FCCA
Florida-Caribbean Cruise Association
11200 Pines Blvd., Suite 201 ~ Pembroke Pines, Florida 33026
Phone: (954) 441-8881 ~ Fax: (954) 441-3171 ~ E-mail: info@f-cca.com ~ Website: www.f-cca.com

Cruise Industry Overview - 2012

State of the Cruise Industry

Based on third quarter 2011 results and fourth quarter estimates, we are forecasting that a record 16+ million passengers cruised in 2011, with 11.2 million North American guests. Coupled with an annual occupancy percentage that exceeded 103% in 2011, this annual passenger growth for 2011 shows an industry where demand continues to outstrip supply, even in trying economic environments.

In 2011 alone, 12 new ships debuted from CLIA Member Lines, with guest capacities ranging from 162 to 3,652 passengers sailing the world's waters for the first time.

The industry's growth is headlined by the Caribbean, which continues to rank as the dominant cruise destination, accounting for 39.8% of all itineraries in 2011, versus 41.3% in 2010, 37.02% in 2009, 37.25% in 2008, 41.02% in 2007 and 46.69% in 2006. Passenger numbers continue to remain consistent and high for the Caribbean, despite other rising cruise destinations.

In 2012, the growth of the cruise industry continues as we enter an era distinguished by thirteen additional innovative, feature-rich ships, international ports-of-call and convenient departures from proximal embarkation cities. The current cruise ship order book extending through 2015 includes 26 new builds (17 ocean-going vessels and 9 European & American cruise riverboats) from CLIA Member Lines, with 45,600 berths and a value of nearly $12 billion.

The selling environment in 2012 is likely to improve over the recent challenging economic period. Cautious optimism is the forecast for 2012. Based on known ship additions and deletions in 2012, the industry forecasts 17 million guests in 2012, a 4% increase over 2011 and commensurate with the added capacity.

Today's ships offer a new generation of onboard features and a world of innovation, including surf pools, planetariums, on-deck LED movie screens, golf simulators, water parks, demonstration kitchens, self-leveling billiard tables, multi-room villas with private pools and in-suite Jacuzzis, ice skating rinks, rock climbing walls, bungee-trampolines and much more. Today's new ships also offer facilities to accommodate family members of all generations traveling together, a market that is ideally suited for Caribbean cruising.

From a product standpoint, our ships offer an array of feature-rich innovative facilities, amenities and services that exceed the expectations of a growing population of travelers. Today's travelers would be hard-pressed to not find a cruise line, ship, stateroom or itinerary that did not offer something for everyone.

FLORIDA-CARIBBEAN CRUISE ASSOCIATION

FCCA Member Lines

AIDA Cruises • Azamara Club Cruises • Carnival Cruise Lines • Celebrity Cruises
Costa Cruise Lines • Cunard Line • Disney Cruise Line • Holland America Line
MSC Cruises (USA) Inc. • Norwegian Cruise Line • P&O Cruises
Princess Cruises • Royal Caribbean International • Seabourn

What is the FCCA?

The Florida-Caribbean Cruise Association (FCCA) is a not-for-profit trade organization composed of 14 Member Lines operating more than 100 vessels in Floridian, Caribbean and Latin American waters. Created in 1972, the FCCA's mandate is to provide a forum for discussion on cruise operations, tourism development, ports, tour operations, safety, security and other cruise industry issues. By fostering an understanding of the cruise industry and its operating practices, the FCCA seeks to build cooperative relationships with its partner destinations and to develop productive bilateral partnerships with every sector. The FCCA works with governments, ports and all private/public sector representatives to maximize cruise passenger, cruise line and cruise line employee spending, as well as enhance the destination experience and the amount of cruise passengers returning as stay-over visitors.

Member Lines

AIDA Cruises, Azamara Club Cruises, Carnival Cruise Lines, Celebrity Cruises, Costa Cruise Lines, Cunard Line Ltd, Disney Cruise Line, Holland America Line, MSC Cruises (USA) Inc., Norwegian Cruise Line, P&O Cruises, Princess Cruises, Royal Caribbean International, Seabourn.

Partnerships

Some of the ways the FCCA works with the cruise-oriented destinations include:

- **Port Improvements** – The FCCA provides technical assistance on port expansion, including input on port and pier design, improvements and new services being planned.

- **Research** – Research is conducted and provided to destination partners in an effort to create a better understanding of cruise passengers, improve the landside product delivery and maximize the benefits of cruise tourism.

- **FCCA Outreach Program** – FCCA training seminars provide destination partners with valuable information regarding cruise passengers—their wants, needs and habits—enabling them to maximize the impact of cruise tourists in their country. The FCCA has four core training programs:

- *Service Excellence – Cruise Passengers Equal Profits:* A workshop on the importance of excellent customer service and the economic impact of the cruise industry. A happy guest not only spends more money, but also will return again and again, thereby producing greater profits and converting cruise passengers into return stay-over guests.

- *Taxi Pride:* This presentation geared toward taxi drivers, tour operators and vendors providing ground transportation. This entertaining and informative workshop focuses on five main areas: courtesy, professionalism, marketing, rules and safety.

- *FCCA/Aquila Shore Excellence Training:* Two-hour workshop that enables tour operators and destinations to discover tools that will assist them in reaching new levels of performance, productivity and profitability; build an action plan for exceeding the increasing expectations of the cruise lines, including evaluating your products and services; learn how shore excursions work, how the cruise industry operates and how to get a product in the hands of the right people at the cruise lines; and prepare for success by learning how to minimize risk and follow the processes required for effective risk management.

- FCCA/Aquila Tour Guide Excellence Training Course: This Online International Certification Program's primary objective is to teach participants what makes an excellent tour guide and the skills to turn that knowledge into a practical reality when guiding cruise shore excursions. The program involves six interactive sessions on cruise-specific topics, including: hospitality, service, research, presentation, preparation and risk management. Successful completion of an exam and video assessment at the conclusion of the course earns participants their International Certification in Tour Guide Excellence. (Subject to availability)

In addition, the FCCA has designed outreach programs for destination requests, including, but not limited to, the following areas: cleaning beaches/roads; painting schools, hospitals and orphanages; hurricane cleanups; visiting the elderly; community projects; and volunteering at hospitals.

Associate Membership

The FCCA has designed a two-tier Membership Program–the Platinum Associate Membership Program and the Associate Membership Program–for destination partners and private organizations impacted by cruise tourism to cultivate an even closer, direct working relationship with the FCCA Member Lines.

Associate Member Benefits:

- Exclusive Associate Member meeting and luncheon
- Listing in the FCCA membership directory
- Listing in FCCA's Cruising Magazine
- Access to up-to-date research and statistical studies
- $500 discount on each ad placed for the first year of membership (does not include package rates)
- Savings on registration fees for the FCCA Cruise Conference & Trade Show
- Discount on Global Tour Operator Insurance program
- Certificate of membership and yearly updates
- Use of FCCA logo on printed materials

Platinum Associate Member Benefits (in addition to the benefits above):

- One complimentary registration for the FCCA Gala Dinner
- One complimentary registration for the FCCA Cruise Conference and Tradeshow
- Extra one-on-one meetings during the FCCA Cruise Conference and Tradeshow
- Exclusive receptions during the FCCA Cruise Conference and Tradeshow
- Private lunch & meeting at FCCA's Annual Cruise Conference & Tradeshow
- Preferred VIP seating at the FCCA Conference opening
- A seat on FCCA's Platinum Associate Membership Advisory Council (PAMAC)
- Exclusive PAMAC events throughout the year, like the annual FCCA PAMAC Conference
- One complimentary hotel room for the PAMAC events
- One complimentary cabin for the annual FCCA PAMAC Cruise
- One complimentary cabin for inaugural cruise events
- Exclusive VIP receptions during Cruise Shipping Miami at the FCCA booth
- Exclusive VIP parties and events during Cruise Shipping Miami
- Invitations to the FCCA Operations Committee meeting
- Invitation or selection to speak/present at FCCA panels and workshops
- Assistance with setting meetings
- Company profile and updates in FCCA's Cruising magazine
- Access to up-to-date research and statistical studies
- Discount on Global Tour Operator Insurance program
- Membership plaque/clock
- Platinum listing in the FCCA Membership Directory utilized by all FCCA Member Lines (each cruise line executive will, whenever possible, patronize Platinum Members)
- Advertising discounts and marketing to the Member Lines
- FCCA Urgent Care Program membership

FCCA Foundation

The FCCA Foundation provides a tangible mechanism for the cruise industry to fund a range of humanitarian causes in the Caribbean and Latin American region. In its 18 years of existence, the Foundation has impacted thousands of citizens by providing millions of dollars in funding and countless hours to causes and charities throughout the region. Programs include:

- Holiday Gift Project – The FCCA reaches out to the Caribbean and Latin American destinations by providing gifts to children in foster homes or institutions where holiday gifts would not ordinarily be possible. The gifts are delivered on Member Lines' vessels to the destinations, where the children enjoy a holiday party in their honor. In 2011, 32 destinations participated in the program, with over 6,500 children receiving holiday gifts.

- Children's Essay and Poster Competitions – The FCCA orchestrates these competitions in order to further the education of the youth in the FCCA's destination partners by learning and thinking about their destinations' involvement in the cruise industry and allowing an opportunity for practical problem solving. There are junior (12 years and under) and senior (13-16) divisions, each receiving prizes of 1st-3rd place of 3,000; 1,500; and 1,000, respectively, for themselves and their schools, along with a $200 award for every finalist submitted by their countries.

- **Foundation Events** *(every penny raised going to needy causes in the Caribbean and Latin America):*
  - FCCA Online Auction – This project, which takes place in December each year, is open to any one with a valid e-mail address. The auction allows guests to bid on items ranging from vacation packages, artwork, jewelry and sports memorabilia donated by the cruise lines and our partners throughout the Caribbean and Latin America.
  - FCCA Gala – The Gala was created by the Member Lines 18 years ago to enable cruise executives and industry partners to gather on a social level and establish new relationships or enhance existing ones. Attendees dine with the cruise executive of their choice, giving them the opportunity to foster a better relationship with their table host.
  - FCCA Golf Classic – This annual golf tournament has become an important resource for meeting top executives in an exclusive, casual atmosphere. Play in a foursome hosted by a Cruise Executive and contribute to a worthy cause.

FCCA Magazines and Publications

- ***Cruising Magazine*** – Published quarterly, *Cruising* is the official magazine of the FCCA and cruise industry. It serves to educate and bring about an understanding of the cruise industry's inner-workings. With a distribution of over 18,000 magazines via the internet and direct mailings, *Cruising* offers advertisers optimal access to over 13,000 travel agents and the decision makers in the marine operations, marketing and strategic planning departments of the major cruise lines, while also providing cruise executives and the Caribbean and Latin American public and private sectors with information.

- ***The Highlight Issue*** – Features a who's who in the cruise industry and contains cruise executive profiles, along with information on the FCCA Member Lines. As a valuable tool, the Highlight Issue is essential when dealing directly with the cruise industry.

- ***Membership Directory*** – The FCCA directory contains a complete listing of all FCCA Associate and Platinum Members, as well as all the Ministers of Tourism within partner destinations.

- ***Conference and Gala Program*** – Delegates who attend these functions receive comprehensive programs packed with useful FCCA schedules, information and accomplishments.

FCCA Cruise Conference & Trade Show

For many cruise executives and destinations, suppliers and tour operators, this is the premier industry event of the year, an opportunity to meet in a round-table format with key players to analyze industry trends and discuss current issues. The FCCA Conference brings together over 100 cruise executives and 1,000 industry partners. For 2012, the Conference will be held in Curaçao from Oct. 1–5.

As the FCCA proceeds into tomorrow, it will remain steadfast in its mission to create win-win partnerships between the cruise lines and cruise destinations throughout the greater Caribbean and Latin American regions.

Cruise Industry Overview

- The industry forecasts 17 million passengers in 2012, a 4% increase over 2011.
- In 2011, a record of 16+ million passengers were forecasted to cruise, with 11.2 million originating in North America.
- The cruise industry is the fastest-growing category in the leisure travel market. Since 1980, the industry has experienced an average annual passenger growth rate of approximately 7.2% per annum.
- Since 1990, over 185 million passengers have taken a 2+ day cruise. Of this number, over 70% of the total passengers have been generated in the past 10 years, and nearly 38% in the past 5 years.
- The average length of cruises is over 7 days (7.2 days).
- The cruise product is diversified. Throughout its history, the industry has responded to the vacation desires of its guests and embraced innovation to develop new destinations, new ship designs, new and diverse onboard amenities, facilities and services, plus wide-ranging shore side activities. Cruise lines have also offered their guests new cruise themes and voyage lengths to meet the changing vacation patterns of today's travelers.
- The cruise industry's establishment of over 30 North American embarkation ports provides consumers with unprecedented convenience, cost savings and value by placing cruise ships within driving distance of 75% of North American vacationers. By providing significant cost savings through the convenience of avoiding air travel, the new homeports have introduced leisure cruising to a wider customer base.
- From a capacity standpoint, utilization is consistently over 100% (103% in 2011).
- The Caribbean and Bahamas is the number one destination, with 39.8% of capacity in 2011.
- 24 new state-of-the-art new ships are contracted or planned to be added to the North American fleet through 2015, at an investment of nearly $12 billion US.

Cruise Passenger Profile

Source for the following: CLIA 2011 Market Profile Study

Study includes Americans who are over 25 years old and have an income of over $40,000.

Of the current total US population (304,130,000), not quite half (44% or 132,947,000) are prime cruise candidates (age 25+; income $40,000+).

Of the target population, 73,121,000 (55%) people have ever taken a cruise, and somewhat fewer than half of those (32,838,000) have done so in the past three years.

As designed, the study represents a core target market and cruisers within that target market tend to be more upscale:

- Median household incomes ($82,000 market; $97,000 cruisers; $75,000 non-cruiser/vacationers)
- High proportion of college graduates (71%; 76%; 67%).

Other characteristics include:

- Median age (47 market; 48 cruisers; 46 non-cruiser/vacationers)
- Many retirees (16%; 20%; 14%)
- An even split by gender as imposed by quotas
- Most are married (79%; 79%; 82%)

Although less than in 2008, *visiting friends and relatives* (67% from 78%) remains, by far, the leading type of vacation taken in the past three years. Only two other types attract at least a quarter of all travelers: *land-based non-packages* (38%) and *ocean/river cruises* (27%). Of the ten types of vacations measured, only cruising posts a gain from three years ago.

Within the target market, *cruising* (45%), *visiting friends/ relatives* (46%), and *resort trips arranged by the traveler* (45%) have the highest proportion of extremely satisfied customers.

Cruisers repeat. More than half (60%) of those who provide information on their most recent cruise took another one in the past. The more expensive types of cruises tend to host more repeaters – for example, almost nine out of 10 *Luxury* (87%) and *Premium* (85%) cruisers have sailed more than once.

However, the sizeable proportion (40%) of new cruisers into the market indicates that the industry still continues to attract new (first-time) passengers – and that marketing promotions create new interest.

Over half (58%) of cruisers have taken multiple voyages; *Luxury* passengers, particularly, take to the seas, averaging over 10.5 each

New cruisers often select a *Contemporary* Line (40% just one; fewest past cruises). That, coupled with category crossover among more frequent cruisers, suggests that many other types of cruisers may have started cruising on a *Contemporary* line. The synergies that exist between lines demonstrate a solid foundation for industry growth in each of the four categories and help fuel the industry growth.

Many cruisers are "addicted" to cruising – over a third (38%) of all 3+ day trips taken in the past 12 months involved a cruise for those who have taken more than one cruise in the past. Further:

- Although *Destination* cruisers travel more often (3.7 trips/year), *Luxury* cruisers cruise more often (1.3 cruise trips),
- Cruises make up the largest share of total trips among *Luxury* (41%) cruisers.

Very stable over time, cruisers average about 3.5 years since their last cruise. By type:

- Destination cruisers allow the shortest lapse between cruises – slightly more than a year (14 months),
- Luxury and Premium cruisers have cruised within the past 2.5 years (29 months),
- Contemporary cruisers have not cruised in over three years (40 months).

Vacationers (cruisers or not) usually travel in pairs. Both types usually travel with spouses (80% cruisers; 78% non-cruisers), and virtually no one travels alone (2% cruisers; 3% vacationers). Cruisers continue to be less likely to travel with children than non-cruisers (31% vs. 38%), with the proportion declining in both groups from three years ago (34% vs. 41%).

Among information sources, the *destination website element* (39%) remains the leading influence – ahead of *word of mouth* (35%) and *always wanted to go there* (31%) – and is the only one of the top four that marketers can directly control. Besides those just mentioned, *spouse/travel companion* (36%) is the fourth element.

The *destination* (7.9 out of a possible 10 points) leads as the most influential reason that travelers choose a vacation or cruise, with *spouse/travel companion desire* remaining in second place (7.2). *Overall value for the vacation dollar* (7.0, a new measure in 2011) pushes *price* (6.8) to fourth place.

Cruisers typically agree that cruise vacations are a good way to sample destinations that they may wish to visit again (80%), with the more experienced/seasoned *Destination* and *Luxury* cruisers most frequently returning for a non-cruise vacation.

- *Destination* cruisers add time in the port city more often than others.
- Cruisers most often return for land-based vacations to the Caribbean (49%); *Destination* cruisers emphasize Alaska (40%): and *Luxury* cruisers add Europe (33%) to the Caribbean (41%) more often than other destinations.

Potential cruisers seek cruises of about a week in length (7.5 days), exceeding the 2008 level (6.7).

Non-cruisers who express interest in a future cruise select three to five-day cruises (40%) at more than twice the rate of past cruisers (16%), perhaps wanting to start with a lower commitment.

Travelers often view cruises as special trips, and as such, they take substantial time to plan them. Slipping slightly from 2008, travelers still average a longer time frame than earlier years to plan a vacation (4.6 months vs. 5.2 months in 2008, 4.3 in 2006, and 3.8 in 2004). Cruisers spend almost an extra month more than non-cruisers in planning their trips (4.9 vs. 4.1).

Cruisers tend to book (3.3 months before the trip) about 1.5 months after planning begins (4.9 months).

By vacationer type, cruisers spend considerably more (by almost 25%) on vacations than non-cruisers

($1,700 vs. $1,300). Of cruisers, passengers on *Destination/Specialty/Niche* ($2,900) and *Luxury* lines ($2,500) spend the most.

- Not surprisingly, those who take *Contemporary* cruise lines averaged the least ($1,690), followed by *Premium* passengers ($2,080), *Luxury* passengers ($2,840), and *Destination* passengers ($3,220).
- Half (49%) of cruisers report that they received a discount or took advantage of a promotional offer on their last cruise, matching the level three years ago.
- Overall, two-thirds (66%) fly to the cruise origination point and pay an average of $376 each for the flight.
- Cruisers can spend a very reasonable per person amount per day – ranging from $171 for a *Contemporary* cruise to $234 for a *Destination* cruise.

As expected, the higher income segments contribute a larger share of passengers:

- For example, those earning $150,000 or more represent 16% of the total core market, but 20% of the expected passengers come from that elite group
- Conversely, 25% earn between $40K to $60K, but they represent only 20% of passengers.

Cruisers note less concern about *fuel costs, living expenses*, and *personal economic change*
Luxury cruisers have more worries about *stock market performance* and fuss slightly more about *travel hassles* than others; *Destination* cruisers more often cite *higher living expenses* and the *need to have a passport*.

Both cruisers and other vacationers perceive cruising as more expensive than land-based trips. On the other hand, strong belief exists that cruising offers very *high value* for the cost, an image than can be exploited in marketing materials.

- More than twice as many travelers equate *cruising* (17%) with very high value as *land-based vacations* (9%).
- Among non-cruisers, the same proportion considers *cruising* and *land-based vacations* to be a very high value (10%).
- The gap swells among past cruisers (21% vs. 8%), underscoring that once travelers are convinced to cruise, many become "hooked."

Travelers prefer:

- Casual Elegance (64%) and Casual (63%) pull travelers at virtually the same level; however, past cruisers more often opt for the little extra formality of Casual Elegance than non-cruisers (67% vs. 52%),
- Laid-back (50%) appeals to half of potential cruisers and takes the lead among non-cruisers (75%),
- Generally trailing the other types of atmospheres, Country Club (24%) outpaces Formal (16%) in every segment except *Destination* cruisers; *Luxury* and *Destination* cruisers choose the more formal attire more often than other segments.

  Casual Elegance: Resort wear, jackets/no ties
  Casual: Khakis, polo or golf shirts
  Laid-back: Shorts, t-shirts, flip-flops
  Formal: Black-tie, fancy
  Country Club: Suit/tie for men/dresses for women

A majority of cruisers still book at least some of their cruises with travel agents, although that proportion declines (68% from 74% in 2008). Some portion of the decline is attributed to consumer confusion regarding online resources used and travel agents. With continued travel agency adoption of online resources, some customers attribute an online planning/booking when in fact that online resource is sourced to a travel agency. Other travel agent findings include:

- More cruisers than land-based vacationers (68% vs. 45%) use agents (all services). By type, more *destination* (91%), *luxury* (89%), and *premium* line (80%) cruisers consult agents than *contemporary* line passengers (68%),

- Meanwhile, satisfaction remains stable; cruisers seem generally satisfied (59% *extremely/very satisfied*, matching 2008) with their agents,

- Over one third of cruisers currently believe that professional designations make a difference (37%), but continue to place greater faith in the designation than non-cruisers (31%); further, the majority (66%) still state that those designations would encourage them to use an agent (vs. 57% of non-cruisers),

- Travel agents remain the distribution channel offering the best service, similar to the past (40% vs. 42% in 2008 and 40% in 2006),

- However, even cruisers believe that *websites and online travel retailers* provide the best prices on cruises – at almost three times the rate of travel agents (48% vs. 17%); the gap increases for non-cruiser vacationers (62% vs. 13%).

Future Interest

Interest in cruising in the next three years mirrors the level of three years ago (71% vs. 70% in 2008) as the other types of travel post similar to small declines in interest. Further, while travel plans balance for cruisers (the number expecting to take fewer trips offsets the number expecting to take fewer trips in the next 12 months), the non-cruiser vacationer outlook declines (more of them expect to take fewer vacations than more vacations). Meanwhile, those interested in cruising remains at the high level posted in recent prior waves (65% vs. 64% in 2008 and 2006, 60% in 2004). Other likely “predictions” include:

- Expectations to *definitely* cruise in the next three years remains strong (remaining at 19%), while *probably* cruise climbs slightly (21% from 18%),

- Three-quarters (76%) of potential cruisers expect that the trip will last at least six days, with past cruisers more likely to seek longer cruises than non-cruisers (82% vs. 57%),

- Of those planning to cruise in the next three years, most (82% vs. 84% in 2008) indicate that they will cruise within the next two years,

- Large (62%), medium (41%), and very large (39%) ships appeal to more travelers overall than small/intimate vessels, and regarding atmosphere, they prefer casual (63%) and casual elegance (64%) to other types

- Overall, travelers most frequently name the *Caribbean* (45% overall) as their cruise destination of choice, except passengers of the *Destination* segment, who rank *Alaska* at the top.

Past cruisers express very high interest (77%, the same level as in 2008) in a future sailing:

- Most (54%) plan (*definitely/ probably*) to cruise in the next three years,

- While past cruisers are interested in other types of vacations, none match cruising except land-based non-resort vacations (80%),

- Half (50%)* of Non-Cruiser/Vacationers show interest in taking a cruise in the next three years, a slightly lower, but still very strong, level than last wave (55%)*. While they place cruising below several other vacation alternatives, this group can still fuel future cruise industry growth. As more people become cruisers, they will contribute to future growth of the cruise industry, since many cruisers come back again and again.
  *NOTE: These percentages are **any** level of interest, not just *definitely/probably*

- More than twice as many people have increasing interest in a future cruise (38%) as a decreasing interest (14%), including a large share of those with no past cruise history (34%).

All past cruisers, especially *Destination* (71%) cruisers, claim increasing levels of interest.

Potential growth occurs in the cruise market by every measure:
- Population (+3%)
- Total past cruisers (+4% overall; +10% in core market)
- Total past recent (within 3 years) cruisers (+1% overall; +2% in core market) Future interest in cruising
- (+3%, Best Case; +1% Most Likely Case).

Benefits of Cruising

When comparing the benefits of cruising to other vacations (*much/somewhat better*), the top choices include: *chance to visit several different locations* (56%), *being pampered* (44%), *fine dining* (51%), and *getting away from it all* (44%).

Past cruisers rank every attribute higher than non-cruisers, usually by a substantial degree. After experiencing the benefits of cruising, the largest gaps (25 percentage-point differences or greater) between these two groups occur in (cruisers vs. non-cruisers):
- Fine dining (56% vs. 27%)
- Hassle-free (54% vs. 26%)
- Easy to plan and arrange (53% vs. 28%)
- Explore a vacation area to return later (52% vs. 25%)
- Good value for the money (50% vs. 19%)
- Fun Vacation (45% vs. 19%)
- Reliable (44% vs. 14%)

Most Appealing Places to Cruise

Caribbean	**45%**
Alaska	24%
Bahamas	**23%**
Hawaii	15%
Bermuda	**15%**
Mediterranean/Greek Islands/Turkey	14%
Europe	13%
Panama Canal	**8%**
West Coast of Mexico	**8%**

Source: CLIA 2011 Market Profile Study

Economic Impact of Cruise Industry on Destinations

- Safe (41% vs. 16%).

Highlights of the 2009 Economic Impact Study conducted by Business Research & Economic Advisors (BREA) include:

- The analysis of cruise tourism's direct expenditures account for over $2.2 billion for the 2008-2009 cruise year.
- Cruise ship calls brought 17.6 million passenger visits and 3.2 million crew to the 29 participating destinations during the 2008-2009 cruise year, which generated $1.7 billion and $288.7 million, respectively.
- Cruise-related expenditures generated 56,271 jobs throughout the studied destinations. These cruise generated jobs paid $723 million in wage income to the residents.
- Average cruise passenger spending per port of call was $97.26, and average spending per port of call by crew members was $89.24.
- Cruise passengers were, in general, very satisfied with their Caribbean cruise vacation, with a mean score of 7.3 (Very Satisfied) for "Overall Visit" (using a 10-point scale, with 10 being the highest and 1 being the lowest).
- The typical cruise ship carrying 2,550 passengers and 480 crew members conservatively generates $227,088 in passenger and crew expenditures during a single port-of-call visit.
  (Total spending amount is based on 85% of passenger arrivals and 38% crew arrivals)

It is, therefore, clear that the cruise industry's economic impact in the Caribbean and Latin American region is significant and continues to grow. The Member Lines of the FCCA urge you to carefully analyze all of this information and see for yourself how the cruise industry is positively impacting the economy of your country.

2009 participating destinations included: Acapulco, Antigua, Aruba, Bahamas, Barbados, Belize, Cayman Islands, Cartagena, Costa Rica, Cozumel, Curacao, Dominica, Dominican Republic, Ensenada, Grenada, Guatemala, Honduras, Huatulco, Jamaica, Key West, Martinique, Nicaragua, San Juan, St. Kitts, St. Lucia, St. Maarten, St. Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos, and U.S.V.I.

Nearly all traveler segments name the Caribbean (45% overall) as the top area to visit on a cruise, with the exception of prior *Destination* cruisers who place Alaska (21%) in the top spot.

Notes

Hellen Mena - Aon Risk Solutions
p: +1.305.961.6231
e: hellen.mena@aon.com