

The Cruise Industry and British Columbia

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The Cruise Industry and British Columbia

1. Cruise Activity
2. Interest in British Columbia Cruises
3. The Case for British Columbia Cruises
4. The Economic Benefit of British Columbia Cruises

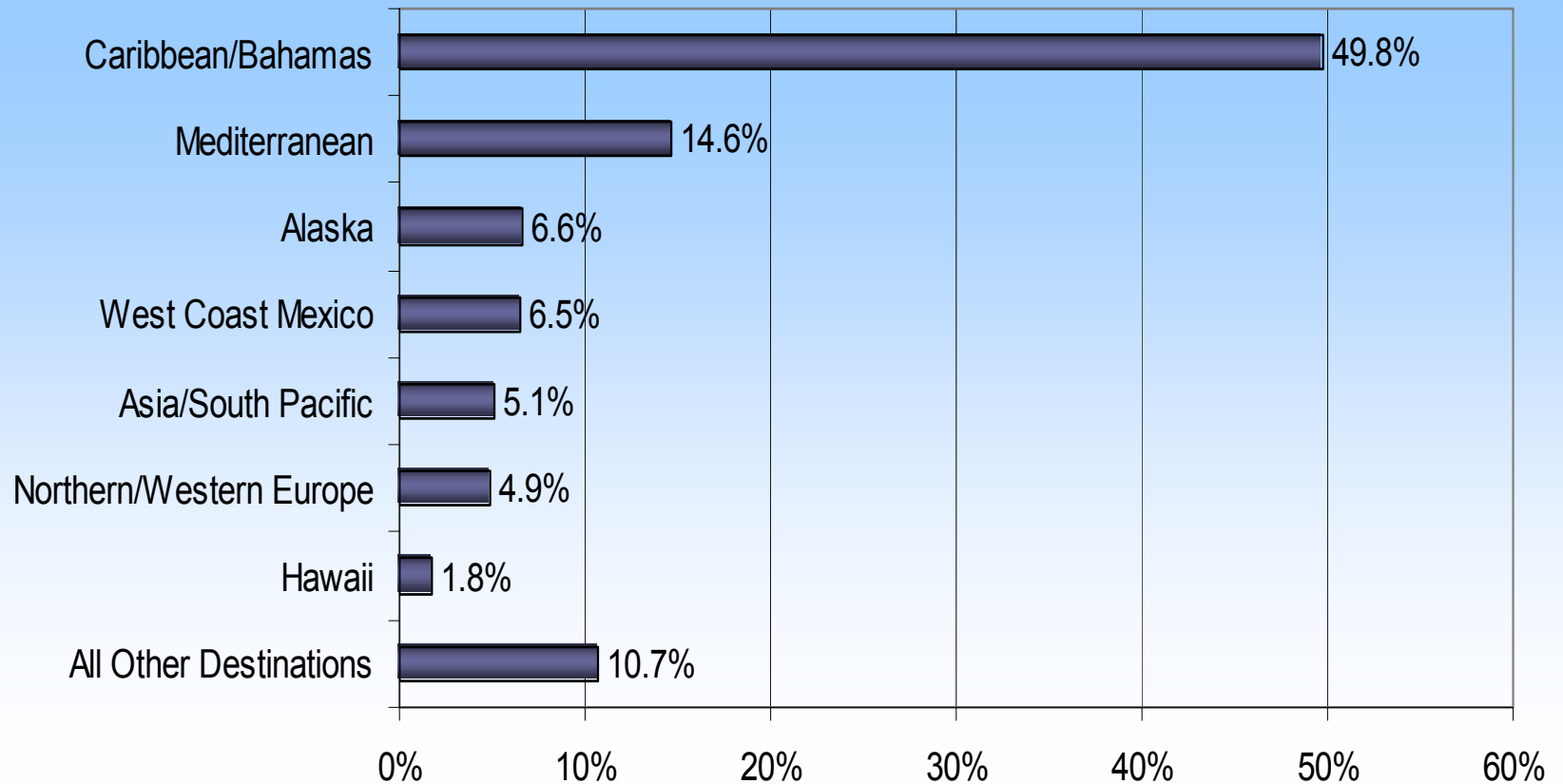
1. Cruise Activity

Worldwide Cruise Capacity 2004

	Number of Ships	Passenger Capacity (millions)
Worldwide	248	13.4
North America	134	9.9
Europe	104	3.1
Asia/South Pacific	10	0.4

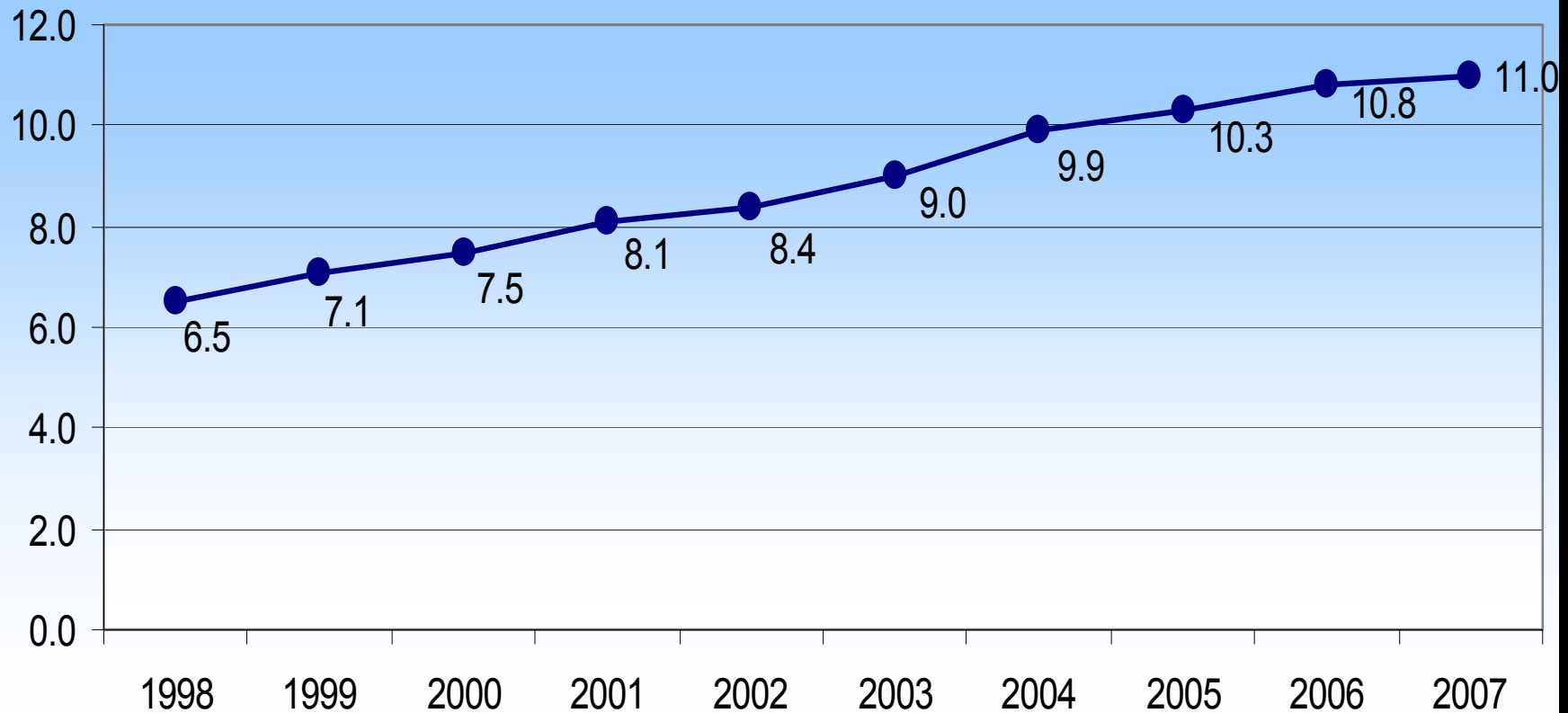
Source: Cruise Industry News Annual 2004.

2004 Worldwide Destination Market Share



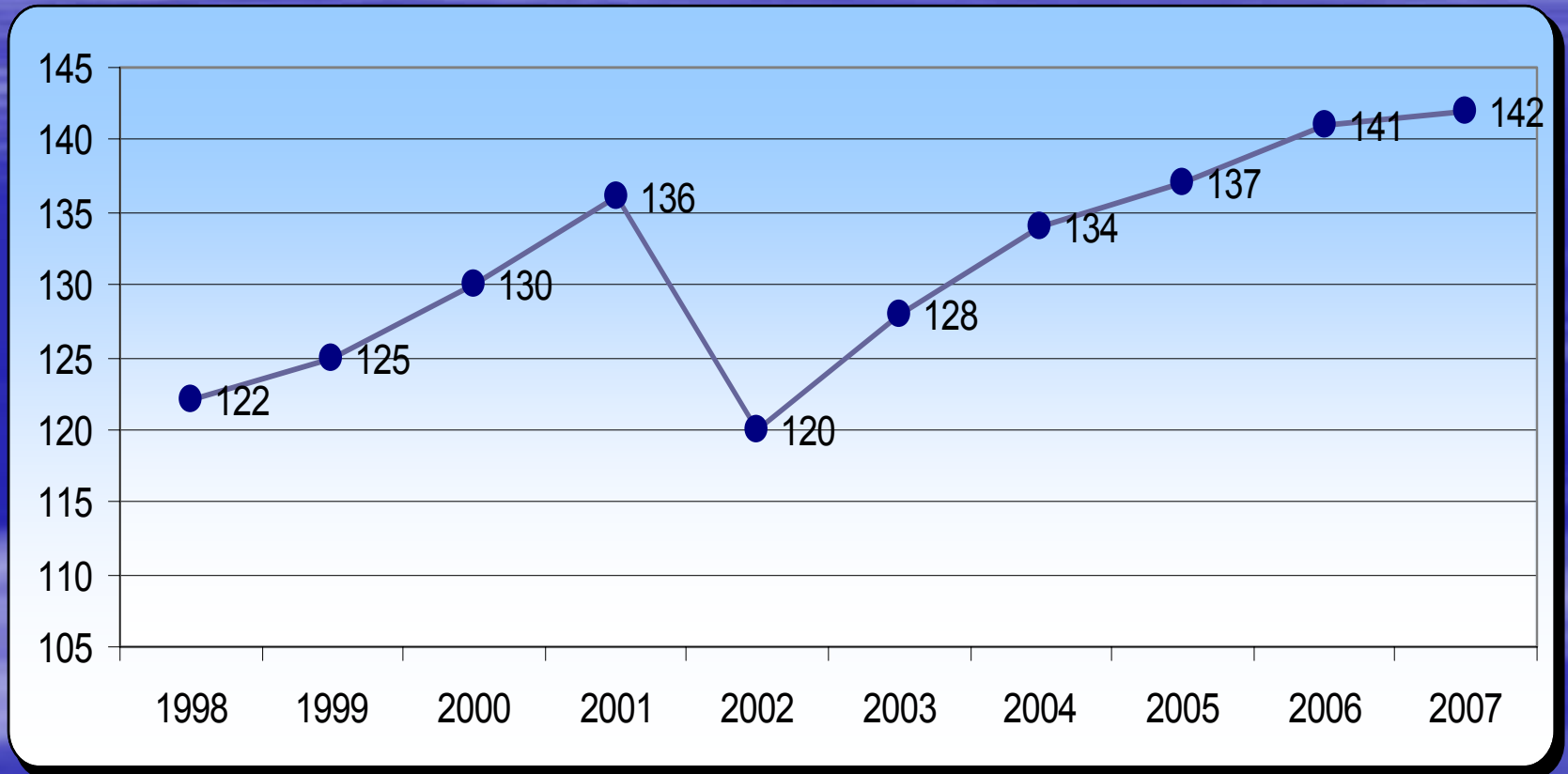
Source: Cruise Industry News Annual 2004

North American Cruise Passenger Capacity 1998 to 2007 (millions)



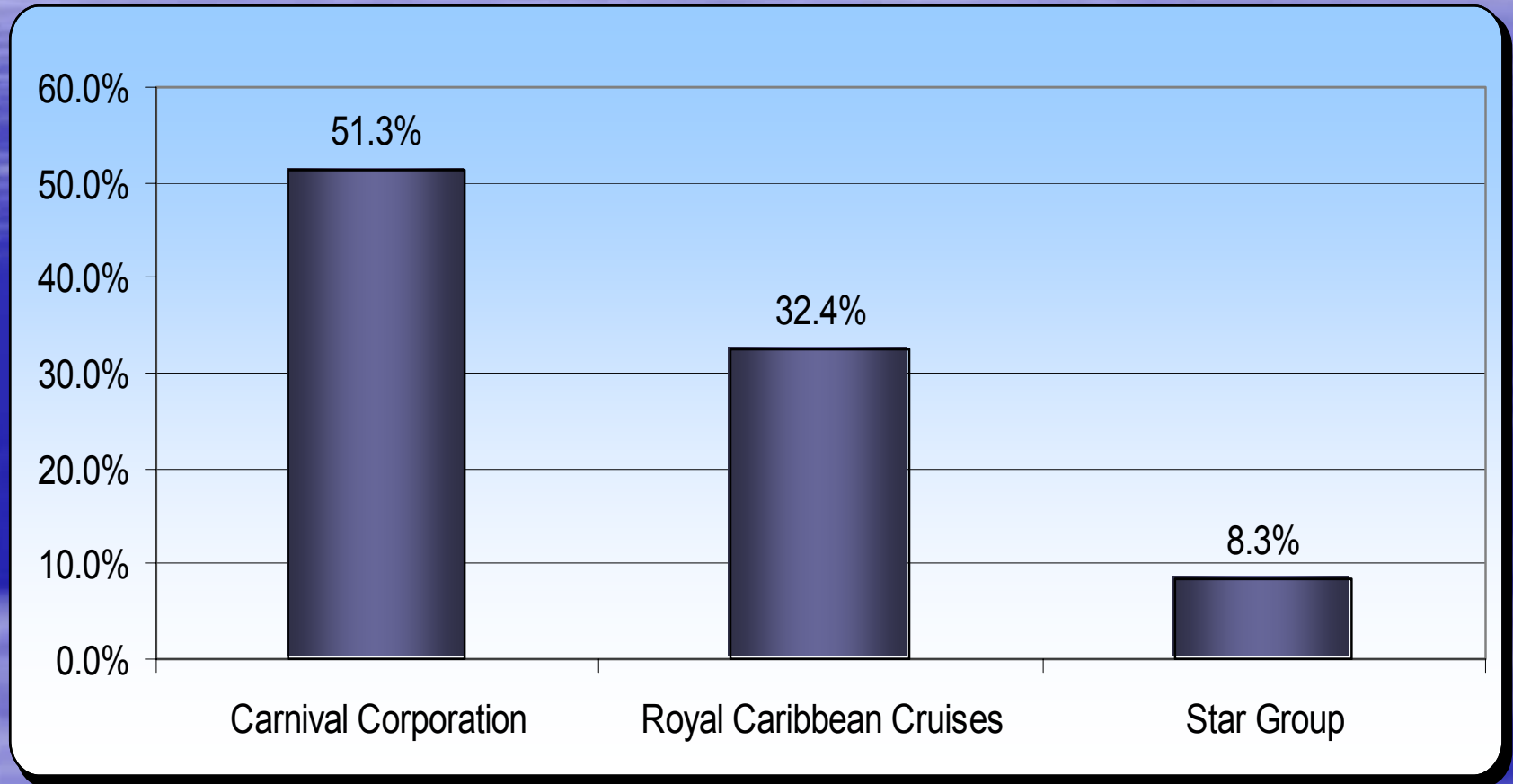
Source: Cruise Industry News Annual 2004

North American Fleet 1998 to 2007



Source: Cruise Industry News Annual 2004

Cruise Industry Players

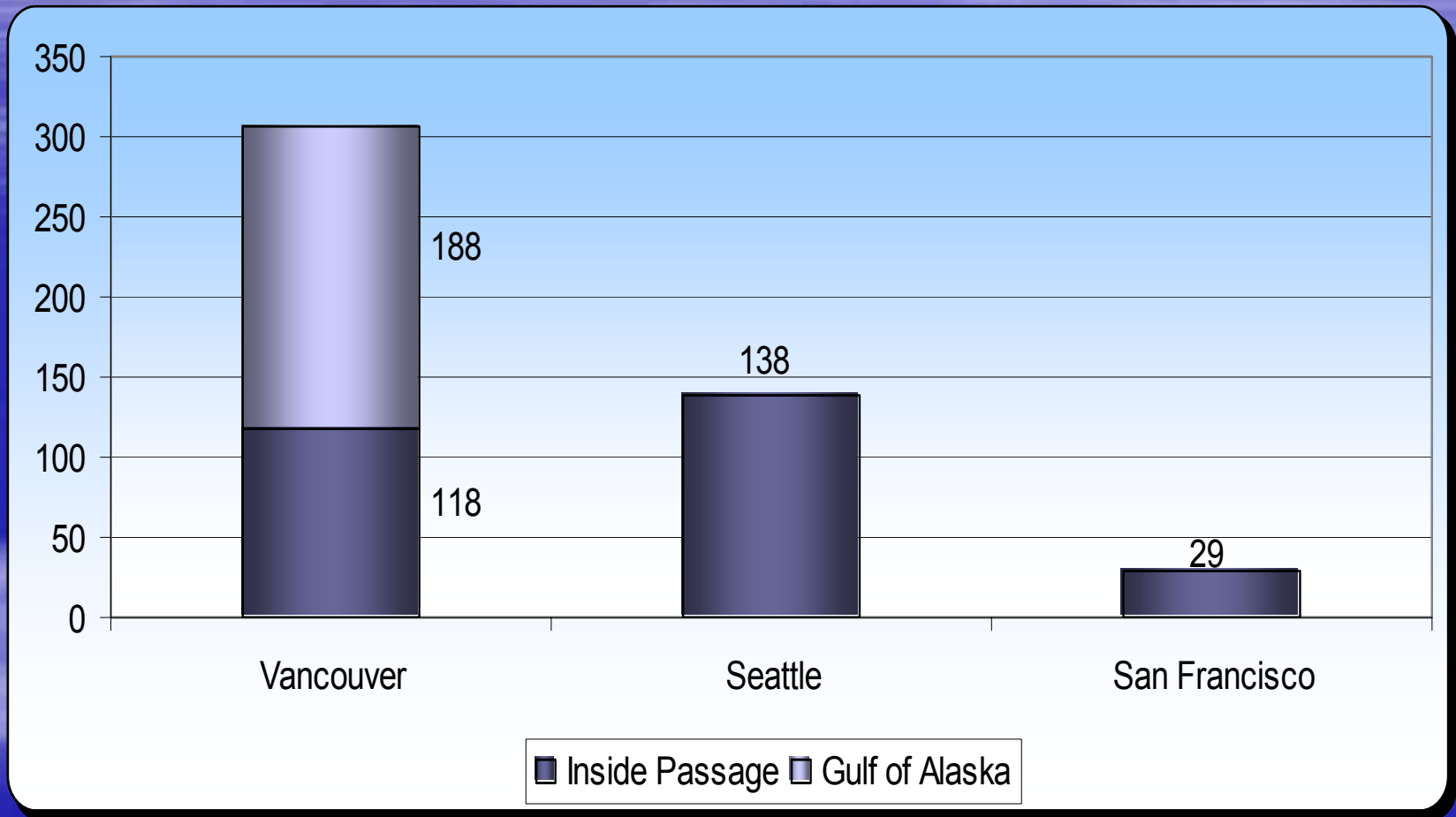


Source: Cruise Industry News Annual 2004

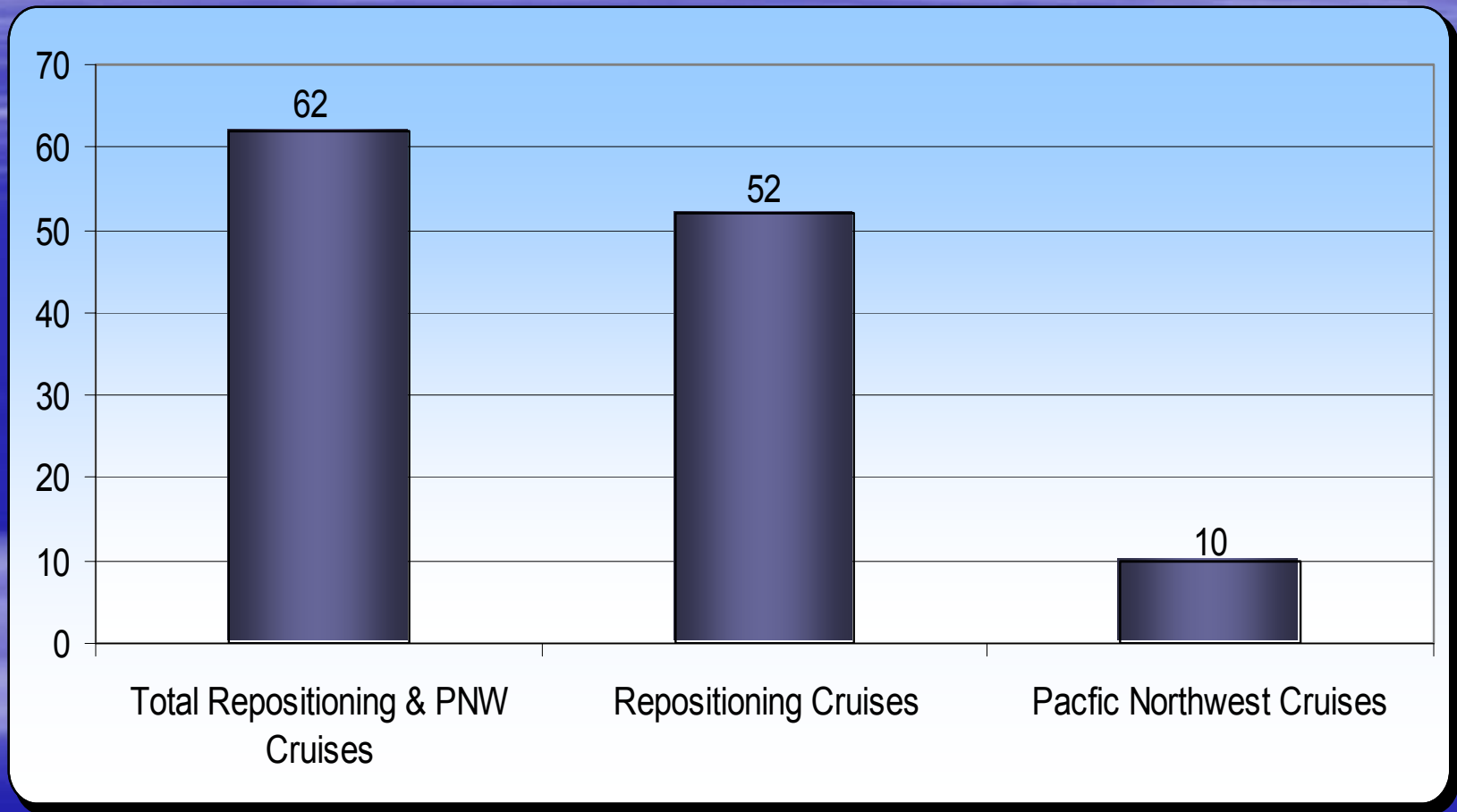
Pacific Northwest/Alaska Cruise Fleet Deployment 2005

Cruise Line	Total Ships	Seattle Home Port	Vancouver Home Port	San Francisco Home Port
Carnival Group				
Carnival Cruise Line	1		1	
Holland America	7	2	5	
Princess Cruises	7	2	4	1
Royal Caribbean Cruises				
RCI	3		3	
Celebrity Cruises	3	1	1	1
Star Group				
NCL	4	3	1	
Other				
Crystal Cruises	1			1
Radisson Seven Seas	1		1	
TOTAL SHIPS	27	8	16	3

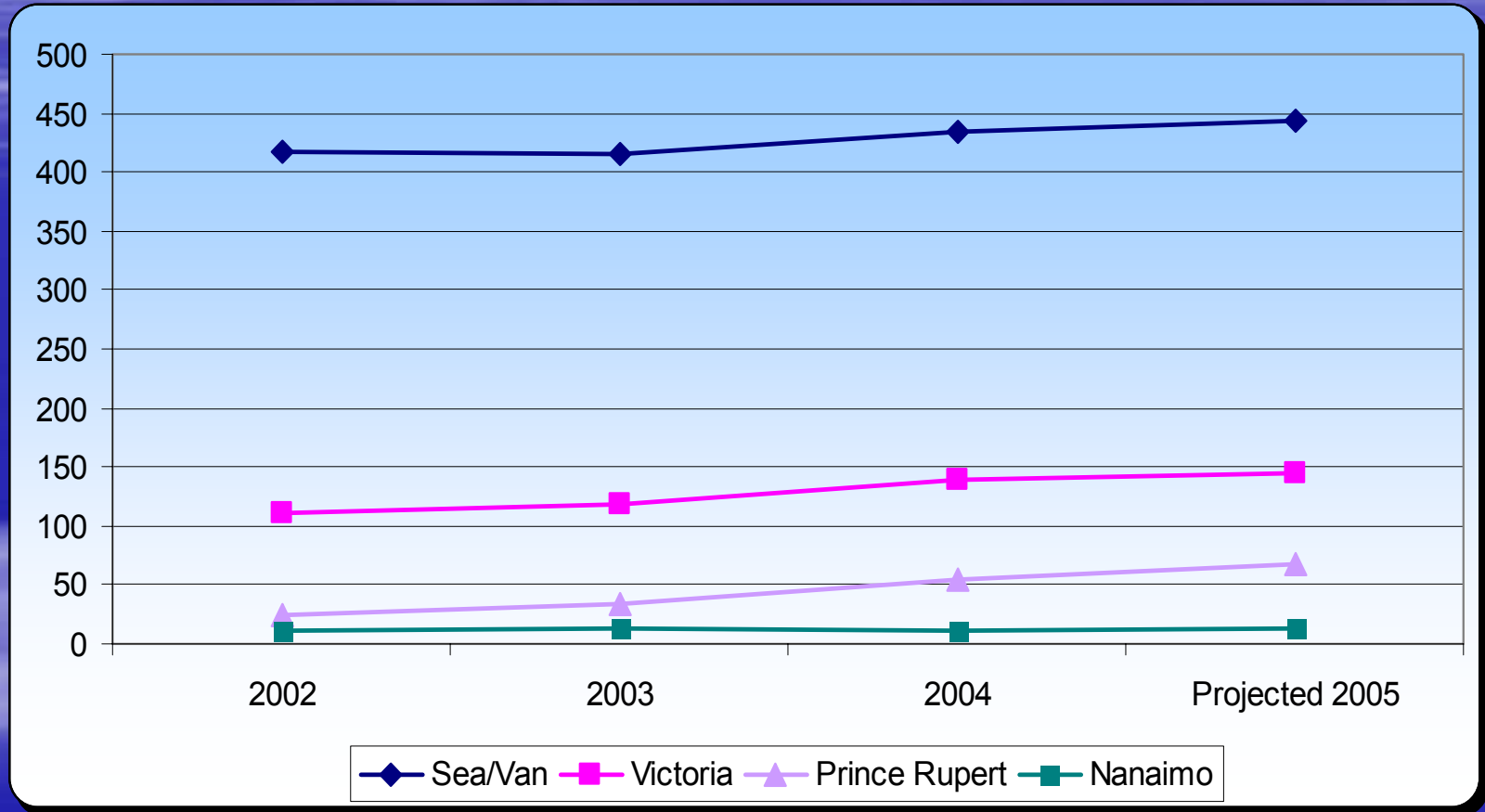
Alaska Cruises By Home Port 2005



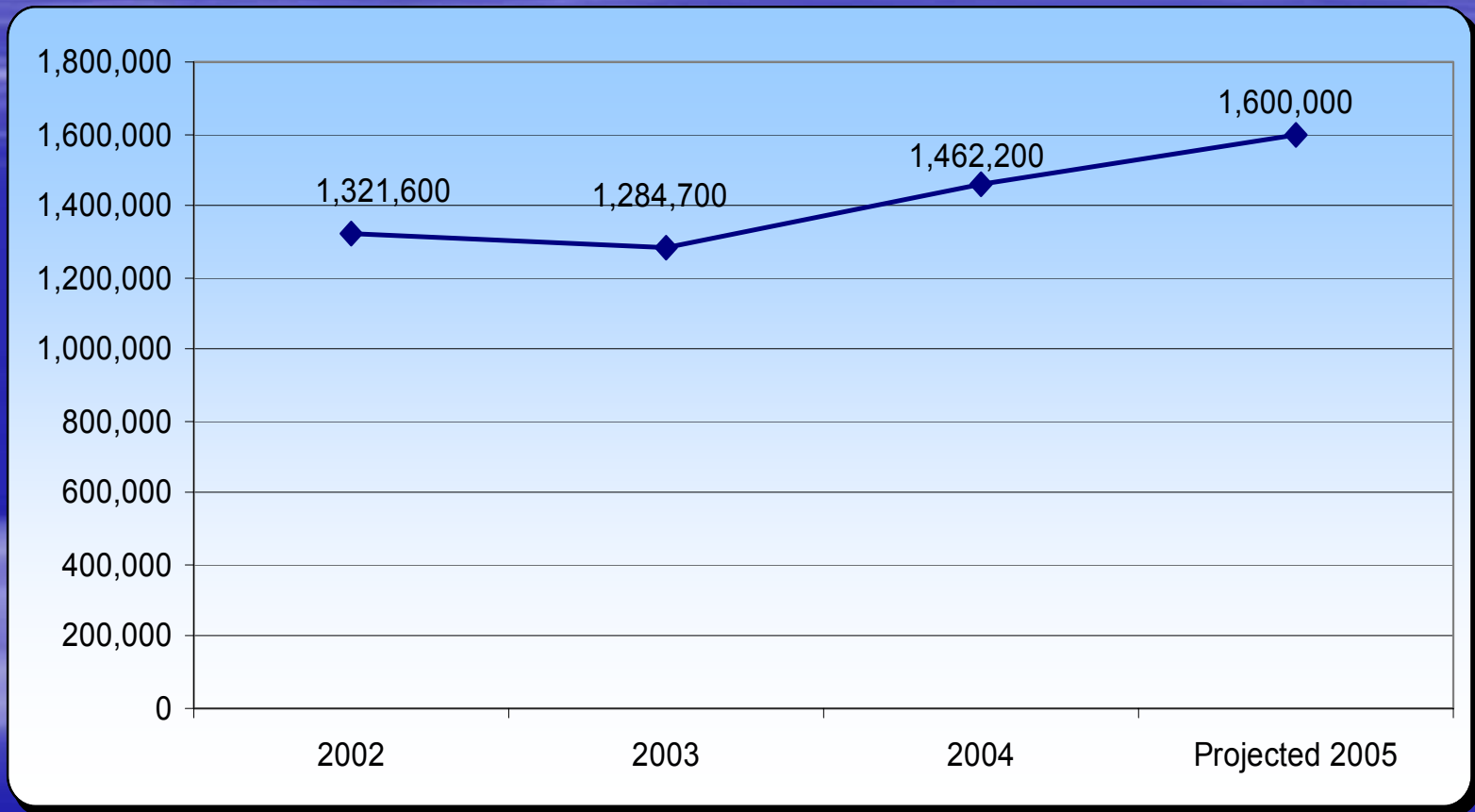
Repositioning and Pacific Northwest Cruises 2005



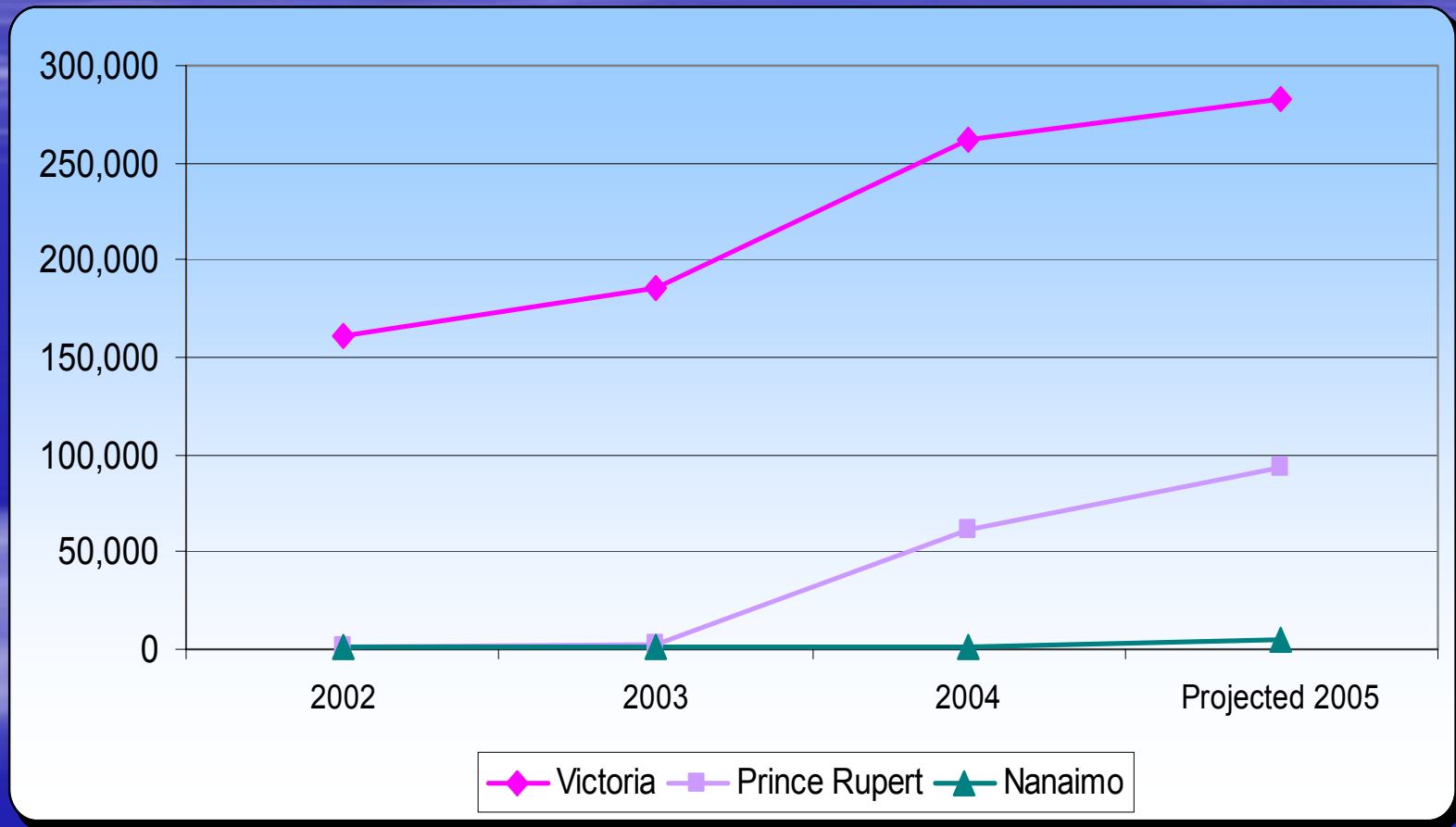
Cruise Ship Calls in British Columbia 2002 - 2005



Cruise Passengers in Seattle/Vancouver – 2002-2005



Cruise Passengers in Victoria, Prince Rupert, Nanaimo



The Cruise Passengers – Who are they?

North American Passengers

- 85% from the U.S.
- 4% from Canada
- 11% from Overseas

Alaska Passengers

- Between 80% and 85% from the U.S.
- Approximately 10% from Canada
- Approximately 4% from Overseas

Demographics of Cruisers from U.S.

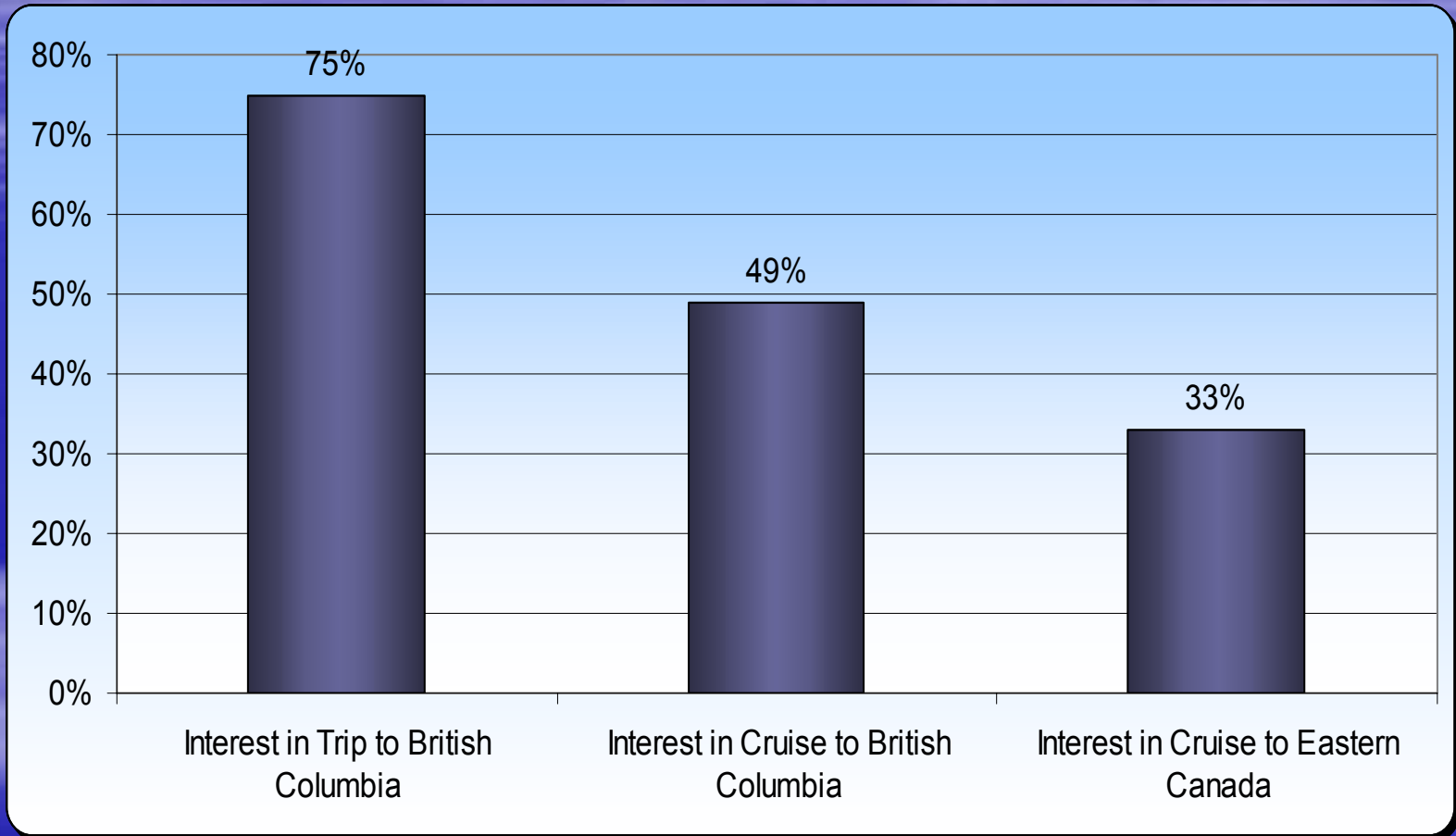
- Well-educated – 56% university grad or higher
- Affluent – Average Income - \$71K(US)
- Baby Boomers+ – Average Age – 55
- Tend to travel with:
 - Spouse/Partner – 74%
 - Children under 18 – 13%
 - Children over 18 – 8%
 - Other family – 22%
 - Friends – 24%
 - No one else – 1%

2. Interest In British Columbia Cruises

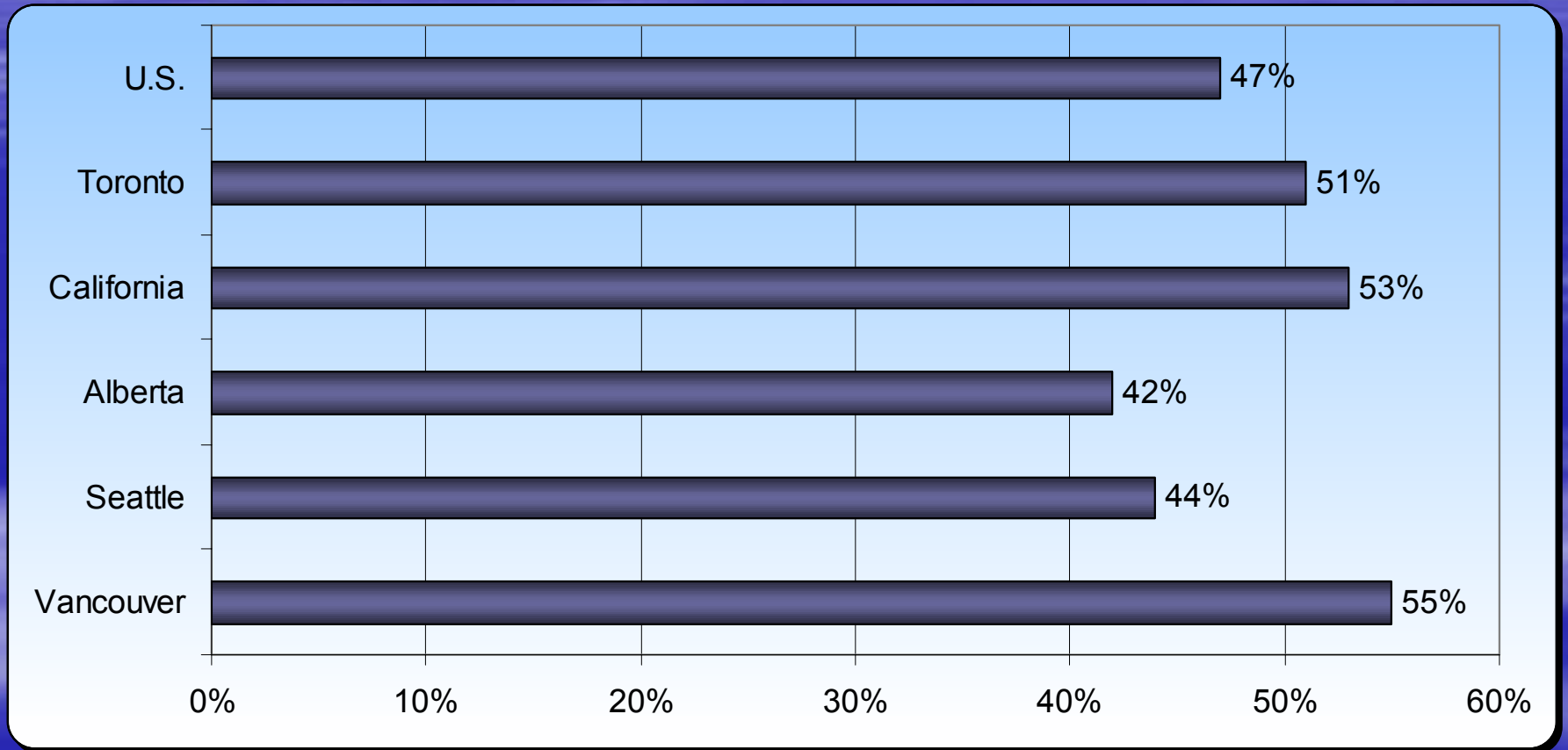
Market Research

- Telephone survey conducted for Cruise BC in Fall 2003.
- Tested interest in BC cruises in major market areas:
 - Drive markets – Vancouver, Seattle
 - Short haul air markets – California, Alberta
 - Long haul air markets – Toronto, middle and eastern U.S.

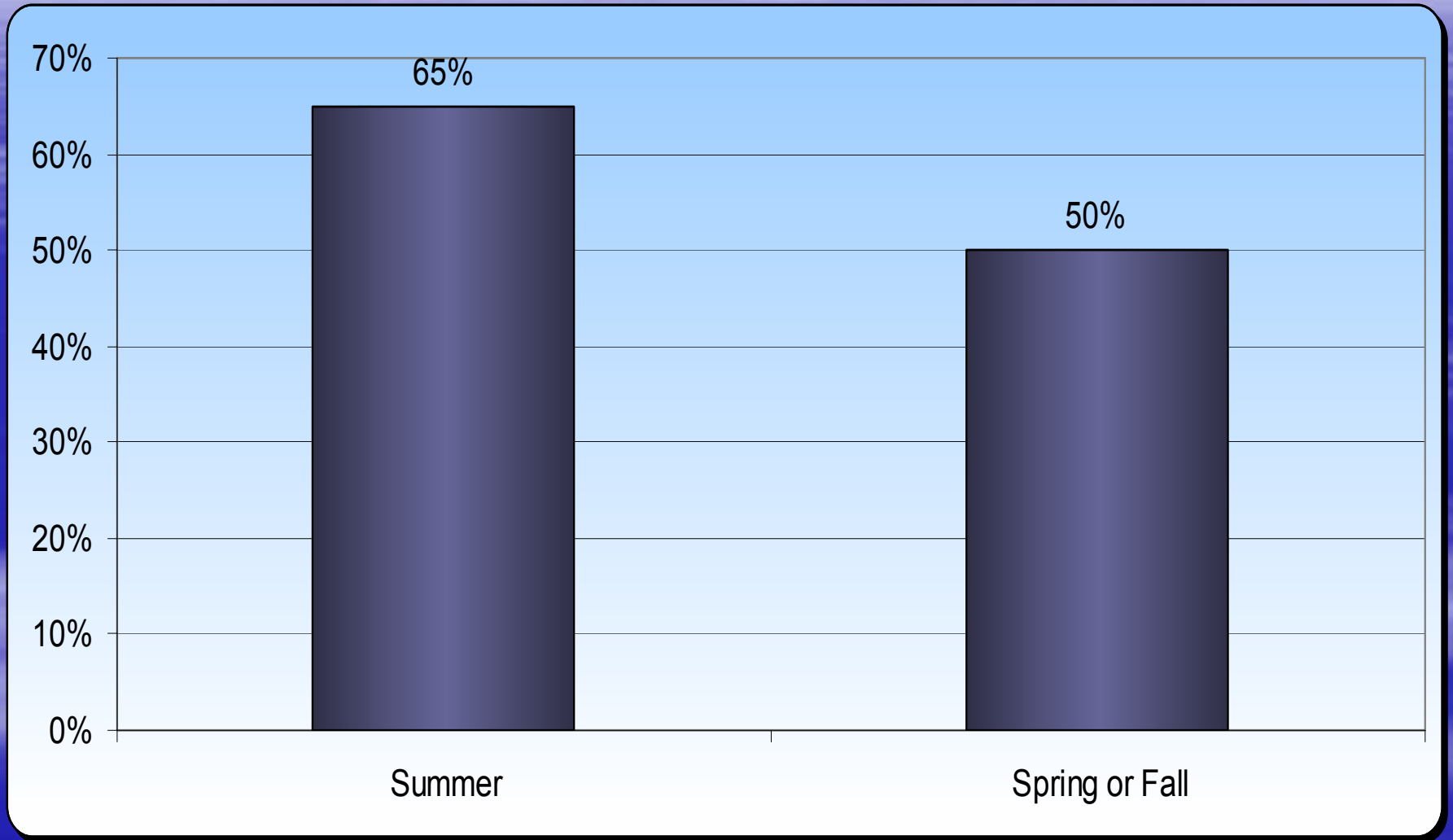
Travel and Cruise Interest



Interest in Cruise to BC by Market Area



Season of Travel Interest



Interests of Potential Cruisers to BC

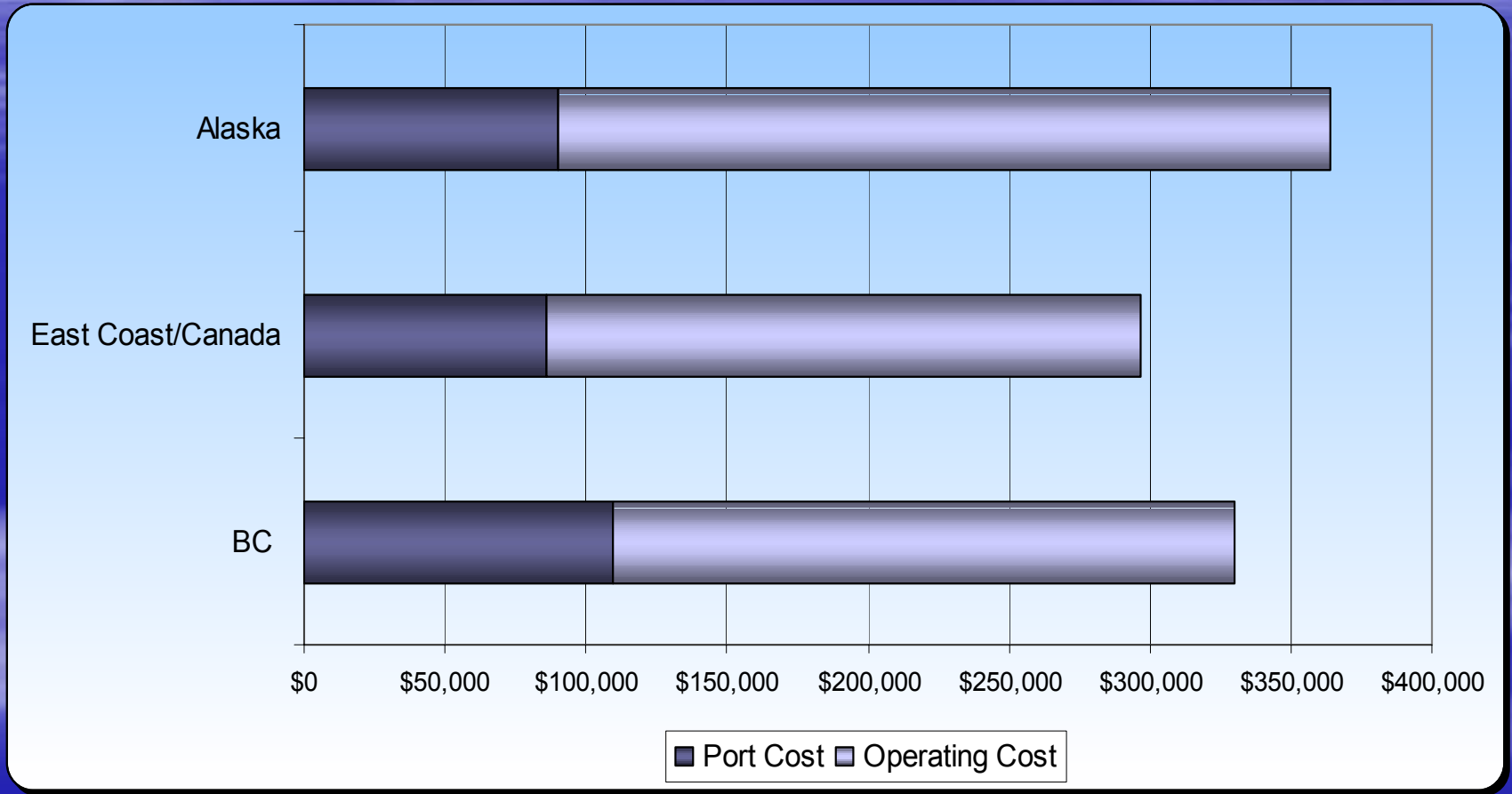
- Want to experience scenery, nature, wildlife (70%).
- Want to visit small towns and villages (65%).
- Interested in local cultures such as First Nations (58%).
- Looking for “soft” adventure, outdoor activities (51%).
- Nightlife and entertainment (47%) and visiting large cities (47%).
- Not primarily interested in shopping (34%) but will spend the money if the shops are there.

3. The Case for British Columbia Cruises

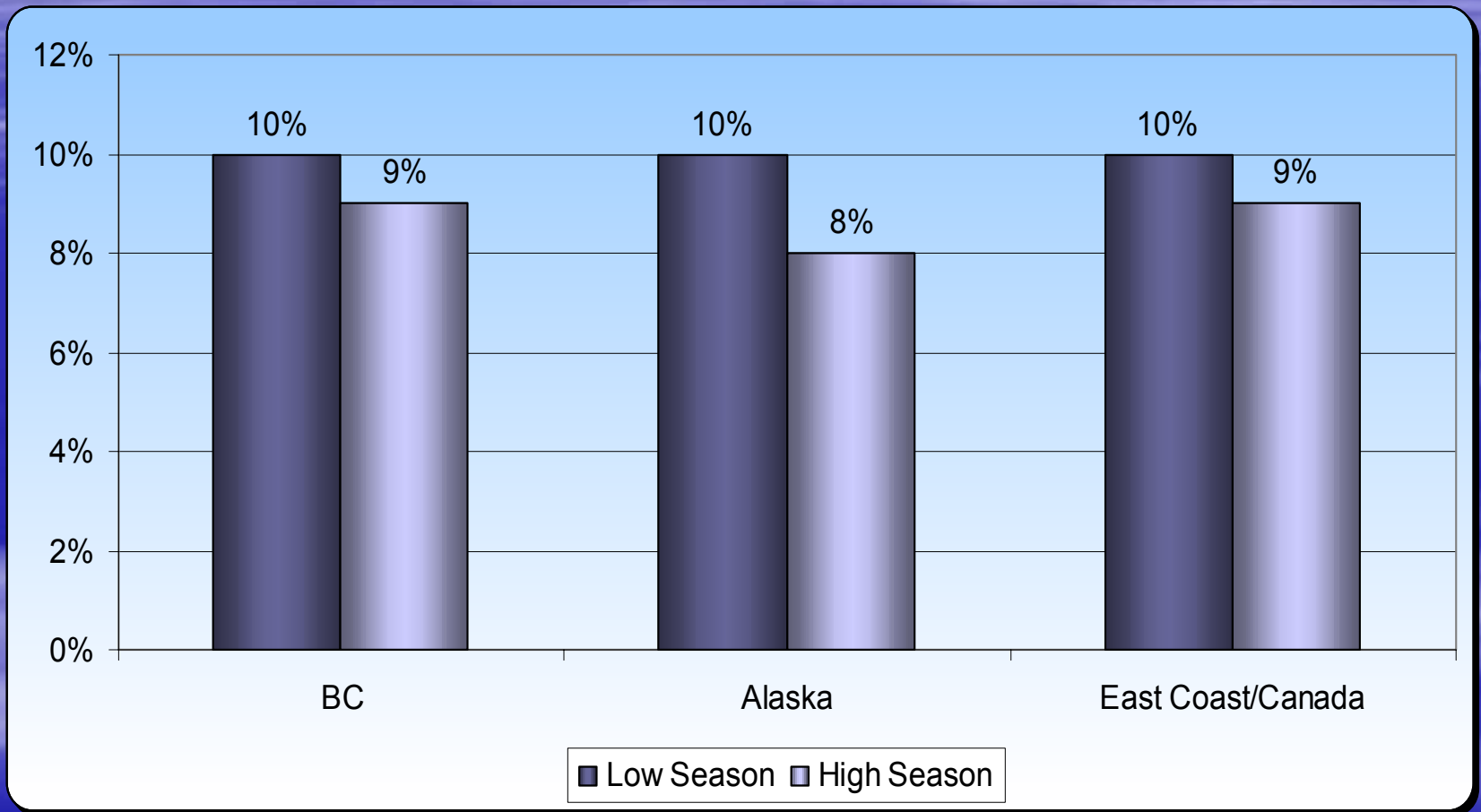
The Business Case

- Conducted for Cruise BC in Winter 2004.
- Compared port and operating costs with competitive destinations.
- Compared shore excursion opportunities and revenue potential with competitive destinations.

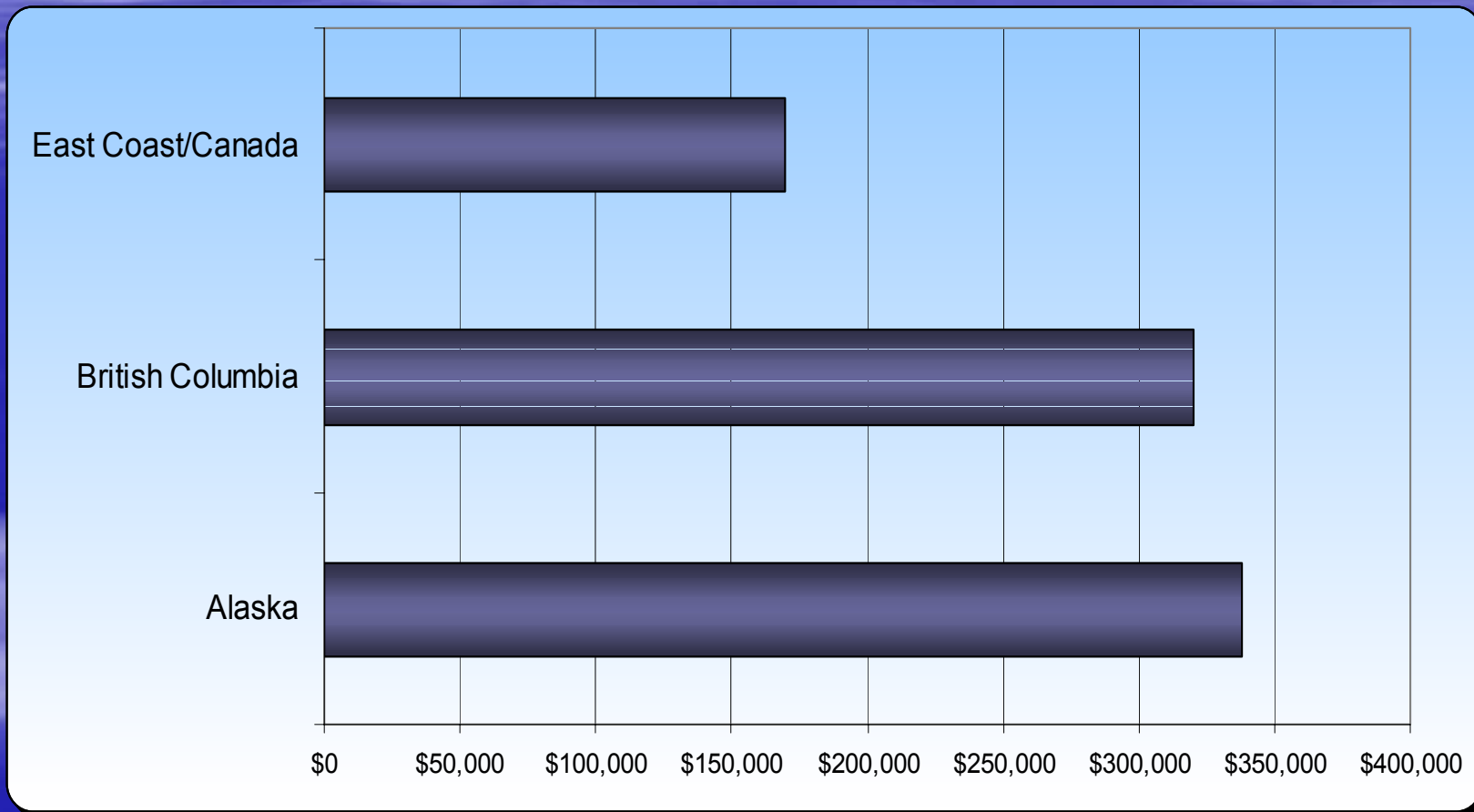
Port and Operating Cost Comparison (7-Night Cruise, 2000 Pax Ship)



Cost as Percent of Average Cruise Fare (7-Night Cruise, 2000 Pax Ship)



Shore Excursion Revenue Potential (7-Night Cruise, 2000 Pax Ship)



4. Economic Benefit of British Columbia Cruises

Economic Value of the Cruise Industry

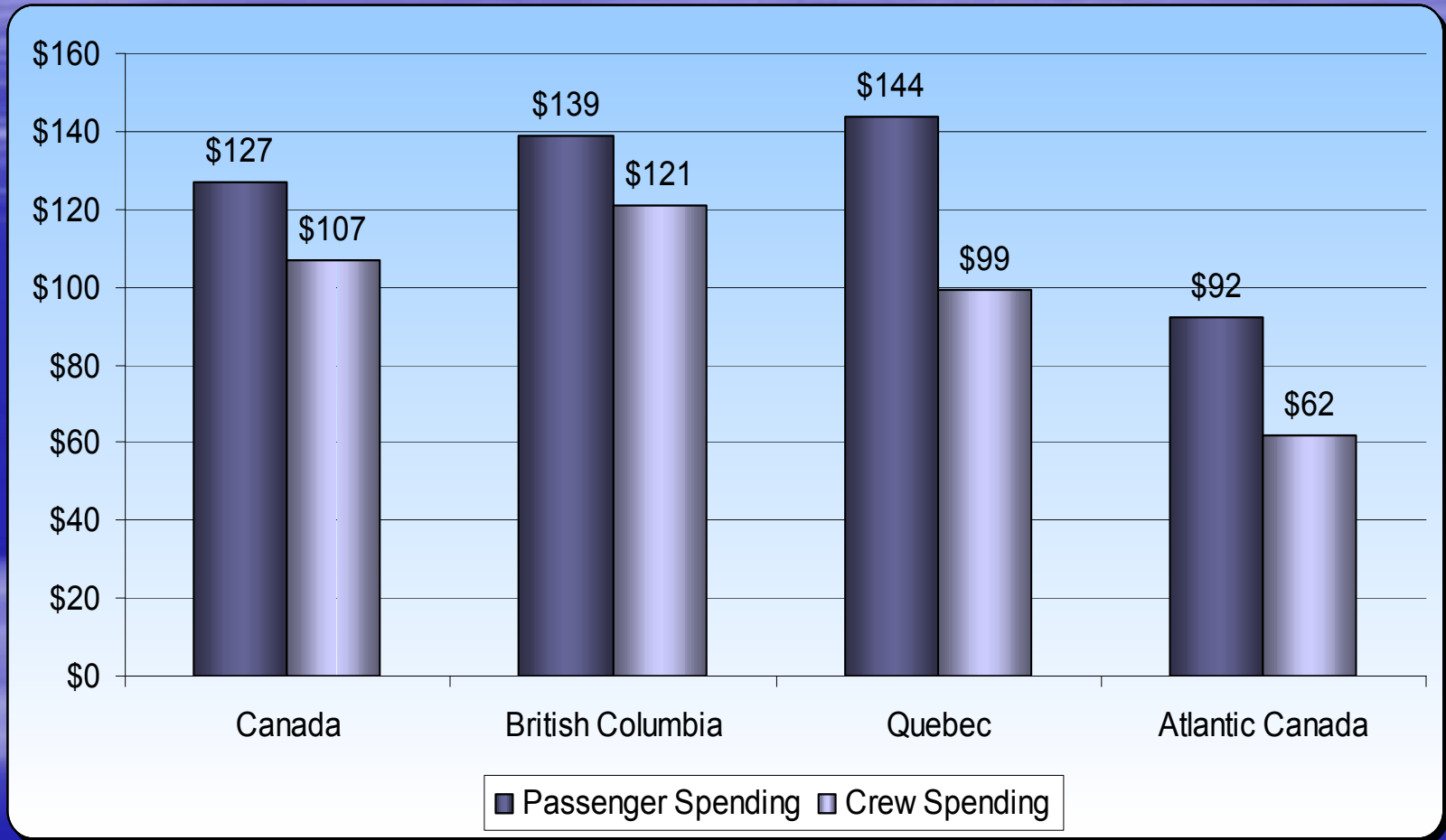
In Canada (2003)

- Direct spending
 - \$965 million
- Total Impact
 - \$1.9 billion
- Employment
 - 14,900 full or part-time jobs

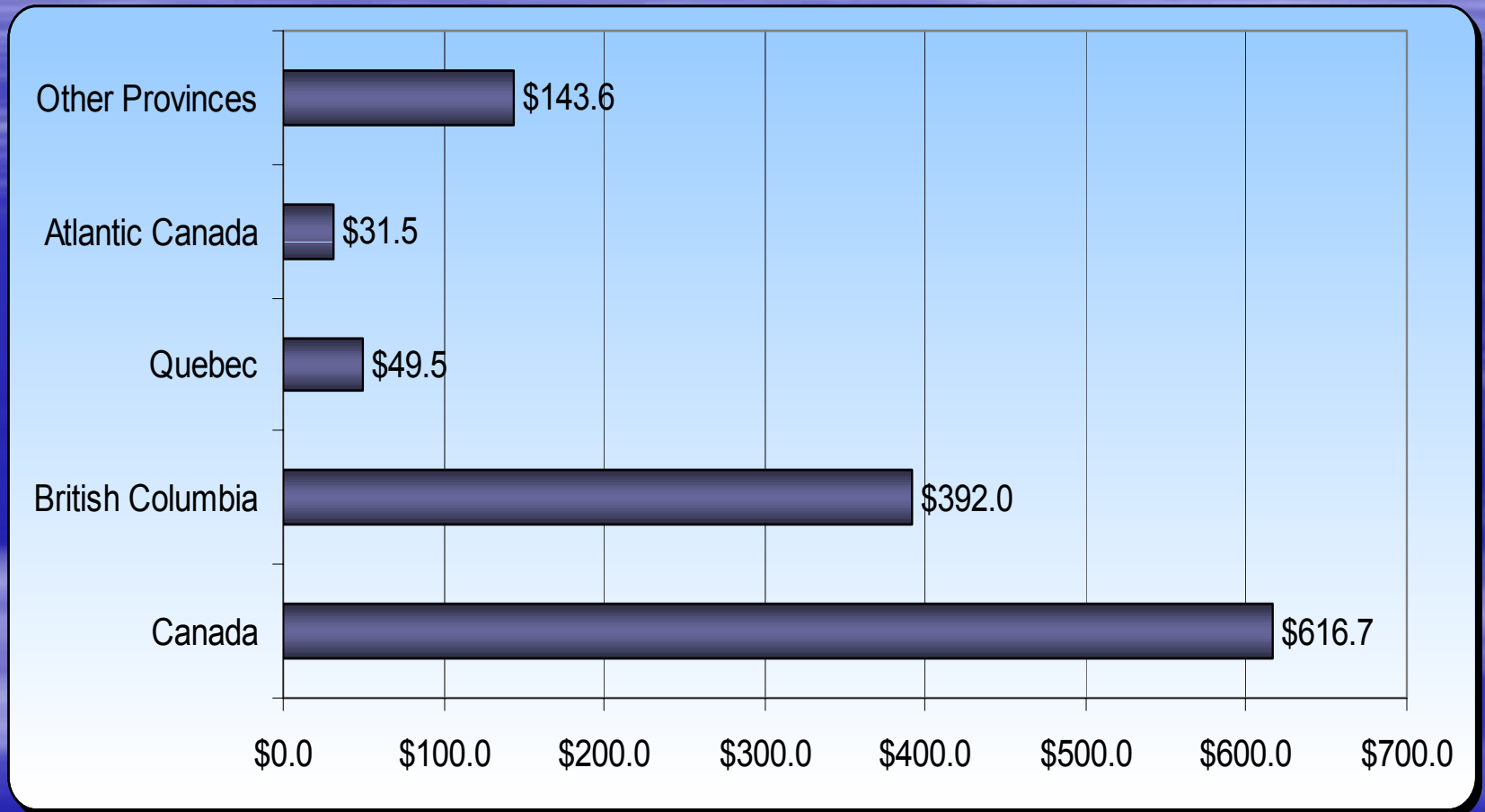
In British Columbia (2003)

- Direct spending
 - \$660 million
- Total Impact
 - \$1.2 billion
- Employment
 - 10,400 full or part-time jobs

Average Expenditures by Passengers and Crew



Total Expenditures by Cruise Lines (in millions)



Economic Potential for British Columbia Ports

- One cruise ship port call (2000 passenger ship) could result in approximately \$150,000 to \$250,000 in direct spending from passengers, crew, and the cruise line.
- This spending results in a multiplier effect – the beneficiaries of the direct spending then spend money within the economy of each port.

The Cruise Industry and British Columbia

- West Coast cruising is growing.
- There is a market for BC cruises.
- BC cruising makes business sense.
- The cruise industry is an important economic component of the BC economy.

Thank you
(and Aloha)