



# Visitor Industry Update

September 13, 2018  
Southeast Conference Annual Meeting

# CLIA Alaska Member Lines



# Visitor Industry Outlook

- Outlook is very strong: Alaska cruises remain in high demand
- Potential for significant growth & economic benefits (jobs, business opportunities, local revenues, etc.)
- Industry recognizes growth presents challenges within our communities
- Our focus: address growth through strong partnerships with local communities



## For the first time, Alaska cruising is Travel Leaders' top domestic vacation

By [Jamie Biesiada](#) / March 14, 2018



**Alaska cruises topped the list of 2018 domestic locations for Travel Leaders Group agents, ascending to the top spot from fifth place in 2017, according to the company's 2018 Travel Trends Survey.**

Cruising in the state boomed from 1997 to 2008, but then several ships left the market.

With some legislative assistance, Alaska cruise tourism rose again.

The destination cracked 1 million in 2016, and 1.1 million cruise passengers arrived in 2017. CLIA expects a 7% increase this year.

"Alaska is a truly unique bucket-list destination, and more and more people from around the world are discovering its awe-inspiring beauty," Travel Leaders Group CEO Ninan Chacko said in a statement. "Our travel advisors frequently recommend it as a not-to-be-missed travel experience, especially for those interested in vivid scenery, wildlife or expedition travel."

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# TRAVEL AGENT CENTRAL

## CLIA: Alaska, Caribbean and Cuba Are the Biggest Cruise Destinations

by [Newsdesk](#) |

Apr 5, 2018 2:56pm



According to the latest Travel Agent Cruise Industry Outlook Report, [Alaska](#) and the [Caribbean](#) are currently the hottest destinations for cruise travel...

Cruise Lines International Association (CLIA) has released the report, which offers current cruise travel trends and key insights from cruise travel agents. The report also found cruise sales are consistently on the rise for nearly eight out of ten agents surveyed (79 percent) when compared to last year.

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# 2018 Season Recap



Norwegian Bliss - first ship purpose-built for Alaska

**1,165,500 total proj.  
pax**

**7% growth**  
Another record  
breaking year

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# Alaska 2019 Preliminary Projections



**1,361,400 total proj. pax**  
**Another all time record!**

\*Revised number based upon recent announcement of the Norwegian Joy deployment to Alaska for 2019 season

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The logo for CLIK, featuring a stylized white graphic above the word "CLIK" in a bold, white, sans-serif font, set against a dark blue triangular background.

# Additional Deployments 2019

- Azamara Quest 5,576 pax
- Carnival Legend 3 voyages added 6,372 pax
- Oosterdam is back 38,808 pax
- Royal Princess replaces Emerald 9,082 more pax
- Ovation of the Seas replaces Explorer 27,000 more pax
- Celebrity Eclipse replace Infinity 15,428 more pax
- Norwegian Joy 32,591 more pax
- Ponant Le Soleal is back 1,040 pax
- Silver Muse replaces Silver Shadow 3,210 more pax
- Viking Orion 9,300 pax
- Cunard Queen Elizabeth 10,460 pax

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## 2017-2019 Comparison

	2017	2018 (projected)	2019 (projected)
<b>Ships</b>	<b>33</b>	<b>34</b>	<b>37</b>
<b>Voyages</b>	<b>497</b>	<b>519</b>	<b>567</b>
<b>Passengers</b>	<b>1,089,700</b>	<b>1,165,500</b>	<b>1,361,400</b>

**2017 to 2019 Growth = 25%**

# Current Economic Impact

Passengers, Cruise Line, and Crew spent:

- Nearly **\$1 Billion in total statewide spending** (May 1 to Sept 30 2017)
- **\$6.5 million of spending in Alaska every single day for 150 days**

Alaska Visitor Employment for SE Alaska \*

- **11,200 jobs**

Alaska Visitor Total Tax Revenue \*

- **\$82.9 million in Municipal Revenues**
- **\$104.8 million in State Revenues**

\* Employment and tax revenues are reported in all visitor modes

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# Projected Economic Impact



2017 passengers = 1,089,700

2019 passengers = 1,361,400 (projected)

271,700 passenger increase

- **More Jobs**, business opportunities & support for local communities
- **\$169.6 million increase** in passenger spending that is available for local sales taxes
- **\$9.4 million increase** in passenger entry fees
  - **\$47 million total** passenger entry fees statewide

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# Addressing Challenges to Growth

- Need to ensure dock infrastructure keeps up with demand
  - Several communities are not able to accommodate increase in number or size of ships
- Need to ensure growth does not come at a cost of a reduced quality of life for local residents
- Need to ensure growth does not negatively impact the high level of guest satisfaction
- Continued outreach on industry's commitment to environment is critical to maintaining local support

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# Industry's Commitment to the Environment

- Industry is continually investing in new technology to reduce impacts
- 100% of all large ships discharging in Alaska waters have AWTs, which meet extremely high standards and produce very clean water
- Industry has invested \$1 Billion in new fuel & emission cleaning technology
  - EGCS are very effective at removing 98%-99% sulfur
  - EPA requires constant CO<sub>2</sub> & SO<sub>2</sub> monitoring
  - DeSox towers use seawater, resulting in more visible emissions
- Industry strives to exceed regulations

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# Closing Thoughts

- High demand for Alaska Cruises presents an opportunity to grow and realize significant economic benefits
- Whether it's environmental issues or how to address growth, we are committed to work with local leaders to address community concerns
- Our goal is to build strong partnerships with all our local port communities

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# Thank You!



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