NORTH AMERICAN CRUISE INDUSTRY AFFECTING THE U.S. ECONOMY

According to the “2007 CLIA Economic Impact Study” (executed by Business & Research Economic Advisors – BREA) the North American cruise industry continues to make significant contributions the American economy.

In 2007 the North American cruise industry generated $38 billion in gross economic output, which is a 6.4 percent increase over 2006. $18 billion were generated by the direct spending of the industry and its passengers in the U.S. Generating those huge sums, the industry directly and indirectly created 354,000 new jobs throughout all 50 American states and in almost every major industry, paying a total of $15.4 billion in wages and salaries.

The economic benefits for the North American cruise industry come from 5 principal sources:

- Spending by cruise passengers and crew

- Shore-side staffing by cruise lines for headquarters, marketing and tour operations

- Expenditures by cruise lines for goods and services

- Spending by cruise lines for port services

- Expenditures by cruise lines for maintenance and repair costs

The seven industry groups which were mainly affected are: nondurable/durable goods manufacturing, professional and technical services, travel services, financial services, airline transportation and wholesale trade. The top ten states profiting from this significant economic impact are: Florida, California, Alaska, New York, Texas, Hawaii, Georgia, Washington, Illinois and Colorado.

Reasons for the success of the North American cruise industry and its ongoing growth might be the following:

- CLIA members’ lines increase the choice in destinations and variety in itineraries

- New and innovative onboard amenities are developed to attract more passengers

- There is a strong growth in new ports of embarkation close to where millions of Americans live, which makes it easier for people to access a cruise and reduces their pre-cruise travel costs. So more people can afford a cruise vacation.

Additionally, North American cruise lines increasingly focus on international business. Figures show that in the first half of 2008 there was a 31 percent increase in internationally sourced passengers. Trends for 2009 show, that more American cruise companies will enter the European and the Eastern European market.

Furthermore the industry maintained a 105% average occupancy rate. But how is more than 100% occupancy possible? The statement is based on the assumption that capacity is based on two beds/persons per cabin. Adding a third or fourth guest to some cabins can make an overall occupancy rate of 105%.

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