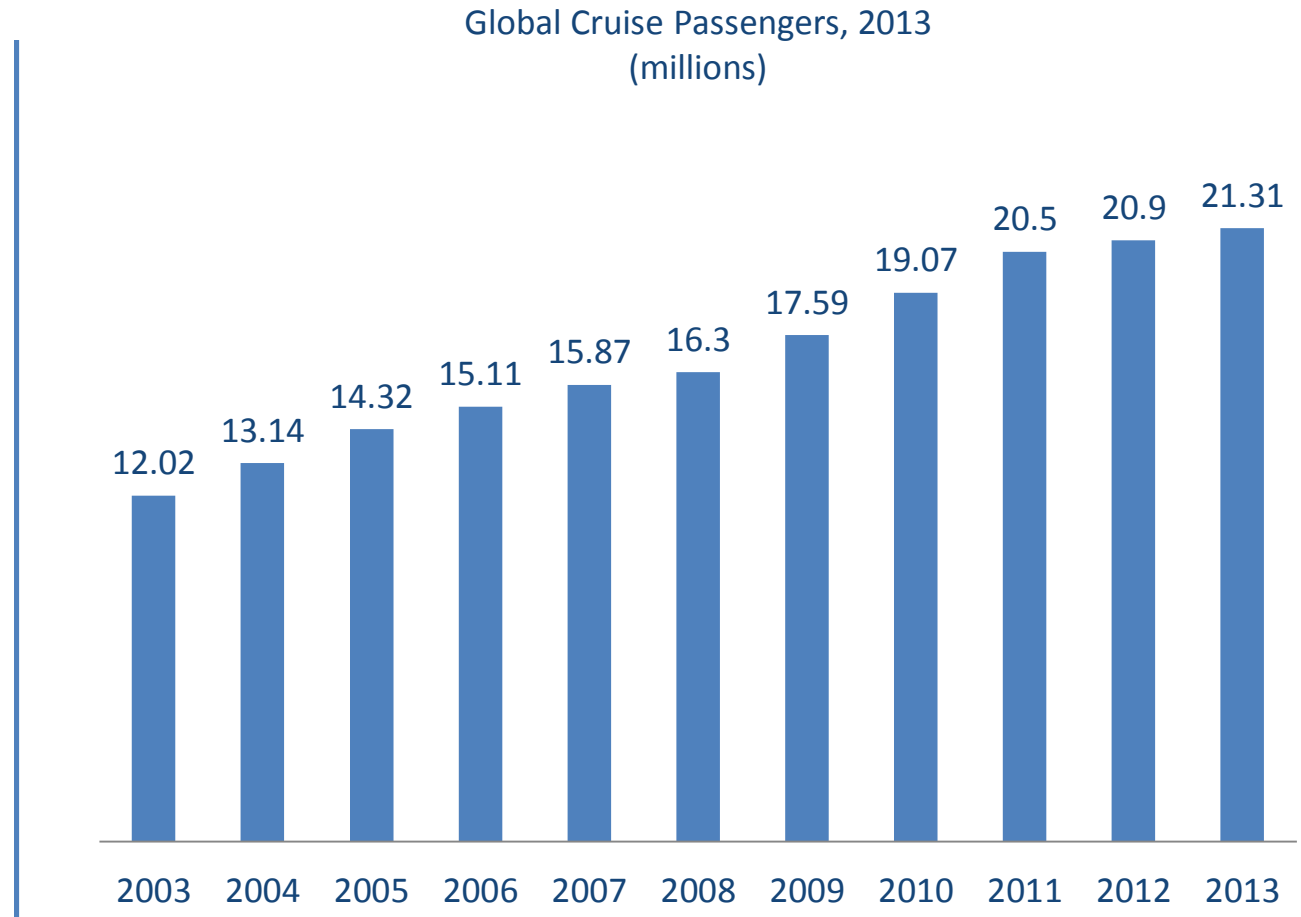
Global Distribution of Passenger Bed Days, 2013
(% of bed days/millions of bed days)



Source: The Global Economic Contributions of Cruise Tourism, 2013 by Business Research & Economic Advisors
And G. P. Wild (International) Limited, CLIA, IRN and other sources

A growing number of cruise travelers

- **21.31 million** global cruise passengers in 2013
- 77% growth rate in last 10 years



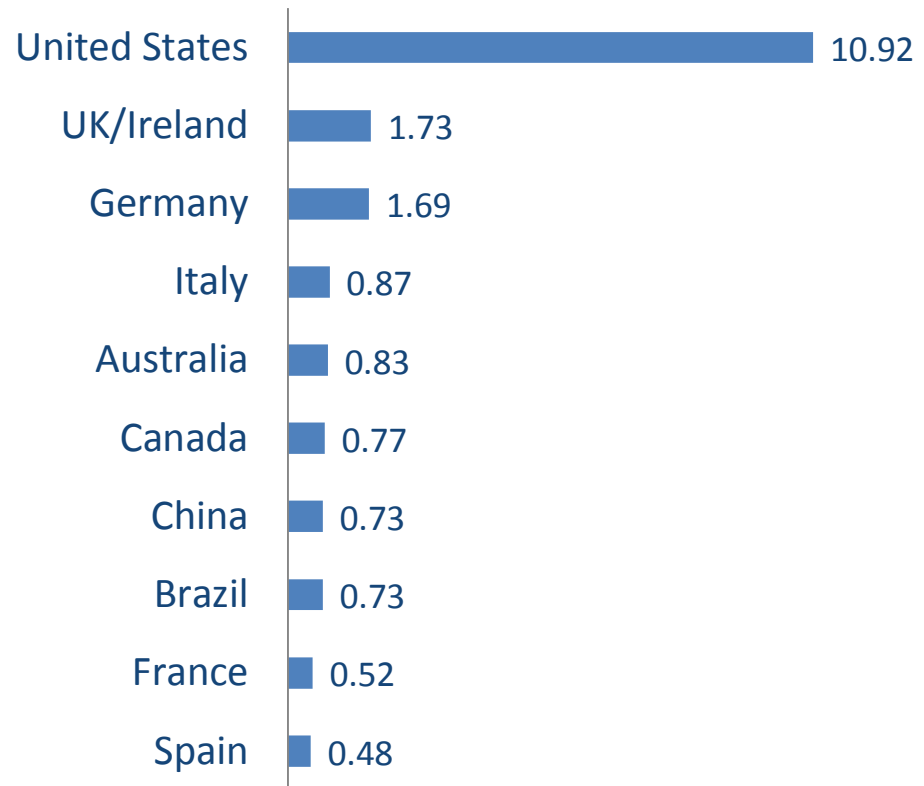
Source: *The Global Economic Contributions of Cruise Tourism, 2013* by Business Research & Economic Advisors
And G. P. Wild (International) Limited, CLIA, IRN and other sources

Cruise travelers across the globe

Over the last decade:

- Demand in **Europe** increased the greatest, **136%**
- Markets outside Europe/North America grew **186%**
- While land-based tourism grew **57%**

Top 10 Global Cruise Passenger Source Markets, 2013 (millions of passengers)



Source: *The Global Economic Contributions of Cruise Tourism, 2013* by Business Research & Economic Advisors
And G. P. Wild (International) Limited, CLIA, IRN, World Tourism Organization (UNWTO), UNWTO Tourism Highlights, 2014 Edition

The Future is Bright

“Mature Market”

Penetration rate
in the United
States is about 3%



Translates to **10
million
passengers**



Market Opportunity

Asian market's
penetration rate is
only .01%



Growth to 1%
penetration rate
equates to **40 million
passengers**

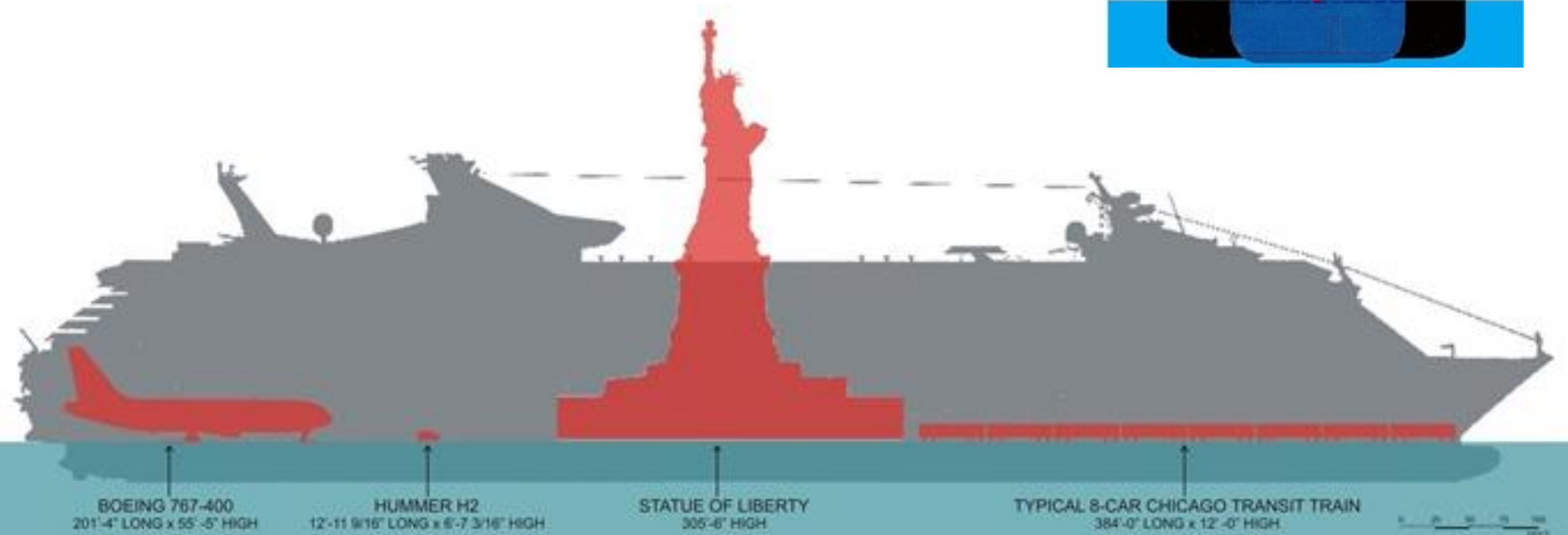
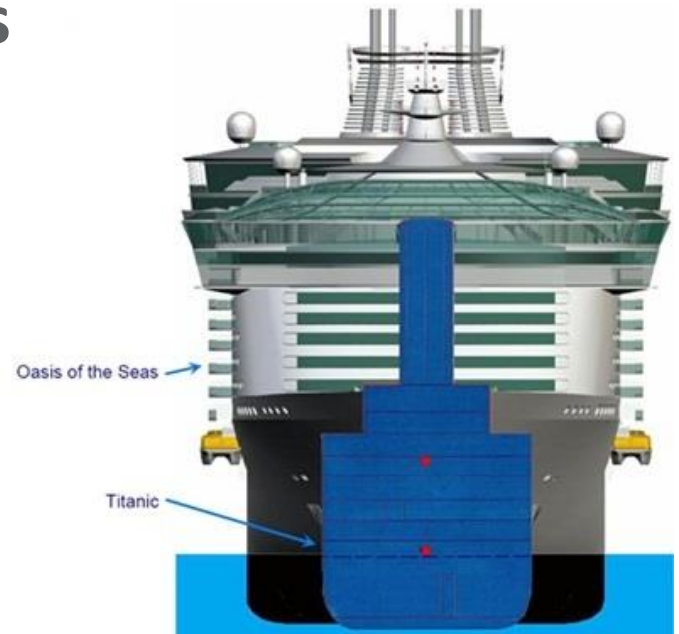


**4 times larger than
US market**

Growing Cruise Ships

Royal Caribbean's Oasis of the Seas

- 360 meters in length (1,181 ft)
- breadth of 47 meters (154 ft)
- tonnage of 225,300 tons, and
- max crew-passenger capacity of almost 8,500 (2,170+6,300)



CAPACITY

CLIA MEMBER SHIP NEW BUILD SCHEDULE

2015 – 2020

Year	Ocean	River	Total	Ocean Ship Investment (Billion USD)
2015	6	16	22	\$4.05
2016	9	4	13	\$6.48
2017	6	2	8	\$5.13
2018	8	0	8	\$6.41
2019	3	0	3	\$2.72
2020	1	0	1	\$0.87
Total	33	22	55	\$25.65

SAFETY

CRUISE VACATIONS AMONG SAFEST MODES OF LEISURE TRANSPORTATION



Cruise Ship Capacity **Grew** by 18% from 2009 to 2013



2009



2010



2011



2012



2013

Number of Operational Incidents **Declined** by 13%

SUSTAINABILITY

POLICIES AND PRACTICES

to foster a safe, secure and healthy
cruise ship environment



**Revised Waste
Management Policy**



**Reduced
Air Emissions**



**Advanced Wastewater
Treatment Systems**



ALASKA

THE LAST FRONTIER

Photo by Kristen Kemerlin



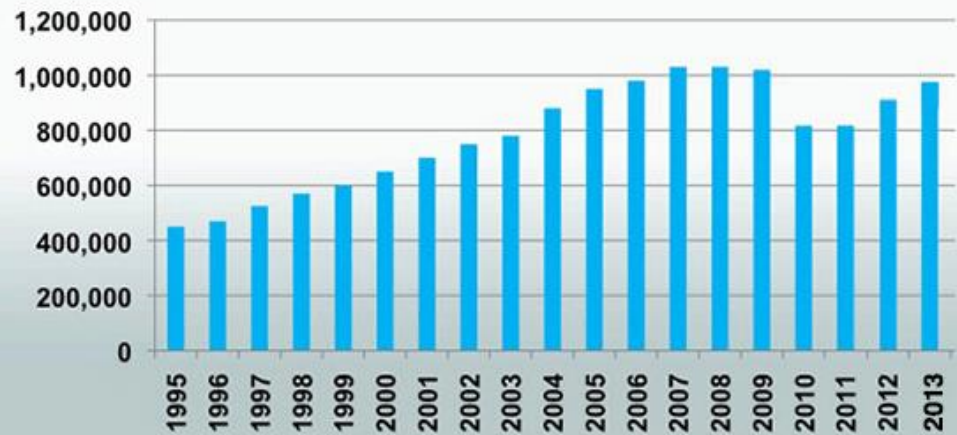
Alaska Market to Repeat Strong 2014 Performance in 2015

ON 04 FEBRUARY 2015.

The Alaska market may have found its perfect supply and demand scenario, as market capacity will remain flat year-over-year from 2014 to 2015 according to the *2015-2016 Cruise Industry News Annual Report*.

The market accounted for 900,000 passengers in 2014, and 2015 numbers remain the same, although still somewhat below a peak of 1 million passengers in 2008, before the infamous Alaska head tax drove 20 percent of the beds elsewhere.

Number of passengers on rebound



Source: The McDowell Group

Key Alaska/BC Cruise Market Considerations

- Maturity, capacity, sustainability
- Regulatory / Environmental
 - Tax issues
 - ECA - fuel costs, technology investments
 - Wastewater treatment systems
 - Wildlife interaction - whales, seals etc.

ECA and the Cruise Industry: What Cruisers Need to Know

[Home](#) > [Features](#) > [Cruise Policies & Inside Info](#) > ECA and the Cruise Industry: What Cruisers Need to Know

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 Cruise E-Letter

Advancements in environmental technologies that produce cleaner fuel emissions are painting a rosier picture for cruise lines with ships sailing in North American waters.

Things weren't looking so optimistic in 2013, when **Carnival Cruise Lines** pulled ships from ports in Baltimore and Norfolk, fearing it would cost too much money to continue operating from those ports. Both are located within the North American Emission Control Area, which will bear costly new clean-emission regulations, beginning in January 2015.



Cruise lines that spend significant time in the ECA are being faced with the challenge of complying with these new regulations in order to keep destinations like Alaska, Canada and New England in their brochures.

Encouraging success with scrubber technology -- which essentially "scrubs" away pollutants to produce cleaner exhaust -- has eased that fear enough for Carnival to return to those ports.

The Victoria Cruise File



Keep Moving Forward

- Engagement
- Public communications alignment
- Operational / environmental – continuous improvement

"Around here, however, we don't look backwards for very long. We keep moving forward, opening up new doors and doing new things...and curiosity keeps leading us down new paths."

- WALT DISNEY

