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ECONOMIC CONTRIBUTION OF CRUISE TOURISM TO THE DESTINATION ECONOMIES

*A Survey-based Analysis of the Impacts of
Passenger, Crew and Cruise Line Spending*

VOLUME II DESTINATION REPORTS



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DESTINATIONS OF THE CARIBBEAN (Including Central and South America)

Antigua and Barbuda

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.¹ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

¹ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which are concentrated in shore excursions and retail purchases of clothing and jewelry and purchases of food and beverages;
- onshore expenditures by crew which are concentrated in purchases of food and beverages in restaurants and retail purchases of jewelry and clothing;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other supplies, by the cruise lines from local businesses.

Based on data collected from the ports of the participating destinations and the CTO, an estimated 595,000 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.² Of these, an estimated 524,051 passengers (88 percent) disembarked and visited Antigua. Utilizing additional data provided by the visiting cruise lines, we have estimated that 232,000 crew were aboard the cruise ships and that 36 percent, or 83,791 crew, disembarked and visited the island. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$45.0** million (\$US) in cruise tourism expenditures in Antigua during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 1 – Estimated Passenger Spending (\$US) in Antigua, 2011/2012 Cruise Year³

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 71.60 | 51.6% | \$ 36.91 |
| Clothing | \$ 42.40 | 43.2% | \$ 18.31 |
| F&B at Restaurants & Bars | \$ 22.80 | 43.0% | \$ 9.80 |
| Local Crafts & Souvenirs | \$ 27.50 | 40.5% | \$ 11.15 |
| Taxis/Ground Transportation | \$ 38.30 | 22.6% | \$ 8.64 |
| Other Purchases | \$ 32.70 | 19.8% | \$ 6.49 |
| Watches & Jewelry | \$ 290.70 | 13.7% | \$ 39.70 |
| Retail Purchases of Liquor | \$ 26.10 | 8.0% | \$ 2.08 |
| Perfumes & Cosmetics | \$ 50.80 | 5.3% | \$ 2.67 |
| Entertainment/Night Clubs/Casinos | \$ 32.40 | 2.4% | \$ 0.77 |
| Telephone & Internet | \$ 23.60 | 2.1% | \$ 0.50 |
| Electronics | \$ 18.50 | 0.6% | \$ 0.11 |
| Total Spend per Cruise Party | | | \$ 137.13 |
| Average Size of a Cruise Party | | | 2.1 |
| Total Spend per Cruise Passenger | | | \$ 65.30 |
| Cruise Passenger Visits | | | 524,051 |
| Total Cruise Passenger Expenditures | | | \$ 34,221,593 |

² The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

³ The average shore excursion expenditure is a weighted average of the onshore and travel agent/other purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from 1,756 surveys completed by passengers that went ashore during the survey period. As shown in **Table 1**, each passenger cruise party spent an average of \$137.13. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 43 percent of the survey respondents reported spending an average of \$22.80 at for food and beverages. Spread over the cruise parties that visited Antigua, this represented an average of \$9.80 per party. On a per passenger basis, the average total expenditure was \$65.30. This represents the sum of per party expenditures, \$137.13, divided by the average size of a cruise party in Antigua, 2.1 passengers.

Cruise passenger expenditures in Antigua were concentrated in four categories which accounted for 77 percent of their onshore expenditures: watches and jewelry, shore excursions, clothing and local crafts. Over 40 percent of the passengers that went ashore made purchases in the following categories: shore excursions, clothing, food and beverages and local crafts.

Just over half of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$71.60 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of just over \$118 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 524,051 cruise passengers who visited Antigua spent a total of **\$34.2 million** (\$US) in Antigua.

Table 2 – Estimated Crew Spending (\$US) in Antigua, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 26.70 | 68.0% | \$ 18.15 |
| Clothing | \$ 37.10 | 20.3% | \$ 7.52 |
| Taxis/Ground Transportation | \$ 15.60 | 16.3% | \$ 2.55 |
| Local Crafts & Souvenirs | \$ 13.60 | 12.4% | \$ 1.69 |
| Other Purchases | \$ 128.70 | 9.2% | \$ 11.78 |
| Entertainment/Night Clubs/Casinos | \$ 119.50 | 6.5% | \$ 7.81 |
| Telephone & Internet | \$ 20.50 | 6.5% | \$ 1.34 |
| Perfumes & Cosmetics | \$ 41.10 | 5.2% | \$ 2.15 |
| Retail Purchases of Liquor | \$ 27.30 | 4.6% | \$ 1.25 |
| Watches & Jewelry | \$ 504.10 | 3.9% | \$ 19.77 |
| Shore Excursions | \$ 4.60 | 0.7% | \$ 0.03 |
| Electronics | \$ 39.80 | 0.7% | \$ 0.26 |
| Total Spend per Crew | | | \$74.30 |
| Cruise Passenger Visits | | | 83,791 |
| Total Cruise Passenger Expenditures | | | \$6,225,696 |

Per crew spending estimates were derived from over 300 surveys completed by crew members during the survey period. As shown in **Table 2**, each crew member spent an average of \$74.30 in Antigua. The average spend per crew member is the sum of the weighted spending in each of the twelve categories. For example, 68 percent of the survey respondents reported spending an

average of \$26.70 for food and beverages. Spread over all the crew members that reported that they visited Antigua; this represents an average of \$18.15 per crew member.

Expenditures by crew in Antigua were concentrated in three categories which accounted for 67 percent of their onshore expenditures: watches and jewelry, food and beverages and other (unspecified) purchases. Combined, crew spent an average of \$49.70 for goods in these three categories. Purchases of food and beverages were the most popular expenditure item with 68% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 83,791 crew who visited Antigua spent an estimated total of **\$6.2 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$4.5 million** (\$US) in Antigua during the 2011/2012 cruise year. Nearly all of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 3 – Total Economic Contribution of Cruise Tourism in Antigua, 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|--------------------------------|
| Direct Economic Contribution | 760 | \$ 6.9 |
| Total Economic Contribution | 1,246 | \$ 11.5 |

As shown in **Table 3**, the \$45.0 million in total cruise tourism expenditures in Antigua generated direct employment of 760 residents of Antigua paying \$6.9 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 1,246 jobs and \$11.5 million in wage income in Antigua during the 2011/2012 cruise year.

As shown in **Figures 1 and 2**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 97 percent of the

total impacts. This is not surprising since the direct impacts account for nearly 60 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 16 percent of the wage impacts but only 10 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.⁴

Figure 1 – Total Employment Impacts by Sector - Antigua

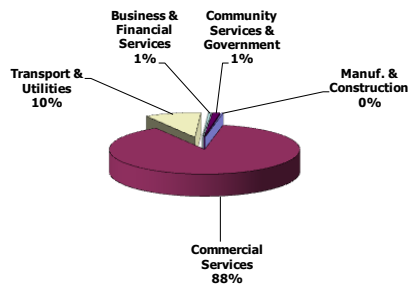
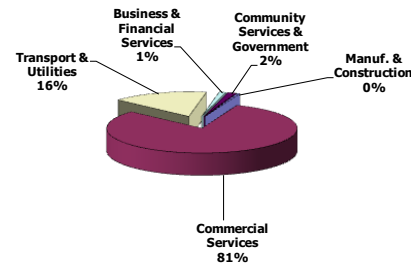


Figure 2 – Total Wage Impacts by Sector Antigua



Comparison to 2009 Study

Total passenger and crew visits to Antigua declined by 4 percent from 633,500 visits during the 2008/2009 cruise year to 607,900 during the 2011/2012 cruise year. Total direct cruise tourism expenditures decreased at a slightly higher rate, nearly 7 percent, over the three year period, falling from \$48.3 million to \$45.0 million. As indicated in **Table 4**, passenger expenditures declined by almost 11 percent while crew expenditures rose by nearly 13 percent. Cruise line expenditures were unchanged

The decline in passenger expenditures, which account for 76 percent of total cruise tourism expenditures in Antigua, was due to both a decline in visits and the average passenger expenditure. The change in average passenger expenditures varied by category. Average spending increased for jewelry, entertainment and other purchases, but declined for the remaining categories. The primary reason for the overall decline was a decrease in the percentage of passengers purchasing goods in most categories.

The increase in crew expenditures was the result of the 13.7 percent increase in average crew expenditures. This increase occurred in just about all categories of spending and was due both to an increase in the average value of goods purchased and an increase in the percentage of crew making onshore purchases.

⁴ The industry sectors include the following activities:
 Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
 Community Services & Government: education, health and social services and government agencies

Table 4 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Antigua

| | Current Study | 2009 Study | Percent Change |
|--|----------------------|-------------------|-----------------------|
| Total Onshore Visits (Thousands) | 607.9 | 633.5 | -4.0% |
| Passengers | 524.1 | 532.1 | -1.5% |
| Crew | 83.8 | 101.4 | -17.4% |
| Total Direct Expenditures (\$US Millions) | \$ 45.0 | \$ 48.3 | -6.8% |
| Passengers | \$ 34.2 | \$ 38.3 | -10.7% |
| Crew | \$ 6.2 | \$ 5.5 | +12.7% |
| Cruise Lines | \$ 4.5 | \$ 4.5 | --- |
| Average Per Passenger Expenditure | \$65.30 | \$72.06 | -9.4% |
| Average Per Crew Expenditure | \$74.30 | \$54.16 | +37.2% |
| Total Employment Impact | 1,246 | 1,315 | -5.2% |
| Total Wage Impact (\$US Millions) | \$ 11.5 | \$ 11.9 | -3.4% |

As a result of the 7 percent decrease in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts fell as well. The total employment impact decreased by 5 percent over the three-year period while the wage impact decreased by 3 percent. The smaller decline in wages is due to increased labor productivity and average wages over the intervening period.

Passenger Surveys

A total of 1,756 passenger surveys were completed and returned for tabulation. **Table 5** shows the major attributes of passenger visits to Antigua as derived from the passenger surveys.

Table 5 - Major Attributes of Passenger Surveys - Antigua

| | Number | Percent |
|--|---------------|----------------|
| Total Respondents | 1,756 | |
| Number Making First Visit | 1,177 | 67.0% |
| Number Ashore | 1,702 | 96.9% |
| Number Making Onshore Purchases: | 1,179 | 69.3% |
| Average Hours Ashore | 3.8 | |
| Average Size of Expenditure Party (Persons) | 2.1 | |
| Average Onshore Expenditure per Party | \$92.90 | |
| Purchased a Shore Excursion (Tour) | 862 | 51.6% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 598 | 69.4% |
| Onshore from Tour Operator | 185 | 21.5% |
| Travel Agent | 79 | 9.2% |
| Average Cost of Shore Excursion per Party | \$118 | |
| Toured On Own/Did not Tour | 840 | |

- Of the 1,756 cruise parties that completed the surveys 67% stated that this had been their first visit to Antigua. This is down from 72% in the 2009 study.
- Ninety-seven percent (97%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Antigua.

- Of the cruise parties that went ashore, 69% made at least one purchase while ashore. This is a sharp increase from 52% in the 2009 study. The typical cruise party consisted of two passengers (Average: 2.1) and spent an average of 3.8 hours ashore, down from 4.1 hours in the prior study.
- The responding cruise parties reported spending an average of \$92.90 while ashore (excludes shore excursions), a decline of 18.5% from 2009.
- Nearly 52% of the passengers that went ashore purchased a shore excursion, an increase from 48% in 2009. Sixty-nine percent (69%) of passengers who purchased a tour did so through their cruise line, 22% purchased their tour onshore and 9 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$118 for their tour, an increase of 12% from \$105 during the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 6**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 6 – Passenger Visit Satisfaction* - Antigua

| Visit Attributes | Mean Score | |
|---|---------------|------|
| | Current Study | 2009 |
| Overall Visit | 7.3 | 7.2 |
| Visit Met Expectations | 7.0 | 6.7 |
| Likelihood of a Return Visit | 4.5 | 4.1 |
| Informed of Tours and Activities | 7.7 | 7.4 |
| Initial Shoreside Welcome | 7.1 | 7.2 |
| Guided Tour | 8.3 | 7.9 |
| Historic Sites/Museums | 7.2 | 7.2 |
| Variety of Things to See and Do | 6.6 | 6.5 |
| Friendliness of Residents | 7.6 | 7.5 |
| Overall Shopping Experience | 6.6 | 6.5 |
| Courtesy of Employees | 7.6 | 7.5 |
| Variety of Shops | 6.6 | 6.2 |
| Overall Prices | 6.4 | 6.5 |
| Taxis/Local Transportation | 7.5 | 7.3 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

- As indicated in Table 6, mean satisfaction scores were up from 2009 for most categories. The biggest gains were made for guided tours, informed of activities and visit expectations.

- Cruise passengers were very satisfied with their overall visit to Antigua with a mean score of 7.3. However, the visit did not score as high in terms of meeting expectations. The mean score for "Visit Met Expectations" was lower at 7.0.
- Passengers felt very informed about tours and onshore activities in Antigua with a mean score of 7.7.
- "Guided Tours" (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.3. Thus, cruise passengers were very satisfied with their shore excursions.
- Passenger interactions with residents and store employees were very positive with "friendliness of residents" and "courtesy of employees" each having a mean score of 7.6.
- Categories with slightly lower scores but still above 7.0 (Very Satisfied) were: initial shoreside welcome, historic sites and local transportation.
- Categories with average scores between 5.0 and 7.0 (Somewhat Satisfied) were given for variety of things to see and do and the overall shopping experience, including the variety of shops and overall prices. Thus, while passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (6.6) and overall prices (6.4).
- Cruise passengers stated that they were not too likely to return to Antigua for a land-based vacation with a mean score of 4.5 which was up from 4.1 in 2009.

Passenger Demographics

Residents of the United States and Canada accounted for 93 percent of the responding passengers. The average age of the respondents was 57 years with 40 percent of the respondents being 65 years of age or older. Antigua passengers had an average household income of \$104,000 with 40 percent having over \$100,000 in household income.

Figure 3 – Passenger Age Cohorts Antigua

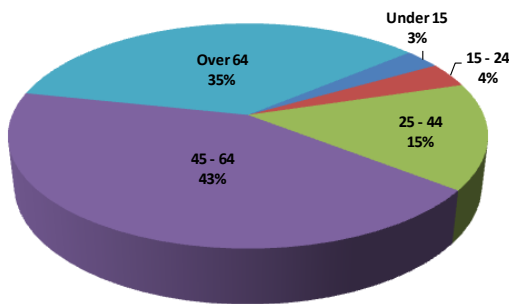
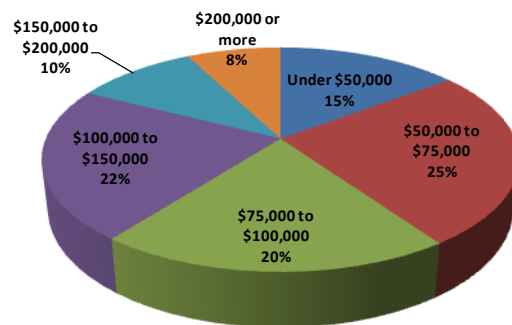


Figure 4 – Passenger Household Income Antigua



Aruba

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁵ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁵ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data provided by the Aruba Ports Authority, 590,159 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.⁶ Of these, an estimated 533,504 passengers (90 percent) disembarked and visited Aruba. The Aruba Ports Authority also reported that 249,752 crew arrived on visiting cruise ships. Utilizing data provided by the visiting cruise lines, we have estimated that 35 percent, or 86,877 crew, disembarked and visited Aruba. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$63.7 million** (\$US) in cruise tourism expenditures in Aruba during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 7 – Estimated Passenger Spending (\$US) in Aruba, 2011/2012 Cruise Year⁷

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 69.10 | 50.2% | \$ 34.72 |
| Clothing | \$ 46.50 | 46.6% | \$ 21.67 |
| Local Crafts & Souvenirs | \$ 25.70 | 42.7% | \$ 10.98 |
| F&B at Restaurants & Bars | \$ 26.10 | 39.9% | \$ 10.42 |
| Watches & Jewelry | \$ 555.10 | 17.3% | \$ 96.15 |
| Other Purchases | \$ 108.50 | 16.0% | \$ 17.40 |
| Taxis/Ground Transportation | \$ 26.70 | 13.6% | \$ 3.64 |
| Perfumes & Cosmetics | \$ 50.70 | 5.9% | \$ 2.97 |
| Retail Purchases of Liquor | \$ 15.60 | 4.7% | \$ 0.74 |
| Entertainment/Night Clubs/Casinos | \$ 55.00 | 2.7% | \$ 1.50 |
| Telephone & Internet | \$ 9.40 | 1.9% | \$ 0.18 |
| Electronics | \$ 20.80 | 0.2% | \$ 0.05 |
| Total Spend per Cruise Party | | | \$200.42 |
| Average Size of a Cruise Party | | | 2.1 |
| Total Spend per Cruise Passenger | | | \$95.44 |
| Cruise Passenger Visits | | | 533,504 |
| Total Cruise Passenger Expenditures | | | \$50,917,861 |

⁶ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁷ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the 1,866 surveys completed by passengers that went ashore during the survey period. As shown in **Table 7**, each passenger cruise party spent an average of \$200.42. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 40 percent of the survey respondents reported spending an average of \$26.10 at local restaurants and/or bars. Spread over the cruise parties that visited Aruba, this represents an average of \$10.42 per party. On a per passenger basis, the average total expenditure was \$95.44. This represents the sum of per party expenditures, \$200.42, divided by the average size of a cruise party in Aruba, 2.1 passengers.

Cruise passenger expenditures in Aruba were concentrated in three categories which accounted for 76 percent of their onshore expenditures: watches and jewelry, shore excursions and clothing. Forty percent or more of the passengers that went ashore made purchases in the following categories: shore excursions, clothing, local crafts and food and beverages.

Just over half of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$69.10 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$115 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 533,504 cruise passengers who visited Aruba spent a total of **\$50.9 million** (\$US).

Table 8 – Estimated Crew Spending (\$US) in Aruba, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 28.50 | 71.7% | \$ 20.44 |
| Clothing | \$ 61.50 | 28.8% | \$ 17.74 |
| Taxis/Ground Transportation | \$ 13.80 | 15.4% | \$ 2.12 |
| Local Crafts & Souvenirs | \$ 21.70 | 15.1% | \$ 3.28 |
| Perfumes & Cosmetics | \$ 52.30 | 13.7% | \$ 7.18 |
| Other Purchases | \$ 150.70 | 11.5% | \$ 17.39 |
| Watches & Jewelry | \$ 115.20 | 8.8% | \$ 10.13 |
| Entertainment/Night Clubs/Casinos | \$ 222.00 | 7.7% | \$ 17.08 |
| Telephone & Internet | \$ 10.50 | 7.7% | \$ 0.81 |
| Electronics | \$ 94.90 | 3.8% | \$ 3.65 |
| Shore Excursions | \$ 13.50 | 1.9% | \$ 0.26 |
| Retail Purchases of Liquor | \$ 61.90 | 1.6% | \$ 1.02 |
| Total Spend per Crew | | | \$101.10 |
| Cruise Passenger Visits | | | 86,877 |
| Total Cruise Passenger Expenditures | | | \$8,783,280 |

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$4.0 million** (\$US) in

Aruba during the 2011/2012 cruise year. Approximately 75 percent of these expenditures were payments for port fees and navigation services while the remaining 25 percent consisted of payments for ship supplies.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 9 – Total Economic Contribution of Cruise Tourism in Aruba, 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|-----------------------------|
| Direct Economic Contribution | 824 | \$14.2 |
| Total Economic Contribution | 1,542 | \$25.9 |

As shown in **Table 9**, the \$63.7 million in total cruise tourism expenditures generated direct employment of 824 residents of Aruba paying \$14.2 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 1,542 jobs and \$25.9 million in wage income in Aruba during the 2011/2012 cruise year.

Figure 5 – Total Employment Impacts by Sector - Aruba

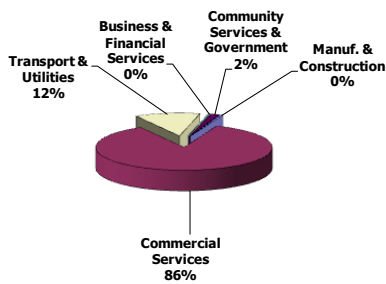
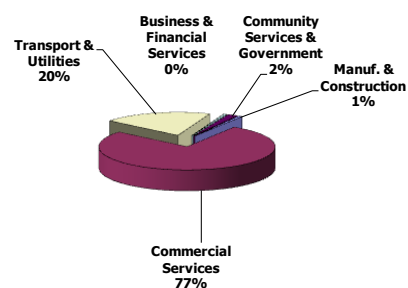


Figure 6 – Total Wage Impacts by Sector Aruba



As shown in **Figures 5 and 6**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 93 percent of the employment and wage impacts.⁸ This is not surprising since the direct impacts account for more

⁸ The industry sectors include the following activities:

- Manufacturing & Construction: residential and nonresidential construction and all manufacturing
- Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments

than half of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these two sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 20 percent of the wage impacts but only 12 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Comparison to 2009 Study

Total passenger and crew visits to Aruba increased by nearly 7 percent from 581,000 visits during the 2008/2009 cruise year to 620,300 during the 2011/2012 cruise year. In addition, total direct cruise tourism expenditures increased by 17.7 percent, over the three year period, growing from an estimated \$54.1 million to \$63.7 million. As indicated in **Table 10**, combined cruise tourism expenditures by passengers and crew increased by more than 20 percent while spending by the cruise lines declined by 20 percent.

The 20 percent increase in passenger expenditures was the result of the 10 percent increase in passenger visits and the 9 percent increase in the average expenditure per passenger. The increase in the average expenditure by passengers was driven primarily by the increase in passenger expenditures for jewelry, clothing and local crafts. In each of these categories the percentage of passengers purchasing these goods increased as did the average expenditure by those making such purchases. For example during the 2008/2009 cruise year an estimated 15 percent of cruise passengers spent an average of \$510 for their jewelry purchases. During the 2011/2012 cruise year the percentage increased to 17 percent and the average expenditure rose to \$555. As a result the weighted average expenditure for jewelry increased from \$75 during the 2008/2009 cruise year to \$96 in the 2011/2012 cruise year. Similar increases occurred in the purchase of clothing and local crafts.

Table 10 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Aruba

| | Current Study | 2009 Study | Percent Change |
|--|-----------------|----------------|----------------|
| Total Onshore Visits (Thousands) | 620.3 | 581.0 | +6.8% |
| Passengers | 533.4 | 487.1 | + 9.5% |
| Crew | 86.9 | 93.9 | - 7.5% |
| Total Direct Expenditures (\$US Millions) | \$ 63.7 | \$ 54.1 | +17.7% |
| Passengers | \$ 50.9 | \$ 42.6 | + 19.5% |
| Crew | \$ 8.8 | \$ 6.5 | + 35.4% |
| Cruise Lines | \$ 4.0 | \$ 5.0 | - 20.0% |
| Average Per Passenger Expenditure | \$ 95.44 | \$87.41 | + 9.2% |
| Average Per Crew Expenditure | \$101.10 | \$69.34 | +45.8% |
| Total Employment Impact | 1,542 | 1,330 | +15.9% |
| Total Wage Impact (\$US Millions) | \$ 25.9 | \$ 21.9 | +18.3% |

Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities

Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services

Community Services & Government: education, health and social services and government agencies

In the case of crew expenditures most of the increase was driven by increased spending for clothing, entertainment and other purchases. These three categories accounted for more than half of crew expenditures. The percentage of crew making purchases in these categories increased from the 2008/2009 cruise year. As an example, the percentage of crew making onshore purchases of clothing increased from 15 percent in the 2009 study to 29 percent in the current study. As a result the weighted average expenditure rose from \$5.84 in the 2008/2009 cruise year to \$17.74 in the 2011/2012 cruise year.

As a result of the 17 percent increase in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts grew as well. The total employment impact rose by 16 percent over the three-year period while the wage impact increased by 18 percent. The larger increase in wages is due to increased labor productivity and average wages over the intervening period.

Passenger Surveys

A total of 1,866 passenger surveys were completed and returned for tabulation. **Table 11** shows the major attributes of passenger visits in Aruba as derived from the passenger surveys.

- Of the 1,866 cruise parties that completed the surveys 65% stated that this had been their first visit to Aruba. This is almost unchanged from 64% in the 2009 study.
- Ninety-eight percent (98%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Aruba.
- Of the cruise parties that went ashore, 68% made at least one purchase while ashore. This is down from 74% in the 2008/2009 cruise year. The typical cruise party consisted of 2.1 passengers that spent an average of 4.0 hours ashore.

Table 11 - Major Attributes of Passenger Surveys - Aruba

| | Number | Percent |
|--|--------|---------|
| Total Respondents | 1,866 | |
| Number Making First Visit | 1,213 | 65.0% |
| Number Ashore | 1,835 | 98.3% |
| Number Making Onshore Purchases: | 1,247 | 68.0% |
| Average Hours Ashore | 4.0 | |
| Average Size of Expenditure Party (Persons) | 2.1 | |
| Average Onshore Expenditure per Party | \$166 | |
| Purchased a Shore Excursion (Tour) | 922 | 50.2% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 718 | 77.9% |
| Onshore from Tour Operator | 123 | 13.3% |
| Travel Agent | 81 | 8.9% |
| Average Cost of Shore Excursion per Party | \$115 | |
| Toured On Own/Did not Tour | 913 | |

- The responding cruise parties reported spending an average of \$166 while ashore (excludes shore excursions). This is an increase of 12 percent from the 2009 study.

- Fifty percent (50%) of the passengers that went ashore purchased a shore excursion, a decline of from 55 percent in the 2009 study. Seventy-eight percent (78%) of passengers who purchased a tour did so through their cruise line, 13% purchased their tour onshore and nearly 9 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$115 for their tour, a 10 percent increase from the prior study.
- Thus, while the percentage of passengers that reported making onshore purchases and buying a shore excursion declined from the 2009 study, the average per party expenditures increased.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 12**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 12 – Passenger Visit Satisfaction* - Aruba

| Visit Attributes | Mean Score | |
|----------------------------------|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.6 | 7.3 |
| Visit Met Expectations | 7.2 | 6.8 |
| Likelihood of a Return Visit | 4.5 | 4.1 |
| Informed of Tours and Activities | 8.0 | 7.9 |
| Initial Shoreside Welcome | 7.5 | 7.0 |
| Guided Tour | 8.4 | 8.0 |
| Historic Sites/Museums | 7.3 | 6.9 |
| Variety of Things to See and Do | 6.8 | 6.7 |
| Friendliness of Residents | 8.0 | 8.0 |
| Overall Shopping Experience | 7.0 | 6.8 |
| Courtesy of Employees | 8.0 | 7.8 |
| Variety of Shops | 6.9 | 6.9 |
| Overall Prices | 6.8 | 6.6 |
| Taxis/Local Transportation | 7.7 | 7.2 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

- As indicated in Table 12, mean satisfaction scores were up from 2009 for most categories. The biggest gains were made for initial shoreside welcome, guided tours, historic sites, local transportation and visit expectations.
- Cruise passengers were very satisfied with their overall visit to Aruba with a mean score of 7.6. Passengers also reported that their visit to Aruba exceeded their

expectations. The mean score for "Visit Met Expectations" was 7.2. Both of these scores increased from the 2009 study. Passengers felt very informed about tours and onshore activities in Aruba with a mean score of 8.0.

- "Guided Tours" (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.4. Thus, cruise passengers were very satisfied with their shore excursions.
- Passenger interactions with residents and store employees were very positive with both "friendliness of residents" and "courtesy of employees" having a mean score of 8.0.
- Categories with slightly lower scores but still above 7.0 (Very Satisfied) were: initial shoreside welcome, historic sites and museums and local transportation.
- Cruise passengers were very satisfied with the overall shopping experience, including the variety of shops and overall prices. While passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (6.9) and overall prices (6.8).
- Cruise passengers stated that they were not too likely to return to Aruba for a land-based vacation with a mean score of 4.5 which was up from 4.1 in 2009.

Passenger Demographics

Residents of the United States and the Canada accounted for 95 percent of the responding passengers. The average age of the respondents was 60 years with nearly 50 percent of the respondents being 65 years of age or older. Aruba passengers had an average household income of \$108,400 with 40 percent having over \$100,000 in household income.

Figure 7 – Passenger Age Aruba

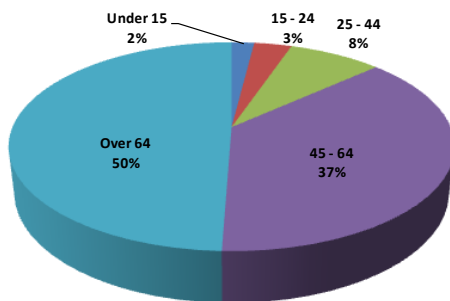
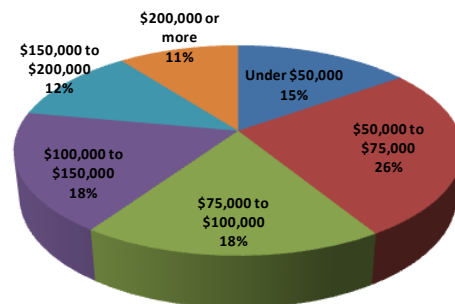


Figure 8 – Passenger Household Income Aruba



Bahamas

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁹ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁹ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data provided by the Ministry of Tourism, an estimated 4.1 million cruise passengers arrived aboard cruise ships at Nassau and Freeport¹⁰ during the 2011/2012 cruise year.¹¹ Of these, an estimated 3.7 million passengers (90 percent) disembarked and visited the Bahamas. Utilizing additional data provided by the visiting cruise lines, we have estimated that 1.65 million crew were aboard the cruise ships and that 43 percent, or 714,644 crew, disembarked and visited the island. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$393.8 million** (\$US) in cruise tourism expenditures in the Bahamas during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Per passenger spending estimates were derived from the 1,125 surveys completed by passengers that cruised to the Bahamas during the survey period. As shown in **Table 13**, each passenger cruise party spent an average of \$155.54. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 49 percent of the survey respondents reported spending an average of \$36.20 at local restaurants and/or bars. Spread over the cruise parties that visited the Bahamas, this represents an average of \$17.70 per party. On a per passenger basis, the average total expenditure was \$64.81. This represents the sum of per party expenditures, \$155.54, divided by the average size of a cruise party in the Bahamas, 2.4 passengers.

Cruise passenger expenditures in the Bahamas were concentrated in five categories which accounted for 80 percent of their onshore expenditures: shore excursions, watches and jewelry, clothing, food and beverages and local crafts. Forty percent or more of the passengers that went ashore made purchases in the following categories: food and beverages, local crafts and clothing.

¹⁰ Since this analysis is focused on the economic impact of onshore spending by the cruise sector, we have excluded passenger and crew arrivals and visits at the various private cays in The Bahamas.

¹¹ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

Thirty-six percent (36%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$103.50 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$157 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 3.7 million cruise passengers who visited the Bahamas spent a total of **\$241.4 million** (\$US).

Table 13 – Estimated Passenger Spending (\$US) in the Bahamas, 2011/2012 Cruise Year¹²

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| F&B at Restaurants & Bars | \$ 36.20 | 48.9% | \$ 17.70 |
| Local Crafts & Souvenirs | \$ 32.20 | 44.8% | \$ 14.44 |
| Clothing | \$ 52.90 | 43.3% | \$ 22.90 |
| Shore Excursions | \$ 103.50 | 36.3% | \$ 37.54 |
| Taxis/Ground Transportation | \$ 32.00 | 31.0% | \$ 9.92 |
| Watches & Jewelry | \$ 195.20 | 17.0% | \$ 33.26 |
| Other Purchases | \$ 49.90 | 14.9% | \$ 7.45 |
| Retail Purchases of Liquor | \$ 27.50 | 7.7% | \$ 2.11 |
| Perfumes & Cosmetics | \$ 63.80 | 5.9% | \$ 3.74 |
| Entertainment/Night Clubs/Casinos | \$ 90.70 | 5.0% | \$ 4.56 |
| Telephone & Internet | \$ 83.20 | 2.2% | \$ 1.86 |
| Electronics | \$ 14.30 | 0.4% | \$ 0.06 |
| Total Spend per Cruise Party | | | \$155.54 |
| Average Size of a Cruise Party | | | 2.4 |
| Total Spend per Cruise Passenger | | | \$64.81 |
| Cruise Passenger Visits | | | 3,725,646 |
| Total Cruise Passenger Expenditures | | | \$241,456,139 |

Per crew spending estimates were derived from nearly 500 surveys completed by crew members during the survey period. As shown in **Table 14**, each crew member spent an average of \$111.00 in the Bahamas. The average spend per crew member is the sum of the weighted spending in each of the twelve categories. For example, 85 percent of the survey respondents reported spending an average of \$26.40 for food and beverages. Spread over the crew members that reporting visiting the Bahamas, this represents an average of \$22.40 per crew member. For the entire 2011/2012 cruise year, the estimated 716,644 crew who visited the Bahamas spent an estimated total of **\$79.3 million** (\$US). As indicated in Table 14, estimated crew expenditures for food and beverages and entertainment accounted for 70 percent of their expenditures in the Bahamas.

Expenditures by crew in the Bahamas were concentrated in three categories which accounted for 80 percent of their onshore expenditures: entertainment, food and beverages and watches and jewelry. Combined, crew spent an average of \$87.80 for goods in these three categories.

¹² The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Purchases of food and beverages were the most popular expenditure item with 85% percent of the crew reporting the purchase of food and beverages.

Table 14 – Estimated Crew Spending (\$US) in the Bahamas, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 26.40 | 84.8% | \$ 22.40 |
| Entertainment/Night Clubs/Casinos | \$ 146.80 | 37.1% | \$ 54.50 |
| Taxis/Ground Transportation | \$ 12.40 | 23.8% | \$ 2.96 |
| Clothing | \$ 37.80 | 16.7% | \$ 6.32 |
| Perfumes & Cosmetics | \$ 48.10 | 9.9% | \$ 4.77 |
| Telephone & Internet | \$ 20.20 | 8.7% | \$ 1.75 |
| Local Crafts & Souvenirs | \$ 23.00 | 7.7% | \$ 1.78 |
| Other Purchases | \$ 11.40 | 7.4% | \$ 0.85 |
| Retail Purchases of Liquor | \$ 34.10 | 4.3% | \$ 1.48 |
| Shore Excursions | \$ 19.10 | 3.4% | \$ 0.65 |
| Watches & Jewelry | \$ 352.10 | 3.1% | \$ 10.90 |
| Electronics | \$ 121.80 | 2.2% | \$ 2.64 |
| Total Spend per Crew | | | \$111.00 |
| Cruise Passenger Visits | | | 714,644 |
| Total Cruise Passenger Expenditures | | | \$79,325,476 |

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$73.0 million** (\$US) in the Bahamas during the 2011/2012 cruise year. Nearly all of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 15 – Total Economic Contribution of Cruise Tourism in the Bahamas, 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|-----------------------------|
| Direct Economic Contribution | 4,987 | \$ 85.6 |
| Total Economic Contribution | 8,668 | \$146.2 |

As shown in **Table 15**, the \$393.8 million in total cruise tourism expenditures generated direct employment of 4,987 residents of the Bahamas paying \$85.6 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 8,668 jobs and \$146.2 million in wage income in the Bahamas during the 2011/2012 cruise year.

Figure 9 – Total Employment Impacts by Sector - Bahamas

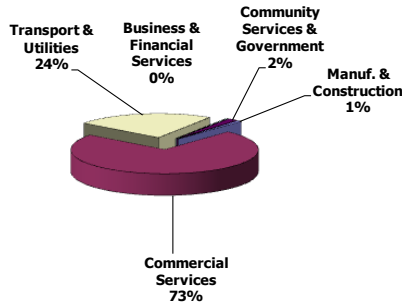
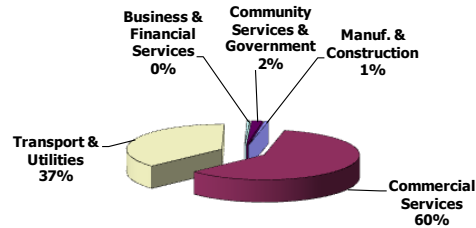


Figure 10 – Total Wage Impacts by Sector Bahamas



As shown in **Figures 9 and 10**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 97 percent of the employment and wage impacts.¹³ This is not surprising since the direct impacts account for nearly 60 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 37 percent of the wage impacts but only 24 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Comparison to 2009 Study

Total estimated passenger and crew visits increased by 87 percent from 2.4 million visits during the 2008/2009 cruise year to 4.4 million during the 2011/2012 cruise year. Total direct expenditures in the Bahamas increased as well growing by 60 percent from \$246 million in the 2008/2009 cruise year to \$394 million in the 2011/2012 cruise year. In fact, the Bahamas ranked as the number one destination both in terms of the level and growth in the spending and economic impacts among the 21 participating

¹³ The industry sectors include the following activities:
 Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
 Community Services & Government: education, health and social services and government agencies

destinations. As indicated in **Table 16**, cruise tourism expenditures increased among all groups, passengers, crew and cruise lines.

Table 16 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Bahamas

| | Current Study | 2009 Study | Percent Change |
|--|-----------------|-----------------|----------------|
| Total Onshore Visits (Thousands) | 4,440.2 | 2,379.0 | +86.6% |
| Passengers | 3,725.6 | 2,019.4 | + 84.4% |
| Crew | 714.6 | 359.6 | + 98.7% |
| Total Direct Expenditures (\$US Millions) | \$ 393.8 | \$ 246.1 | +60.0% |
| Passengers | \$ 241.5 | \$ 169.5 | + 42.4% |
| Crew | \$ 79.3 | \$ 28.0 | +183.2% |
| Cruise Lines | \$ 73.0 | \$ 48.5 | + 50.5% |
| Average Per Passenger Expenditure | \$ 64.81 | \$83.93 | -22.8% |
| Average Per Crew Expenditure | \$111.00 | \$77.95 | +42.4% |
| Total Employment Impact | 8,668 | 6,219 | +39.4% |
| Total Wage Impact (\$US Millions) | \$ 146.2 | \$ 100.4 | +45.6% |

The growth in passenger and crew expenditures was net result of the 87 percent increase in onshore visits, the 42 percent increase in average crew expenditures and the 23 percent decline in average passenger expenditures. The 42 percent increase in passenger expenditures was the net result of the 84 percent increase in passenger onshore visits and the 23 decline average passenger expenditures. Among the major categories there was a general decline in the percentage of passengers that made onshore purchases, the exception being food and beverages. While the average purchase for shore excursions and clothing rose, it remained flat or declined for food and beverages, jewelry and local crafts. As noted above the net effect was a decline in average passenger expenditures.

In the case of visiting crew, the sharp increase in per crew spending is primarily due to an impressive increase in the percentage of crew reporting purchases in each category. As an example, in the 2009 study 65 percent of crew reported purchasing food and beverages and 14 percent entertainment. This increased to 85 percent and 37 percent respectively in the current study. While the actual average expenditures fell for these two categories, the sharp increase in the percentage of crew making purchases resulted in an increase in the average expenditure across all crew visits.

As a result of the 60 percent increase in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts increased as well. The total employment impact rose by 39 percent over the three-year period while the wage impact increased by 46 percent. The higher growth in wages is due to increased labor productivity and average wages over the intervening period.

Passenger Surveys

A total of 1,125 passenger surveys were completed and returned for tabulation. **Table 17** shows the major attributes of passenger visits in the Bahamas as derived from the passenger surveys.

- Of the 1,125 cruise parties that completed the surveys 47% stated that this had been their first visit to the Bahamas. This was up slightly from 44% in 2009.
- Ninety-six percent (96%) of the cruise parties that completed the surveys disembarked their cruise ship to visit the Bahamas.
- Of the cruise parties that went ashore, 67% made at least one purchase while ashore which was up from 54% during the 2008/2009 cruise year. The typical cruise party consisted of 2.4 passengers and spent an average of 4.3 hours ashore.

Table 17 - Major Attributes of Passenger Surveys - Bahamas

| | Number | Percent |
|--|--------|---------|
| Total Respondents | 1,125 | |
| Number Making First Visit | 529 | 47.0% |
| Number Ashore | 1,075 | 95.6% |
| Number Making Onshore Purchases: | 716 | 66.6% |
| Average Hours Ashore | 4.3 | |
| Average Size of Expenditure Party (Persons) | 2.4 | |
| Average Onshore Expenditure per Party | \$118 | |
| Purchased a Shore Excursion (Tour) | 390 | 36.3% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 249 | 63.8% |
| Onshore from Tour Operator | 103 | 26.3% |
| Travel Agent | 38 | 9.9% |
| Average Cost of Shore Excursion per Party | \$157 | |
| Toured On Own/Did not Tour | 685 | |

- The responding cruise parties reported spending an average of \$118 while ashore (excludes shore excursions) down by 23 percent from \$153 in the 2009 study.
- Thirty-six percent (36%) of the passengers that went ashore purchased a shore excursion which was a decline from 46% in the prior study. Sixty-four percent (64%) of passengers who purchased a tour did so through their cruise line, 26% purchased their tour onshore and nearly 10 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$157 for their tour, an increase of 31 percent from the 2008/2009 cruise year..

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 18**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Among other key conclusions concerning visit satisfaction were the following:

- As indicated in Table 18, the mean satisfaction score declined for all categories. This decline in satisfaction is, at least, a partial explanation for the decline in average passenger expenditures.

- Cruise passengers were very satisfied with their overall visit to the Bahamas with a mean score of 7.5. However, the visit did not score as high in terms of meeting expectations. The mean score for "Visit Met Expectations" was lower at 7.0.
- Passengers felt very informed about tours and onshore activities in the Bahamas with a mean score of 7.7.
- "Guided Tours" (or Shore Excursions) received the highest score of all visit attributes with a mean score of 7.9. Thus, cruise passengers were very satisfied with their shore excursions.

Table 18 – Passenger Visit Satisfaction* - Bahamas

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.5 | 7.7 |
| Visit Met Expectations | 7.0 | 7.3 |
| Likelihood of a Return Visit | 5.4 | 5.6 |
| Informed of Tours and Activities | 7.7 | 7.8 |
| Initial Shoreside Welcome | 7.4 | 7.8 |
| Guided Tour | 7.9 | 8.1 |
| Historic Sites/Museums | 7.2 | 7.4 |
| Variety of Things to See and Do | 6.9 | 7.2 |
| Friendliness of Residents | 7.9 | 8.0 |
| Overall Shopping Experience | 7.0 | 7.3 |
| Courtesy of Employees | 7.9 | 8.1 |
| Variety of Shops | 7.0 | 7.2 |
| Overall Prices | 6.6 | 6.8 |
| Taxis/Local Transportation | 7.6 | 7.7 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

- Passenger interactions with residents and store employees were positive with "friendliness of residents" and "courtesy of employees" each having a mean score of 7.9.
- Categories with slightly lower scores but still above 7.0 (Very Satisfied) were: initial shoreside welcome, historic sites, and local transportation.
- The overall shopping experience, including the variety of shops and overall prices, received a mean score of 7.0 (Very Satisfied). Thus, while passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (7.0) and overall prices (6.6).
- Cruise passengers stated that they were somewhat likely to return to the Bahamas for a land-based vacation with a mean score of 5.4.

Passenger Demographics

Residents of the United States and the Canada accounted for 93 percent of the responding passengers. Cruise passengers visiting the Bahamas tend to be younger and less affluent than the average Caribbean cruise passenger. The average age of the respondents was 47 years with only 24 percent of the respondents being 65 years of age or older. The Bahamas passengers had an average household income of \$90,000 with only 30 percent having over \$100,000 in household income.

Figure 11 – Passenger Age Bahamas

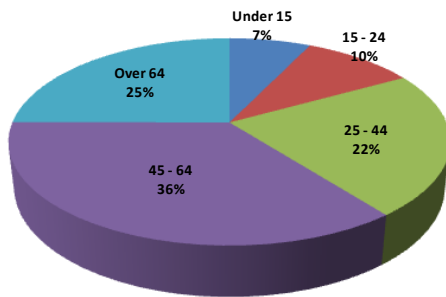
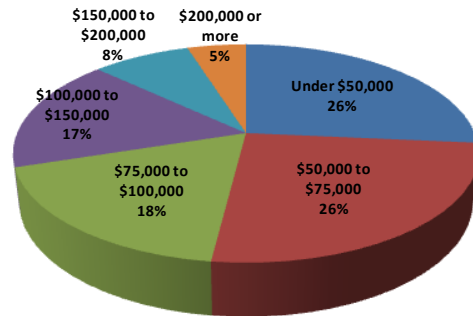


Figure 12 – Passenger Household Income Bahamas



Barbados

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.¹⁴ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

¹⁴ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data provided by the Barbados Port Inc., a total of 770,608 cruise passengers arrived in Barbados during the 2011/2012 cruise year.¹⁵ These included 655,223 transit passengers and 115,385 passengers embarking on their cruises in Barbados. Of the transit passengers, an estimated 491,417 passengers (75 percent) disembarked and visited Barbados. Utilizing additional data provided by the visiting cruise lines, we have estimated that 311,471 crew were aboard the cruise ships that sailed to and from Barbados and that 38 percent, or 120,024 crew, disembarked and visited the island. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$53.7 million** (\$US) in cruise tourism expenditures in Barbados during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Passenger expenditures were estimated separately for transit and homeport passengers. Per passenger spending estimates for transit passengers were derived from the 1,332 surveys completed by passengers that went ashore during the survey period. As shown in **Table 19**, each passenger cruise party spent an average of \$128.77 in Barbados. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 34 percent of the survey respondents reported spending an average of \$19.10 at local restaurants and/or bars. Spread over the cruise parties that visited Barbados, this represents an average of \$6.55 per party. On a per passenger basis, the average total expenditure was \$64.38. This represents the sum of per party expenditures, \$128.77, divided by the average size of a cruise party in Barbados, 2.0 passengers.

Transit cruise passenger expenditures in Barbados were concentrated in four categories which accounted for 76 percent of their onshore expenditures: shore excursions, watches and jewelry, clothing and local crafts. Nearly 40 percent or more of the passengers that went ashore made purchases in the following categories: shore excursions, local crafts and clothing.

¹⁵ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

Fifty-four percent (54%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$64.90 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$109 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 491,417 transit cruise passengers who visited Barbados spent a total of **\$31.6 million** (\$US) on the island.

Table 19 – Estimated Transit Passenger Spending (\$US) in Barbados, 2011/2012 Cruise Year¹⁶

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 64.90 | 54.0% | \$ 35.07 |
| Local Crafts & Souvenirs | \$ 33.00 | 43.4% | \$ 14.33 |
| Clothing | \$ 45.90 | 38.0% | \$ 17.45 |
| F&B at Restaurants & Bars | \$ 19.10 | 34.3% | \$ 6.55 |
| Taxis/Ground Transportation | \$ 25.50 | 33.3% | \$ 8.49 |
| Other Purchases | \$ 41.30 | 24.9% | \$ 10.27 |
| Retail Purchases of Liquor | \$ 19.70 | 13.9% | \$ 2.75 |
| Watches & Jewelry | \$ 286.10 | 10.9% | \$ 31.22 |
| Perfumes & Cosmetics | \$ 46.70 | 3.9% | \$ 1.84 |
| Telephone & Internet | \$ 7.50 | 1.5% | \$ 0.11 |
| Entertainment/Night Clubs/Casinos | \$ 44.50 | 0.9% | \$ 0.40 |
| Electronics | \$ 128.90 | 0.2% | \$ 0.29 |
| Total Spend per Cruise Party | | | \$128.77 |
| Average Size of a Cruise Party | | | 2.0 |
| Total Spend per Cruise Passenger | | | \$64.38 |
| Cruise Passenger Visits | | | 491,417 |
| Total Cruise Passenger Expenditures | | | \$31,639,025 |

As noted above another 115,385 cruise passengers arrived in Barbados to begin their cruise in the southern Caribbean. These embarking passengers were also surveyed using a slightly different survey instrument. Per passenger spending estimates for homeport passengers were derived from the surveys completed by passengers that embarked on their cruises from Barbados during the survey period. As shown in **Table 20**, each passenger cruise party spent an average of \$149.10 in Barbados. The calculation of this figure is identical to that calculated for transit passengers as discussed above. On a per passenger basis, the average total expenditure was \$71.00. This figure is relatively low for homeport passengers and reflects the relatively low percentage of homeport passengers purchasing lodging and food and beverages.

Homeport cruise passenger expenditures in Barbados were concentrated in three categories which accounted for 76 percent of their onshore expenditures: lodging, shore excursions and food and beverages. Nearly 20 percent or more of the homeport passengers made purchases in the following categories: shore excursions, food and beverages and lodging.

¹⁶ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

For the entire 2011/2012 cruise year, the estimated 115,385 homeport cruise passengers who visited Barbados spent a total of **\$8.2 million** (\$US) on the island.

Table 20 – Estimated Homeport Passenger Spending (\$US) in Barbados, 2011/2012 Cruise Year¹⁷

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 110.60 | 29.3% | \$ 32.43 |
| F&B at Restaurants & Bars | \$ 69.00 | 20.7% | \$ 14.27 |
| Lodging | \$ 359.50 | 18.8% | \$ 67.58 |
| Taxis/Ground Transportation | \$ 30.20 | 12.4% | \$ 3.75 |
| Retail Purchases of Liquor | \$ 34.40 | 10.5% | \$ 3.62 |
| Clothing | \$ 38.80 | 10.2% | \$ 3.94 |
| Local Crafts & Souvenirs | \$ 29.00 | 8.6% | \$ 2.51 |
| Other Purchases | \$ 213.50 | 8.3% | \$ 17.65 |
| Perfumes & Cosmetics | \$ 31.50 | 2.3% | \$ 0.71 |
| Watches & Jewelry | \$ 97.80 | 1.5% | \$ 1.47 |
| Entertainment/Night Clubs/Casinos | \$ 24.80 | 1.1% | \$ 0.28 |
| Electronics | \$ 231.40 | 0.4% | \$ 0.87 |
| Telephone & Internet | \$ 5.30 | 0.4% | \$ 0.02 |
| Total Spend per Cruise Party | | | \$149.10 |
| Average Size of a Cruise Party | | | 2.1 |
| Total Spend per Cruise Passenger | | | \$71.00 |
| Cruise Passenger Visits | | | 115,385 |
| Total Cruise Passenger Expenditures | | | \$8,192,335 |

Per crew spending estimates were derived from the more than 300 surveys completed by crew members during the survey period. As shown in **Table 21**, each crew member spent an average of \$48.90 in Barbados. The average spend per crew member is the sum of the weighted spending in each of the eleven categories.¹⁸ For example, 21 percent of the survey respondents reported spending an average of \$107.80 for food and beverages. Spread over all crew members that reported visiting Barbados, this represents an average of \$22.58 per crew member. For the entire 2011/2012 cruise year, the estimated 120,024 crew who visited Barbados spent an estimated total of **\$5.9 million** (\$US).

Expenditures by crew Barbados were concentrated in three categories which accounted for 70 percent of their onshore expenditures: food and beverages, local transportation and other (unspecified) purchases. Combined, crew spent an average of \$34.23 for goods in these three categories. Overall, a relatively low percentage of crew reported making onshore purchases in Barbados. Purchases of food and beverages were the most popular expenditure item with only 21% percent of the crew reporting the purchase of food and beverages.

¹⁷ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

¹⁸ No crew reported purchasing any electronic goods in Barbados.

Table 21 – Estimated Crew Spending (\$US) in Barbados, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 107.80 | 21.0% | \$ 22.58 |
| Taxis/Ground Transportation | \$ 90.90 | 6.0% | \$ 5.48 |
| Watches & Jewelry | \$ 88.20 | 1.9% | \$ 1.68 |
| Clothing | \$ 56.30 | 4.4% | \$ 2.50 |
| Entertainment/Night Clubs/Casinos | \$ 293.00 | 0.6% | \$ 1.86 |
| Other Purchases | \$ 176.70 | 3.5% | \$ 6.17 |
| Shore Excursions | \$ 28.40 | 1.3% | \$ 0.36 |
| Perfumes & Cosmetics | \$ 83.70 | 2.2% | \$ 1.86 |
| Local Crafts & Souvenirs | \$ 43.60 | 7.6% | \$ 3.32 |
| Retail Purchases of Liquor | \$ 43.10 | 1.9% | \$ 0.82 |
| Telephone & Internet | \$ 52.50 | 1.9% | \$ 1.00 |
| Total Spend per Crew | | | \$48.90 |
| Cruise Passenger Visits | | | 120,024 |
| Total Cruise Passenger Expenditures | | | \$5,869,175 |

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$8.0 million** (\$US) in Barbados during the 2011/2012 cruise year. Approximately 90 percent of these expenditures were payments for port fees and navigation services while the remaining 10 percent consisted of payments for ship supplies.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 22 – Total Economic Contribution of Cruise Tourism in Barbados, 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|-----------------------------|
| Direct Economic Contribution | 947 | \$10.3 |
| Total Economic Contribution | 1,794 | \$18.3 |

As shown in **Table 22**, the \$53.7 million in total cruise tourism expenditures generated direct employment of 947 residents of Barbados paying \$10.3 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct

recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 1,794 jobs and \$18.3 million in wage income in Barbados during the 2011/2012 cruise year.

Figure 13 – Total Employment Impacts by Sector - Barbados

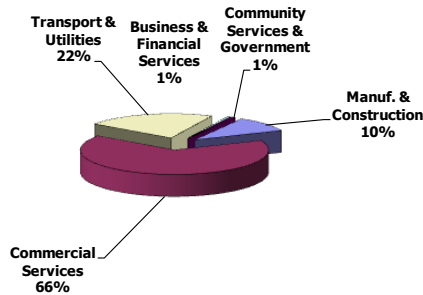
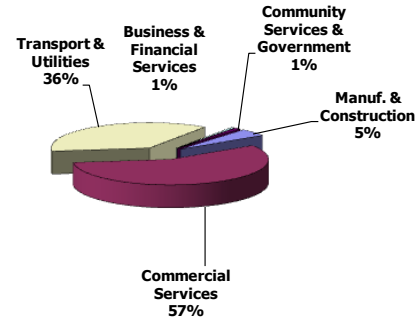


Figure 14 – Total Wage Impacts by Sector Barbados



As shown in **Figures 13 and 14**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 90 percent of the employment and wage impacts.¹⁹ This is not surprising since the direct impacts account for more than half of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 36 percent of the wage impacts but only 22 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Comparison to 2009 Study

Total passenger and crew visits remained virtually unchanged , +0.1%, from the 2008/2009 cruise year. Similarly, total direct cruise tourism expenditures increased by only 0.2% over the three year period, increasing to \$53.7 million from a \$53.6 million. As indicated in **Table 23**, cruise tourism expenditures by passengers and crew declined while spending by the cruise lines increased.

Average passenger expenditures declined by 5.0 percent from \$69.10 during the 2008/2009 cruise year to \$65.64 in the 2011/2012 cruise year. The decline in average expenditures by transit passengers varied by category. In some cases, such as shore excursions and ground transportation, the average spend per purchase remained relatively constant or increased, but the percentage of passengers purchasing these services declined. In other categories, such as jewelry and clothing, the average spend per purchase

¹⁹ The industry sectors include the following activities:
 Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
 Community Services & Government: education, health and social services and government agencies

remained relatively constant or declined, but the percentage of passengers purchasing these goods increased. For homeport passengers an increase in both the average spend and percentage of passengers purchasing lodging and food and beverages was partially offset by a decline in spending in the remaining categories. Thus, the net effect was an overall 5 percent decline in the average passenger expenditure.

Table 23 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Barbados

| | Current Study | 2009 Study | Percent Change |
|--|----------------|----------------|----------------|
| Total Onshore Visits (Thousands) | 726.8 | 726.0 | +0.1% |
| Passengers | 606.8 | 608.1 | - 0.2% |
| Crew | 120.0 | 117.9 | + 1.7% |
| Total Direct Expenditures (\$US Millions) | \$ 53.7 | \$ 53.6 | +0.2% |
| Passengers | \$ 39.8 | \$ 42.0 | - 5.2% |
| Crew | \$ 5.9 | \$ 6.4 | - 7.8% |
| Cruise Lines | \$ 8.0 | \$ 5.2 | +53.8% |
| Average Per Passenger Expenditure[ⓐ] | \$65.64 | \$69.10 | -5.0% |
| Average Per Crew Expenditure | \$48.90 | \$54.26 | -9.9% |
| Total Employment Impact | 1,794 | 1,665 | +7.7% |
| Total Wage Impact (\$US Millions) | \$ 18.3 | \$ 17.2 | +6.4% |

[ⓐ] Includes both transit and homeport passengers.

In the case of visiting crew, the decrease in per crew spending was primarily due to a decline in the percentage of crew reporting purchases in each category. As an example, in the 2009 study 52 percent of crew reported purchasing food and beverages and 57 percent ground transportation. This fell to 21 percent and 6 percent respectively in the current study. While the actual average expenditures increased for these two categories, the sharp decline in the percentage of crew making purchases resulted in a decrease in the average expenditure across all crew visits.

Despite the relatively meager increase in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts did increase more significantly. The total employment impact increased by nearly eight percent over the three-year period while the wage impact increased by 6.4 percent. The slightly lower growth in wages is due to stronger employment growth in the lower wage commercial sector relative to the higher wage transport sector.

Passenger Surveys

A total of 1,332 transit passenger surveys were completed and returned for tabulation. **Table 24** shows the major attributes of passenger visits in Barbados as derived from the passenger surveys.

- Of the 1,332 cruise parties that completed the surveys 54% stated that this had been their first visit to Barbados. This is a decline from 60% in the 2009 study.
- Ninety-six percent (96%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Barbados.

- Of the cruise parties that went ashore, 69% made at least one purchase while ashore, a decline from 77% during the 2008/2009 cruise year. The typical cruise party consisted of 2.0 passengers and spent an average of 4.2 hours ashore.
- The responding cruise parties reported spending an average of \$93.70 while ashore (excludes shore excursions) which was a 5 percent decline from \$99 during the 2008/2009 cruise year.

Table 24 - Major Attributes of Transit Passenger Surveys - Barbados

| | Number | Percent |
|--|----------|---------|
| Total Respondents | 1,332 | |
| Number Making First Visit | 719 | 54.0% |
| Number Ashore | 1,284 | 96.4% |
| Number Making Onshore Purchases: | 889 | 69.2% |
| Average Hours Ashore | 4.2 | |
| Average Size of Expenditure Party (Persons) | 2.0 | |
| Average Onshore Expenditure per Party | \$93.70 | |
| Purchased a Shore Excursion (Tour) | 694 | 54.0% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 545 | 78.6% |
| Onshore from Tour Operator | 78 | 11.3% |
| Travel Agent | 71 | 10.1% |
| Average Cost of Shore Excursion per Party | \$109.40 | |
| Toured On Own/Did not Tour | 590 | |

- Fifty-four percent (54%) of the passengers that went ashore purchased a shore excursion, down from 58% in the 2009 study. Seventy-nine percent (79%) of passengers who purchased a tour did so through their cruise line, just over 11% purchased their tour onshore and 10 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$109.40 for their tour, a two percent drop from the 2009 study.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 25**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Among other key conclusions concerning visit satisfaction were the following:

- Cruise passengers reported a significant increase in their visit satisfaction in the current study relative to the 2009 study. The mean scores for all visit attributes increased.
- Cruise passengers were very satisfied with their overall visit to Barbados with a mean score of 7.9. Cruise passengers also reported that their visit to Barbados exceeded their expectations with a 7.5 mean score for "Visit Met Expectations" .

Both of these categories experienced a sharp increase of more than 0.5 points from the 2009 study.

- Passengers felt very informed about tours and onshore activities in Barbados with a mean score of 7.9.
- “Guided Tours” (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.25. Thus, cruise passengers were very satisfied with their shore excursions.

Table 25 – Passenger Visit Satisfaction* - Barbados

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.9 | 7.2 |
| Visit Met Expectations | 7.5 | 6.7 |
| Likelihood of a Return Visit | 4.8 | 4.4 |
| Informed of Tours and Activities | 7.9 | 7.6 |
| Initial Shoreside Welcome | 7.6 | 7.1 |
| Guided Tour | 8.5 | 8.2 |
| Historic Sites/Museums | 7.8 | 7.3 |
| Variety of Things to See and Do | 7.4 | 6.9 |
| Friendliness of Residents | 8.2 | 7.7 |
| Overall Shopping Experience | 7.2 | 6.4 |
| Courtesy of Employees | 8.1 | 7.5 |
| Variety of Shops | 7.3 | 6.5 |
| Overall Prices | 6.7 | 6.0 |
| Taxis/Local Transportation | 7.7 | 7.0 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
Not At All Satisfied: 2-1.

- Passenger interactions with residents and store employees were very positive with “friendliness of residents” receiving a mean score of 8.2 and “courtesy of employees” having a mean score of 8.1.
- All of the remaining categories, with the exception of overall prices, had mean satisfaction scores above 7.0 (Very Satisfied).
- Passengers were very satisfied with the overall shopping experience with a mean score of 7.2. Thus, while passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (7.3) and overall prices (6.7). But again, these scores are well above the scores in the 2009 study.
- While cruise passengers stated that they were not too likely to return to Barbados for a land-based vacation, a mean score of 4.8. This is well above the 2009 score of 4.4 and is approaching the “somewhat likely” score.

Passenger Demographics

Residents of the United States and the Canada accounted for 92 percent of the responding transit passengers while residents of the United Kingdom accounted for 97 percent of the homeport passengers. The average age of the respondents was 61 years with 52 percent of the respondents being 65 years of age or older. Barbados passengers had an average household income of \$101,800 with 36 percent having over \$100,000 in household income.

Figure 15 – Passenger Age Barbados

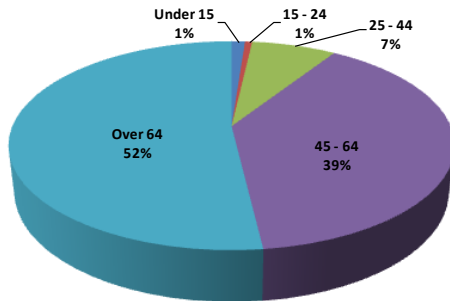
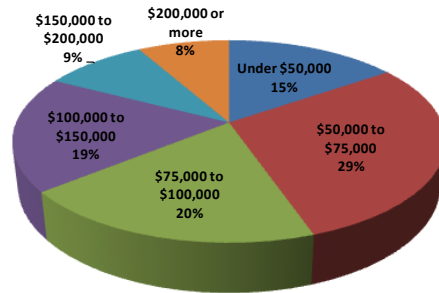


Figure 16 – Passenger Household Income Barbados



Belize

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.²⁰ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

²⁰ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

Based on data collected from the ports of the participating destinations and the CTO, 731,247 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.²¹ Of these, an estimated 608,398 passengers (83 percent) disembarked and visited Belize. Utilizing additional data provided by the visiting cruise lines, we have estimated that 292,379 crew were aboard the cruise ships and that 25 percent, or 73,636 crew, disembarked and visited Belize. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$61.0 million** (\$US) in cruise tourism expenditures in Belize during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 26 – Estimated Passenger Spending (\$US) in Belize, 2011/2012 Cruise Year²²

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 90.80 | 70.3% | \$ 63.80 |
| Local Crafts & Souvenirs | \$ 30.30 | 52.9% | \$ 16.02 |
| F&B at Restaurants & Bars | \$ 20.50 | 52.7% | \$ 10.81 |
| Clothing | \$ 38.60 | 40.4% | \$ 15.60 |
| Other Purchases | \$ 86.20 | 21.4% | \$ 18.43 |
| Watches & Jewelry | \$ 340.70 | 10.3% | \$ 35.00 |
| Retail Purchases of Liquor | \$ 41.00 | 7.3% | \$ 2.98 |
| Taxis/Ground Transportation | \$ 39.00 | 4.8% | \$ 1.87 |
| Perfumes & Cosmetics | \$ 29.60 | 2.3% | \$ 0.69 |
| Telephone & Internet | \$ 105.00 | 1.8% | \$ 1.87 |
| Entertainment/Night Clubs/Casinos | \$ 75.70 | 1.1% | \$ 0.83 |
| Total Spend per Cruise Party | | | \$167.90 |
| Average Size of a Cruise Party | | | 2.3 |
| Total Spend per Cruise Passenger | | | \$73.00 |
| Cruise Passenger Visits | | | 608,398 |
| Total Cruise Passenger Expenditures | | | \$44,412,704 |

²¹ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

²² The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the 1,078 surveys completed by passengers that went ashore during the survey period. As shown in **Table 26**, each passenger cruise party spent an average of \$167.90 in Belize. The average spend per cruise party is the sum of the weighted spending in each of the eleven categories.²³ For example, nearly 53 percent of the survey respondents reported spending an average of \$20.50 at local restaurants and/or bars. Spread over the cruise parties that visited Belize, this represents an average of \$10.81 per party. On a per passenger basis, the average total expenditure was \$73.00. This represents the sum of per party expenditures, \$167.90, divided by the average size of a cruise party in Belize, 2.3 passengers.

Cruise passenger expenditures in Belize were concentrated in four categories which accounted for 77 percent of their onshore expenditures: shore excursions, watches and jewelry, local crafts and clothing. Forty percent or more of the passengers that went ashore made purchases in the following categories: shore excursions, local crafts, food and beverages and clothing.

Seventy percent (70%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$90.80 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$148 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 608,398 cruise passengers who visited Belize spent a total of **\$44.4 million** (\$US).

Per crew spending estimates were derived from nearly 500 surveys completed by crew members during the survey period. As shown in **Table 27**, each crew member spent an average of \$102.30 in Belize. The average spend per crew member is the sum of the weighted spending in each of the twelve categories. For example, 71 percent of the survey respondents reported spending an average of \$24.40 for food and beverages. Spread over all the crew members that reported visiting Belize, this represents an average of \$17.27 per crew member.

Expenditures by crew in Belize were concentrated in three categories which accounted for 80 percent of their onshore expenditures: watches and jewelry, food and beverages and other (unspecified) purchases. Combined, crew spent an average of \$83.58 for goods in these three categories. Purchases of food and beverages were the most popular expenditure item with 71% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 73,636 crew who visited Belize spent an estimated total of **\$7.5 million** (\$US).

²³ No passengers reported purchasing any electronic goods in Belize.

Table 27 – Estimated Crew Spending (\$US) in Belize, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 24.40 | 70.8% | \$ 17.27 |
| Taxis/Ground Transportation | \$ 15.20 | 17.0% | \$ 2.58 |
| Local Crafts & Souvenirs | \$ 18.10 | 15.8% | \$ 2.86 |
| Clothing | \$ 45.90 | 15.2% | \$ 6.98 |
| Other Purchases | \$ 187.80 | 11.1% | \$ 20.87 |
| Watches & Jewelry | \$ 468.50 | 9.7% | \$ 45.44 |
| Perfumes & Cosmetics | \$ 37.40 | 5.3% | \$ 1.97 |
| Telephone & Internet | \$ 6.60 | 4.7% | \$ 0.31 |
| Shore Excursions | \$ 33.70 | 4.1% | \$ 1.38 |
| Retail Purchases of Liquor | \$ 36.30 | 2.9% | \$ 1.06 |
| Entertainment/Night Clubs/Casinos | \$ 59.90 | 1.8% | \$ 1.05 |
| Electronics | \$ 90.60 | 0.6% | \$ 0.53 |
| Total Spend per Crew | | | \$102.30 |
| Cruise Passenger Visits | | | 73,636 |
| Total Cruise Passenger Expenditures | | | \$7,532,966 |

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$9.1 million** (\$US) in Belize during the 2011/2012 cruise year. Approximately 75 percent of these expenditures were payments for port fees and navigation services while the remaining 25 percent consisted of payments for ship supplies.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 28 – Total Economic Contribution of Cruise Tourism in Belize, 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|-----------------------------|
| Direct Economic Contribution | 1,192 | \$12.2 |
| Total Economic Contribution | 1,798 | \$18.4 |

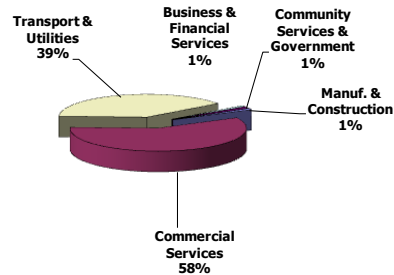
As shown in **Table 28**, the \$61 million in total cruise tourism expenditures generated direct employment of 1,192 residents of Belize paying \$12.2 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism

expenditures generated a total employment contribution of 1,798 jobs and \$18.4 million in wage income in Belize during the 2011/2012 cruise year.

Figure 17 – Total Employment Impacts by Sector - Belize



Figure 18 – Total Wage Impacts by Sector Belize



As shown in **Figures 17 and 18**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 97 percent of the employment and wage impacts. This is not surprising since the direct impacts account for 66 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 39 percent of the wage impacts but only 26 percent of the employment impacts.²⁴ The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Comparison to 2009 Study

Total passenger and crew visits increased by 16 percent from 587,900 visits during the 2008/2009 cruise year to 682,000 during the 2011/2012 cruise year. Additionally, total direct cruise tourism expenditures actually grew by 4.1 percent, over the three year period, increasing from an estimated \$58.6 million to \$61 million. As indicated in **Table 29**, cruise tourism expenditures by crew and cruise lines increased while spending by passengers declined.

The 2.8 percent decline in passenger expenditures was the net result of the 17 percent increase in visits and the 17 percent decline in average expenditures per passenger. The decline in the average expenditure per passenger was driven by a general decline in the unweighted average expenditure of passengers who made onshore purchases. For example, passengers who purchased food and beverages during the 2008/2009 cruise year spent an average of \$34.20 while passenger purchasing food during the 2011/2012 cruise year only spent an average of \$20.50. The only significant increases occurred for shore excursions and

²⁴ The industry sectors include the following activities:
 Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
 Community Services & Government: education, health and social services and government agencies

entertainment. At the same time the percentage of passengers making onshore purchases remained relatively stable for most goods and services.

Table 29 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Belize

| | Current Study | 2009 Study | Percent Change |
|--|----------------------|-------------------|-----------------------|
| Total Onshore Visits (Thousands) | 682.0 | 587.9 | +16.0% |
| Passengers | 608.4 | 519.4 | +17.1% |
| Crew | 73.6 | 68.5 | + 7.4% |
| Total Direct Expenditures (\$US Millions) | \$ 61.0 | \$ 58.6 | +4.1% |
| Passengers | \$ 44.4 | \$ 45.7 | - 2.8% |
| Crew | \$ 7.5 | \$ 4.5 | +66.7% |
| Cruise Lines | \$ 9.1 | \$ 8.4 | + 8.3% |
| Average Per Passenger Expenditure^① | \$ 73.00 | \$87.96 | - 17.0% |
| Average Per Crew Expenditure | \$102.30 | \$66.24 | +54.4% |
| Total Employment Impact | 1,798 | 1,781 | +1.0% |
| Total Wage Impact (\$US Millions) | \$ 18.4 | \$ 17.7 | +4.0% |

① Includes both transit and homeport passengers.

The 67 percent increase in total crew expenditures was the result of the seven percent increase in crew visits and the 54 percent increase in the average crew expenditure. The increase in the average crew expenditure was primarily driven by an increase in crew purchases of jewelry and other (unspecified) purchases. In both cases the average expenditure of those making such purchases approximately doubled from the 2009 study. The change in the percentage of crew making onshore purchases varied by category, but the changes, either positive or negative, were relatively small.

Given the increase in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts also increased. The total employment impact rose by one percent over the three-year period while the wage impact increased by four percent.

Passenger Surveys

A total of 1,078 passenger surveys were completed and returned for tabulation. **Table 30** shows the major attributes of passenger visits in Belize as derived from the passenger surveys.

- Of the 1,078 cruise parties that completed the surveys 75% stated that this had been their first visit to Belize. This is down from 81% in the 2009 study.
- Ninety-six percent (96%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Belize.
- Of the cruise parties that went ashore, 70% made at least one purchase while ashore. This is a decline from 77% during the 2008/2009 cruise year. The typical cruise party consisted of 2.3 passengers that spent an average of 4.7 hours ashore.
- The responding cruise parties reported spending an average of \$104 while ashore (excludes shore excursions), a decline of 22 percent from \$134 during the 2008/2009 cruise year.

Table 30 - Major Attributes of Transit Passenger Surveys - Belize

| | Number | Percent |
|--|----------|---------|
| Total Respondents | 1,078 | |
| Number Making First Visit | 808 | 75.0% |
| Number Ashore | 1,033 | 95.8% |
| Number Making Onshore Purchases: | 730 | 70.7% |
| Average Hours Ashore | 4.7 | |
| Average Size of Expenditure Party (Persons) | 2.3 | |
| Average Onshore Expenditure per Party | \$104.10 | |
| Purchased a Shore Excursion (Tour) | 726 | 70.3% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 511 | 70.4% |
| Onshore from Tour Operator | 110 | 15.1% |
| Travel Agent | 105 | 14.4% |
| Average Cost of Shore Excursion per Party | \$148.30 | |
| Toured On Own/Did not Tour | 307 | |

- Seventy percent (70%) of the passengers that went ashore purchased a shore excursion. Seventy percent (70%) of passengers who purchased a tour did so through their cruise line, 15% purchased their tour onshore and nearly 15 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$148 for their tour, an increase of 5 percent from the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 31**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Among other key conclusions concerning visit satisfaction were the following:

- Overall, satisfaction scores increased for every category from the 2009 study.
- Cruise passengers were very satisfied with their overall visit to Belize with a mean score of 7.4. While the visit did not score as high in terms of meeting expectations with a mean score for "Visit Met Expectations" of 7.0, this was a significant increase from the 2009 study.
- Passengers felt very informed about tours and onshore activities in Belize with a mean score of 7.8.
- "Guided Tours" (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.9. Thus, cruise passengers were extremely satisfied with their shore excursions.

Table 31 – Passenger Visit Satisfaction* - Belize

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.4 | 7.0 |
| Visit Met Expectations | 7.0 | 6.6 |
| Likelihood of a Return Visit | 4.7 | 3.8 |
| Informed of Tours and Activities | 7.8 | 7.7 |
| Initial Shoreside Welcome | 7.6 | 7.3 |
| Guided Tour | 8.9 | 8.3 |
| Historic Sites/Museums | 8.0 | 7.5 |
| Variety of Things to See and Do | 6.6 | 6.1 |
| Friendliness of Residents | 8.1 | 7.7 |
| Overall Shopping Experience | 6.6 | 6.2 |
| Courtesy of Employees | 8.0 | 7.8 |
| Variety of Shops | 6.4 | 5.9 |
| Overall Prices | 6.5 | 6.2 |
| Taxis/Local Transportation | 7.1 | 6.6 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

- Passenger interactions with residents and store employees were very positive with “friendliness of residents” receiving a mean score of 8.1 and “courtesy of employees” having a mean score of 8.0. Both scores are increases from the 2009 study.
- Other categories in which passengers reported being very satisfied were: initial shoreside welcome, historic sites and local transportation.
- Categories with average scores between 5.0 and 7.0 (Somewhat Satisfied) were given for variety of things to see and do and the overall shopping experience, including the variety of shops and overall prices. Thus, while passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (6.4) and overall prices (6.5).
- While cruise passengers stated that they were not too likely to return to Belize for a land-based vacation, with a mean score of 4.7, this was a significant increase from 3.8 in the 2009 study.

Passenger Demographics

Residents of the United States and the Canada accounted for 97 percent of the responding passengers. The average age of the respondents was 49 years with 24 percent of the respondents being 65 years of age or older. Belize passengers had an average household income of \$104,900 with 42 percent having over \$100,000 in household income.

Figure 19 – Passenger Age Belize

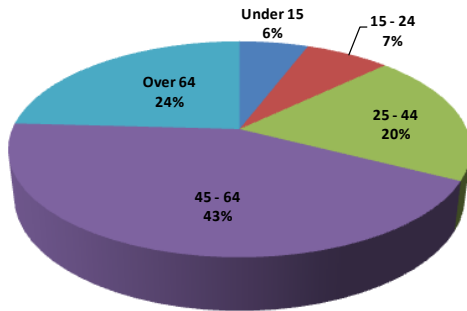
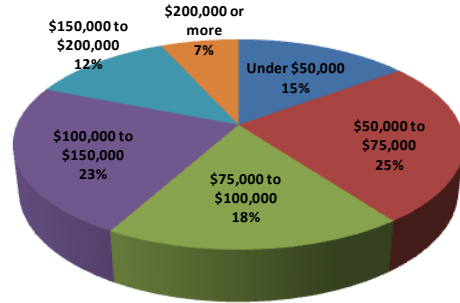


Figure 20 – Passenger Household Income Belize



British Virgin Islands

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.²⁵ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

²⁵ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data obtained from the Government of the British Virgin Islands, 407,603 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.²⁶ Of these, an estimated 361,136 passengers (89 percent) disembarked and visited the British Virgin Islands. Utilizing additional data provided by the visiting cruise lines, we have estimated that 177,662 crew were aboard the cruise ships and that 37 percent, or 65,872 crew, disembarked and visited the British Virgin Islands. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$30.3 million** (\$US) in cruise tourism expenditures in the British Virgin Islands during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 32 – Estimated Passenger Spending (\$US) in the British Virgin Islands, 2011/2012 Cruise Year²⁷

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 89.00 | 60.8% | \$ 54.13 |
| F&B at Restaurants & Bars | \$ 29.50 | 47.7% | \$ 14.06 |
| Local Crafts & Souvenirs | \$ 33.10 | 42.0% | \$ 13.91 |
| Clothing | \$ 39.40 | 40.6% | \$ 16.00 |
| Taxis/Ground Transportation | \$ 47.90 | 21.6% | \$ 10.34 |
| Other Purchases | \$ 76.90 | 14.1% | \$ 10.83 |
| Watches & Jewelry | \$ 241.60 | 11.0% | \$ 26.66 |
| Retail Purchases of Liquor | \$ 23.80 | 5.6% | \$ 1.34 |
| Perfumes & Cosmetics | \$ 96.30 | 2.3% | \$ 2.26 |
| Entertainment/Night Clubs/Casinos | \$ 87.30 | 0.9% | \$ 0.82 |
| Telephone & Internet | \$ 51.10 | 0.7% | \$ 0.36 |
| Electronics | \$ 8.50 | 0.2% | \$ 0.02 |
| Total Spend per Cruise Party | | | \$150.73 |
| Average Size of a Cruise Party | | | 2.3 |
| Total Spend per Cruise Passenger | | | \$65.54 |
| Cruise Passenger Visits | | | 361,136 |
| Total Cruise Passenger Expenditures | | | \$23,667,607 |

²⁶ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

²⁷ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from nearly 700 surveys completed by passengers that went ashore during the survey period. As shown in **Table 32**, each passenger cruise party spent an average of \$150.73 in the British Virgin Islands. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 48 percent of the survey respondents reported spending an average of \$29.50 at local restaurants and/or bars. Spread over the cruise parties that visited the British Virgin Islands, this represents an average of \$14.06 per party. On a per passenger basis, the average total expenditure was \$65.54. This represents the sum of per party expenditures, \$150.73, divided by the average size of a cruise party in the British Virgin Islands, 2.3 passengers.

Cruise passenger expenditures in the British Virgin Islands were concentrated in four categories which accounted for nearly 75 percent of their onshore expenditures: shore excursions, watches and jewelry, clothing and food and beverages. Forty percent or more of the passengers that went ashore made purchases in the following categories: shore excursions, food and beverages, local crafts and clothing.

Sixty-one percent (61%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$89.00 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$124 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 361,136 cruise passengers who visited the British Virgin Islands spent a total of **\$23.7 million** (\$US).

Per crew spending estimates were derived from the nearly 400 surveys completed by crew members during the survey period. As shown in **Table 33**, each crew member spent an average of \$47.00 in the British Virgin Islands. The average spend per crew member is the sum of the weighted spending in each of the twelve categories. For example, 69 percent of the survey respondents reported spending an average of \$25.80 for food and beverages. Spread over all the crew members that reported visiting the British Virgin Islands, this represents an average of \$17.93 per crew member.

Expenditures by crew in the British Virgin Islands were concentrated in two categories which accounted for 60 percent of their onshore expenditures: food and beverages and other (unspecified) purchases. Combined, crew spent an average of \$28.31 for goods in these two categories. Purchases of food and beverages were the most popular expenditure item with 69 percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 65,872 crew who visited the British Virgin Islands spent an estimated total of **\$3.1 million** (\$US).

Table 33 – Estimated Crew Spending (\$US) in the British Virgin Islands, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 25.80 | 69.4% | \$ 17.93 |
| Taxis/Ground Transportation | \$ 17.50 | 20.3% | \$ 3.56 |
| Clothing | \$ 26.40 | 14.6% | \$ 3.85 |
| Local Crafts & Souvenirs | \$ 21.30 | 13.1% | \$ 2.80 |
| Other Purchases | \$ 105.30 | 9.9% | \$ 10.38 |
| Telephone & Internet | \$ 14.60 | 6.0% | \$ 0.87 |
| Retail Purchases of Liquor | \$ 28.20 | 4.7% | \$ 1.33 |
| Perfumes & Cosmetics | \$ 25.60 | 4.7% | \$ 1.21 |
| Entertainment/Night Clubs/Casinos | \$ 3.00 | 4.7% | \$ 0.14 |
| Watches & Jewelry | \$ 16.50 | 4.3% | \$ 0.71 |
| Shore Excursions | \$ 72.60 | 2.5% | \$ 1.79 |
| Electronics | \$ 169.10 | 1.4% | \$ 2.43 |
| Total Spend per Crew | | | \$47.00 |
| Cruise Passenger Visits | | | 65,872 |
| Total Cruise Passenger Expenditures | | | \$3,095,979 |

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$3.5 million** (\$US) in the British Virgin Islands during the 2011/2012 cruise year. Essentially all of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 34 – Total Economic Contribution of Cruise Tourism in the British Virgin Islands 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|-----------------------------|
| Direct Economic Contribution | 313 | \$ 5.7 |
| Total Economic Contribution | 504 | \$10.0 |

As shown in **Table 34**, the \$30.3 million in total cruise tourism expenditures generated direct employment of 313 residents of the British Virgin Islands paying \$5.7 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise

tourism expenditures generated a total employment contribution of 504 jobs and \$10 million in wage income in the British Virgin Islands during the 2011/2012 cruise year.

Figure 21 – Total Employment Impacts by Sector - British Virgin Islands

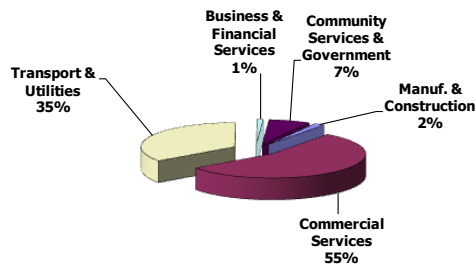
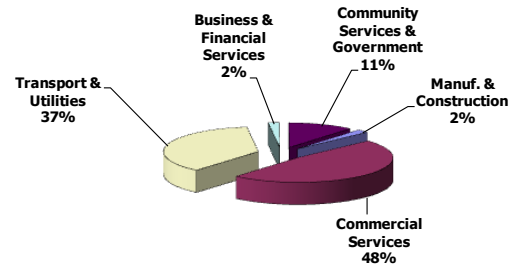


Figure 22 – Total Wage Impacts by Sector British Virgin Islands



As shown in **Figures 21 and 22**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for more than 90 percent of the employment and wage impacts.²⁸ This is not surprising since the direct impacts account for about 60 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors.

Passenger Surveys

A total of 698 passenger surveys were completed and returned for tabulation. **Table 36** shows the major attributes of passenger visits in the British Virgin Islands as derived from the passenger surveys.

- Of the 698 cruise parties that completed the surveys 60% stated that this had been their first visit to the British Virgin Islands.
- Ninety-six percent (96%) of the cruise parties that completed the surveys disembarked their cruise ship to visit the British Virgin Islands.
- Of the cruise parties that went ashore, 64% made at least one purchase while ashore. The typical cruise party consisted of 2.3 passengers that spent an average of 4.1 hours ashore.
- The responding cruise parties reported spending an average of \$96.60 while ashore (excludes shore excursions).
- Sixty-one percent (61%) of the passengers that went ashore purchased a shore excursion. Sixty-six percent (66%) of passengers who purchased a tour did so

²⁸ The industry sectors include the following activities:

Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
 Community Services & Government: education, health and social services and government agencies

through their cruise line, 25% purchased their tour onshore and 9 percent purchased their tour through their travel agent.

- The typical cruise party that purchased a shore excursion spent \$124 for their tour.

Table 35 - Major Attributes of Transit Passenger Surveys - British Virgin Islands

| | Number | Percent |
|--|---------|---------|
| Total Respondents | 698 | |
| Number Making First Visit | 419 | 60.0% |
| Number Ashore | 671 | 96.1% |
| Number Making Onshore Purchases: | 426 | 63.5% |
| Average Hours Ashore | 4.1 | |
| Average Size of Expenditure Party (Persons) | 2.3 | |
| Average Onshore Expenditure per Party | \$96.60 | |
| Purchased a Shore Excursion (Tour) | 408 | 60.8% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 270 | 66.2% |
| Onshore from Tour Operator | 102 | 24.9% |
| Travel Agent | 36 | 8.9% |
| Average Cost of Shore Excursion per Party | \$124 | |
| Toured On Own/Did not Tour | 263 | |

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 37**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Among other key conclusions concerning visit satisfaction were the following:

- Cruise passengers were very satisfied with their overall visit to the British Virgin Islands with a mean score of 7.4. Passengers also reported that their visit exceeded their expectations. The mean score for "Visit Met Expectations" was 7.1.
- Passengers felt very informed about tours and onshore activities in the British Virgin Islands with a mean score of 7.4.
- "Guided Tours" (or Shore Excursions) received the highest score of all visit attributes with a mean score of 7.9. Thus, cruise passengers were very satisfied with their shore excursions.
- Passenger interactions with residents and store employees were very positive with "friendliness of residents" and "courtesy of employees" each having a mean score of 7.8.
- Categories with slightly lower scores but still above 7.0 (Very Satisfied) were: initial shoreside welcome and local transportation.

- Categories with average scores between 5.0 and 7.0 (Somewhat Satisfied) were given for historic sites, variety of things to see and do and overall shopping experience.
- Passengers were only somewhat satisfied with their shopping experience which received a mean score of 6.6. It was already noted that passengers were very satisfied with shop employees but they were less satisfied the variety of shops (6.0) and overall prices (6.3).
- Cruise passengers stated that they were somewhat likely to return to the British Virgin Islands for a land-based vacation.

Table 36 – Passenger Visit Satisfaction* - British Virgin Islands

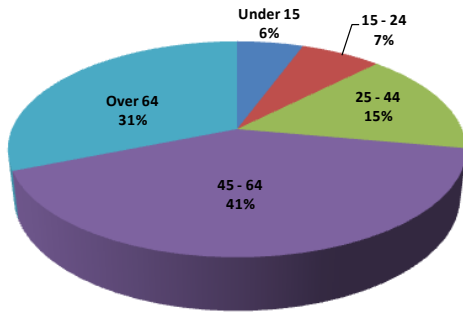
| Visit Attributes | Mean Score |
|---|-------------------|
| Overall Visit | 7.4 |
| Visit Met Expectations | 7.1 |
| Likelihood of a Return Visit | 5.4 |
| Informed of Tours and Activities | 7.4 |
| Initial Shoreside Welcome | 7.3 |
| Guided Tour | 7.9 |
| Historic Sites/Museums | 6.6 |
| Variety of Things to See and Do | 6.3 |
| Friendliness of Residents | 7.8 |
| Overall Shopping Experience | 6.6 |
| Courtesy of Employees | 7.8 |
| Variety of Shops | 6.0 |
| Overall Prices | 6.3 |
| Taxis/Local Transportation | 7.3 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

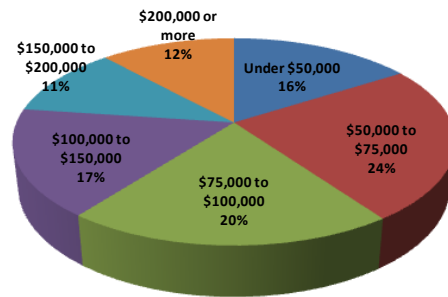
Passenger Demographics

Residents of the United States and the Canada accounted for 90 percent of the responding passengers. The average age of the respondents was 52 years with 31 percent of the respondents being 65 years of age or older. The passengers that visited the British Virgin Islands had an average household income of \$109,400 with 40 percent having over \$100,000 in household income.

**Figure 23 – Passenger Age
British Virgin Islands**



**Figure 24 – Passenger Household Income
British Virgin Islands**



Cayman Islands

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.²⁹ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

²⁹ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data provided by the Department of Tourism, 1.44 million cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.³⁰ Of these, an estimated 1.30 million passengers (90 percent) disembarked and visited the Cayman Islands. Utilizing additional data provided by the visiting cruise lines, we have estimated that 530,004 crew were aboard the cruise ships and that 37 percent, or 196,141 crew, disembarked and visited the island. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$157.7 million** (\$US) in cruise tourism expenditures in the Cayman Islands during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 37 – Estimated Passenger Spending (\$US) in the Cayman Islands, 2011/2012 Cruise Year³¹

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| F&B at Restaurants & Bars | \$ 35.40 | 56.3% | \$ 19.93 |
| Shore Excursions | \$ 75.50 | 55.9% | \$ 42.24 |
| Clothing | \$ 65.40 | 45.8% | \$ 29.97 |
| Local Crafts & Souvenirs | \$ 31.50 | 45.2% | \$ 14.24 |
| Other Purchases | \$ 84.70 | 20.4% | \$ 17.28 |
| Watches & Jewelry | \$ 399.90 | 17.8% | \$ 71.16 |
| Taxis/Ground Transportation | \$ 28.70 | 16.7% | \$ 4.79 |
| Retail Purchases of Liquor | \$ 40.10 | 11.4% | \$ 4.58 |
| Perfumes & Cosmetics | \$ 57.90 | 2.8% | \$ 1.64 |
| Telephone & Internet | \$ 13.80 | 1.8% | \$ 0.25 |
| Entertainment/Night Clubs/Casinos | \$ 31.80 | 0.5% | \$ 0.15 |
| Electronics | \$ 6.40 | 0.2% | \$ 0.01 |
| Total Spend per Cruise Party | | | \$206.24 |
| Average Size of a Cruise Party | | | 2.2 |
| Total Spend per Cruise Passenger | | | \$93.75 |
| Cruise Passenger Visits | | | 1,295,960 |
| Total Cruise Passenger Expenditures | | | \$121,489,791 |

³⁰ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

³¹ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the 1,662 surveys completed by passengers that went ashore during the survey period. As shown in **Table 37**, each passenger cruise party spent an average of \$206.24 in the Cayman Islands. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 56 percent of the survey respondents reported spending an average of \$35.40 at local restaurants and/or bars. Spread over the cruise parties that visited the Cayman Islands, this represents an average of \$19.93 per party. On a per passenger basis, the average total expenditure was \$93.75. This represents the sum of per party expenditures, \$206.24, divided by the average size of a cruise party in the Cayman Islands, 2.2 passengers.

Cruise passenger expenditures in the Cayman Islands were concentrated in four categories which accounted for nearly 80 percent of their onshore expenditures: watches and jewelry, shore excursions, clothing and food and beverages. Forty percent or more of the passengers that went ashore made purchases in the following categories: food and beverages, shore excursions, clothing and local crafts.

Fifty-six percent (56%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$75.50 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$124 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 1.3 million cruise passengers who visited the Cayman Islands spent a total of **\$121.5 million** (\$US) on the island.

Per crew spending estimates were derived from the more than 300 surveys completed by crew members during the survey period. As shown in **Table 38**, each crew member spent an average of \$57.50 in the Cayman Islands. The average spend per crew member is the sum of the weighted spending in each of the twelve categories. For example, 65 percent of the survey respondents reported spending an average of \$32.40 for food and beverages. Spread over all the crew members that reported visiting the Cayman Islands, this represents an average of \$20.95 per crew member.

Expenditures by crew in the Cayman Islands were concentrated in three categories which accounted for 68 percent of their onshore expenditures: food and beverages, watches and jewelry and other (unspecified) purchases. Combined, crew spent an average of \$39.11 for goods in these three categories. Purchases of food and beverages were the most popular expenditure item with 65% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 196,141 crew who visited the Cayman Islands spent an estimated total of **\$11.3 million** (\$US).

Table 38 – Estimated Crew Spending (\$US) in the Cayman Islands, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 32.40 | 64.8% | \$ 20.95 |
| Taxis/Ground Transportation | \$ 8.80 | 33.0% | \$ 2.90 |
| Clothing | \$ 9.90 | 23.9% | \$ 2.38 |
| Other Purchases | \$ 56.30 | 15.6% | \$ 8.79 |
| Local Crafts & Souvenirs | \$ 13.10 | 11.0% | \$ 1.45 |
| Telephone & Internet | \$ 5.40 | 9.5% | \$ 0.51 |
| Electronics | \$ 3.10 | 9.2% | \$ 0.28 |
| Watches & Jewelry | \$ 125.80 | 7.4% | \$ 9.37 |
| Retail Purchases of Liquor | \$ 83.10 | 5.9% | \$ 4.88 |
| Perfumes & Cosmetics | \$ 41.20 | 4.3% | \$ 1.77 |
| Shore Excursions | \$ 100.20 | 4.0% | \$ 4.02 |
| Entertainment/Night Clubs/Casinos | \$ 5.00 | 4.0% | \$ 0.20 |
| Total Spend per Crew | | | \$57.50 |
| Cruise Passenger Visits | | | 196,141 |
| Total Cruise Passenger Expenditures | | | \$11,278,083 |

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$24.9 million** (\$US) in the Cayman Islands during the 2011/2012 cruise year. Essentially all of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 39 – Total Economic Contribution of Cruise Tourism in the Cayman Islands 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|-----------------------------|
| Direct Economic Contribution | 1,974 | \$36.7 |
| Total Economic Contribution | 3,547 | \$66.6 |

As shown in **Table 39**, the \$157.7 million in total cruise tourism expenditures generated direct employment of 1,974 residents of the Cayman Islands paying \$36.7 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise

tourism expenditures generated a total employment contribution of 3,547 jobs and \$66.6 million in wage income in the Cayman Islands during the 2011/2012 cruise year.

As shown in **Figures 25 and 26**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 96 percent of the employment and wage impacts.³² This is not surprising since the direct impacts account for 55 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 31 percent of the wage impacts but only 19 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Figure 25 – Total Employment Impacts by Sector - Cayman Islands

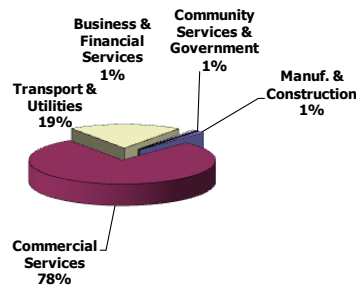
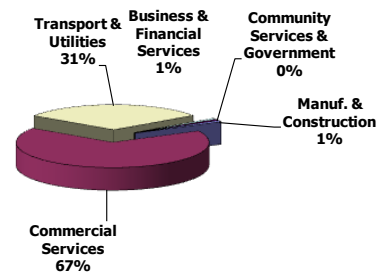


Figure 26 – Total Wage Impacts by Sector Cayman Islands



³² The industry sectors include the following activities:
 Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
 Community Services & Government: education, health and social services and government agencies

Comparison to 2009 Study

Total passenger and crew visits declined by less than one percent from 1.51 million visits during the 2008/2009 cruise year to 1.49 million during the 2011/2012 cruise year. However, total direct cruise tourism expenditures declined more sharply, nearly 10 percent, over the three year period, falling from an estimated \$174.4 million to \$157.7 million. As indicated in **Table 40**, cruise tourism expenditures declined in all three categories, passengers, crew and cruise lines.

The nearly 4 percent decline in passenger expenditures was the result of the nearly one percent decline in passenger visits and the almost 4 percent decline in average passenger spending. The decline in average passenger expenditures was primarily the result of a decline in the percentage of passengers making onshore purchases in some of the major categories, such as shore excursions, jewelry and other purchases. This was partially offset by increases in food and beverages and clothing. At the same time passengers who made onshore purchases increased their spending for clothing and shore excursions but reduced it for food and beverages and jewelry.

**Table 40 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study
Cayman Islands**

| | Current Study | 2009 Study | Percent Change |
|--|-----------------|-----------------|----------------|
| Total Onshore Visits (Thousands) | 1,492.1 | 1,505.7 | -0.9% |
| Passengers | 1,296.0 | 1,305.7 | -0.7% |
| Crew | 196.1 | 200.0 | -2.0% |
| Total Direct Expenditures (\$US Millions) | \$ 157.7 | \$ 174.4 | -9.6% |
| Passengers | \$ 121.5 | \$ 126.4 | -3.9% |
| Crew | \$ 11.3 | \$ 21.8 | -48.2% |
| Cruise Lines | \$ 24.9 | \$ 26.1 | -4.6% |
| Average Per Passenger Expenditure | \$93.75 | \$ 96.78 | -3.1% |
| Average Per Crew Expenditure | \$57.50 | \$108.81 | -47.2% |
| Total Employment Impact | 3,547 | 3,731 | -4.9% |
| Total Wage Impact (\$US Millions) | \$ 66.6 | \$ 69.5 | -4.2% |

The 48 percent decline in total crew expenditures was driven by the 47 percent decrease in the average crew expenditure. The decline from \$109 to \$57.50 brought the average crew expenditure back to the level during the 2005/2006 cruise year. The decrease in the average crew expenditure was the result of both a general decrease in the average value of a purchase made by a crew member and by a sharp decline in the percentage of crew making purchases once ashore. For example, in the 2009 study 74 percent of crew reported purchasing food and beverages onshore while in the current study this fell to 65 percent. At the same time the average value of food purchases by those crew making such a purchase fell slightly from \$33.30 to \$32.40

Given the decline in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts also fell. The total employment impact declined by 5 percent over the three-year period while the wage impact decreased by 4 percent. The slightly smaller decline in wages is due to increased labor productivity and average wages over the intervening period.

Passenger Surveys

A total of 1,662 passenger surveys were completed and returned for tabulation. **Table 41** shows the major attributes of passenger visits in the Cayman Islands as derived from the passenger surveys.

Table 41 - Major Attributes of Passenger Surveys - Cayman Islands

| | Number | Percent |
|--|--------|---------|
| Total Respondents | 1,662 | |
| Number Making First Visit | 1,047 | 63.0% |
| Number Ashore | 1,632 | 98.2% |
| Number Making Onshore Purchases: | 1,270 | 77.8% |
| Average Hours Ashore | 4.3 | |
| Average Size of Expenditure Party (Persons) | 2.2 | |
| Average Onshore Expenditure per Party | \$164 | |
| Purchased a Shore Excursion (Tour) | 913 | 55.9% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 656 | 71.9% |
| Onshore from Tour Operator | 167 | 18.3% |
| Travel Agent | 90 | 9.7% |
| Average Cost of Shore Excursion per Party | \$124 | |
| Toured On Own/Did not Tour | 719 | |

- Of the 1,662 cruise parties that completed the surveys 63% stated that this had been their first visit to the Cayman Islands, virtually unchanged from the 2009 study.
- Ninety-eight percent (98%) of the cruise parties that completed the surveys disembarked their cruise ship to visit the Cayman Islands.
- Of the cruise parties that went ashore, 78% made at least one purchase while ashore. This a decline from 89% during the 2008/2009 cruise year. The typical cruise party consisted of 2.2 passengers and spent an average of 4.3 hours ashore.
- The responding cruise parties reported spending an average of \$164 while ashore (excludes shore excursions). This is an 11 percent decline from the \$184 average expenditure during the 2008/2009 cruise year.
- Fifty-six percent (56%) of the passengers that went ashore purchased a shore excursion, a slight decline from 59% in the 2009 study. Seventy-two percent (72%) of passengers who purchased a tour did so through their cruise line, 18% purchased their tour onshore and 10 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$124 for their tour. This was a 9 percent increase from the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 42**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 42 – Passenger Visit Satisfaction* - Cayman Islands

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.9 | 7.4 |
| Visit Met Expectations | 7.6 | 6.9 |
| Likelihood of a Return Visit | 5.5 | 4.7 |
| Informed of Tours and Activities | 8.0 | 7.9 |
| Initial Shoreside Welcome | 7.5 | 7.2 |
| Guided Tour | 8.5 | 7.6 |
| Historic Sites/Museums | 7.3 | 6.5 |
| Variety of Things to See and Do | 7.3 | 6.7 |
| Friendliness of Residents | 8.2 | 7.9 |
| Overall Shopping Experience | 7.3 | 7.1 |
| Courtesy of Employees | 8.1 | 7.9 |
| Variety of Shops | 7.3 | 7.0 |
| Overall Prices | 6.2 | 6.1 |
| Taxis/Local Transportation | 7.6 | 7.2 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

- Cruise passengers were very satisfied with their overall visit to the Cayman Islands with a mean score of 7.9. While the visit did not score as high in terms of meeting expectations with mean score for “Visit Met Expectations” at 7.6, this is up significantly from 6.9 in the 2009 study.
- Passengers felt very informed about tours and onshore activities in the Cayman Islands with a mean score of 8.0.
- “Guided Tours” (or Shore Excursions) received the highest score with an average score of 8.5. This was also up sharply from the 2009 study.
- Passenger interactions with residents and store employees were very positive with “friendliness of residents” receiving a mean score of 8.2 and “courtesy of employees” receiving a mean score of 8.1.
- Categories with slightly lower scores but still above 7.0 (Very Satisfied) were: initial shoreside welcome, historic sites and museums, overall shopping experience, variety of shops and local transportation.

- The overall shopping experience received a mean score of 7.3 (Very Satisfied). However, passengers were only somewhat satisfied with over all prices which has a mean score of 6.2.
- Cruise passengers stated that they were somewhat likely to return to the Cayman Islands for a land-based vacation. Again, this was a significant increase from 2009.

Passenger Demographics

Residents of the United States and the Canada accounted for 95 percent of the responding passengers. The average age of the respondents was 52 years with 26 percent of the respondents being 65 years of age or older. The Cayman Islands passengers had an average household income of \$92,700 with 32 percent having over \$100,000 in household income.

Figure 27 – Passenger Age Cayman Islands

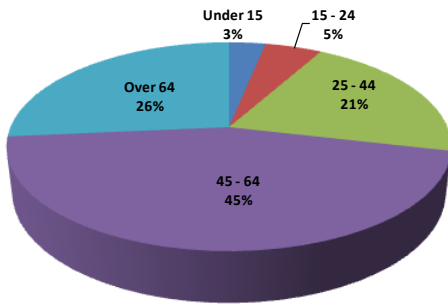
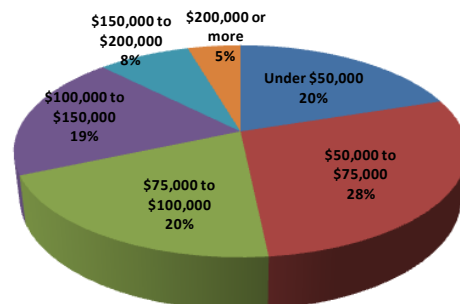


Figure 28 – Passenger Household Income Cayman Islands



Colombia

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.³³ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

³³ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data provided by the Colombian cruise ports, 293,449 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.³⁴ These included 286,113 transit passengers and 7,336 passengers embarking on their cruises in Colombia. Of the transit passengers, an estimated 253,496 passengers (89 percent) disembarked and visited Colombia. Utilizing additional data provided by the visiting cruise lines, we have estimated that 114,685 crew were aboard the cruise ships and that 32 percent, or 36,196 crew, disembarked and visited Colombia. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$33.4** million (\$US) in cruise tourism expenditures in Colombia during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Passenger expenditures were estimated separately for transit and homeport passengers. Per passenger spending estimates for transit passengers were derived from the 1,800 surveys completed by passengers that went ashore during the survey period. As shown in **Table 43**, each passenger cruise party spent an average of \$195.54 in Colombia. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 25 percent of the survey respondents reported spending an average of \$11.60 at local restaurants and/or bars. Spread over the cruise parties that visited Colombia, this represents an average of \$2.91 per party. On a per passenger basis, the average total expenditure was \$97.77. This represents the sum of per party expenditures, \$195.54, divided by the average size of a cruise party in Colombia, 2.0 passengers.

Transit cruise passenger expenditures in Colombia were concentrated in four categories which accounted for 90 percent of their onshore expenditures: watches and jewelry, shore excursions, local crafts and clothing. Nearly 40 percent or more of the passengers that went ashore made purchases in the following categories: shore excursions, local crafts and clothing.

Seventy-six percent (76%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$76.60 per party but when the

³⁴ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$110 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 253,496 transit cruise passengers who visited Colombia spent a total of **\$24.8 million** (\$US) in Colombia.

Table 43 – Estimated Transit Passenger Spending (\$US) in Colombia, 2011/2012 Cruise Year³⁵

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 76.60 | 75.8% | \$ 58.04 |
| Local Crafts & Souvenirs | \$ 32.50 | 51.9% | \$ 16.88 |
| Clothing | \$ 28.80 | 36.4% | \$ 10.47 |
| Other Purchases | \$ 27.40 | 26.8% | \$ 7.33 |
| F&B at Restaurants & Bars | \$ 11.60 | 25.1% | \$ 2.91 |
| Watches & Jewelry | \$ 375.50 | 24.5% | \$ 91.97 |
| Taxis/Ground Transportation | \$ 44.50 | 15.4% | \$ 6.86 |
| Retail Purchases of Liquor | \$ 19.70 | 3.1% | \$ 0.60 |
| Telephone & Internet | \$ 23.60 | 0.9% | \$ 0.22 |
| Perfumes & Cosmetics | \$ 41.30 | 0.5% | \$ 0.21 |
| Electronics | \$ 9.40 | 0.4% | \$ 0.04 |
| Entertainment/Night Clubs/Casinos | \$ 5.90 | 0.2% | \$ 0.01 |
| Total Spend per Cruise Party | | | \$195.54 |
| Average Size of a Cruise Party | | | 2.0 |
| Total Spend per Cruise Passenger | | | \$97.77 |
| Cruise Passenger Visits | | | 253,496 |
| Total Cruise Passenger Expenditures | | | \$24,784,834 |

As noted above, another 7,336 cruise passengers arrived in Colombia to begin their cruise. Based upon homeport passenger surveys conducted at Caribbean destinations, passenger expenditures were estimated for passengers embarking on their cruises from Cartagena. As shown in **Table 44**, each passenger cruise party spent an average of \$294.40 in Colombia. On a per passenger basis, the average total expenditure was \$133.82.

Homeport cruise passenger expenditures were concentrated in four categories which accounted for 88 percent of their onshore expenditures: lodging, food and beverages, shore excursions and other (unspecified) purchases. Thirty percent (30%) or more of the homeport passengers made purchases in the following categories: lodging, food and beverages and ground transportation.

For the entire 2011/2012 cruise year, the estimated 7,336 homeport cruise passengers who visited Colombia spent a total of **\$982,000** (\$US) in Colombia.

³⁵ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Table 44 – Estimated Homeport Passenger Spending (\$US) in Colombia, 2011/2012 Cruise Year³⁶

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Lodging | \$ 310.00 | 40.0% | \$ 123.87 |
| F&B at Restaurants & Bars | \$ 103.60 | 33.7% | \$ 34.96 |
| Taxis/Ground Transportation | \$ 51.30 | 28.2% | \$ 14.44 |
| Shore Excursions | \$ 115.90 | 22.4% | \$ 25.92 |
| Retail Purchases of Liquor | \$ 41.80 | 12.2% | \$ 5.11 |
| Clothing | \$ 73.70 | 10.6% | \$ 7.78 |
| Other Purchases | \$ 731.20 | 10.1% | \$ 74.18 |
| Local Crafts & Souvenirs | \$ 32.00 | 8.1% | \$ 2.58 |
| Watches & Jewelry | \$ 94.70 | 2.7% | \$ 2.55 |
| Entertainment/Night Clubs/Casinos | \$ 56.80 | 2.7% | \$ 1.53 |
| Perfumes & Cosmetics | \$ 40.00 | 2.3% | \$ 0.91 |
| Telephone & Internet | \$ 14.50 | 0.6% | \$ 0.09 |
| Electronics | \$ 231.80 | 0.2% | \$ 0.48 |
| Total Spend per Cruise Party | | | \$294.40 |
| Average Size of a Cruise Party | | | 2.2 |
| Total Spend per Cruise Passenger | | | \$133.82 |
| Cruise Passenger Visits | | | 7,336 |
| Total Cruise Passenger Expenditures | | | \$981,690 |

Per crew spending estimates were derived from the 940 surveys completed by crew members during the survey period. As shown in **Table 45**, each crew member spent an average of \$42.40 in Colombia. The average spend per crew member is the sum of the weighted spending in each of the twelve categories. For example, 61 percent of the survey respondents reported spending an average of \$20.60 for food and beverages. Spread over all crew members that reported visiting Colombia, this represents an average of \$12.54 per crew member.

Expenditures by crew in Colombia were concentrated in three categories which accounted for 60 percent of their onshore expenditures: food and beverages, clothing and other (unspecified) purchases. Combined, crew spent an average of \$25.44 for goods in these three categories. Purchases of food and beverages were the most popular expenditure item with 61% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 36,196 crew who visited Colombia spent an estimated total of **\$1.5 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$6.1 million** (\$US) in Colombia during the 2011/2012 cruise year. Approximately 60 percent of these expenditures

³⁶ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

were payments for port fees and navigation services while the remaining 40 percent consisted of payments for ship supplies.

Table 45 – Estimated Crew Spending (\$US) in Colombia, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 20.60 | 60.9% | \$ 12.54 |
| Taxis/Ground Transportation | \$ 12.70 | 30.7% | \$ 3.90 |
| Local Crafts & Souvenirs | \$ 17.10 | 18.8% | \$ 3.22 |
| Clothing | \$ 37.70 | 18.3% | \$ 6.88 |
| Telephone & Internet | \$ 7.00 | 15.1% | \$ 1.06 |
| Shore Excursions | \$ 10.40 | 12.8% | \$ 1.33 |
| Other Purchases | \$ 59.30 | 10.1% | \$ 6.02 |
| Entertainment/Night Clubs/Casinos | \$ 55.10 | 7.2% | \$ 3.99 |
| Watches & Jewelry | \$ 38.30 | 5.5% | \$ 2.11 |
| Perfumes & Cosmetics | \$ 13.40 | 4.9% | \$ 0.66 |
| Retail Purchases of Liquor | \$ 21.30 | 3.2% | \$ 0.68 |
| Electronics | \$ 3.50 | 0.3% | \$ 0.01 |
| Total Spend per Crew | | | \$42.40 |
| Cruise Passenger Visits | | | 36,196 |
| Total Cruise Passenger Expenditures | | | \$1,534,687 |

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 46 – Total Economic Contribution of Cruise Tourism in Colombia, 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|-----------------------------|
| Direct Economic Contribution | 518 | \$3.2 |
| Total Economic Contribution | 819 | \$4.9 |

As shown in **Table 46**, the \$33.4 million in total cruise tourism expenditures in Colombia generated direct employment of 518 residents of Colombia paying \$3.2 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 819 jobs and \$4.9 million in wage income in Colombia during the 2011/2012 cruise year.

As shown in **Figures 29 and 30**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 90 percent of the total impacts. This is not surprising since the direct impacts account for nearly 65 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 50 percent of the wage impacts but only 36 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.³⁷

Figure 29 – Total Employment Impacts by Sector - Colombia

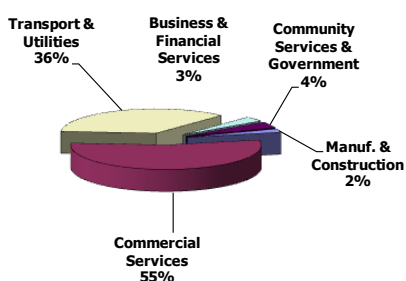
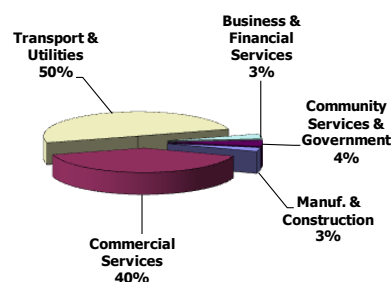


Figure 30 – Total Wage Impacts by Sector Colombia



Comparison to 2009 Study

Total passenger and crew visits increased by 22 percent from 243,000 visits during the 2008/2009 cruise year to 297,000 during the 2011/2012 cruise year. Total direct cruise tourism expenditures increased by 36 percent over the three year period, increasing from \$24.6 million to \$33.4 million. As indicated in **Table 47**, spending by passengers and cruise lines increased while crew expenditures declined from the 2008/2009 cruise year.

The 36 percent increase in passenger expenditures was the result of the 24 percent increase in passenger visits and a 10% increase in average passenger expenditures. The increase in average spending by passengers was driven by increases by both transit and homeport passengers. The increase in spending by transit passengers was largely due to an increase in both the average unweighted value of an onshore purchase and the percentage of passengers making onshore purchases, such as for clothing and shore excursions. In addition the average spending for jewelry and local crafts also increased due to an increase in the average purchase value of these goods. The increase in spending by homeport passengers was driven

³⁷ The industry sectors include the following activities:
 Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
 Community Services & Government: education, health and social services and government agencies

by both an increase in the average purchase value and the percentage of passengers making onshore purchases for most categories.

Table 47 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Colombia

| | Current Study | 2009 Study | Percent Change |
|--|----------------------|-------------------|-----------------------|
| Total Onshore Visits (Thousands) | 297.0 | 243.0 | +22.2% |
| Passengers | 260.8 | 210.6 | +23.8% |
| Crew | 36.2 | 32.4 | +11.7% |
| Total Direct Expenditures (\$US Millions) | \$ 33.4 | \$ 24.6 | +35.8% |
| Passengers | \$ 25.8 | \$ 19.0 | +35.8% |
| Crew | \$ 1.5 | \$ 2.1 | -26.8% |
| Cruise Lines | \$ 6.1 | \$ 3.5 | +74.3% |
| Average Per Passenger Expenditure^① | \$98.79 | \$90.03 | + 9.7% |
| Average Per Crew Expenditure | \$42.40 | \$65.64 | -35.4% |
| Total Employment Impact | 819 | 629 | +30.2% |
| Total Wage Impact (\$US Millions) | \$ 4.9 | \$ 3.6 | +36.1% |

① Includes both transit and homeport passengers.

In the case of crew expenditures, the decline in the average crew expenditure was the result of both a decrease in the unweighted average purchase value and the percentage of crew making onshore purchases for most categories. For example during the 2008/2009 cruise year, 68 percent of the crew reported purchasing food and beverages at an unweighted average purchase of \$26.40. During the 2011/2012 cruise year the percentage of crew purchasing food and beverages fell to 61 percent and the unweighted average purchase value fell to \$20.60.

As a result of the increase in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts increased as well. The total employment and wage impacts increased by 30 percent and 36 percent, respectively, over the three-year period. The slightly higher increase in wages is due to increased labor productivity and average wages over the intervening period.

Passenger Surveys

A total of 1,800 passenger surveys were completed and returned for tabulation. **Table 48** shows the major attributes of passenger visits in Colombia as derived from the passenger surveys.

- Of the 1,800 cruise parties that completed the surveys 84% stated that this had been their first visit to Colombia. This is up from 79% in the 2009 study.
- Ninety-eight percent (98%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Colombia.
- Of the cruise parties that went ashore, 67% made at least one purchase while ashore. This is a decline from 72% during the 2008/2009 cruise year. The typical cruise party consisted of 2.0 passengers and spent an average of 3.6 hours ashore.

- The responding cruise parties reported spending an average of \$138 while ashore (excludes shore excursions), unchanged from the 2008/2009 cruise year.
- Seventy-six percent (76%) of the passengers that went ashore purchased a shore excursion, an increase from 72% in the 2009 study. Eighty-two percent (82%) of passengers who purchased a tour did so through their cruise line, 10% purchased their tour onshore and 8 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$110 for their tour, virtually unchanged from the 2008/2009 cruise year.

Table 48 - Major Attributes of Transit Passenger Surveys - Colombia

| | Number | Percent |
|--|--------|---------|
| Total Respondents | 1,800 | |
| Number Making First Visit | 1,512 | 84.0% |
| Number Ashore | 1,757 | 97.6% |
| Number Making Onshore Purchases: | 1,180 | 67.2% |
| Average Hours Ashore | 3.6 | |
| Average Size of Expenditure Party (Persons) | 2.0 | |
| Average Onshore Expenditure per Party | \$138 | |
| Purchased a Shore Excursion (Tour) | 1,332 | 75.8% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 1,094 | 82.2% |
| Onshore from Tour Operator | 127 | 9.5% |
| Travel Agent | 111 | 8.3% |
| Average Cost of Shore Excursion per Party | \$110 | |
| Toured On Own/Did not Tour | 425 | |

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 49**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Among other key conclusions concerning visit satisfaction were the following:

- Cruise passengers were very satisfied with their overall visit to Colombia with a mean score of 7.6. This was up significantly from 6.7 (Somewhat Satisfied) in the 2009 study. Also passengers reported that their visit exceed their expectations. The mean score for "Visit Met Expectations" was 7.4, up from 6.2 in the prior study.
- Passengers felt very informed about tours and onshore activities in Colombia with a mean score of 7.9.
- "Guided Tours" (or Shore Excursions) received an average score of 8.3 (Very Satisfied). This was the highest score among the satisfaction categories.
- Passenger interactions with residents and store employees were very positive with "friendliness of residents" receiving a mean score of 7.7 and "courtesy of employees" having a mean score of 8.0.

- Cruise passengers were also very satisfied with: initial shoreside welcome, historic sites, variety of things to see and do and local transportation.
- Cruise passengers were somewhat satisfied with their overall shopping experience with a mean score of 6.2.. Thus, while passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (6.3) and overall prices (6.3).
- Cruise passengers stated that they were not too likely to return to Colombia for a land-based vacation.

Table 49 – Passenger Visit Satisfaction* - Colombia

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.6 | 6.7 |
| Visit Met Expectations | 7.4 | 6.2 |
| Likelihood of a Return Visit | 3.2 | 3.1 |
| Informed of Tours and Activities | 7.9 | 7.1 |
| Initial Shoreside Welcome | 8.1 | 7.6 |
| Guided Tour | 8.3 | 7.2 |
| Historic Sites/Museums | 7.9 | 7.4 |
| Variety of Things to See and Do | 7.5 | 6.7 |
| Friendliness of Residents | 7.7 | 7.2 |
| Overall Shopping Experience | 6.2 | 5.7 |
| Courtesy of Employees | 8.0 | 7.7 |
| Variety of Shops | 6.3 | 5.9 |
| Overall Prices | 6.3 | 6.1 |
| Taxis/Local Transportation | 7.6 | 6.7 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Passenger Demographics

Residents of the United States and the Canada accounted for 92 percent of the responding passengers. The average age of the respondents was 64 years with 61 percent of the respondents being 65 years of age or older. Colombia passengers had an average household income of \$105,400 with 41 percent having over \$100,000 in household income.

Figure 31 – Passenger Age Colombia

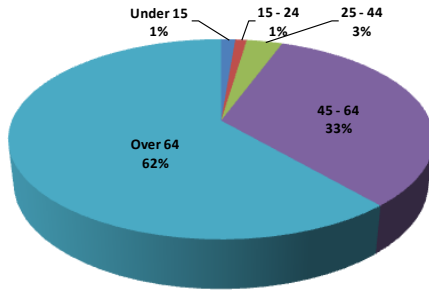
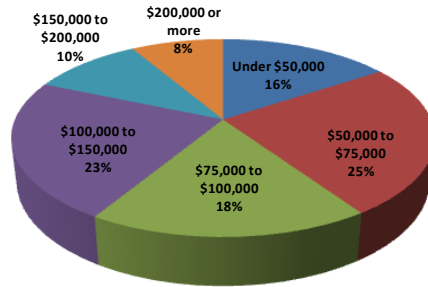


Figure 32 – Passenger Household Income Colombia



Costa Rica

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.³⁸ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

³⁸ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data obtained from the Tourism Institute, 199,581 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.³⁹ Of these, an estimated 174,434 passengers (87 percent) disembarked and visited Costa Rica. Utilizing additional data provided by the Institute and the cruise lines, we have estimated that 127,559 crew were aboard the cruise ships and that 36 percent, or 46,159 crew, disembarked and visited Costa Rica. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$18.5 million** (\$US) in cruise tourism expenditures in Costa Rica during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 50 – Estimated Passenger Spending (\$US) in Costa Rica, 2011/2012 Cruise Year⁴⁰

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 108.90 | 82.4% | \$ 89.70 |
| Local Crafts & Souvenirs | \$ 38.50 | 66.9% | \$ 25.75 |
| Clothing | \$ 26.00 | 30.8% | \$ 8.02 |
| Other Purchases | \$ 32.30 | 24.8% | \$ 8.02 |
| F&B at Restaurants & Bars | \$ 15.70 | 21.8% | \$ 3.42 |
| Watches & Jewelry | \$ 22.70 | 8.1% | \$ 1.84 |
| Retail Purchases of Liquor | \$ 26.10 | 5.3% | \$ 1.38 |
| Taxis/Ground Transportation | \$ 61.00 | 5.0% | \$ 3.06 |
| Telephone & Internet | \$ 15.80 | 1.6% | \$ 0.26 |
| Perfumes & Cosmetics | \$ 20.20 | 1.2% | \$ 0.24 |
| Entertainment/Night Clubs/Casinos | \$ 200.90 | 0.5% | \$ 1.10 |
| Electronics | \$ 24.10 | 0.5% | \$ 0.11 |
| Total Spend per Cruise Party | | | \$142.90 |
| Average Size of a Cruise Party | | | 2.0 |
| Total Spend per Cruise Passenger | | | \$71.45 |
| Cruise Passenger Visits | | | 174,434 |
| Total Cruise Passenger Expenditures | | | \$12,463,552 |

³⁹ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁴⁰ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the 1,548 surveys completed by passengers that went ashore during the survey period. As shown in **Table 50**, each passenger cruise party spent an average of \$142.90 in Costa Rica. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 22 percent of the survey respondents reported spending an average of \$15.70 at local restaurants and/or bars. Spread over the cruise parties that visited Costa Rica, this represents an average of \$3.42 per party. On a per passenger basis, the average total expenditure was \$71.45. This represents the sum of per party expenditures, \$142.90, divided by the average size of a cruise party in Costa Rica, 2.0 passengers.

Cruise passenger expenditures in the Costa Rica were concentrated in three categories which accounted for 86 percent of their onshore expenditures: shore excursions, local crafts and clothing. Thirty percent or more of the passengers that went ashore made purchases in the same three categories.

Eighty-two percent (82%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$109 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$179 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 174,434 cruise passengers who visited Costa Rica spent a total of **\$12.5 million** (\$US).

Per crew spending estimates were derived from the surveys completed by crew members during the survey period. As shown in **Table 51**, each crew member spent an average of \$44.40 in Costa Rica. The average spend per crew member is the sum of the weighted spending in each of the eleven categories.⁴¹ For example, 70 percent of the survey respondents reported spending an average of \$23.80 for food and beverages. Spread over all the crew members that reported visiting Costa Rica, this represents an average of \$16.71 per crew member.

Expenditures by crew in Costa Rica were concentrated in three categories which accounted for 77 percent of their onshore expenditures: food and beverages, local crafts and other (unspecified) purchases. Combined, crew spent an average of \$34.19 for goods in these three categories. Purchases of food and beverages were the most popular expenditure item with 70% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 46,159 crew who visited Costa Rica spent an estimated total of **\$2.0 million** (\$US).

⁴¹ No crew member reported purchasing watches or jewelry in Costa Rica.

Table 51 – Estimated Crew Spending (\$US) in Costa Rica, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 23.80 | 70.1% | \$ 16.71 |
| Taxis/Ground Transportation | \$ 16.40 | 22.4% | \$ 3.67 |
| Local Crafts & Souvenirs | \$ 53.70 | 17.0% | \$ 9.13 |
| Clothing | \$ 14.80 | 14.6% | \$ 2.16 |
| Telephone & Internet | \$ 4.10 | 11.4% | \$ 0.47 |
| Other Purchases | \$ 84.30 | 9.9% | \$ 8.35 |
| Shore Excursions | \$ 5.40 | 7.8% | \$ 0.42 |
| Perfumes & Cosmetics | \$ 7.00 | 4.7% | \$ 0.33 |
| Retail Purchases of Liquor | \$ 11.60 | 4.4% | \$ 0.51 |
| Entertainment/Night Clubs/Casinos | \$ 36.90 | 3.9% | \$ 1.43 |
| Electronics | \$ 188.90 | 0.6% | \$ 1.22 |
| Total Spend per Crew | | | \$44.40 |
| Cruise Passenger Visits | | | 46,159 |
| Total Cruise Passenger Expenditures | | | \$2,049,462 |

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$4.0 million** (\$US) in Costa Rica during the 2011/2012 cruise year. Approximately 40 percent of these payments went for port fees, taxes and navigation services with the remaining 60 percent going toward the purchase of ship's stores.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 52 – Total Economic Contribution of Cruise Tourism in Costa Rica 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|-----------------------------|
| Direct Economic Contribution | 381 | \$ 2.1 |
| Total Economic Contribution | 537 | \$ 3.0 |

As shown in **Table 52**, the \$18.58 million in total cruise tourism expenditures generated direct employment of 381 residents of Costa Rica paying \$2.1 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism

expenditures generated a total employment contribution of 537 jobs and \$3.0 million in wage income in Costa Rica during the 2011/2012 cruise year.

As shown in **Figures 33 and 34**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 96 percent of the employment and wage impacts.⁴² This is not surprising since the direct impacts account for about 60 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 51 percent of the wage impacts but only 37 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Figure 33 – Total Employment Impacts by Sector - Costa Rica

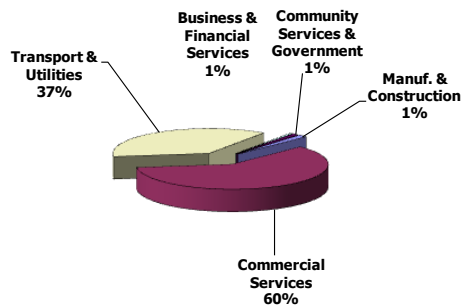
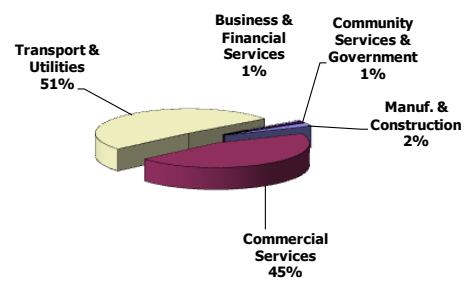


Figure 34 – Total Wage Impacts by Sector Costa Rica



⁴² The industry sectors include the following activities:

- Manufacturing & Construction: residential and nonresidential construction and all manufacturing
- Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
- Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
- Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
- Community Services & Government: education, health and social services and government agencies

Comparison to 2009 Study

Total passenger and crew visits declined by 30 percent from 314,000 visits during the 2008/2009 cruise year to 220,600 during the 2011/2012 cruise year. Total direct cruise tourism expenditures declined at a similar rate, decreasing from \$26.3 million to \$18.5 million. As indicated in **Table 53**, all three components of cruise tourism expenditures, passengers, crew and cruise lines, experienced a decline in spending.

Table 53 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Costa Rica

| | Current Study | 2009 Study | Percent Change |
|--|----------------|-----------------|----------------|
| Total Onshore Visits (Thousands) | 220.6 | 314.0 | -29.7% |
| Passengers | 174.4 | 266.9 | -34.7% |
| Crew | 46.2 | 47.1 | - 1.9% |
| Total Direct Expenditures (\$US Millions) | \$ 18.5 | \$ 26.3 | -29.6% |
| Passengers | \$ 12.5 | \$ 18.0 | -30.6% |
| Crew | \$ 2.0 | \$ 2.4 | -16.7% |
| Cruise Lines | \$ 4.0 | \$ 5.9 | -32.2% |
| Average Per Passenger Expenditure | \$71.45 | \$ 67.28 | +6.2% |
| Average Per Crew Expenditure | \$44.40 | \$ 51.97 | -14.6% |
| Total Employment Impact | 537 | 719 | -25.3% |
| Total Wage Impact (\$US Millions) | \$ 3.0 | \$ 3.9 | -23.1% |

The 31 percent decline in passenger expenditures was the net result of the 35 percent decrease in passenger visits and the 6 percent increase in the average expenditure per passenger. The increase in the average expenditure per passenger was generally the result in both an increase in the purchase value of the goods and services bought in Costa Rica and an increase in the percentage of passengers making onshore purchases. For example, during the 2008/2009 cruise year 80 percent of passengers reported purchasing a shore excursion with an average expenditure of \$90. During the 2011/2012 cruise 82 percent of passengers reported purchasing a shore excursion at an average price of \$109.

The 17 percent decline in crew expenditures was the result of the 2 percent decline in crew visits and the 14 percent decline in the average crew expenditure. In general, crew spent more when they made a purchase but a significantly lower percentage of crew made onshore purchases during the 2011/2012 cruise year.

As a result of the 30 percent decline in direct cruise tourism expenditures, the total employment impact declined by 25 percent over the three-year period while the wage impact decreased by 23 percent.

Passenger Surveys

A total of 1,548 passenger surveys were completed and returned for tabulation. **Table 54** shows the major attributes of passenger visits in Costa Rica as derived from the passenger surveys.

Table 54 - Major Attributes of Transit Passenger Surveys - Costa Rica

| | Number | Percent |
|--|---------|---------|
| Total Respondents | 1,548 | |
| Number Making First Visit | 1,223 | 79.0% |
| Number Ashore | 1,528 | 98.7% |
| Number Making Onshore Purchases: | 1,096 | 71.7% |
| Average Hours Ashore | 5.6 | |
| Average Size of Expenditure Party (Persons) | 2.0 | |
| Average Onshore Expenditure per Party | \$53.20 | |
| Purchased a Shore Excursion (Tour) | 1,259 | 82.4% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 1,021 | 81.1% |
| Onshore from Tour Operator | 117 | 9.3% |
| Travel Agent | 121 | 9.6% |
| Average Cost of Shore Excursion per Party | \$179 | |
| Toured On Own/Did not Tour | 269 | |

- Of the 1,548 cruise parties that completed the surveys 79% stated that this had been their first visit to Costa Rica. This is an increase from 75% in the 2009 study.
- Ninety-nine percent (99%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Costa Rica.
- Of the cruise parties that went ashore, 72% made at least one purchase while ashore. This was a decline from 76% in the 2008/2009 cruise year. The typical cruise party consisted of 2.0 passengers and spent an average of 5.6 hours ashore.
- The responding cruise parties reported spending an average of \$53.20 while ashore (excludes shore excursions), a decline of 14 percent from the 2008/2009 cruise year.
- Eighty-two percent (82%) of the passengers that went ashore purchased a shore excursion, a slight increase from 80% in the 2009 study. Eighty-one percent (81%) of passengers who purchased a tour did so through their cruise line, 9% purchased their tour onshore and nearly 10 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$179 for their tour. This was a 19 percent increase from \$150 during the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 55**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Among other key conclusions concerning visit satisfaction were the following:

- Passenger satisfaction scores in the current study showed significant increases in all categories from the 2009 study.

Table 55 – Passenger Visit Satisfaction* - Costa Rica

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 8.4 | 7.6 |
| Visit Met Expectations | 7.9 | 7.0 |
| Likelihood of a Return Visit | 4.6 | 4.4 |
| Informed of Tours and Activities | 8.3 | 7.8 |
| Initial Shoreside Welcome | 8.2 | 7.4 |
| Guided Tour | 9.1 | 8.4 |
| Historic Sites/Museums | 7.6 | 6.6 |
| Variety of Things to See and Do | 7.7 | 6.9 |
| Friendliness of Residents | 8.7 | 8.2 |
| Overall Shopping Experience | 7.4 | 6.4 |
| Courtesy of Employees | 8.7 | 8.2 |
| Variety of Shops | 6.8 | 5.9 |
| Overall Prices | 7.4 | 6.9 |
| Taxis/Local Transportation | 8.1 | 7.0 |

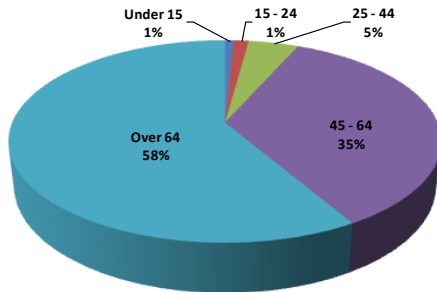
* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

- Cruise passengers were very satisfied with their overall visit to Costa Rica with a mean score of 8.4. The survey respondents also reported that their visit exceeded their expectations. The mean score for “Visit Met Expectations” was 7.9.
- Passengers felt very informed about tours and onshore activities in Costa Rica with a mean score of 8.3.
- “Guided Tours” (or Shore Excursions) received the highest score of all visit attributes with a mean score of 9.1. Thus, cruise passengers were extremely satisfied with their shore excursions.
- Passenger interactions with residents and store employees were very positive with “friendliness of residents” and “courtesy of employees” each receiving a mean score of 8.7.
- Cruise passengers were also very satisfied with: initial shoreside welcome, historic sites, variety of things to see and do and local transportation..
- Cruise passengers were also very satisfied with their overall shopping experience with a mean score of 7.4. While passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (6.8) and overall prices (7.4).
- Cruise passengers stated that they were not too likely to return to Costa Rica for a land-based vacation.

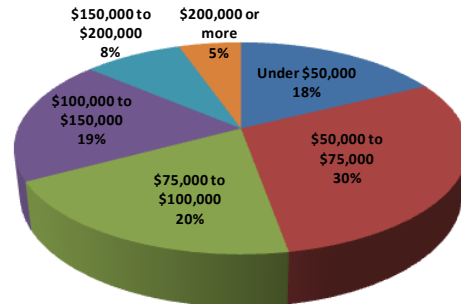
Passenger Demographics

Residents of the United States and the Canada accounted for 93 percent of the responding passengers. The average age of the respondents was 63 years with 58 percent of the respondents being 65 years of age or older. Costa Rica passengers had an average household income of \$95,500 with 33 percent having over \$100,000 in household income.

**Figure 35 – Passenger Age
Costa Rica**



**Figure 36 – Passenger Household Income
Costa Rica**



Curacao

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁴³ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁴³ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

based upon data collected from the destinations at the CTO, 443,443 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.⁴⁴ Of these, an estimated 407,524 passengers (92 percent) disembarked and visited Curacao. Utilizing additional data provided by the visiting cruise lines, we have estimated that 177,345 crew were aboard the cruise ships and that 38 percent, or 68,225 crew, disembarked and visited Curacao. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$39.4 million** (\$US) in cruise tourism expenditures in Curacao during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 56 – Estimated Passenger Spending (\$US) in Curacao, 2011/2012 Cruise Year⁴⁵

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 68.40 | 49.9% | \$ 34.10 |
| F&B at Restaurants & Bars | \$ 22.10 | 46.9% | \$ 10.37 |
| Local Crafts & Souvenirs | \$ 26.80 | 42.8% | \$ 11.47 |
| Clothing | \$ 47.30 | 37.6% | \$ 17.78 |
| Other Purchases | \$ 63.50 | 18.4% | \$ 11.71 |
| Watches & Jewelry | \$ 269.40 | 16.3% | \$ 43.85 |
| Retail Purchases of Liquor | \$ 25.70 | 13.6% | \$ 3.49 |
| Taxis/Ground Transportation | \$ 40.80 | 11.7% | \$ 4.77 |
| Perfumes & Cosmetics | \$ 44.50 | 4.9% | \$ 2.16 |
| Entertainment/Night Clubs/Casinos | \$ 48.70 | 2.6% | \$ 1.27 |
| Telephone & Internet | \$ 8.60 | 2.0% | \$ 0.17 |
| Electronics | \$ 228.50 | 1.0% | \$ 2.26 |
| Total Spend per Cruise Party | | | \$143.40 |
| Average Size of a Cruise Party | | | 2.0 |
| Total Spend per Cruise Passenger | | | \$71.70 |
| Cruise Passenger Visits | | | 407,524 |
| Total Cruise Passenger Expenditures | | | \$29,218,761 |

⁴⁴ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁴⁵ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the 1,698 surveys completed by passengers that went ashore during the survey period. As shown in **Table 56**, each passenger cruise party spent an average of \$143.40 in Curacao. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 47 percent of the survey respondents reported spending an average of \$22.10 at local restaurants and/or bars. Spread over the cruise parties that visited Curacao, this represents an average of \$10.37 per party. On a per passenger basis, the average total expenditure was \$71.70. This represents the sum of per party expenditures, \$143.40, divided by the average size of a cruise party in Curacao, 2.0 passengers.

Cruise passenger expenditures in the Curacao were concentrated in three categories which accounted for 75 percent of their onshore expenditures: watches and jewelry, shore excursions, clothing and local crafts. Forty percent or more of the passengers that went ashore made purchases of shore excursions, food and beverages and local crafts.

Nearly 50 percent of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$68.40 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$96.20 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 407,524 cruise passengers who visited Curacao spent a total of **\$29.2 million** (\$US).

Table 57 – Estimated Crew Spending (\$US) in Curacao, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 28.50 | 65.6% | \$ 18.68 |
| Clothing | \$ 45.10 | 27.0% | \$ 12.19 |
| Perfumes & Cosmetics | \$ 39.50 | 18.9% | \$ 7.46 |
| Taxis/Ground Transportation | \$ 32.10 | 14.1% | \$ 4.52 |
| Local Crafts & Souvenirs | \$ 14.90 | 13.3% | \$ 1.99 |
| Entertainment/Night Clubs/Casinos | \$ 65.70 | 10.7% | \$ 7.06 |
| Other Purchases | \$ 106.10 | 8.9% | \$ 9.43 |
| Retail Purchases of Liquor | \$ 21.20 | 8.5% | \$ 1.81 |
| Watches & Jewelry | \$ 95.50 | 4.1% | \$ 3.89 |
| Electronics | \$ 144.90 | 3.3% | \$ 4.83 |
| Shore Excursions | \$ 10.50 | 3.3% | \$ 0.35 |
| Retail Purchases of Liquor | \$ 26.60 | 2.2% | \$ 0.59 |
| Total Spend per Crew | | | \$72.80 |
| Cruise Passenger Visits | | | 68,225 |
| Total Cruise Passenger Expenditures | | | \$4,966,811 |

Per crew spending estimates were derived from the nearly 600 surveys completed by crew members during the survey period. As shown in **Table 57**, each crew member spent an average of \$72.80 in Curacao. The average spend per crew member is the sum of the weighted spending in each of the twelve categories. For example, 66 percent of the survey respondents reported

spending an average of \$28.50 for food and beverages. Spread over all the crew members that visited Curacao, this represents an average of \$18.68 per crew member.

Expenditures by crew in Curacao were concentrated in four categories which accounted for 66 percent of their onshore expenditures: food and beverages, clothing perfumes and cosmetics and other (unspecified) purchases. Combined, crew spent an average of \$47.76 for goods in these four categories. Purchases of food and beverages were the most popular expenditure item with 66% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 68,225 crew who visited Curacao spent an estimated total of **\$5.0 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$5.2 million** (\$US) in Curacao during the 2011/2012 cruise year. Approximately 66 percent of these expenditures were payments for port fees and navigation services while the remaining 34 percent consisted of payments for ship supplies.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 58 – Total Economic Contribution of Cruise Tourism in Curacao 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|--------------------------------|
| Direct Economic Contribution | 424 | \$ 7.5 |
| Total Economic Contribution | 735 | \$13.0 |

As shown in **Table 58**, the \$39.4 million in total cruise tourism expenditures generated direct employment of 424 residents of Curacao paying \$7.5 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 735 jobs and \$13.0 million in wage income in Curacao during the 2011/2012 cruise year.

As shown in **Figures 37 and 38**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 98 percent of the employment and wage impacts.⁴⁶ This is not surprising since the direct impacts account for about 60 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 27 percent of the wage impacts but only 17 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Figure 37 – Total Employment Impacts by Sector - Curacao

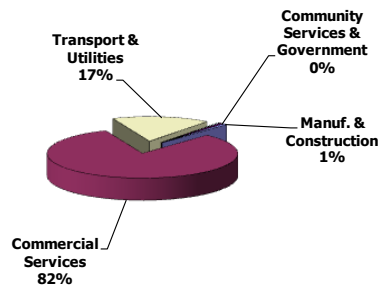
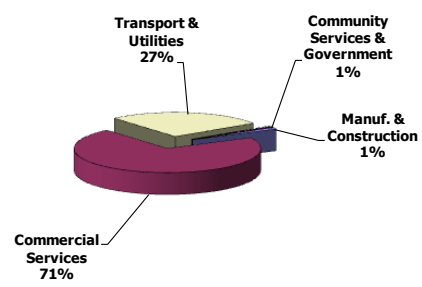


Figure 38 – Total Wage Impacts by Sector Curacao



⁴⁶ The industry sectors include the following activities:
 Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
 Community Services & Government: education, health and social services and government agencies

Comparison to 2009 Study

Total passenger and crew visits increased by 18 percent from 402,900 visits during the 2008/2009 cruise year to 475,700 during the 2011/2012 cruise year. However, total direct cruise tourism expenditures only increased by 0.3% over the three year period, increasing from \$39.3 million to \$39.4 million. As indicated in **Table 59**, expenditures by passengers and cruise lines increased while crew expenditures declined.

Table 59 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Curacao

| | Current Study | 2009 Study | Percent Change |
|--|----------------|-----------------|----------------|
| Total Onshore Visits (Thousands) | 475.7 | 402.9 | +18.1% |
| Passengers | 407.5 | 344.4 | +18.3% |
| Crew | 68.2 | 58.5 | +16.6% |
| Total Direct Expenditures (\$US Millions) | \$ 39.4 | \$ 39.3 | +0.3% |
| Passengers | \$ 29.2 | \$ 28.0 | +4.3% |
| Crew | \$ 5.0 | \$ 6.8 | -26.4% |
| Cruise Lines | \$ 5.2 | \$ 4.5 | +15.6% |
| Average Per Passenger Expenditure | \$71.70 | \$ 81.21 | -11.7% |
| Average Per Crew Expenditure | \$72.80 | \$116.88 | -37.7% |
| Total Employment Impact | 735 | 748 | -1.7% |
| Total Wage Impact (\$US Millions) | \$ 13.0 | \$ 13.0 | --- |

The 4 percent increase in passenger expenditures was the net result of the 18 percent increase in passenger visits and the 12 percent decrease in the average expenditure per passenger. The decline in the average expenditure per passenger was primarily driven by the decline in average spending for jewelry and clothing. In the case of jewelry those passengers that purchased jewelry spent less than passengers during the 2008/2009 cruise year. The decline in clothing expenditures was the result of a smaller percentage of passengers making clothing purchases.

The 26 percent decline in crew expenditures was the net result of the 17 percent increase in crew visits and the 27 percent decline in average crew expenditures. The decline in average crew expenditure was concentrated in jewelry, food and beverages and entertainment. In the case of food and beverages, crew tended to spend less than in the 2008/2009 cruise year when they purchased these commodities, unweighted purchases. For jewelry and entertainment a smaller percentage of crew made purchases in these categories.

The slight decline in the employment impacts was largely the result of increased productivity which offset the small gain in direct expenditures.

Passenger Surveys

A total of 1,698 passenger surveys were completed and returned for tabulation. **Table 60** shows the major attributes of passenger visits in Curacao as derived from the passenger surveys.

- Of the 1,698 cruise parties that completed the surveys 65% stated that this had been their first visit to Curacao. This is down from 72% in the 2009 study.
- Ninety-eight percent (98%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Curacao.
- Of the cruise parties that went ashore, 66% made at least one purchase while ashore. this was a decline from 79% during the 2008/2009 cruise year. The typical cruise party consisted of 2.0 passengers that spent an average of 4.1 hours ashore.

Table 60 - Major Attributes of Passenger Surveys - Curacao

| | Number | Percent |
|--|---------|---------|
| Total Respondents | 1,698 | |
| Number Making First Visit | 1,104 | 65.0% |
| Number Ashore | 1,671 | 98.4% |
| Number Making Onshore Purchases: | 1,112 | 66.5% |
| Average Hours Ashore | 4.1 | |
| Average Size of Expenditure Party (Persons) | 2.0 | |
| Average Onshore Expenditure per Party | \$109 | |
| Purchased a Shore Excursion (Tour) | 833 | 49.9% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 609 | 73.1% |
| Onshore from Tour Operator | 157 | 18.8% |
| Travel Agent | 67 | 8.1% |
| Average Cost of Shore Excursion per Party | \$96.20 | |
| Toured On Own/Did not Tour | 838 | |

- The responding cruise parties reported spending an average of \$109 while ashore (excludes shore excursions), a 16 percent decline from \$130 during the 2008/2009 cruise year.
- Fifty-six percent (50%) of the passengers that went ashore purchased a shore excursion. This was down from 56% in the 2009 study. Seventy-three percent (73%) of passengers who purchased a tour did so through their cruise line, 19% purchased their tour onshore and 8 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$96.20 for their tour. This was a 5 percent decline from \$101 during the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 61**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 61 – Passenger Visit Satisfaction* - Curacao

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.7 | 7.7 |
| Visit Met Expectations | 7.3 | 7.4 |
| Likelihood of a Return Visit | 4.2 | 4.0 |
| Informed of Tours and Activities | 7.9 | 7.9 |
| Initial Shoreside Welcome | 7.7 | 7.5 |
| Guided Tour | 8.1 | 8.0 |
| Historic Sites/Museums | 7.6 | 7.3 |
| Variety of Things to See and Do | 7.7 | 7.0 |
| Friendliness of Residents | 8.0 | 7.9 |
| Overall Shopping Experience | 7.1 | 7.1 |
| Courtesy of Employees | 8.0 | 7.9 |
| Variety of Shops | 7.2 | 7.2 |
| Overall Prices | 6.8 | 6.8 |
| Taxis/Local Transportation | 7.0 | 7.1 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

- Overall, the satisfaction scores for Curacao were about the same as in the 2009 study.
- Cruise passengers were very satisfied with their overall visit to Curacao with a mean score of 7.7. However, the visit did not score as high in terms of meeting expectations. The mean score for “Visit Met Expectations” was lower at 7.3.
- Passengers felt very informed about tours and onshore activities in Curacao with a mean score of 7.9.
- “Guided Tours” (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.1. Thus, cruise passengers were very satisfied with their shore excursions.
- Passenger interactions with residents and store employees were very positive with “friendliness of residents” and “courtesy of employees” each receiving a mean score of 8.0.
- Categories with slightly lower scores but still above 7.0 (Very Satisfied) were: initial shoreside welcome, historic sites, variety of things to see and do and local transportation.
- Passengers were also very satisfied with their shopping experience which received a mean score of 7.1. It was already noted that passengers were very satisfied with shop employees but they were also very satisfied the variety of shops (7.2) but only somewhat satisfied with overall prices (6.8).

- Cruise passengers stated that they were not too likely to return to Curacao for a land-based vacation.

Passenger Demographics

Residents of the United States and the Canada accounted for 87 percent of the responding passengers. The average age of the respondents was 60 years with 52 percent of the respondents being 65 years of age or older. Curacao passengers had an average household income of \$100,000 with 36 percent having over \$100,000 in household income.

Figure 39 – Passenger Age Curacao

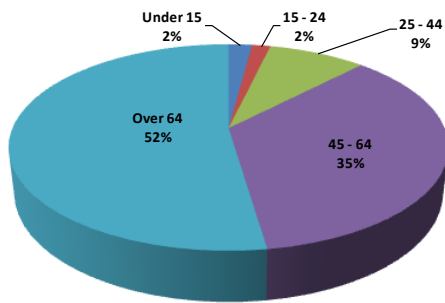
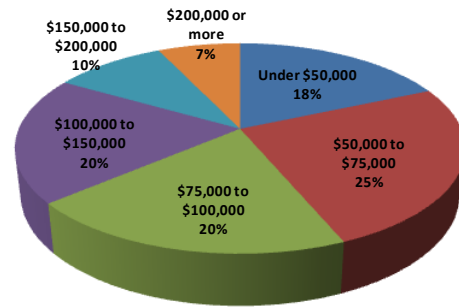


Figure 40 – Passenger Household Income Curacao



Dominica

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁴⁷ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁴⁷ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data obtained from the Dominica Air and Sea Ports Authority, 336,667 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.⁴⁸ Of these, an estimated 294,584 passengers (88 percent) disembarked and visited Dominica. Utilizing additional data provided by the visiting cruise lines, we have estimated that 122,582 crew were aboard the cruise ships and that 34 percent, or 41,228 crew, disembarked and visited Dominica. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$18.0 million** (\$US) in cruise tourism expenditures in Dominica during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 62 – Estimated Passenger Spending (\$US) in Dominica, 2011/2012 Cruise Year⁴⁹

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Local Crafts & Souvenirs | \$ 22.80 | 63.9% | \$ 14.57 |
| Shore Excursions | \$ 75.40 | 63.6% | \$ 47.94 |
| F&B at Restaurants & Bars | \$ 15.60 | 31.7% | \$ 4.94 |
| Clothing | \$ 28.30 | 24.3% | \$ 6.89 |
| Taxis/Ground Transportation | \$ 35.10 | 17.1% | \$ 6.00 |
| Other Purchases | \$ 39.10 | 14.0% | \$ 5.47 |
| Watches & Jewelry | \$ 123.70 | 9.9% | \$ 12.20 |
| Retail Purchases of Liquor | \$ 17.60 | 7.5% | \$ 1.33 |
| Perfumes & Cosmetics | \$ 28.50 | 2.2% | \$ 0.63 |
| Telephone & Internet | \$ 8.40 | 1.3% | \$ 0.11 |
| Entertainment/Night Clubs/Casinos | \$ 35.80 | 0.5% | \$ 0.18 |
| Electronics | \$ 26.50 | 0.3% | \$ 0.08 |
| Total Spend per Cruise Party | | | \$100.34 |
| Average Size of a Cruise Party | | | 2.1 |
| Total Spend per Cruise Passenger | | | \$47.78 |
| Cruise Passenger Visits | | | 294,584 |
| Total Cruise Passenger Expenditures | | | \$14,075,591 |

⁴⁸ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁴⁹ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the 1,815 surveys completed by passengers that went ashore during the survey period. As shown in **Table 62**, each passenger cruise party spent an average of \$100.34 in Dominica. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 32 percent of the survey respondents reported spending an average of \$15.60 at local restaurants and/or bars. Spread over the 1,815 cruise parties that visited Dominica, this represents an average of \$4.94 per party. On a per passenger basis, the average total expenditure was \$47.78. This represents the sum of per party expenditures, \$100.34, divided by the average size of a cruise party in Dominica, 2.1 passengers.

Cruise passenger expenditures in the Dominica were concentrated in three categories which accounted for nearly 75 percent of their onshore expenditures: shore excursions, local crafts and watches and jewelry. Over 60 percent of the passengers that went ashore made purchases of shore excursions and local crafts.

Sixty-four percent (64%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$75.40 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$123 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 294,584 cruise passengers who visited Dominica spent a total of **\$14.1million** (\$US).

Table 63 – Estimated Crew Spending (\$US) in Dominica, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 23.30 | 46.2% | \$ 10.75 |
| Other Purchases | \$ 110.60 | 17.3% | \$ 19.13 |
| Local Crafts & Souvenirs | \$ 14.10 | 16.3% | \$ 2.30 |
| Taxis/Ground Transportation | \$ 14.30 | 13.5% | \$ 1.93 |
| Clothing | \$ 43.80 | 10.6% | \$ 4.63 |
| Perfumes & Cosmetics | \$ 28.10 | 5.8% | \$ 1.62 |
| Retail Purchases of Liquor | \$ 13.90 | 5.8% | \$ 0.80 |
| Telephone & Internet | \$ 7.10 | 4.8% | \$ 0.34 |
| Watches & Jewelry | \$ 131.30 | 3.8% | \$ 5.05 |
| Shore Excursions | \$ 8.30 | 2.9% | \$ 0.24 |
| Entertainment/Night Clubs/Casinos | \$ 1.00 | 1.0% | \$ 0.01 |
| Total Spend per Crew | | | \$46.80 |
| Cruise Passenger Visits | | | 41,228 |
| Total Cruise Passenger Expenditures | | | \$1,929,476 |

Per crew spending estimates were derived from the more than 400 surveys completed by crew members during the survey period. As shown in **Table 63**, each crew member spent an average of \$46.80 in Dominica. The average spend per crew member is the sum of the weighted spending in each of the eleven categories.⁵⁰ For example, 21 percent of the survey respondents

⁵⁰ No crew reported making purchases of electronics in Dominica.

reported spending an average of \$51.30 for food and beverages. Spread over all the crew members that reported visiting Dominica, this represents an average of \$10.75 per crew member.

Expenditures by crew in Dominica were concentrated in two categories which accounted for 64 percent of their onshore expenditures: food and beverages and other (unspecified) purchases. Combined, crew spent an average of \$29.88 for goods in these two categories. Purchases of food and beverages were the most popular expenditure item with 46% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 41,228 crew who visited Dominica spent an estimated total of **\$1.9 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$2.0 million** (\$US) in Dominica during the 2011/2012 cruise year. Essentially all of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 64 – Total Economic Contribution of Cruise Tourism in Dominica 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|--------------------------------|
| Direct Economic Contribution | 308 | \$2.4 |
| Total Economic Contribution | 484 | \$3.7 |

As shown in **Table 64**, the \$18 million in total cruise tourism expenditures generated direct employment of 308 residents of Dominica paying \$2.4 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 484 jobs and \$3.7 million in wage income in Dominica during the 2011/2012 cruise year.

As shown in **Figures 41 and 42**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 98 percent of the employment and wage impacts.⁵¹ This is not surprising since the direct impacts account for about 65 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 52 percent of the wage impacts but only 37 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Figure 41 – Total Employment Impacts by Sector - Dominica

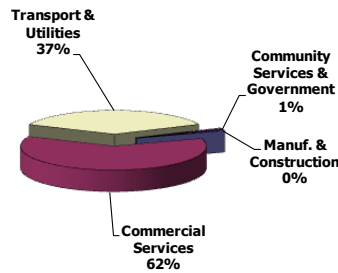
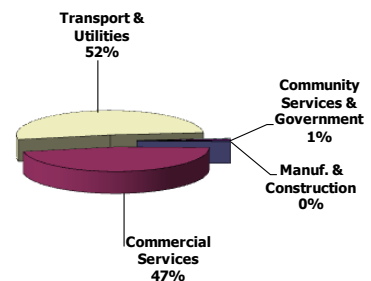


Figure 42 – Total Wage Impacts by Sector Dominica



⁵¹ The industry sectors include the following activities:
 Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
 Community Services & Government: education, health and social services and government agencies

Comparison to 2009 Study

Total passenger and crew visits increased by 25 percent from 269,100 visits during the 2008/2009 cruise year to 335,800 during the 2011/2012 cruise year. Similarly, total direct cruise tourism expenditures increased by 27 percent over the three year period, increasing from \$14.2 million to \$18.0 million. As indicated in **Table 65**, passenger and cruise line expenditures increased while total spending by crew declined.

Table 65 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Dominica

| | Current Study | 2009 Study | Percent Change |
|--|-----------------|-----------------|----------------|
| Total Onshore Visits (Thousands) | 335.8 | 269.1 | +24.8% |
| Passengers | 294.6 | 231.8 | +27.1% |
| Crew | 41.2 | 37.3 | +10.5% |
| Total Direct Expenditures (\$US Millions) | \$ 18.0 | \$ 14.2 | +26.8% |
| Passengers | \$ 14.1 | \$ 10.6 | +33.0% |
| Crew | \$ 1.9 | \$ 2.1 | -9.5% |
| Cruise Lines | \$ 2.0 | \$ 1.5 | +33.3% |
| Average Per Passenger Expenditure | \$ 47.78 | \$ 45.87 | +4.2% |
| Average Per Crew Expenditure | \$ 46.80 | \$ 56.41 | -17.0% |
| Total Employment Impact | 484 | 405 | +19.5% |
| Total Wage Impact (\$US Millions) | \$ 3.7 | \$ 3.0 | +23.3% |

The 33 percent increase in passenger expenditures was the result of the 27 percent increase in passenger visits and the 4 percent increase in the average expenditure per passenger. The increase in the average expenditure per passenger was primarily the result of increased spending for food and beverages, jewelry and local crafts. In all three categories more passengers reported making purchases in these categories and that they spent more than during the 2008/2009 cruise year. For example, during the 2008/2009 cruise year 58 percent of passengers reported spending an average of \$19.60 for local crafts. During the 2011/2012 cruise year the percentage of passengers purchasing local crafts increased to 64 percent and their average purchase value had also increased to \$22.80.

The 10 percent decline in crew expenditures was the net result of the 10 percent increase in crew visits and the 17 percent decline in the average crew expenditure. The decline in average crew expenditures was the net result of a general increase in the average purchase value in most categories but a decline in the percentage of crew making onshore purchases.

As a result of the 27 percent increase in total expenditures, the total employment impacts increased by nearly 20 percent while the wage income impact increased by 23 percent. The higher increase in wages is due to increased labor productivity and average wages over the intervening period.

Passenger Surveys

A total of 1,815 passenger surveys were completed and returned for tabulation. **Table 66** shows the major attributes of passenger visits in Dominica as derived from the passenger surveys.

- Of the 1,815 cruise parties that completed the surveys 74% stated that this had been their first visit to Dominica, about the same as in the 2009 study.
- Ninety-seven percent (97%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Dominica.
- Of the cruise parties that went ashore, 57% made at least one purchase while ashore. This is down from 66% during the 2008/2009 cruise year. The typical cruise party consisted of 2.1 passengers that spent an average of 3.8 hours ashore.

Table 66 - Major Attributes of Passenger Surveys - Dominica

| | Number | Percent |
|--|---------|---------|
| Total Respondents | 1,815 | |
| Number Making First Visit | 1,343 | 74.0% |
| Number Ashore | 1,756 | 96.7% |
| Number Making Onshore Purchases: | 994 | 56.6% |
| Average Hours Ashore | 3.8 | |
| Average Size of Expenditure Party (Persons) | 2.1 | |
| Average Onshore Expenditure per Party | \$52.40 | |
| Purchased a Shore Excursion (Tour) | 1,116 | 63.6% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 826 | 74.0% |
| Onshore from Tour Operator | 162 | 14.5% |
| Travel Agent | 128 | 11.5% |
| Average Cost of Shore Excursion per Party | \$123 | |
| Toured On Own/Did not Tour | 640 | |

- The responding cruise parties reported spending an average of \$52.40 while ashore (excludes shore excursions), an 11 percent increase from the 2009 study.
- Sixty-four percent (64%) of the passengers that went ashore purchased a shore excursion. This is down slightly from 67% in the 2009 study. Seventy-four percent (74%) of passengers who purchased a tour did so through their cruise line, 14% purchased their tour onshore and 12 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$123 for their tour. This was a 15 percent increase from \$107 during the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 67**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 67 – Passenger Visit Satisfaction* - Dominica

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 6.7 | 6.8 |
| Visit Met Expectations | 6.4 | 6.5 |
| Likelihood of a Return Visit | 3.5 | 3.3 |
| Informed of Tours and Activities | 7.5 | 7.4 |
| Initial Shoreside Welcome | 6.8 | 6.9 |
| Guided Tour | 8.1 | 8.3 |
| Historic Sites/Museums | 6.6 | 6.5 |
| Variety of Things to See and Do | 6.1 | 5.9 |
| Friendliness of Residents | 7.6 | 7.6 |
| Overall Shopping Experience | 5.6 | 5.5 |
| Courtesy of Employees | 7.4 | 7.4 |
| Variety of Shops | 5.0 | 4.7 |
| Overall Prices | 6.3 | 6.0 |
| Taxis/Local Transportation | 6.8 | 7.1 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

- The mean satisfaction scores for the current study are largely unchanged from the 2009 study.
- Cruise passengers were only somewhat satisfied with their overall visit to Dominica with a mean score of 6.7. The visit scored even lower in terms of meeting expectations. The mean score for "Visit Met Expectations" was lower at 6.4.
- Passengers felt very informed about tours and onshore activities in Dominica with a mean score of 7.5.
- "Guided Tours" (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.1. Thus, cruise passengers were very satisfied with their shore excursions which were clearly the highlight of their visit.
- Passenger interactions with residents and store employees were very positive with "friendliness of residents" receiving a mean score of 7.6 and "courtesy of employees" having a mean score of 7.4.

- Categories with average scores between 5.0 and 7.0 (Somewhat Satisfied) were given for initial shoreside welcome, historic sites, variety of things to see and do, the overall shopping experience, including the variety of shops and overall prices, and local transportation. Thus, while passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (5.0) and overall prices (6.3).
- Cruise passengers stated that they were not too likely to return to Dominica for a land-based vacation.

Passenger Demographics

Residents of the United States and the Canada accounted for 91 percent of the responding passengers. The average age of the respondents was 58 years with 46 percent of the respondents being 65 years of age or older. Dominica passengers had an average household income of \$114,900 with 46 percent having over \$100,000 in household income.

Figure 43 – Passenger Age Dominica

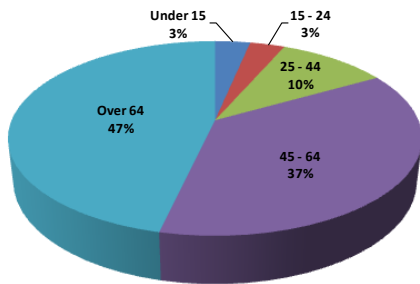
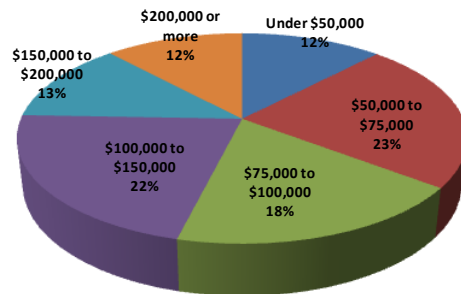


Figure 44 – Passenger Household Income Dominica



Dominican Republic

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁵² The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁵² Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data provided by the cruise ports in the Dominican Republic, a total of 269,997 cruise passengers arrived in the Dominican Republic during the 2011/2012 cruise year.⁵³ These included 213,225 transit passengers and 56,772 passengers embarking on their cruises in the Dominican Republic. Of the transit passengers, an estimated 181,241 passengers (85 percent) disembarked and visited the Dominican Republic. Utilizing additional data provided by the ports and visiting cruise lines, we have estimated that 101,794 crew were aboard the cruise ships that sailed to and from the Dominican Republic and that 25 percent, or 25,449 crew, disembarked and visited the island. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$21.4 million** (\$US) in cruise tourism expenditures in the Dominican Republic during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Passenger expenditures were estimated separately for transit and homeport passengers. Per passenger spending estimates for transit passengers were derived from the nearly 400 surveys completed by passengers that went ashore during the survey period. As shown in **Table 68**, each passenger cruise party spent an average of \$103.56 in the Dominican Republic. The average spend per cruise party is the sum of the weighted spending in each of the ten categories.⁵⁴ For example, 30 percent of the survey respondents reported spending an average of \$16.50 at local restaurants and/or bars. Spread over the cruise parties that visited the Dominican Republic, this represents an average of \$4.93 per party. On a per passenger basis, the average total expenditure was \$49.31. This represents the sum of per party expenditures, \$103.56, divided by the average size of a cruise party in the Dominican Republic, 2.1 passengers. For the entire 2011/2012 cruise year, the estimated 181,241 transit cruise passengers who visited the Dominican Republic spent a total of **\$8.9 million** (\$US) in the country.

⁵³ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁵⁴ No purchases of entertainment or electronics were reported by passengers while in the Dominican Republic.

Transit cruise passenger expenditures in the Dominican Republic were concentrated in three categories which accounted for 72 percent of their onshore expenditures: shore excursions, local crafts and clothing. More than half of the passengers that went ashore made purchases in the following categories: shore excursions and local crafts.

Sixty-three percent (63%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$72.10 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$122 per party for their tours.

Table 68 – Estimated Transit Passenger Spending (\$US) in the Dominican Republic, 2011/2012 Cruise Year⁵⁵

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 72.10 | 63.5% | \$ 45.76 |
| Local Crafts & Souvenirs | \$ 30.60 | 57.9% | \$ 17.73 |
| Clothing | \$ 34.20 | 31.8% | \$ 10.87 |
| F&B at Restaurants & Bars | \$ 16.50 | 29.9% | \$ 4.93 |
| Taxis/Ground Transportation | \$ 26.50 | 17.3% | \$ 4.58 |
| Other Purchases | \$ 76.60 | 15.4% | \$ 11.81 |
| Watches & Jewelry | \$ 52.30 | 12.6% | \$ 6.60 |
| Retail Purchases of Liquor | \$ 43.20 | 2.8% | \$ 1.21 |
| Telephone & Internet | \$ 3.20 | 0.9% | \$ 0.03 |
| Perfumes & Cosmetics | \$ 8.60 | 0.5% | \$ 0.04 |
| Total Spend per Cruise Party | | | \$103.56 |
| Average Size of a Cruise Party | | | 2.1 |
| Total Spend per Cruise Passenger | | | \$49.31 |
| Cruise Passenger Visits | | | 181,241 |
| Total Cruise Passenger Expenditures | | | \$8,937,425 |

As noted above another 56,772 cruise passengers arrived in the Dominican Republic to begin their Caribbean cruise. Based upon homeport passenger surveys conducted at Caribbean destinations, passenger expenditures were estimated for passengers embarking on their cruises from the Dominican Republic. As shown in **Table 69**, each passenger cruise party spent an estimated average of \$294.40 in the Dominican Republic. The calculation of this figure is identical to that calculated for transit passengers as discussed above. On a per passenger basis, the average total expenditure was \$133.82.

Homeport cruise passenger expenditures were concentrated in four categories which accounted for 88 percent of their onshore expenditures: lodging, food and beverages, shore excursions and other (unspecified) purchases. Thirty percent (30%) or more of the homeport passengers made purchases in the following categories: lodging, food and beverages and ground transportation.

⁵⁵ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

For the entire 2011/2012 cruise year, the estimated 56,772 homeport cruise passengers who visited the Dominican Republic spent a total of **\$7.6 million** (\$US) on the island.

Table 69 – Estimated Homeport Passenger Spending (\$US) in the Dominican Republic, 2011/2012 Cruise Year⁵⁶

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Lodging | \$ 310.00 | 40.0% | \$ 123.87 |
| F&B at Restaurants & Bars | \$ 103.60 | 33.7% | \$ 34.96 |
| Taxis/Ground Transportation | \$ 51.30 | 28.2% | \$ 14.44 |
| Shore Excursions | \$ 115.90 | 22.4% | \$ 25.92 |
| Retail Purchases of Liquor | \$ 41.80 | 12.2% | \$ 5.11 |
| Clothing | \$ 73.70 | 10.6% | \$ 7.78 |
| Other Purchases | \$ 731.20 | 10.1% | \$ 74.18 |
| Local Crafts & Souvenirs | \$ 32.00 | 8.1% | \$ 2.58 |
| Watches & Jewelry | \$ 94.70 | 2.7% | \$ 2.55 |
| Entertainment/Night Clubs/Casinos | \$ 56.80 | 2.7% | \$ 1.53 |
| Perfumes & Cosmetics | \$ 40.00 | 2.3% | \$ 0.91 |
| Telephone & Internet | \$ 14.50 | 0.6% | \$ 0.09 |
| Electronics | \$ 231.80 | 0.2% | \$ 0.48 |
| Total Spend per Cruise Party | | | \$294.40 |
| Average Size of a Cruise Party | | | 2.2 |
| Total Spend per Cruise Passenger | | | \$133.82 |
| Cruise Passenger Visits | | | 56,772 |
| Total Cruise Passenger Expenditures | | | \$7,597,126 |

Per crew spending estimates were derived from surveys completed by crew members during the survey period. As shown in **Table 70**, each crew member spent an average of \$40.00 in the Dominican Republic. The average spend per crew member is the sum of the weighted spending in each of the ten categories.⁵⁷ For example, just over 50 percent of the survey respondents reported spending an average of \$38.60 for food and beverages. Spread over all crew members that reported visiting the Dominican Republic, this represents an average of \$19.50 per crew member.

Expenditures by crew in the Dominican Republic were concentrated in two categories which accounted for nearly 60 percent of their onshore expenditures: food and beverages and ground transportations. Combined, crew spent an average of \$23.55 for goods in these two categories. Purchases of food and beverages were the most popular expenditure item with 51% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 25,449 crew who visited the Dominican Republic spent an estimated total of **\$1.0 million** (\$US).

⁵⁶ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

⁵⁷ No purchases of electronics or entertainment in the Dominican Republic were reported by the crew.

Table 70 – Estimated Crew Spending (\$US) in the Dominican Republic, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 38.60 | 50.5% | \$ 19.50 |
| Taxis/Ground Transportation | \$ 41.90 | 9.7% | \$ 4.05 |
| Local Crafts & Souvenirs | \$ 30.40 | 9.1% | \$ 2.78 |
| Perfumes & Cosmetics | \$ 14.10 | 7.5% | \$ 1.06 |
| Other Purchases | \$ 107.30 | 5.4% | \$ 5.77 |
| Clothing | \$ 58.50 | 4.8% | \$ 2.83 |
| Watches & Jewelry | \$ 30.50 | 4.3% | \$ 1.31 |
| Shore Excursions | \$ 78.90 | 2.7% | \$ 2.12 |
| Shore Excursions | \$ 8.10 | 1.6% | \$ 0.13 |
| Retail Purchases of Liquor | \$ 41.90 | 1.1% | \$ 0.45 |
| Total Spend per Crew | | | \$40.00 |
| Cruise Passenger Visits | | | 25,449 |
| Total Cruise Passenger Expenditures | | | \$1,017,940 |

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$3.8 million** (\$US) in the Dominican Republic during the 2011/2012 cruise year. Approximately 95 percent of these expenditures were payments for port fees and navigation services while the remaining 5 percent consisted of payments for ship supplies.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 71 – Total Economic Contribution of Cruise Tourism in the Dominican Republic, 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|-----------------------------|
| Direct Economic Contribution | 478 | \$2.0 |
| Total Economic Contribution | 746 | \$3.1 |

As shown in **Table 71**, the \$21.4 million in total cruise tourism expenditures generated direct employment of 478 residents of the Dominican Republic paying \$2.0 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise

tourism expenditures generated a total employment contribution of 746 jobs and \$3.1 million in wage income in the Dominican Republic during the 2011/2012 cruise year.

Figure 45 – Total Employment Impacts by Sector - Dominican Republic

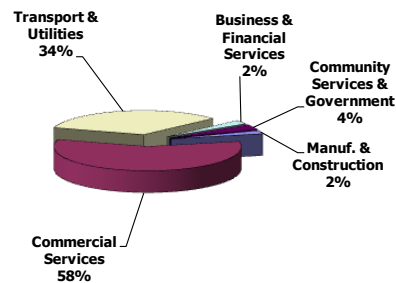
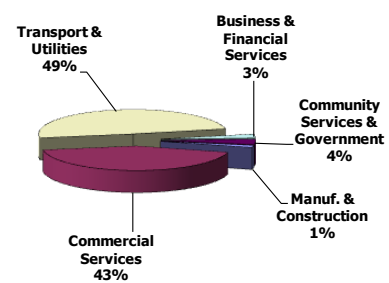


Figure 46 – Total Wage Impacts by Sector Dominican Republic



As shown in **Figures 45 and 46**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for more than 90 percent of the employment and wage impacts.⁵⁸ This is not surprising since the direct impacts account for 65 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 49 percent of the wage impacts but only 34 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Comparison to 2009 Study

Total passenger and crew visits declined by 44 percent from 470,800 visits during the 2008/2009 cruise year to 263,400 during the 2011/2012 cruise year. Total direct cruise tourism expenditures declined by a much smaller 9 percent over the three year period, declining from \$23.5 million to \$21.4 million. As indicated in **Table 72**, spending by the cruise lines increased while passenger and crew expenditures declined from the 2008/2009 cruise year..

The 8 percent decrease in passenger expenditures was the result of the 42 percent decrease in passenger visits and the more than doubling in average passenger expenditures. The increase in average spending by passengers was driven by increased spending by transit passengers for shore excursions, jewelry and local crafts. A higher percentage of passengers purchased these goods in the 2011/2012 cruise year and they spent more on these goods and services. Similarly homeport passengers spent more for lodging and food and beverages which was enhanced by a greater percentage making such purchases.

⁵⁸ The industry sectors include the following activities:
 Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
 Community Services & Government: education, health and social services and government agencies

Table 72 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Dominican Republic

| | Current Study | 2009 Study | Percent Change |
|--|----------------|----------------|----------------|
| Total Onshore Visits (Thousands) | 263.4 | 470.8 | -44.1% |
| Passengers | 238.0 | 411.4 | -42.1% |
| Crew | 25.4 | 59.4 | -57.2% |
| Total Direct Expenditures (\$US Millions) | \$ 21.4 | \$ 23.5 | -8.9% |
| Passengers | \$ 16.5 | \$ 17.9 | -7.8% |
| Crew | \$ 1.0 | \$ 2.8 | -64.3% |
| Cruise Lines | \$ 3.8 | \$ 2.8 | +35.7% |
| Average Per Passenger Expenditure^① | \$98.79 | \$43.42 | +127% |
| Average Per Crew Expenditure | \$40.00 | \$47.59 | -15.9% |
| Total Employment Impact | 746 | 788 | -5.3% |
| Total Wage Impact (\$US Millions) | \$ 3.0 | \$ 3.1 | -3.2% |

① Includes both transit and homeport passengers.

In the case of crew expenditures, the 64 percent decline in crew expenditure was the result of both a decline in visits and average crew expenditures. The decline in average crew expenditures was primarily the result a decline in the percentage of crew making onshore purchases. For example, during the 2008/2009 cruise year 14 percent of the crew reported spending an average of \$35.60 for clothing. In the 2011/2012, only 5 percent of the crew reported spending an average of \$58.50 for clothing. As a result the weighted average expenditure for clothing fell from \$5.03 in the 2008/2009 cruise year to \$2.83 in the 2011/2012 cruise year.

As a result of the 9 percent decrease in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts declined as well. The total employment and wage impacts increased by 5 percent and 3 percent, respectively, over the three-year period. The slightly smaller decline in wages is due to increased labor productivity and average wages over the intervening period.

Passenger Surveys

A total of 368 transit passenger surveys were completed and returned for tabulation. **Table 73** shows the major attributes of passenger visits in the Dominican Republic as derived from the passenger surveys.

- Of the 368 cruise parties that completed the surveys 78% stated that this had been their first visit to the Dominican Republic. This is essentially unchanged from the 2009 study.
- Ninety-six percent (96%) of the cruise parties that completed the surveys disembarked their cruise ship to visit the Dominican Republic.
- Of the cruise parties that went ashore, 61% made at least one purchase while ashore. This is a decline from 71% during the 2008/2009 cruise year. The typical cruise party consisted of 2.1 passengers that spent an average of 3.8 hours ashore.

Table 73 - Major Attributes of Transit Passenger Surveys - Dominican Republic

| | Number | Percent |
|--|---------|---------|
| Total Respondents | 368 | |
| Number Making First Visit | 287 | 78.0% |
| Number Ashore | 353 | 95.9% |
| Number Making Onshore Purchases: | 214 | 60.6% |
| Average Hours Ashore | 3.8 | |
| Average Size of Expenditure Party (Persons) | 2.1 | |
| Average Onshore Expenditure per Party | \$57.80 | |
| Purchased a Shore Excursion (Tour) | 224 | 63.5% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 176 | 78.5% |
| Onshore from Tour Operator | 33 | 14.6% |
| Travel Agent | 15 | 6.8% |
| Average Cost of Shore Excursion per Party | \$122 | |
| Toured On Own/Did not Tour | 129 | |

- The responding cruise parties reported spending an average of \$57.80 while ashore (excludes shore excursions), an 11 percent increase from the 2008/2009 cruise year.
- Sixty-four percent (64%) of the passengers that went ashore purchased a shore excursion. This is up from 49 percent in the 2009 study. Seventy-eight percent (78%) of passengers who purchased a tour did so through their cruise line, just over 15% purchased their tour onshore and nearly 7 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$122 for their tour. This is a 6 percent increase from \$115 during the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 74**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied. Passengers visiting the Dominican Republic gave low scores for satisfaction with their visit with no category receiving a score of 7.0 or higher.

Among other key conclusions concerning visit satisfaction were the following:

- Passenger satisfaction with their visit to the Dominican Republic increased significantly from the 2009 study. The increase in the mean score was about one full point for many categories.
- While cruise passengers were still only somewhat satisfied with their overall visit to the Dominican Republic with a mean score of 6.8, this score was 1.2 points higher than in the 2009 study. The mean score for "Visit Met Expectations" was slightly lower at 6.4 (visit met expectations), but still well above the 2009 score.
- Passengers felt well informed about tours and onshore activities in the Dominican Republic with a mean score of 7.7.

- “Guided Tours” (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.4. Thus, cruise passengers were very satisfied with their shore excursions.

Table 74 – Passenger Visit Satisfaction* - Dominican Republic

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 6.8 | 5.6 |
| Visit Met Expectations | 6.4 | 5.2 |
| Likelihood of a Return Visit | 3.5 | 3.1 |
| Informed of Tours and Activities | 7.7 | 6.4 |
| Initial Shoreside Welcome | 7.4 | 6.7 |
| Guided Tour | 8.4 | 6.9 |
| Historic Sites/Museums | 7.4 | 5.0 |
| Variety of Things to See and Do | 6.0 | 4.5 |
| Friendliness of Residents | 7.3 | 6.4 |
| Overall Shopping Experience | 5.5 | 4.5 |
| Courtesy of Employees | 7.0 | 6.6 |
| Variety of Shops | 5.1 | 4.0 |
| Overall Prices | 6.4 | 5.1 |
| Taxis/Local Transportation | 7.3 | 5.5 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

- Passengers were very satisfied with their interactions with residents and store employees with “friendliness of residents” receiving a mean score of 7.3 and “courtesy of employees” having a mean score of 7.0.
- Categories with slightly lower scores but still above 5.0 (Somewhat Satisfied) were: initial shoreside welcome, historic sites and local transportation.
- Cruise passengers were only somewhat satisfied with their the overall shopping experience, including the variety of shops and overall prices. Thus, while passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (5.1) and overall prices (6.4).
- Cruise passengers stated that they were not too likely to return to the Dominican Republic for a land-based vacation.

Passenger Demographics

Residents of the United States and the Canada accounted for 94 percent of the responding passengers. The average age of the respondents was 56 years with 37 percent of the respondents being 65 years of age or older. The Dominican Republic passengers had an average household income of \$109,100 with 42 percent having over \$100,000 in household income.

Figure 47 – Passenger Age Dominican Republic

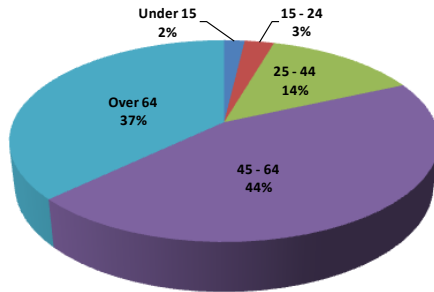
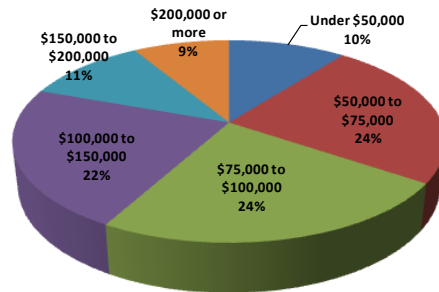


Figure 48 – Passenger Household Income Dominican Republic



Grenada

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁵⁹ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁵⁹ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data provided by the Grenada Board of Tourism, 309,564 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.⁶⁰ Of these, an estimated 274,893 passengers (88 percent) disembarked and visited Grenada. Utilizing additional data provided by the visiting cruise lines, we have estimated that 131,748 crew were aboard the cruise ships and that 34 percent, or 45,346 crew, disembarked and visited Grenada. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$15.2 million** (\$US) in cruise tourism expenditures in Grenada during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 75 – Estimated Passenger Spending (\$US) in Grenada, 2011/2012 Cruise Year⁶¹

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Local Crafts & Souvenirs | \$ 25.10 | 56.4% | \$ 14.16 |
| Shore Excursions | \$ 58.80 | 50.7% | \$ 29.81 |
| Other Purchases | \$ 33.30 | 33.2% | \$ 11.07 |
| Clothing | \$ 35.50 | 27.0% | \$ 9.58 |
| F&B at Restaurants & Bars | \$ 16.00 | 25.3% | \$ 4.05 |
| Taxis/Ground Transportation | \$ 25.90 | 13.9% | \$ 3.60 |
| Retail Purchases of Liquor | \$ 20.00 | 9.0% | \$ 1.80 |
| Watches & Jewelry | \$ 183.70 | 5.7% | \$ 10.51 |
| Telephone & Internet | \$ 9.60 | 2.2% | \$ 0.21 |
| Perfumes & Cosmetics | \$ 74.60 | 0.8% | \$ 0.61 |
| Electronics | \$ 28.10 | 0.8% | \$ 0.23 |
| Entertainment/Night Clubs/Casinos | \$ 29.40 | 0.3% | \$ 0.08 |
| Total Spend per Cruise Party | | | \$85.71 |
| Average Size of a Cruise Party | | | 2.1 |
| Total Spend per Cruise Passenger | | | \$40.82 |
| Cruise Passenger Visits | | | 274,893 |
| Total Cruise Passenger Expenditures | | | \$11,220,021 |

⁶⁰ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁶¹ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the more than 500 surveys completed by passengers that went ashore during the survey period. As shown in **Table 75**, each passenger cruise party spent an average of \$85.71 in Grenada. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 25 percent of the survey respondents reported spending an average of \$16.00 for food and beverages. Spread over the cruise parties that visited Grenada, this represents an average of \$4.05 per party. On a per passenger basis, the average total expenditure was \$40.82. This represents the sum of per party expenditures, \$85.71, divided by the average size of a cruise party in Grenada, 2.1 passengers.

Cruise passenger expenditures in Grenada were concentrated in three categories which accounted for nearly 65 percent of their onshore expenditures: shore excursions, local crafts and watches and jewelry. Over 50 percent of the passengers that went ashore made purchases of shore excursions and local crafts.

Fifty-one percent (51%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$58.80 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$94.20 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 274,893 cruise passengers who visited Grenada spent a total of **\$11.2 million** (\$US) in Grenada.

Table 76 – Estimated Crew Spending (\$US) in Grenada, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 23.10 | 57.7% | \$ 13.33 |
| Other Purchases | \$ 36.50 | 15.4% | \$ 5.61 |
| Taxis/Ground Transportation | \$ 31.20 | 15.4% | \$ 4.80 |
| Local Crafts & Souvenirs | \$ 13.00 | 15.4% | \$ 2.00 |
| Clothing | \$ 67.70 | 11.5% | \$ 7.81 |
| Watches & Jewelry | \$ 125.10 | 7.7% | \$ 9.62 |
| Shore Excursions | \$ 20.00 | 3.8% | \$ 0.77 |
| Perfumes & Cosmetics | \$ 9.90 | 3.8% | \$ 0.38 |
| Telephone & Internet | \$ 9.90 | 3.8% | \$ 0.38 |
| Total Spend per Crew | | | \$44.70 |
| Cruise Passenger Visits | | | 45,346 |
| Total Cruise Passenger Expenditures | | | \$2,026,964 |

Per crew spending estimates were derived from the surveys completed by crew members during the survey period. As shown in **Table 76**, each crew member spent an average of \$40.30 in Grenada. The average spend per crew member is the sum of the weighted spending in each of the nine categories.⁶² For example, 21 percent of the survey respondents reported spending an

⁶² There were no reported expenditures for liquor, electronics or entertainment by crew visiting Grenada.

average of \$63.60 for food and beverages. Spread over all the crew members that visited Grenada, this represents an average of \$13.33 per crew member.

Expenditures by crew in Grenada were concentrated in three categories which accounted for nearly 70 percent of their onshore expenditures: food and beverages, watches and jewelry and clothing. Combined, crew spent an average of \$30.76 for goods in these three categories. Purchases of food and beverages were the most popular expenditure item with 58% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 45,346 crew who visited Grenada spent an estimated total of **\$2.0 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$1.9 million** (\$US) in Grenada during the 2011/2012 cruise year. All of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 77 – Total Economic Contribution of Cruise Tourism in Grenada, 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|--------------------------------|
| Direct Economic Contribution | 270 | \$1.9 |
| Total Economic Contribution | 434 | \$2.9 |

As shown in **Table 77**, the \$15.2 million in total cruise tourism expenditures in Grenada generated direct employment of 270 residents of Grenada paying \$1.9 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 434 jobs and \$2.9 million in wage income in Grenada during the 2011/2012 cruise year.

As shown in **Figures 49 and 50**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 98 percent of the

total impacts. This is not surprising since the direct impacts account for nearly 65 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 42 percent of the wage impacts but only 28 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.⁶³

Figure 49 – Total Employment Impacts by Sector - Grenada

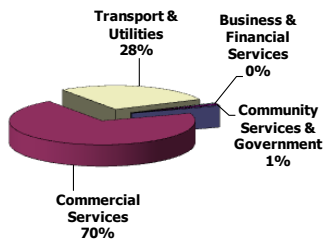
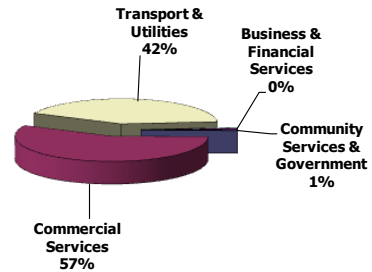


Figure 50 – Total Wage Impacts by Sector Grenada



⁶³ The industry sectors include the following activities:

- Manufacturing & Construction: residential and nonresidential construction and all manufacturing
- Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
- Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
- Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
- Community Services & Government: education, health and social services and government agencies

Comparison to 2009 Study

Total passenger and crew visits remained virtually unchanged from the 2008/2009 cruise year at 320,200 during the 2011/2012 cruise year. However, total direct cruise tourism expenditures declined by 30 percent over the three year period, falling from \$21.7 million to \$15.2 million. As indicated in **Table 78**, expenditures by cruise lines and passengers declined while crew spending increased. In fact, the 70 percent drop in cruise line expenditures accounted for 70 percent of the drop in total cruise tourism expenditures.

Table 78 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Grenada

| | Current Study | 2009 Study | Percent Change |
|--|----------------|----------------|----------------|
| Total Onshore Visits (Thousands) | 320.2 | 319.0 | +0.4% |
| Passengers | 274.9 | 272.7 | +0.8% |
| Crew | 45.3 | 46.3 | -2.2% |
| Total Direct Expenditures (\$US Millions) | \$ 15.2 | \$ 21.7 | -30.0% |
| Passengers | \$ 11.2 | \$ 13.4 | -16.4% |
| Crew | \$ 2.0 | \$ 1.9 | +5.3% |
| Cruise Lines | \$ 1.9 | \$ 6.4 | -70.3% |
| Average Per Passenger Expenditure | \$40.82 | \$49.01 | -16.7% |
| Average Per Crew Expenditure | \$44.70 | \$40.30 | +10.9% |
| Total Employment Impact | 434 | 581 | -25.3% |
| Total Wage Impact (\$US Millions) | \$ 2.9 | \$ 3.9 | -25.6% |

The 16 percent decrease in passenger expenditures was the net result of a the nearly one percent increase in passenger visits which was more than offset by the 17 percent decline in average passenger expenditures. The decline in average passenger expenditures was primarily due to a smaller percentage of passengers making onshore purchases. For example, during the 2008/2009 cruise year 56 percent of passengers reported spending an average of nearly \$59 on shore excursions. During the 2011/2012 cruise year the average purchase value of a shore excursion was virtually unchanged but the percentage of passenger purchasing a tour fell to 51 percent. Similar changes occurred for the purchase of food and beverages, local crafts and clothing.

The increase in crew expenditures was largely due to the increase in the average crew expenditure. The increase in the average expenditure for crew was the net result of an increase in the average value of a purchase which was partially offset by a decline in the percentage of crew making onshore purchases. For example, 62 percent of the crew reported spending about \$20 for food and beverages during the 2008/2009 cruise year. During the 2011/2012, 58 percent of the crew reported purchasing food at an average value of approximately \$23. As a result the weighted average expenditure for food and beverages rose from \$12.08 during the 2008/2009 cruise year to \$13.33 in the 2011/2012 cruise year.

As a result of the 30 decline in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts fell as well. The total employment and wage impacts decreased by about 25 percent during the three-year period.

Passenger Surveys

A total of 511 passenger surveys were completed and returned for tabulation. **Table 79** shows the major attributes of passenger visits in Grenada as derived from the passenger surveys.

- Of the 511 cruise parties that completed the surveys 65% stated that this had been their first visit to Grenada. This is down from 77% in the 2009 study.
- Ninety-six percent (96%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Grenada.

Table 79 - Major Attributes of Passenger Surveys - Grenada

| | Number | Percent |
|--|---------|---------|
| Total Respondents | 511 | |
| Number Making First Visit | 332 | 65.0% |
| Number Ashore | 491 | 96.1% |
| Number Making Onshore Purchases: | 367 | 74.7% |
| Average Hours Ashore | 3.7 | |
| Average Size of Expenditure Party (Persons) | 2.1 | |
| Average Onshore Expenditure per Party | \$55.90 | |
| Purchased a Shore Excursion (Tour) | 249 | 50.7% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 168 | 67.4% |
| Onshore from Tour Operator | 58 | 23.1% |
| Travel Agent | 23 | 9.5% |
| Average Cost of Shore Excursion per Party | \$94.20 | |
| Toured On Own/Did not Tour | 242 | |

- Of the cruise parties that went ashore, 75% made at least one purchase while ashore. This is a decline from 85% during the 2008/2009 cruise year. The typical cruise party consisted of 2.1 passengers and spent an average of 3.7 hours ashore.
- The responding cruise parties reported spending an average of \$55.90 while ashore (excludes shore excursions), a 20 percent decline from the 2008/2009 cruise year.
- Fifty-one percent (51%) of the passengers that went ashore purchased a shore excursion. This down from 56% in the 2009 study. Sixty-seven percent (67%) of passengers who purchased a tour did so through their cruise line, 23% purchased their tour onshore and 10 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$94.20 for their tour, an increase of 7 percent from \$88 during the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 80**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 80 – Passenger Visit Satisfaction* - Grenada

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.1 | 7.1 |
| Visit Met Expectations | 6.9 | 6.7 |
| Likelihood of a Return Visit | 3.7 | 3.8 |
| Informed of Tours and Activities | 7.7 | 7.4 |
| Initial Shoreside Welcome | 7.6 | 7.4 |
| Guided Tour | 8.3 | 7.9 |
| Historic Sites/Museums | 7.3 | 6.8 |
| Variety of Things to See and Do | 6.7 | 6.4 |
| Friendliness of Residents | 7.8 | 7.6 |
| Overall Shopping Experience | 6.7 | 6.5 |
| Courtesy of Employees | 7.9 | 7.6 |
| Variety of Shops | 6.4 | 6.4 |
| Overall Prices | 6.5 | 6.2 |
| Taxis/Local Transportation | 7.2 | 7.1 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

- Cruise passengers were very satisfied with their overall visit to Grenada with a mean score of 7.1. However, the visit did not score as high in terms of meeting expectations. The mean score for “Visit Met Expectations” was slightly lower at 6.9.
- While the satisfaction score for the overall visit was unchanged, the scores for most of the individual aspects of passenger visits increased slightly.
- Passengers felt very informed about tours and onshore activities in Grenada with a mean score of 7.7.
- “Guided Tours” (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.3. Thus, cruise passengers were very satisfied with their shore excursions.
- Passenger interactions with residents and store employees were very positive with “friendliness of residents” receiving a mean score of 7.8 and “courtesy of employees” receiving a mean score of 7.9.
- Categories with slightly lower scores but still above 7.0 (Very Satisfied) were: initial shoreside welcome, historic sites and local transportation.
- Categories with average scores between 5.0 and 7.0 (Somewhat Satisfied) were given for the variety of things to see and do and the overall shopping experience, including the variety of shops and overall prices. Thus, while passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (6.4) and overall prices (6.5).

- Cruise passengers stated that they were not too likely to return to Grenada for a land-based vacation.

Passenger Demographics

Residents of the United States and the Canada accounted for 86 percent of the responding passengers. The average age of the respondents was 58 years with 42 percent of the respondents being 65 years of age or older. Grenada passengers had an average household income of \$116,100 with 51 percent having over \$100,000 in household income.

Figure 51 – Passenger Age Grenada

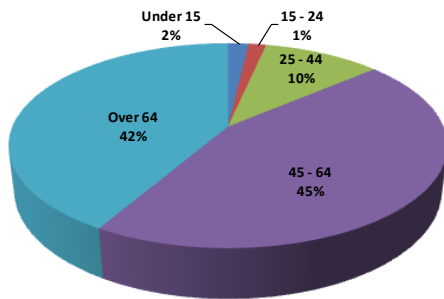
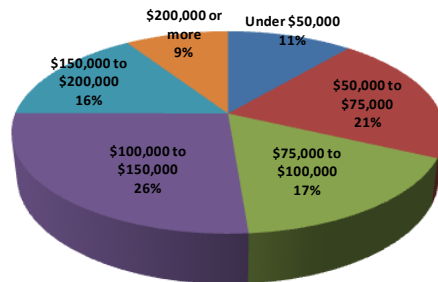


Figure 52 – Passenger Household Income Grenada



Honduras

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁶⁴ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁶⁴ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data obtained from the Port of Roatan, 311,740 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.⁶⁵ Of these, an estimated 264,979 passengers (85 percent) disembarked and visited Honduras. Utilizing additional data provided by the port and visiting cruise lines, we have estimated that 128,042 crew were aboard the cruise ships and that 25 percent, or 32,009 crew, disembarked and visited Honduras. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$20.4 million** (\$US) in cruise tourism expenditures in Honduras during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 81 – Estimated Passenger Spending (\$US) in Honduras, 2011/2012 Cruise Year⁶⁶

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 84.90 | 63.9% | \$ 54.19 |
| Local Crafts & Souvenirs | \$ 37.80 | 57.4% | \$ 21.69 |
| F&B at Restaurants & Bars | \$ 28.10 | 54.1% | \$ 15.20 |
| Clothing | \$ 34.30 | 38.7% | \$ 13.27 |
| Other Purchases | \$ 52.50 | 20.1% | \$ 10.54 |
| Watches & Jewelry | \$ 146.60 | 15.9% | \$ 23.26 |
| Taxis/Ground Transportation | \$ 47.50 | 14.6% | \$ 6.96 |
| Retail Purchases of Liquor | \$ 32.30 | 6.7% | \$ 2.15 |
| Perfumes & Cosmetics | \$ 56.20 | 2.7% | \$ 1.53 |
| Entertainment/Night Clubs/Casinos | \$ 53.30 | 0.8% | \$ 0.45 |
| Telephone & Internet | \$ 10.70 | 0.8% | \$ 0.08 |
| Electronics | \$ 37.30 | 0.2% | \$ 0.07 |
| Total Spend per Cruise Party | | | \$149.39 |
| Average Size of a Cruise Party | | | 2.4 |
| Total Spend per Cruise Passenger | | | \$62.24 |
| Cruise Passenger Visits | | | 264,979 |
| Total Cruise Passenger Expenditures | | | \$16,493,512 |

⁶⁵ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁶⁶ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the 1,466 surveys completed by passengers that went ashore during the survey period. As shown in **Table 81**, each passenger cruise party spent an average of \$149.39 in Honduras. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 54 percent of the survey respondents reported spending an average of \$28.10 at local restaurants and/or bars. Spread over the cruise parties that visited Honduras, this represents an average of \$15.20 per party. On a per passenger basis, the average total expenditure was \$62.24. This represents the sum of per party expenditures, \$149.39, divided by the average size of a cruise party in Honduras, 2.4 passengers.

Cruise passenger expenditures in Honduras were concentrated in four categories which accounted for more than 75 percent of their onshore expenditures: shore excursions, watches and jewelry, local crafts and food and beverages. Nearly 40 percent or more of the passengers that went ashore made purchases of shore excursions, local crafts, food and beverages and clothing.

Sixty-four percent (64%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$84.90 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$135 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 264,979 cruise passengers who visited Honduras spent a total of **\$16.5 million** (\$US).

Table 82 – Estimated Crew Spending (\$US) in Honduras, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 24.40 | 70.1% | \$ 17.11 |
| Taxis/Ground Transportation | \$ 8.10 | 22.4% | \$ 1.81 |
| Local Crafts & Souvenirs | \$ 7.90 | 17.0% | \$ 1.35 |
| Clothing | \$ 14.80 | 14.6% | \$ 2.17 |
| Telephone & Internet | \$ 13.20 | 11.4% | \$ 1.51 |
| Other Purchases | \$ 66.00 | 9.9% | \$ 6.54 |
| Shore Excursions | \$ 5.00 | 7.8% | \$ 0.39 |
| Watches & Jewelry | \$ 85.30 | 4.7% | \$ 4.04 |
| Perfumes & Cosmetics | \$ 29.10 | 4.7% | \$ 1.38 |
| Retail Purchases of Liquor | \$ 37.20 | 4.4% | \$ 1.64 |
| Entertainment/Night Clubs/Casinos | \$ 10.60 | 3.9% | \$ 0.41 |
| Electronics | \$ 23.20 | 0.6% | \$ 0.15 |
| Total Spend per Crew | | | \$38.50 |
| Cruise Passenger Visits | | | 32,009 |
| Total Cruise Passenger Expenditures | | | \$1,232,339 |

Per crew spending estimates were derived from the 574 surveys completed by crew members during the survey period. As shown in **Table 82**, each crew member spent an average of \$38.50 in Honduras. The average spend per crew member is the sum of the weighted spending in each of the twelve categories. For example, 70 percent of the survey respondents reported spending

an average of \$20.40 for food and beverages. Spread over all the crew members that visited Honduras, this represents an average of \$17.11 per crew member.

Expenditures by crew in Honduras were concentrated in three categories which accounted for nearly 72 percent of their onshore expenditures: food and beverages, watches and jewelry and other (unspecified) purchases. Combined, crew spent an average of \$27.69 for goods in these three categories. Purchases of food and beverages were the most popular expenditure item with 70% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 32,009 crew who visited Honduras spent an estimated total of **\$1.2 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$2.6 million** (\$US) in Honduras during the 2011/2012 cruise year. All of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 83 – Total Economic Contribution of Cruise Tourism in Honduras 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|--------------------------------|
| Direct Economic Contribution | 320 | \$ 1.5 |
| Total Economic Contribution | 473 | \$ 2.2 |

As shown in **Table 83**, the \$28.3 million in total cruise tourism expenditures generated direct employment of 320 residents of Honduras paying \$1.5 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 473 jobs and \$2.2 million in wage income in Honduras during the 2011/2012 cruise year.

As shown in **Figures 53 and 54**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 92 percent of the

employment and wage impacts.⁶⁷ This is not surprising since the direct impacts account for about 67 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 56 percent of the wage impacts but only 41 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Figure 53 – Total Employment Impacts by Sector - Honduras

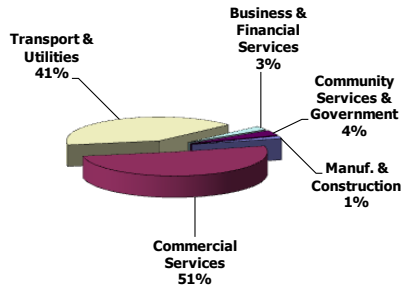
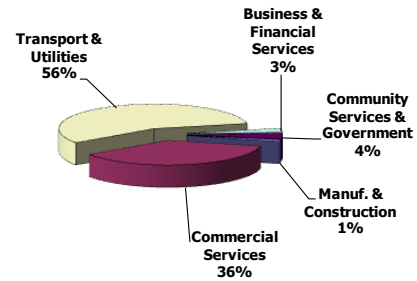


Figure 54 – Total Wage Impacts by Sector Honduras



⁶⁷ The industry sectors include the following activities:

- Manufacturing & Construction: residential and nonresidential construction and all manufacturing
- Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
- Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
- Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
- Community Services & Government: education, health and social services and government agencies

Comparison to 2009 Study

Total passenger and crew declined by 19 percent from 366,100 during the 2008/2009 cruise year to 297,000 during the 2011/2012 cruise year. Total direct cruise tourism expenditures declined by 28 percent over the three year period, falling from \$28.3 million to \$20.4 million. As indicated in **Table 84**, expenditures by cruise lines, passengers and crew declined.

Table 84 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Honduras

| | Current Study | 2009 Study | Percent Change |
|--|----------------|----------------|----------------|
| Total Onshore Visits (Thousands) | 297.0 | 366.1 | -18.9% |
| Passengers | 265.0 | 329.3 | -19.5% |
| Crew | 32.0 | 36.8 | -13.0% |
| Total Direct Expenditures (\$US Millions) | \$ 20.4 | \$ 28.3 | -27.9% |
| Passengers | \$ 16.5 | \$ 23.2 | -28.9% |
| Crew | \$ 1.2 | \$ 2.2 | -45.5% |
| Cruise Lines | \$ 2.6 | \$ 2.9 | -10.3% |
| Average Per Passenger Expenditure | \$62.24 | \$70.39 | -11.6% |
| Average Per Crew Expenditure | \$38.50 | \$58.66 | -34.4% |
| Total Employment Impact | 473 | 632 | -25.2% |
| Total Wage Impact (\$US Millions) | \$ 2.2 | \$ 2.9 | -24.1% |

The 29 percent decrease in passenger expenditures was the result of a the 20 percent decrease in passenger visits and the 12 percent decline in average passenger expenditures. The decline in the average passenger expenditures was primarily due to a drop in average spending for jewelry and local crafts which was only partially offset by increases in spending for shore excursions and food and beverages.

The decrease in crew expenditures was largely due to a decrease in the value of individual purchases by crew while shore. This was enhanced in many categories by a decline in the percentage of crew making an onshore purchase. For example, 80 percent of the crew reported spending about \$31 for food and beverages during the 2008/2009 cruise year. During the 2011/2012, only 64 percent of the crew reported purchasing food and beverages at an average value of approximately \$24. Similar changes occurred for the purchase of local crafts and clothing.

As a result of the 28 percent decline in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts fell as well. The total employment and wage impacts decreased by about 25 percent during the three-year period.

Passenger Surveys

A total of 1,466 passenger surveys were completed and returned for tabulation. **Table 85** shows the major attributes of passenger visits in Honduras as derived from the passenger surveys.

Table 85 - Major Attributes of Transit Passenger Surveys - Honduras

| | Number | Percent |
|--|---------|---------|
| Total Respondents | 1,466 | |
| Number Making First Visit | 1,202 | 82.0% |
| Number Ashore | 1,444 | 98.5% |
| Number Making Onshore Purchases: | 1,065 | 73.8% |
| Average Hours Ashore | 4.5 | |
| Average Size of Expenditure Party (Persons) | 2.4 | |
| Average Onshore Expenditure per Party | \$95.20 | |
| Purchased a Shore Excursion (Tour) | 922 | 63.9% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 632 | 68.5% |
| Onshore from Tour Operator | 157 | 17.0% |
| Travel Agent | 133 | 14.6% |
| Average Cost of Shore Excursion per Party | \$135 | |
| Toured On Own/Did not Tour | 522 | |

- Of the 1,4669 cruise parties that completed the surveys 82% stated that this had been their first visit to Honduras. This is down from 87% in the 2009 study.
- Ninety-eight percent (98%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Honduras.
- Of the cruise parties that went ashore, 74% made at least one purchase while ashore. This is a decline from 79% during the 2008/2009 cruise year. The typical cruise party consisted of 2.4 passengers and spent an average of 4.5 hours ashore.
- The responding cruise parties reported spending an average of \$95.20 while ashore (excludes shore excursions), a 17 percent decline from \$115 during the 2008/2009 cruise year.
- Sixty-four percent (64%) of the passengers that went ashore purchased a shore excursion. This is down slightly from 67% in the 2009 study. Sixty-nine percent (69%) of passengers who purchased a tour did so through their cruise line, 17% purchased their tour onshore and 14 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$135 for their tour. This is a 17 percent increase from the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 86**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 86 – Passenger Visit Satisfaction* - Honduras

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.6 | 7.7 |
| Visit Met Expectations | 7.3 | 7.4 |
| Likelihood of a Return Visit | 4.8 | 5.2 |
| Informed of Tours and Activities | 7.7 | 7.6 |
| Initial Shoreside Welcome | 8.1 | 8.2 |
| Guided Tour | 8.2 | 8.4 |
| Historic Sites/Museums | 6.8 | 7.1 |
| Variety of Things to See and Do | 6.7 | 6.6 |
| Friendliness of Residents | 8.2 | 8.2 |
| Overall Shopping Experience | 7.0 | 6.7 |
| Courtesy of Employees | 8.0 | 8.0 |
| Variety of Shops | 6.6 | 5.9 |
| Overall Prices | 6.8 | 6.8 |
| Taxis/Local Transportation | 7.2 | 7.6 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

- For most categories satisfaction scores in the current study were fairly similar to those in the 2009 study.
- Cruise passengers were very satisfied with their overall visit to Honduras with a mean score of 7.6. However, the visit did not score as high in terms of meeting expectations. The mean score for "Visit Met Expectations" was lower at 7.3.
- Passengers felt very informed about tours and onshore activities in Honduras with a mean score of 7.7.
- "Guided Tours" (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.2. Thus, cruise passengers were very satisfied with their shore excursions.
- Passenger interactions with residents and store employees were very positive with "friendliness of residents" receiving a mean score of 8.2 and "courtesy of employees" receiving a mean score of 8.0.
- Categories with average scores between 5.0 and 7.0 (Somewhat Satisfied) were given for historic sites and variety of things to see and do.

- Passengers were very satisfied with their overall shopping experience, including the variety of shops and overall prices. While passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (6.6) and overall prices (6.8).
- Cruise passengers stated that they were not too likely to return to Honduras for a land-based vacation.

Passenger Demographics

Residents of the United States and the Canada accounted for 97 percent of the responding passengers. The average age of the respondents was 50 years with 25 percent of the respondents being 65 years of age or older. Honduras passengers had an average household income of \$114,600 with 46 percent having over \$100,000 in household income.

Figure 55 – Passenger Age Honduras

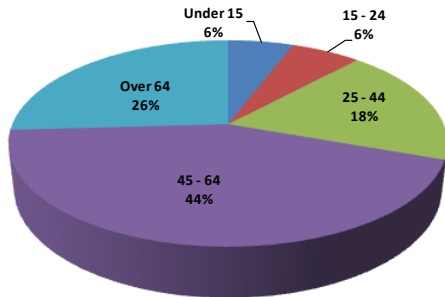
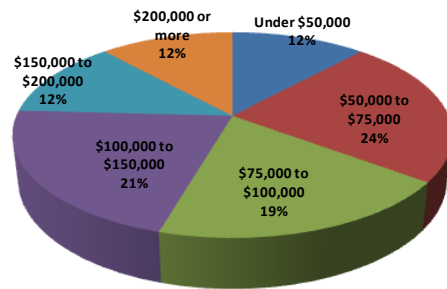


Figure 56 – Passenger Household Income Honduras



Nicaragua

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁶⁸ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁶⁸ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data obtained from the Nicaragua Institute of Tourism, 34,793 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.⁶⁹ Of these, an estimated 31,314 passengers (90 percent) disembarked and visited Nicaragua. Utilizing additional data provided by the Institute and visiting cruise lines, we have estimated that 17,075 crew were aboard the cruise ships and that 32 percent, or 5,549 crew, disembarked and visited Nicaragua. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$2.0 million** (\$US) in cruise tourism expenditures in Nicaragua during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 87 – Estimated Passenger Spending (\$US) in Nicaragua, 2011/2012 Cruise Year⁷⁰

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 95.50 | 64.8% | \$ 61.87 |
| Local Crafts & Souvenirs | \$ 20.70 | 64.5% | \$ 13.35 |
| F&B at Restaurants & Bars | \$ 9.00 | 43.0% | \$ 3.87 |
| Clothing | \$ 19.60 | 24.5% | \$ 4.80 |
| Other Purchases | \$ 18.50 | 19.1% | \$ 3.53 |
| Taxis/Ground Transportation | \$ 21.50 | 8.7% | \$ 1.86 |
| Watches & Jewelry | \$ 20.10 | 6.3% | \$ 1.26 |
| Retail Purchases of Liquor | \$ 15.00 | 4.3% | \$ 0.65 |
| Telephone & Internet | \$ 1.80 | 3.3% | \$ 0.06 |
| Electronics | \$ 2.20 | 0.4% | \$ 0.01 |
| Entertainment/Night Clubs/Casinos | \$ 3.40 | 0.3% | \$ 0.01 |
| Total Spend per Cruise Party | | | \$91.27 |
| Average Size of a Cruise Party | | | 2.0 |
| Total Spend per Cruise Passenger | | | \$45.64 |
| Cruise Passenger Visits | | | 31,314 |
| Total Cruise Passenger Expenditures | | | \$1,429,029 |

⁶⁹ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁷⁰ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the 1,099 surveys completed by passengers that went ashore during the survey period. As shown in **Table 87**, each passenger cruise party spent an average of \$91.27 in Nicaragua. The average spend per cruise party is the sum of the weighted spending in each of the eleven categories.⁷¹ For example, 43 percent of the survey respondents reported spending an average of \$9.00 at local restaurants and/or bars. Spread over the cruise parties that visited Nicaragua, this represents an average of \$3.87 per party. On a per passenger basis, the average total expenditure was \$45.64. This represents the sum of per party expenditures, \$91.27, divided by the average size of a cruise party in Nicaragua, 2.0 passengers.

Cruise passenger expenditures in Nicaragua were concentrated in two categories which accounted for 82 percent of their onshore expenditures: shore excursions and local crafts. Forty percent (40%) or more of the passengers that went ashore made purchases of shore excursions, local crafts and food and beverages.

Sixty-five percent (65%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$95.50 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$113 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 31,314 cruise passengers who visited Nicaragua spent a total of **\$1.4 million** (\$US).

Table 88 – Estimated Crew Spending (\$US) in Nicaragua, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 23.60 | 70.1% | \$ 16.55 |
| Taxis/Ground Transportation | \$ 17.20 | 22.4% | \$ 3.84 |
| Local Crafts & Souvenirs | \$ 13.90 | 17.0% | \$ 2.37 |
| Clothing | \$ 4.00 | 14.6% | \$ 0.59 |
| Telephone & Internet | \$ 3.80 | 11.4% | \$ 0.43 |
| Other Purchases | \$ 140.30 | 9.9% | \$ 13.89 |
| Shore Excursions | \$ 3.40 | 7.8% | \$ 0.26 |
| Perfumes & Cosmetics | \$ 10.10 | 4.7% | \$ 0.48 |
| Retail Purchases of Liquor | \$ 54.40 | 4.4% | \$ 2.40 |
| Entertainment/Night Clubs/Casinos | \$ 69.40 | 3.9% | \$ 2.69 |
| Total Spend per Crew | | | \$43.50 |
| Cruise Passenger Visits | | | 5,549 |
| Total Cruise Passenger Expenditures | | | \$241,398 |

Per crew spending estimates were derived from the surveys completed by crew members during the survey period. As shown in **Table 88**, each crew member spent an average of \$43.50 in Nicaragua. The average spend per crew member is the sum of the weighted spending in each of the ten categories.⁷² For example, 70 percent of the survey respondents reported spending an

⁷¹ Passengers did not report any purchases of perfumes or cosmetics in Nicaragua.

⁷² Crew did not report any purchases of jewelry or electronics in Nicaragua.

average of \$23.60 for food and beverages. Spread over all the crew members that visited Nicaragua, this represents an average of \$16.55 per crew member.

For the entire 2011/2012 cruise year, the estimated 5,549 crew who visited Nicaragua spent an estimated total of **\$0.2 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$0.3 million** (\$US) in Nicaragua during the 2011/2012 cruise year. All of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 89 – Total Economic Contribution of Cruise Tourism in Nicaragua 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|-----------------------------|
| Direct Economic Contribution | 77 | \$ 0.2 |
| Total Economic Contribution | 111 | \$ 0.3 |

As shown in **Table 89**, the \$2.0 million in total cruise tourism expenditures generated direct employment of 77 residents of Nicaragua paying \$200,000 in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 111 jobs and \$300,000 in wage income in Nicaragua during the 2011/2012 cruise year.

As shown in **Figures 57 and 58**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 94 percent of the employment and wage impacts.⁷³ This is not surprising since the direct impacts account for

⁷³ The industry sectors include the following activities:

Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services

about 70 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 72 percent of the wage impacts but only 58 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Figure 57 – Total Employment Impacts by Sector - Nicaragua

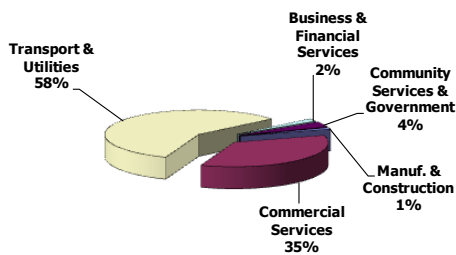
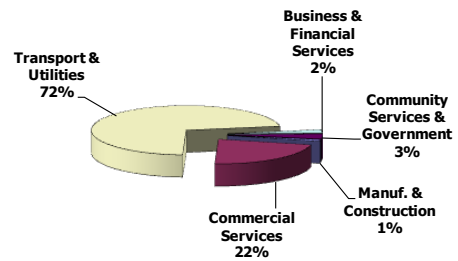


Figure 58 – Total Wage Impacts by Sector Nicaragua



Comparison to 2009 Study

Total passenger and crew visits declined by 41 percent falling from 61,900 during the 2008/2009 cruise year to 36,800 during the 2011/2012 cruise year. Total direct cruise tourism expenditures declined by 26 percent over the three year period, falling from \$2.7 million to \$2.0 million. As indicated in **Table 90**, expenditures by cruise lines, passengers and crew declined.

Table 90 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Nicaragua

| | Current Study | 2009 Study | Percent Change |
|--|----------------|----------------|----------------|
| Total Onshore Visits (Thousands) | 36.8 | 61.9 | -40.5% |
| Passengers | 31.3 | 52.3 | -40.2% |
| Crew | 5.5 | 9.6 | -42.7% |
| Total Direct Expenditures (\$US Millions) | \$ 2.0 | \$ 2.7 | -25.9% |
| Passengers | \$ 1.4 | \$ 1.9 | -26.3% |
| Crew | \$ 0.2 | \$ 0.3 | -33.3% |
| Cruise Lines | \$ 0.3 | \$ 0.5 | -40.0% |
| Average Per Passenger Expenditure | \$45.64 | \$35.63 | +28.1% |
| Average Per Crew Expenditure | \$43.50 | \$29.96 | +45.2% |
| Total Employment Impact | 111 | 141 | -21.2% |
| Total Wage Impact (\$US Millions) | \$ 0.3 | \$ 0.4 | -25.0% |

The 26 percent decrease in passenger expenditures was the net result of the 40 percent decline in passenger visits which was partially offset by the 28 percent increase in average passenger expenditures. The increase in average passenger expenditures was primarily the result of the increase in average passenger expenditures for shore excursions. During the 2011/2012 cruise year cruise passengers spent an average of about \$40 for their shore tours. This increased to about \$62 during the 2011/2012 cruise year. Spending in most of the remaining categories was similar in both years.

The 33 percent decline in crew expenditures was the net result of the 43 percent decline in crew visits which was partially offset by the 45 percent increase in average crew expenditures. The increase in the average expenditures for crew was concentrated in the expenditures for food and beverages and other unspecified purchases. The increase spending in these two categories was only partially offset by a general decline in crew spending in the remaining categories.

As a result of the 26 decline in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts fell as well. The total employment and wage impacts decreased by 21 and 25 percent, respectively, during the three-year period.

Passenger Surveys

A total of 1,099 passenger surveys were completed and returned for tabulation. **Table 91** shows the major attributes of passenger visits in Nicaragua as derived from the passenger surveys.

Table 91 - Major Attributes of Transit Passenger Surveys - Nicaragua

| | Number | Percent |
|--|---------|---------|
| Total Respondents | 1,099 | |
| Number Making First Visit | 1,000 | 91.0% |
| Number Ashore | 1,009 | 91.8% |
| Number Making Onshore Purchases: | 670 | 66.4% |
| Average Hours Ashore | 4.3 | |
| Average Size of Expenditure Party (Persons) | 2.0 | |
| Average Onshore Expenditure per Party | \$29.40 | |
| Purchased a Shore Excursion (Tour) | 654 | 64.8% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 586 | 89.6% |
| Onshore from Tour Operator | 25 | 3.8% |
| Travel Agent | 43 | 6.6% |
| Average Cost of Shore Excursion per Party | \$113 | |
| Toured On Own/Did not Tour | 355 | |

- Of the 1,099 cruise parties that completed the surveys 91% stated that this had been their first visit to Nicaragua. This is down from 96% in the 2009 study.
- Ninety-two percent (92%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Nicaragua.
- Of the cruise parties that went ashore, 66% made at least one purchase while ashore. This is a small decline from 69% during the 2008/2009 cruise year. The typical cruise party consisted of 2.0 passengers that spent an average of 4.3 hours ashore.
- The responding cruise parties reported spending an average of \$29.40 while ashore (excludes shore excursions) which essentially unchanged from the 2008/2009 cruise year.
- Sixty-five percent (65%) of the passengers that went ashore purchased a shore excursion. This is up from 59% in the 2009 study. Ninety percent (90%) of passengers who purchased a tour did so through their cruise line, 4% purchased their tour onshore and 6 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$113 for their tour. This is a 4 percent decline from \$118 during the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 92**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 92 – Passenger Visit Satisfaction* - Nicaragua

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 6.6 | 6.5 |
| Visit Met Expectations | 6.3 | 6.2 |
| Likelihood of a Return Visit | 2.6 | 2.7 |
| Informed of Tours and Activities | 7.6 | 7.1 |
| Initial Shoreside Welcome | 7.3 | 7.3 |
| Guided Tour | 8.2 | 7.2 |
| Historic Sites/Museums | 6.8 | 6.2 |
| Variety of Things to See and Do | 5.7 | 5.1 |
| Friendliness of Residents | 7.3 | 7.5 |
| Overall Shopping Experience | 5.8 | 5.6 |
| Courtesy of Employees | 7.6 | 7.7 |
| Variety of Shops | 5.4 | 4.8 |
| Overall Prices | 6.8 | 6.7 |
| Taxis/Local Transportation | 6.3 | 6.8 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

- Cruise passengers were only somewhat satisfied with their overall visit to Nicaragua with a mean score of 6.6. Nor did the visit score as high in terms of meeting expectations. The mean score for “Visit Met Expectations” was lower at 6.3.
- While the satisfaction score for the overall visit was unchanged, the scores for most of the individual aspects of passenger visits increased slightly.
- Passengers felt very informed about tours and onshore activities in Nicaragua with a mean score of 7.6.
- Cruise passengers were very satisfied with their shore excursions. “Guided Tours” (or Shore Excursions) received a mean score of 8.2.
- Passengers were very satisfied with their interactions with residents and store employees with “friendliness of residents” receiving a mean score of 7.3 and “courtesy of employees” having a mean score of 7.6.
- Cruise passengers were also very satisfied with their initial shoreside welcome which received a mean score of 7.3.

- Categories with average scores between 5.0 and 7.0 (Somewhat Satisfied) were given for historic sites, variety of things to see and do, local transportation and the overall shopping experience, including the variety of shops and overall prices. Thus, while passengers thought shop employees were very courteous, the overall score for their shopping experience was considered to be only somewhat satisfactory due to even lower scores for the variety of shops (5.4) and overall prices (6.8).
- Cruise passengers stated that they were not at all likely to return to Nicaragua for a land-based vacation.

Passenger Demographics

Residents of the United States and the Canada accounted for 88 percent of the responding passengers. The average age of the respondents was 66 years with 67 percent of the respondents being 65 years of age or older. Nicaragua passengers had an average household income of \$96,700 with 32 percent having over \$100,000 in household income.

Figure 59 – Passenger Age Nicaragua

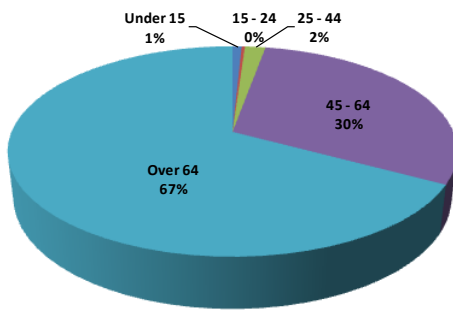
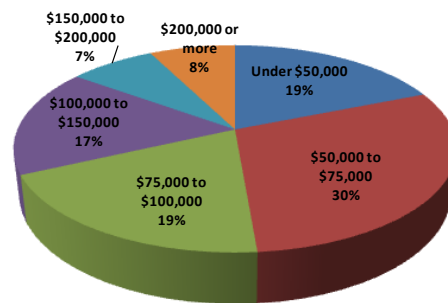


Figure 60 – Passenger Household Income Nicaragua



Puerto Rico

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁷⁴ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁷⁴ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data provided by the Puerto Rico Tourism Company, a total of 1.17 million cruise passengers arrived in Puerto Rico during the 2011/2012 cruise year.⁷⁵ These included 685,628 transit passengers and 491,109 passengers embarking on their cruises in Puerto Rico. Of the transit passengers, an estimated 621,179 passengers (91 percent) disembarked and visited Puerto Rico. Utilizing additional data provided by the visiting cruise lines, we have estimated that 473,694 crew were aboard the cruise ships that sailed to and from Puerto Rico and that 39 percent, or 185,306 crew, disembarked and visited the island. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$186.6 million** (\$US) in cruise tourism expenditures in Puerto Rico during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Passenger expenditures were estimated separately for transit and homeport passengers. Per passenger spending estimates for transit passengers were derived from the 1,587 surveys completed by passengers that went ashore during the survey period. As shown in **Table 93**, each passenger cruise party spent an average of \$162.13 in Puerto Rico. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 50 percent of the survey respondents reported spending an average of \$32.00 at local restaurants and/or bars. Spread over the cruise parties that visited Puerto Rico, this represents an average of \$16.00 per party. On a per passenger basis, the average total expenditure was \$70.49. This represents the sum of per party expenditures, \$162.13, divided by the average size of a cruise party in Puerto Rico, 2.3 passengers.

Transit cruise passenger expenditures in Puerto Rico were concentrated in four categories which accounted for 73 percent of their onshore expenditures: watches and jewelry, shore excursions, clothing and food and beverages. Forty percent (40%) or more of the passengers that went ashore made purchases in the following categories: food and beverages, shore excursions, local crafts and clothing.

⁷⁵ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

Forty-nine percent (49%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$58.00 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$87.10 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 621,179 transit cruise passengers who visited Puerto Rico spent a total of **\$43.8 million** (\$US) on the island.

Table 93 – Estimated Transit Passenger Spending (\$US) in Puerto Rico, 2011/2012 Cruise Year⁷⁶

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| F&B at Restaurants & Bars | \$ 32.00 | 50.0% | \$ 16.00 |
| Shore Excursions | \$ 58.00 | 48.9% | \$ 28.33 |
| Local Crafts & Souvenirs | \$ 30.00 | 43.2% | \$ 12.97 |
| Clothing | \$ 56.10 | 40.7% | \$ 22.84 |
| Other Purchases | \$ 75.00 | 24.4% | \$ 18.30 |
| Watches & Jewelry | \$ 302.60 | 16.9% | \$ 51.10 |
| Taxis/Ground Transportation | \$ 69.10 | 9.5% | \$ 6.55 |
| Retail Purchases of Liquor | \$ 32.80 | 9.3% | \$ 3.05 |
| Perfumes & Cosmetics | \$ 43.70 | 3.8% | \$ 1.64 |
| Entertainment/Night Clubs/Casinos | \$ 44.70 | 2.4% | \$ 1.09 |
| Telephone & Internet | \$ 9.00 | 1.8% | \$ 0.16 |
| Electronics | \$ 26.70 | 0.4% | \$ 0.10 |
| Total Spend per Cruise Party | | | \$162.13 |
| Average Size of a Cruise Party | | | 2.3 |
| Total Spend per Cruise Passenger | | | \$70.49 |
| Cruise Passenger Visits | | | 621,179 |
| Total Cruise Passenger Expenditures | | | \$43,789,051 |

As noted above another 491,109 cruise passengers arrived in Puerto Rico to begin their cruise in the Caribbean. These embarking passengers were also surveyed using a slightly different survey instrument. Per passenger spending estimates for homeport passengers were derived from the surveys completed by passengers that embarked on their cruises from Puerto Rico during the survey period. The survey data showed that approximately 45 percent of the cruise parties stayed in Puerto Rico for at least one night prior to or after their cruise. This stay averaged about 1.9 nights.

As shown in **Table 94**, each passenger cruise party spent an average of \$410.20 in Puerto Rico during their pre- and/or post cruise stay. The calculation of this figure is identical to that calculated for transit passengers as discussed above. On a per passenger basis, the average total expenditure was \$178.35. Thus, the typical cruise passenger who stayed one or more nights in Puerto Rico spent an average of \$93.87 per day ($\$178.35 \div 1.9$ nights)

⁷⁶ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Homeport cruise passenger expenditures in Puerto Rico were concentrated in three categories which accounted for 68 percent of their onshore expenditures: lodging, food and beverages and ground transportation. Nearly half or more of the homeport passengers made purchases in the same three categories.

For the entire 2011/2012 cruise year, the estimated 491,109 homeport cruise passengers who visited Puerto Rico spent a total of **\$87.6 million** (\$US) on the island.

Table 94 – Estimated Homeport Passenger Spending (\$US) in Puerto Rico, 2011/2012 Cruise Year⁷⁷

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| F&B at Restaurants & Bars | \$ 120.90 | 49.8% | \$ 60.17 |
| Taxis/Ground Transportation | \$ 58.10 | 47.5% | \$ 27.58 |
| Lodging | \$ 429.80 | 45.0% | \$ 193.41 |
| Other Purchases | \$ 668.90 | 12.4% | \$ 83.23 |
| Retail Purchases of Liquor | \$ 48.50 | 14.3% | \$ 6.93 |
| Shore Excursions | \$ 129.80 | 12.2% | \$ 15.87 |
| Clothing | \$ 113.00 | 11.1% | \$ 12.50 |
| Local Crafts & Souvenirs | \$ 36.20 | 7.4% | \$ 2.67 |
| Entertainment/Night Clubs/Casinos | \$ 66.40 | 4.6% | \$ 3.06 |
| Watches & Jewelry | \$ 83.20 | 4.1% | \$ 3.45 |
| Perfumes & Cosmetics | \$ 49.90 | 2.3% | \$ 1.15 |
| Telephone & Internet | \$ 19.50 | 0.9% | \$ 0.18 |
| Total Spend per Cruise Party | | | \$410.20 |
| Average Size of a Cruise Party | | | 2.3 |
| Total Spend per Cruise Passenger | | | \$178.35 |
| Cruise Passenger Visits | | | 491,109 |
| Total Cruise Passenger Expenditures | | | \$87,588,223 |

Per crew spending estimates were derived from the surveys completed by crew members during the survey period. As shown in **Table 95**, each crew member spent an average of \$122.20 in Puerto Rico. The average spend per crew member is the sum of the weighted spending in each of the twelve categories. For example, 65 percent of the survey respondents reported spending an average of \$22.40 for food and beverages. Spread over all crew members that visited Puerto Rico, this represents an average of \$14.50 per crew member.

Expenditures by crew in Puerto Rico were concentrated in three categories which accounted for nearly 80 percent of their onshore expenditures: clothing, food and beverages and other (unspecified) purchases. Combined, crew spent an average of \$97.44 for goods in these three categories. Purchases of food and beverages were the most popular expenditure item with 65 percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 185,306 crew who visited Puerto Rico spent an estimated total of **\$22.6 million** (\$US).

⁷⁷ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Table 95 – Estimated Crew Spending (\$US) in Puerto Rico, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 22.40 | 64.8% | \$ 14.50 |
| Taxis/Ground Transportation | \$ 6.90 | 33.0% | \$ 2.27 |
| Clothing | \$ 280.70 | 23.9% | \$ 67.15 |
| Other Purchases | \$ 101.10 | 15.6% | \$ 15.79 |
| Local Crafts & Souvenirs | \$ 20.90 | 11.0% | \$ 2.31 |
| Telephone & Internet | \$ 13.20 | 9.5% | \$ 1.25 |
| Electronics | \$ 32.60 | 9.2% | \$ 2.99 |
| Watches & Jewelry | \$ 129.40 | 7.4% | \$ 9.64 |
| Retail Purchases of Liquor | \$ 11.10 | 5.9% | \$ 0.65 |
| Perfumes & Cosmetics | \$ 93.50 | 4.3% | \$ 4.02 |
| Entertainment/Night Clubs/Casinos | \$ 32.40 | 4.0% | \$ 1.30 |
| Shore Excursions | \$ 8.20 | 4.0% | \$ 0.33 |
| Total Spend per Crew | | | \$122.20 |
| Cruise Passenger Visits | | | 185,306 |
| Total Cruise Passenger Expenditures | | | \$22,604,374 |

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$32.6 million** (\$US) in Puerto Rico during the 2011/2012 cruise year. Approximately 65 percent of these expenditures were payments for port fees and navigation services while the remaining 35 percent consisted of payments for ship supplies.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 96 – Total Economic Contribution of Cruise Tourism in Puerto Rico, 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|-----------------------------|
| Direct Economic Contribution | 2,684 | \$35.9 |
| Total Economic Contribution | 4,998 | \$70.3 |

As shown in **Table 96**, the \$186.6 million in total cruise tourism expenditures generated direct employment of 2,684 residents of Puerto Rico paying \$35.9 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism

expenditures generated a total employment contribution of 4,998 jobs and \$70.3 million in wage income in Puerto Rico during the 2011/2012 cruise year.

Figure 61 – Total Employment Impacts by Sector - Puerto Rico

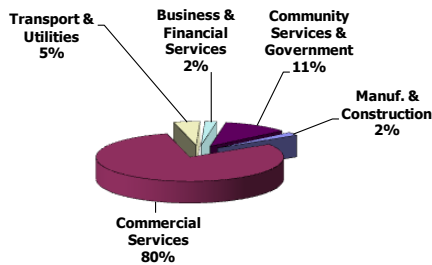
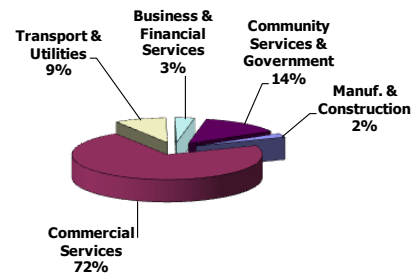


Figure 62 – Total Wage Impacts by Sector Puerto Rico



As shown in **Figures 61 and 62**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for more than 80 percent of the employment and wage impacts.⁷⁸ This is not surprising since the direct impacts account for more than half of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively lower wages in the commercial sector compared to the other sectors of the economy, the commercial sector accounts for 80 percent of the employment impacts but only 72 percent of the wage impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Comparison to 2009 Study

Total passenger and crew visits declined by 7 percent, falling from 1.39 million during the 2008/2009 cruise year to 1.3 million during the 2011/2012 cruise year. However, total direct cruise tourism expenditures actually increased by 2.4 percent over the three year period, increasing from an estimated \$182.3 million during the 2008/2009 cruise year to \$186.6 million during the 2011/2012 cruise year. As indicated in **Table 97**, cruise tourism expenditures by passengers increased while spending by the cruise lines and their crew decreased.⁷⁹

The 11 percent increase in passenger expenditures is the net result of a the 6 percent decline in passenger visits which was offset by the 18 percent increase in average passenger expenditures. The increase in average passenger spending resulted from an increase in the average spending by both transit and

⁷⁸ The industry sectors include the following activities:

- Manufacturing & Construction: residential and nonresidential construction and all manufacturing
- Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
- Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
- Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
- Community Services & Government: education, health and social services and government agencies

⁷⁹ These figures do not include spending for fuel.

homeport passengers. The increase in spending by transit passengers was primarily a result of the increase in the percentage of passengers making onshore purchases in most categories. The value of purchases rose in some categories, such as shore excursions and clothing, and declined in others, such as food and beverages and jewelry. However any declines in the unweighted purchase values were generally offset by an increase in the percentage of passengers purchasing those goods. It was a similar situation with homeport passengers, higher purchase values and a higher percentage of passengers making onshore purchases. Increased spending for lodging and food and beverages accounted for the bulk of the increased spending by homeport passengers.

Table 97 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - Puerto Rico

| | Current Study | 2009 Study | Percent Change |
|--|-----------------|-----------------|----------------|
| Total Onshore Visits (Thousands) | 1,297.6 | 1,392.6 | -6.8% |
| Passengers | 1,112.3 | 1,181.7 | -5.9% |
| Crew | 185.3 | 210.9 | -12.1% |
| Total Direct Expenditures (\$US Millions) | \$ 186.6 | \$ 182.3 | +2.4% |
| Passengers | \$ 131.4 | \$ 118.8 | +10.6% |
| Crew | \$ 22.6 | \$ 29.2 | -22.6% |
| Cruise Lines | \$ 32.6 | \$ 34.2 | -4.7% |
| Average Per Passenger Expenditure[ⓐ] | \$118.11 | \$100.55 | +17.5% |
| Average Per Crew Expenditure | \$122.20 | \$138.63 | -11.9% |
| Total Employment Impact | 4,998 | 4,398 | +13.6% |
| Total Wage Impact (\$US Millions) | \$ 70.3 | \$ 63.2 | +11.2% |

ⓐ Includes both transit and homeport passengers.

The 22 percent decrease in crew expenditures resulted from the 12 percent decline in crew visits which was enhanced by a 12 percent decrease in the average crew expenditure. The decline in average crew expenditures resulted primarily by a decline in the percentage of crew making onshore purchases for most categories. The principal declines occurred in the purchases of local transportation, jewelry and clothing.

As a result of the two percent increase in direct expenditures the economic impacts also increased. The total employment impact increased by nearly 13 percent while the wage impacts increased by 11 percent. The stronger increase in employment and wages relative to the increase in spending is due to the relatively large employment impacts that result from the growth in homeport spending.

Passenger Surveys

A total of 1,587 transit passenger surveys were completed and returned for tabulation. **Table 98** shows the major attributes of passenger visits in Puerto Rico as derived from the passenger surveys.

- Of the 1,587 cruise parties that completed the surveys 54% stated that this had been their first visit to Puerto Rico. This is unchanged from the 2009 study.
- Ninety-seven percent (97%) of the cruise parties that completed the surveys disembarked their cruise ship to visit Puerto Rico.

- Of the cruise parties that went ashore, 70% made at least one purchase while ashore. This is up from 67% during the 2008/2009 cruise year. The typical cruise party consisted of 2.3 passengers and spent an average of 4.3 hours ashore.
- The responding cruise parties reported spending an average of \$134 while ashore (excludes shore excursions). This is virtually the same as during the 2008/2009 cruise year.
- Forty-nine percent (49%) of the passengers that went ashore purchased a shore excursion. This is up from 44 percent in the 2009 study. Sixty-three percent (63%) of passengers who purchased a tour did so through their cruise line, just over 31% purchased their tour onshore and 6 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$87 for their tour. This is a 16 percent increase from \$75 during the 2008/2009 cruise year.

Table 98 - Major Attributes of Transit Passenger Surveys - Puerto Rico

| | Number | Percent |
|--|---------|---------|
| Total Respondents | 1,587 | |
| Number Making First Visit | 857 | 54.0% |
| Number Ashore | 1,533 | 96.6% |
| Number Making Onshore Purchases: | 1,066 | 69.5% |
| Average Hours Ashore | 4.3 | |
| Average Size of Expenditure Party (Persons) | 2.3 | |
| Average Onshore Expenditure per Party | \$134 | |
| Purchased a Shore Excursion (Tour) | 749 | 48.9% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 469 | 62.6% |
| Onshore from Tour Operator | 234 | 31.3% |
| Travel Agent | 46 | 6.1% |
| Average Cost of Shore Excursion per Party | \$87.10 | |
| Toured On Own/Did not Tour | 784 | |

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 99**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Among other key conclusions concerning visit satisfaction were the following:

- Passenger satisfaction scores increased for each category from the 2009 study. The most significant increase of about one full point occurred for overall visit, visit expectations, historic sites, variety of things to see and do and the shopping experience

- Cruise passengers were very satisfied with their overall visit to Puerto Rico with a mean score of 7.8. Passengers also felt that their visit exceeded their expectations. The mean score for “Visit Met Expectations” was 7.4.
- Passengers felt very informed about tours and onshore activities in Puerto Rico with a mean score of 7.7.
- Cruise passengers were very satisfied with their shore excursions. “Guided Tours” (or Shore Excursions) received a mean score of 8.3.

Table 99 – Passenger Visit Satisfaction* - Puerto Rico

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.8 | 6.8 |
| Visit Met Expectations | 7.4 | 6.4 |
| Likelihood of a Return Visit | 5.0 | 4.1 |
| Informed of Tours and Activities | 7.7 | 7.4 |
| Initial Shoreside Welcome | 7.4 | 6.9 |
| Guided Tour | 8.3 | 7.6 |
| Historic Sites/Museums | 8.4 | 7.5 |
| Variety of Things to See and Do | 7.4 | 6.4 |
| Friendliness of Residents | 7.8 | 7.3 |
| Overall Shopping Experience | 7.3 | 6.5 |
| Courtesy of Employees | 8.0 | 7.6 |
| Variety of Shops | 7.4 | 6.6 |
| Overall Prices | 7.0 | 6.6 |
| Taxis/Local Transportation | 7.3 | 7.0 |

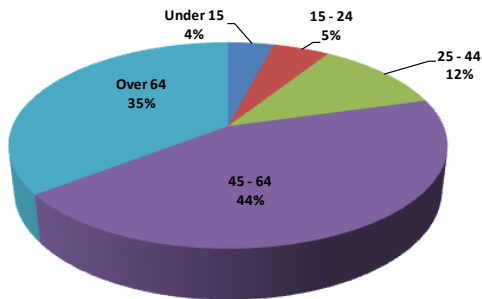
* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

- Passengers were very satisfied with their interactions with residents and store employees with “friendliness of residents” receiving a mean score of 7.8 and “courtesy of employees” having a mean score of 8.0.
- Cruise passengers also were very satisfied with the: initial shoreside welcome, historic sites overall shopping experience and local transportation.
- As noted above passengers were very satisfied with their overall shopping experience with a mean score of 7.3. Additionally, they were very satisfied with the three aspects that were evaluated: courtesy of employees, variety of shops and overall prices.
- Cruise passengers stated that they were somewhat likely to return to Puerto Rico for a land-based vacation.

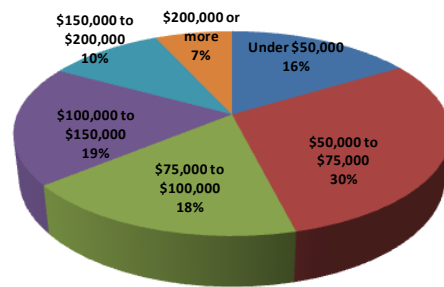
Passenger Demographics

Residents of the United States and the Canada accounted for 94 percent of the responding passengers. The average age of the respondents was 55 years with 35 percent of the respondents being 65 years of age or older. Puerto Rico passengers had an average household income of \$100,100 with 36 percent having over \$100,000 in household income.

**Figure 63 – Passenger Age
Puerto Rico**



**Figure 64 – Passenger Household Income
Puerto Rico**



St. Kitts and Nevis

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁸⁰ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁸⁰ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data obtained from the St. Kitts Tourism Authority, an estimated 629,223 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.⁸¹ Of these, an estimated 560,683 passengers (89 percent) disembarked and visited St. Kitts. Utilizing additional data provided by the visiting cruise lines, we have estimated that 226,005 crew were aboard the cruise ships and that 32 percent, or 71,344 crew, disembarked and visited St. Kitts. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$70.6 million** (\$US) in cruise tourism expenditures in St. Kitts during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 100 – Estimated Passenger Spending (\$US) in St. Kitts, 2011/2012 Cruise Year⁸²

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Shore Excursions | \$ 102.70 | 59.4% | \$ 61.08 |
| Clothing | \$ 60.10 | 55.9% | \$ 33.62 |
| Local Crafts & Souvenirs | \$ 30.00 | 40.4% | \$ 12.13 |
| F&B at Restaurants & Bars | \$ 22.80 | 39.3% | \$ 8.96 |
| Watches & Jewelry | \$ 366.50 | 23.0% | \$ 84.14 |
| Other Purchases | \$ 66.60 | 16.1% | \$ 10.75 |
| Taxis/Ground Transportation | \$ 49.00 | 15.4% | \$ 7.55 |
| Retail Purchases of Liquor | \$ 73.40 | 11.5% | \$ 8.43 |
| Perfumes & Cosmetics | \$ 69.80 | 2.4% | \$ 1.66 |
| Telephone & Internet | \$ 5.30 | 1.1% | \$ 0.06 |
| Entertainment/Night Clubs/Casinos | \$ 30.10 | 0.9% | \$ 0.28 |
| Electronics | \$ 9.70 | 0.2% | \$ 0.02 |
| Total Spend per Cruise Party | | | \$228.68 |
| Average Size of a Cruise Party | | | 2.1 |
| Total Spend per Cruise Passenger | | | \$108.90 |
| Cruise Passenger Visits | | | 560,638 |
| Total Cruise Passenger Expenditures | | | \$61,051,681 |

⁸¹ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁸² The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the 1,301 surveys completed by passengers that went ashore during the survey period. As shown in **Table 100**, each passenger cruise party spent an average of \$228.68 in St. Kitts. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 39 percent of the survey respondents reported spending an average of \$22.80 at local restaurants and/or bars. Spread over the cruise parties that visited St. Kitts, this represents an average of \$8.96 per party. On a per passenger basis, the average total expenditure was \$108.90. This represents the sum of per party expenditures, \$228.68, divided by the average size of a cruise party in St. Kitts, 2.1 passengers.

Cruise passenger expenditures in St. Kitts were concentrated in four categories which accounted for nearly 85 percent of their onshore expenditures: watches and jewelry, shore excursions, clothing and local crafts. Nearly 40 percent or more of the passengers that went ashore made purchases of shore excursions, clothing, local crafts and food and beverages.

Fifty-nine percent (59%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$103 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$137 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 560,638 cruise passengers who visited St. Kitts spent a total of **\$61.1 million** (\$US).

Table 101 – Estimated Crew Spending (\$US) in St. Kitts, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 29.10 | 69.7% | \$ 20.28 |
| Taxis/Ground Transportation | \$ 15.80 | 19.9% | \$ 3.15 |
| Local Crafts & Souvenirs | \$ 30.80 | 13.4% | \$ 4.13 |
| Clothing | \$ 32.60 | 10.4% | \$ 3.39 |
| Other Purchases | \$ 134.60 | 7.8% | \$ 10.49 |
| Watches & Jewelry | \$ 186.80 | 5.6% | \$ 10.51 |
| Entertainment/Night Clubs/Casinos | \$ 141.10 | 5.2% | \$ 7.33 |
| Perfumes & Cosmetics | \$ 52.30 | 4.8% | \$ 2.49 |
| Retail Purchases of Liquor | \$ 38.60 | 4.8% | \$ 1.84 |
| Telephone & Internet | \$ 12.70 | 4.3% | \$ 0.55 |
| Shore Excursions | \$ 22.40 | 3.0% | \$ 0.68 |
| Electronics | \$ 12.30 | 1.3% | \$ 0.16 |
| Total Spend per Crew | | | \$65.00 |
| Cruise Passenger Visits | | | 71,344 |
| Total Cruise Passenger Expenditures | | | \$4,637,338 |

Per crew spending estimates were derived from the nearly 700 surveys completed by crew members during the survey period. As shown in **Table 101**, each crew member spent an average of \$65.00 in St. Kitts. The average spend per crew member is the sum of the weighted spending in each of the twelve categories. For example, 70 percent of the survey respondents

reported spending an average of \$29.10 for food and beverages. Spread over all the crew members that visited St. Kitts, this represents an average of \$20.28 per crew member.

Expenditures by crew in St. Kitts were concentrated in three categories which accounted for nearly 65 percent of their onshore expenditures: food and beverages, watches and jewelry and other (unspecified) purchases. Combined, crew spent an average of \$41.28 for goods in these three categories. Purchases of food and beverages were the most popular expenditure item with 70% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 71,344 crew who visited St. Kitts spent an estimated total of **\$4.6 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$4.9 million** (\$US) in St. Kitts during the 2011/2012 cruise year. Essentially all of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 102 – Total Economic Contribution of Cruise Tourism in St. Kitts 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|--------------------------------|
| Direct Economic Contribution | 712 | \$5.7 |
| Total Economic Contribution | 1,123 | \$9.1 |

As shown in **Table 102**, the \$70.6 million in total cruise tourism expenditures generated direct employment of 712 residents of St. Kitts paying \$5.7 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 1,123 jobs and \$9.1 million in wage income in St. Kitts during the 2011/2012 cruise year.

As shown in **Figures 65 and 66**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 98 percent of the

employment and wage impacts.⁸³ This is not surprising since the direct impacts account for about 65 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively lower wages in the commercial sector compared to the other sectors of the economy, the commercial sector accounts for 78 percent of the employment impacts but only 66 percent of the wage impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Figure 65 – Total Employment Impacts by Sector - St. Kitts

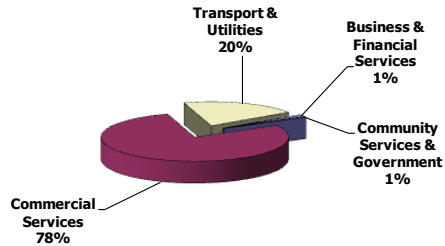
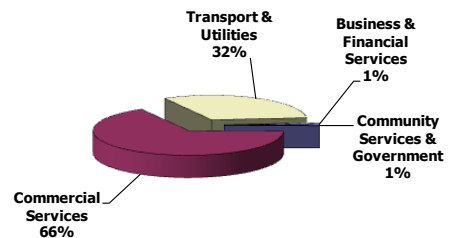


Figure 66 – Total Wage Impacts by Sector - St. Kitts



⁸³ The industry sectors include the following activities:

- Manufacturing & Construction: residential and nonresidential construction and all manufacturing
- Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
- Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
- Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
- Community Services & Government: education, health and social services and government agencies

Comparison to 2009 Study

Total estimated passenger and crew visits increased by 63 percent from 388,400 visits during the 2008/2009 cruise year to 631,900 during the 2011/2012 cruise year. Total direct expenditures in St. Kitts increased similarly, growing by 61 percent from \$44 million in the 2008/2009 cruise year to \$70.6 million in the 2011/2012 cruise year. As indicated in **Table 111**, cruise tourism expenditures by cruise lines and passengers increased while they declined for crew.

Table 103 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - St. Kitts

| | Current Study | 2009 Study | Percent Change |
|--|-----------------|-----------------|----------------|
| Total Onshore Visits (Thousands) | 631.9 | 388.4 | +62.7% |
| Passengers | 560.6 | 333.9 | +67.9% |
| Crew | 71.3 | 54.5 | +30.8% |
| Total Direct Expenditures (\$US Millions) | \$ 70.6 | \$ 44.0 | +60.5 |
| Passengers | \$ 61.1 | \$ 33.2 | +84.0% |
| Crew | \$ 4.6 | \$ 7.8 | -41.0% |
| Cruise Lines | \$ 4.9 | \$ 3.0 | 63.3% |
| Average Per Passenger Expenditure | \$108.90 | \$ 99.41 | +9.5% |
| Average Per Crew Expenditure | \$ 65.00 | \$142.14 | -54.3% |
| Total Employment Impact | 1,123 | 756 | +48.5% |
| Total Wage Impact (\$US Millions) | \$ 9.1 | \$ 5.9 | +54.2% |

The 84 percent increase in passenger expenditures was the result of the 68 percent increase in passenger visits and the 10 percent increase in the average expenditure per passenger. The increase in the average expenditure per passenger was primarily the result of increased spending for shore excursions, jewelry and clothing. Combined, these three categories accounted for the entire increase in average passenger spending. In all three categories passengers reported they spent more on these goods than during the 2008/2009 cruise year.

The 41 percent decline in crew expenditures was the net result of the 31 percent increase in crew visits and the 54 percent decline in the average crew expenditure. The decline in average crew expenditures was primarily the result of a smaller percentage of crew making onshore purchases. For example, during the 2008/2009 cruise year 32 percent of the crew reported spending an average of \$16.40 for local crafts. During the 2011/2012 cruise year, the percentage had dropped to 13% while the average expenditure increased to \$30.80. Thus the weighted expenditure for crafts fell from \$5.32 in the 2008/2009 cruise year to \$4.13 in the 2011/2012 cruise year.

As a result of the 60 percent increase in total expenditures, the total employment impacts increased by nearly 50 percent while the wage income impact increased by 54 percent. The slightly higher increase in wages is due to increased labor productivity and average wages over the intervening period.

Passenger Surveys

A total of 1,301 passenger surveys were completed and returned for tabulation. **Table 104** shows the major attributes of passenger visits in St. Kitts as derived from the passenger surveys.

Table 104 - Major Attributes of Transit Passenger Surveys - St. Kitts

| | Number | Percent |
|--|--------|---------|
| Total Respondents | 1,301 | |
| Number Making First Visit | 963 | 74.0% |
| Number Ashore | 1,270 | 97.6% |
| Number Making Onshore Purchases: | 967 | 76.1% |
| Average Hours Ashore | 4.4 | |
| Average Size of Expenditure Party (Persons) | 2.1 | |
| Average Onshore Expenditure per Party | \$168 | |
| Purchased a Shore Excursion (Tour) | 755 | 59.4% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 540 | 71.5% |
| Onshore from Tour Operator | 130 | 17.2% |
| Travel Agent | 52 | 11.3% |
| Average Cost of Shore Excursion per Party | \$137 | |
| Toured On Own/Did not Tour | 515 | |

- Of the 1,301 cruise parties that completed the surveys 74% stated that this had been their first visit to St. Kitts. This is down from 87% in the 2009 study.
- Ninety-eight percent (98%) of the cruise parties that completed the surveys disembarked their cruise ship to visit St. Kitts.
- Of the cruise parties that went ashore, 76% made at least one purchase while ashore. This is down from 81 percent during the 2008/2009 cruise year. The typical cruise party consisted of 2.1 passengers that spent an average of 4.4 hours ashore.
- The responding cruise parties reported spending an average of \$168 while ashore (excludes shore excursions), an increase of 4 percent from \$162 during the 2008/2009 cruise year.
- Fifty-eight percent (59%) of the passengers that went ashore purchased a shore excursion. This is essentially unchanged from the 2009 study. Seventy-two percent (72%) of passengers who purchased a tour did so through their cruise line, nearly 17% purchased their tour onshore and 11 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$137 for their tour. This is a 5 percent increase from \$131 during the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 105**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 105 – Passenger Visit Satisfaction* - St. Kitts

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 8.0 | 7.8 |
| Visit Met Expectations | 7.7 | 7.4 |
| Likelihood of a Return Visit | 5.0 | 5.0 |
| Informed of Tours and Activities | 8.0 | 7.7 |
| Initial Shoreside Welcome | 7.7 | 7.6 |
| Guided Tour | 8.7 | 8.1 |
| Historic Sites/Museums | 7.9 | 7.2 |
| Variety of Things to See and Do | 7.1 | 6.9 |
| Friendliness of Residents | 8.4 | 8.3 |
| Overall Shopping Experience | 7.5 | 7.6 |
| Courtesy of Employees | 8.2 | 8.2 |
| Variety of Shops | 7.1 | 7.3 |
| Overall Prices | 7.2 | 7.1 |
| Taxis/Local Transportation | 7.8 | 7.8 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

- In general, passenger satisfaction scores in the current study were similar to those in the 2009 study.
- Cruise passengers were very satisfied with their overall visit to St. Kitts with a mean score of 8.0. However, the visit did not score as high in terms of meeting expectations. The mean score for "Visit Met Expectations" was lower at 7.7.
- Passengers felt very informed about tours and onshore activities in St. Kitts with a mean score of 8.0.
- "Guided Tours" (or Shore Excursions) received the third highest score of all visit attributes with a mean score of 8.7. Thus, cruise passengers were very satisfied with their shore excursions.
- Passenger interactions with residents and store employees were very positive with "friendliness of residents" receiving a mean score of 8.4 and "courtesy of employees" having a mean score of 8.2.

- Categories with slightly lower scores but still above 7.0 (Very Satisfied) were: initial shoreside welcome, historic sites, variety of things to see and do, overall shopping experience and local transportation.
- As noted above passengers were very satisfied with their overall shopping experience with a mean score of 7.5. Additionally, they were very satisfied with the three aspects that were evaluated: courtesy of employees, variety of shops and overall prices.
- Cruise passengers stated that they were somewhat likely to return to St. Kitts for a land-based vacation.

Passenger Demographics

Residents of the United States and the Canada accounted for 90 percent of the responding passengers. The average age of the respondents was 57 years with 38 percent of the respondents being 65 years of age or older. St. Kitts passengers had an average household income of \$108,500 with 41 percent having over \$100,000 in household income.

Figure 67 – Passenger Age St. Kitts

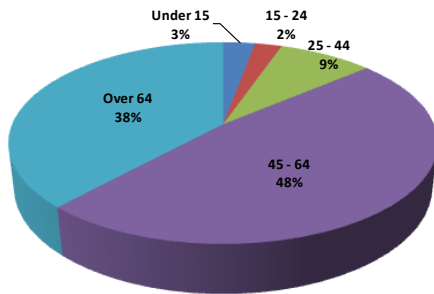
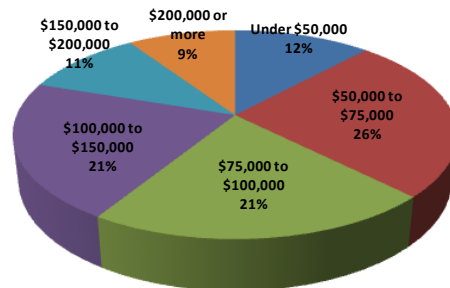


Figure 68 – Passenger Household Income St. Kitts



St. Maarten

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁸⁴ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁸⁴ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data obtained from the St. Maarten Harbour Group, 1.75 million cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.⁸⁵ Of these, an estimated 1.59 million passengers (90 percent) disembarked and visited St. Maarten. Utilizing additional data provided by the St. Maarten Harbour Group and visiting cruise lines, we have estimated that 672,862 crew were aboard the cruise ships and that nearly 50 percent, or 333,320 crew, disembarked and visited St. Maarten. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$356.2 million** (\$US) in cruise tourism expenditures in St. Maarten during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 106 – Estimated Passenger Spending (\$US) in St. Maarten, 2011/2012 Cruise Year⁸⁶

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| F&B at Restaurants & Bars | \$ 27.80 | 54.1% | \$ 15.04 |
| Clothing | \$ 59.90 | 49.4% | \$ 29.59 |
| Shore Excursions | \$ 68.00 | 46.6% | \$ 31.67 |
| Taxis/Ground Transportation | \$ 32.50 | 36.6% | \$ 11.89 |
| Local Crafts & Souvenirs | \$ 32.10 | 32.2% | \$ 10.34 |
| Watches & Jewelry | \$ 941.30 | 28.4% | \$ 267.03 |
| Other Purchases | \$ 48.50 | 19.5% | \$ 9.46 |
| Retail Purchases of Liquor | \$ 47.40 | 11.6% | \$ 5.50 |
| Perfumes & Cosmetics | \$ 47.10 | 4.9% | \$ 2.32 |
| Telephone & Internet | \$ 8.60 | 1.8% | \$ 0.15 |
| Electronics | \$ 389.30 | 1.5% | \$ 5.97 |
| Entertainment/Night Clubs/Casinos | \$ 49.60 | 0.8% | \$ 0.38 |
| Total Spend per Cruise Party | | | \$389.34 |
| Average Size of a Cruise Party | | | 2.1 |
| Total Spend per Cruise Passenger | | | \$185.40 |
| Cruise Passenger Visits | | | 1,586,421 |
| Total Cruise Passenger Expenditures | | | \$294,120,121 |

⁸⁵ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁸⁶ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the nearly 1,200 surveys completed by passengers that went ashore during the survey period. As shown in **Table 106**, each passenger cruise party spent an average of \$389.34 in St. Maarten. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 54 percent of the survey respondents reported spending an average of \$27.80 at local restaurants and/or bars. Spread over the cruise parties that visited St. Maarten, this represents an average of \$15.04 per party. On a per passenger basis, the average total expenditure was \$185.40. This represents the sum of per party expenditures, \$389.34, divided by the average size of a cruise party in St. Maarten, 2.1 passengers.

Cruise passenger expenditures in St. Maarten were concentrated in four categories which accounted for 88 percent of their onshore expenditures: watches and jewelry, shore excursions, clothing and food and beverages. Nearly 40 percent or more of the passengers that went ashore made purchases of food and beverages, clothing shore excursions and ground transportation.

Forty-seven percent (47%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$68 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$111 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 1.59 million cruise passengers who visited St. Maarten spent a total of **\$294.1 million** (\$US).

Table 107 – Estimated Crew Spending (\$US) in St. Maarten, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 27.60 | 56.7% | \$ 15.64 |
| Taxis/Ground Transportation | \$ 12.80 | 35.0% | \$ 4.48 |
| Clothing | \$ 53.10 | 20.2% | \$ 10.70 |
| Other Purchases | \$ 258.30 | 16.7% | \$ 43.21 |
| Watches & Jewelry | \$ 204.70 | 11.4% | \$ 23.35 |
| Electronics | \$ 265.30 | 10.3% | \$ 27.24 |
| Telephone & Internet | \$ 44.00 | 8.0% | \$ 3.51 |
| Local Crafts & Souvenirs | \$ 21.90 | 8.0% | \$ 1.75 |
| Entertainment/Night Clubs/Casinos | \$ 46.90 | 6.5% | \$ 3.03 |
| Retail Purchases of Liquor | \$ 54.50 | 2.7% | \$ 1.45 |
| Shore Excursions | \$ 60.00 | 1.9% | \$ 1.14 |
| Total Spend per Crew | | | \$135.50 |
| Cruise Passenger Visits | | | 333,320 |
| Total Cruise Passenger Expenditures | | | \$45,164,813 |

Per crew spending estimates were derived from the nearly 400 surveys completed by crew members during the survey period. As shown in **Table 107**, each crew member spent an average of \$135.50 in St. Maarten. The average spend per crew member is the sum of the weighted spending in each of the eleven categories.⁸⁷ For example, 57 percent of the survey

⁸⁷ No purchases of perfumes and cosmetics were reported by crew visiting St. Maarten.

respondents reported spending an average of \$27.60 for food and beverages. Spread over all the crew members that visited St. Maarten, this represents an average of \$15.64 per crew member.

Expenditures by crew in St. Maarten were concentrated in four categories which accounted for nearly 65 percent of their onshore expenditures: watches and jewelry, electronics, food and beverages and other (unspecified) purchases. Combined, crew spent an average of \$109.44 for goods in these four categories. Purchases of food and beverages were the most popular expenditure item with 57% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 333,320 crew who visited St. Maarten spent an estimated total of **\$45.2 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$16.9 million** (\$US) in St. Maarten during the 2011/2012 cruise year. Essentially all of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 108 – Total Economic Contribution of Cruise Tourism in St. Maarten 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|--------------------------------|
| Direct Economic Contribution | 4,274 | \$ 85.9 |
| Total Economic Contribution | 8,123 | \$159.8 |

As shown in **Table 108**, the \$356.2 million in total cruise tourism expenditures generated direct employment of 4,274 residents of St. Maarten paying \$85.9 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 8,123 jobs and \$159.8 million in wage income in St. Maarten during the 2011/2012 cruise year.

As shown in **Figures 69 and 70**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 99 percent of the employment and wage impacts.⁸⁸ This is not surprising since the direct impacts account for more than half of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively lower wages in the commercial sector relative to the other sectors of the St. Maarten economy, the commercial sector accounts for 91 percent of the employment impacts but only 85 percent of the wage impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Figure 69 – Total Employment Impacts by Sector - St. Maarten

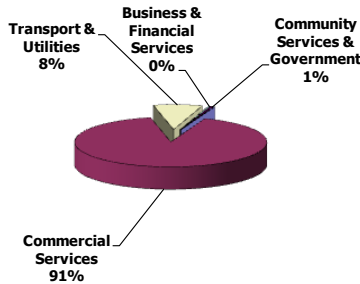
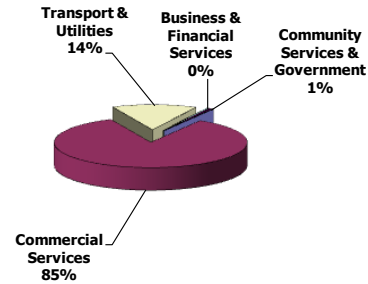


Figure 70 – Total Wage Impacts by Sector St. Maarten



⁸⁸ The industry sectors include the following activities:

- Manufacturing & Construction: residential and nonresidential construction and all manufacturing
- Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
- Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
- Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
- Community Services & Government: education, health and social services and government agencies

Comparison to 2009 Study

Total estimated passenger and crew visits increased by nearly 30 percent from 1.48 million visits during the 2008/2009 cruise year to 1.92 million during the 2011/2012 cruise year. Total direct expenditures in St. Maarten increased at a much higher rate, 55 percent, growing from \$230.3 million in the 2008/2009 cruise year to \$356.2 million in the 2011/2012 cruise year. As indicated in **Table 109**, cruise tourism expenditures increased among the cruise lines and passengers but decreased slightly for crew.

Table 109 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - St. Maarten

| | Current Study | 2009 Study | Percent Change |
|--|----------------------|-------------------|-----------------------|
| Total Onshore Visits (Thousands) | 1,919.7 | 1,478.0 | +29.9% |
| Passengers | 1,586.4 | 1,152.0 | +37.7% |
| Crew | 333.3 | 326.0 | +2.2% |
| Total Direct Expenditures (\$US Millions) | \$356.2 | \$230.3 | +54.7% |
| Passengers | \$ 294.1 | \$ 170.5 | +72.5% |
| Crew | \$ 45.2 | \$ 48.7 | -6.0% |
| Cruise Lines | \$ 16.9 | \$ 11.0 | +53.6% |
| Average Per Passenger Expenditure | \$185.40 | \$147.98 | +25.3% |
| Average Per Crew Expenditure | \$135.50 | \$149.45 | -9.3% |
| Total Employment Impact | 8,123 | 5,531 | +46.9% |
| Total Wage Impact (\$US Millions) | \$ 159.8 | \$ 106.3 | +50.3% |

The 72 percent increase in passenger expenditures was the result of the 38 percent increase in passenger visits and the 25 percent increase in the average passenger expenditures. The increase in per passenger expenditures was primarily the result of increased average expenditures for jewelry and food and beverages which were partially offset by declines in average spending for shore excursion and local crafts. Relative to the 2008/2009 cruise year, cruise passengers spent more for most goods when they made onshore purchases, but this was partially offset by a lower percentage of passengers making onshore purchases during the 2011/2012 cruise year.

In the case of crew expenditures, the 6 percent decline in total crew expenditures was the net result of a 2 percent increase crew visits that was offset by a 9 percent decrease in the average per crew expenditure. The decline in average crew expenditures was primarily due to a smaller percentage of crew making onshore purchases during the 2011/2012 cruise year. For example, during the 2008/2009 cruise year 64 percent of the crew reported spending an average of \$35.50 for food and beverages. During the 2011/2012 cruise year, the percentage had dropped to 57% while the average expenditure fell to \$27.60. Thus the weighted expenditure for food and beverages fell from \$22.77 in the 2008/2009 cruise year to \$15.64 in the 2011/2012 cruise year. Crew spending for clothing, local crafts and electronics showed a similar pattern.

As a result of the 55 percent increase in direct cruise tourism expenditures from the 2008/2009 cruise year, the total employment impact increased by 57 percent over the three-year period while the wage impact increased by 50 percent. The higher growth in wages is due to increased labor productivity and average wages over the intervening period.

Passenger Surveys

A total of 1,194 passenger surveys were completed and returned for tabulation. **Table 110** shows the major attributes of passenger visits in St. Maarten as derived from the passenger surveys.

Table 110 - Major Attributes of Transit Passenger Surveys - St. Maarten

| | Number | Percent |
|--|--------|---------|
| Total Respondents | 1,194 | |
| Number Making First Visit | 525 | 48.0% |
| Number Ashore | 1,168 | 97.7% |
| Number Making Onshore Purchases: | 913 | 78.3% |
| Average Hours Ashore | 4.5 | |
| Average Size of Expenditure Party (Persons) | 2.1 | |
| Average Onshore Expenditure per Party | \$294 | |
| Purchased a Shore Excursion (Tour) | 543 | 46.6% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 438 | 80.6% |
| Onshore from Tour Operator | 47 | 8.6% |
| Travel Agent | 58 | 10.7% |
| Average Cost of Shore Excursion per Party | \$111 | |
| Toured On Own/Did not Tour | 623 | |

- Of the 1,194 cruise parties that completed the surveys 48% stated that this had been their first visit to St. Maarten. This was down from 55% in the 2009 study.
- Ninety-eight percent (98%) of the cruise parties that completed the surveys disembarked their cruise ship to visit St. Maarten.
- Of the cruise parties that went ashore, 78% made at least one purchase while ashore. This was a decline from 84% during the 2008/2009 cruise year. The typical cruise party consisted of 2.1 passengers that spent an average of 4.5 hours ashore.
- The responding cruise parties reported spending an average of \$294 while ashore (excludes shore excursions), which was up marginally from \$292 during the 2008/2009 cruise year.
- Forty-seven percent (47%) of the passengers that went ashore purchased a shore excursion. This is unchanged from the 2009 study. Eighty-one percent (81%) of passengers who purchased a tour did so through their cruise line, 9% purchased their tour onshore and 10 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$111 for their tour, a decline of 4 percent from \$116 during the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 111**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 111 – Passenger Visit Satisfaction* - St. Maarten

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.8 | 8.0 |
| Visit Met Expectations | 7.3 | 7.5 |
| Likelihood of a Return Visit | 5.0 | 5.1 |
| Informed of Tours and Activities | 7.8 | 7.8 |
| Initial Shoreside Welcome | 7.7 | 7.7 |
| Guided Tour | 8.0 | 8.1 |
| Historic Sites/Museums | 6.7 | 6.9 |
| Variety of Things to See and Do | 7.2 | 7.3 |
| Friendliness of Residents | 8.0 | 8.0 |
| Overall Shopping Experience | 7.4 | 7.6 |
| Courtesy of Employees | 8.0 | 8.1 |
| Variety of Shops | 7.4 | 7.4 |
| Overall Prices | 7.0 | 7.3 |
| Taxis/Local Transportation | 7.8 | 8.1 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

- Overall, the satisfaction scores for St. Maarten in the current study were about the same or marginally lower than in the 2009 study.
- Cruise passengers were very satisfied with their overall visit to St. Maarten with a mean score of 7.8. However, the visit did not score as high in terms of meeting expectations. The mean score for "Visit Met Expectations" was lower at 7.3.
- Passengers felt very informed about tours and onshore activities in St. Maarten with a mean score of 7.8.
- "Guided Tours" (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.0. Thus, cruise passengers were very satisfied with their shore excursions.
- Passenger interactions with residents and store employees were very positive with "friendliness of residents" and "courtesy of employees" each receiving a mean score of 8.0.

- Categories with slightly lower scores but still above 7.0 (Very Satisfied) were: initial shoreside welcome, variety of things to see and do and local transportation.
- Cruise passengers were only somewhat satisfied with the historic sites which had a mean score of 6.7.
- Cruise passengers were very satisfied with their overall shopping experience. As noted above, passengers thought shop employees were very courteous and were very satisfied with the variety of shops (7.4) and overall prices (7.0).
- Cruise passengers stated that they were somewhat likely to return to St. Maarten for a land-based vacation.

Passenger Demographics

Residents of the United States and the Canada accounted for 95 percent of the responding passengers. The average age of the respondents was 58 years with 44 percent of the respondents being 65 years of age or older. St. Maarten passengers had an average household income of \$113,700 with 44 percent having over \$100,000 in household income.

Figure 71 – Passenger Age St. Maarten

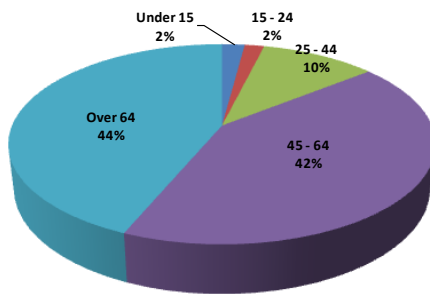
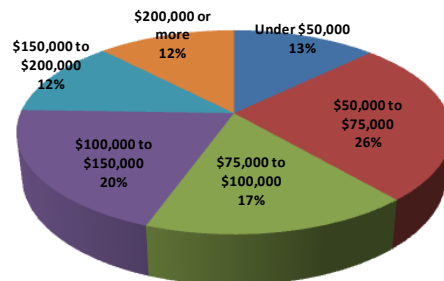


Figure 72 – Passenger Household Income St. Maarten



St. Vincent and the Grenadines

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁸⁹ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁸⁹ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data obtained from the Ministry of Tourism, 65,347 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.⁹⁰ Of these, an estimated 58,812 passengers (90 percent) disembarked and visited St. Vincent and the Grenadines. Utilizing additional data provided by the visiting cruise lines, we have estimated that 23,089 crew were aboard the cruise ships and that 30 percent, or 6,927 crew, disembarked and visited St. Vincent and the Grenadines. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$3.0 million** (\$US) in cruise tourism expenditures in St. Vincent and the Grenadines during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 112 – Estimated Passenger Spending (\$US) in St. Vincent and the Grenadines, 2011/2012 Cruise Year⁹¹

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| F&B at Restaurants & Bars | \$ 14.80 | 57.9% | \$ 8.57 |
| Local Crafts & Souvenirs | \$ 16.40 | 39.3% | \$ 6.45 |
| Shore Excursions | \$ 63.10 | 35.6% | \$ 22.44 |
| Clothing | \$ 25.50 | 25.4% | \$ 6.48 |
| Taxis/Ground Transportation | \$ 30.40 | 22.7% | \$ 6.89 |
| Other Purchases | \$ 11.90 | 18.3% | \$ 2.18 |
| Watches & Jewelry | \$ 17.70 | 3.3% | \$ 0.58 |
| Retail Purchases of Liquor | \$ 12.50 | 3.3% | \$ 0.41 |
| Perfumes & Cosmetics | \$ 9.80 | 0.8% | \$ 0.08 |
| Telephone & Internet | \$ 3.70 | 0.5% | \$ 0.02 |
| Total Spend per Cruise Party | | | \$54.10 |
| Average Size of a Cruise Party | | | 2.0 |
| Total Spend per Cruise Passenger | | | \$27.05 |
| Cruise Passenger Visits | | | 58,812 |
| Total Cruise Passenger Expenditures | | | \$1,591,009 |

⁹⁰ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁹¹ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the more than 800 surveys completed by passengers that went ashore during the survey period. As shown in **Table 112**, each passenger cruise party spent an average of \$54.10 in St. Vincent and the Grenadines. The average spend per cruise party is the sum of the weighted spending in each of the ten categories.⁹² For example, 58 percent of the survey respondents reported spending an average of \$14.80 at local restaurants and/or bars. Spread over the cruise parties that visited St. Vincent and the Grenadines, this represents an average of \$8.57 per party. On a per passenger basis, the average total expenditure was \$27.05. This represents the sum of per party expenditures, \$54.10, divided by the average size of a cruise party in St. Vincent and the Grenadines, 2.0 passengers.

Cruise passenger expenditures in St. Vincent and the Grenadines were concentrated in four categories which accounted for 82 percent of their onshore expenditures: shore excursions, food and beverages, local crafts and ground transportation. Nearly 40 percent or more of the passengers that went ashore made purchases of local crafts and food and beverages.

Thirty-six percent (36%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$63.10 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$95.80 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 58,812 cruise passengers who visited St. Vincent and the Grenadines spent a total of **\$1.6 million** (\$US).

Table 113 – Estimated Crew Spending (\$US) in St. Vincent and the Grenadines, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| Other Purchases | \$ 4.70 | 50.0% | \$ 2.35 |
| F&B at Restaurants & Bars | \$ 5.20 | 37.5% | \$ 1.95 |
| Entertainment/Night Clubs/Casinos | \$ 40.00 | 15.0% | \$ 6.00 |
| Taxis/Ground Transportation | \$ 80.00 | 12.5% | \$ 10.00 |
| Local Crafts & Souvenirs | \$ 14.40 | 7.6% | \$ 1.10 |
| Total Spend per Crew | | | \$21.40 |
| Cruise Passenger Visits | | | 6,927 |
| Total Cruise Passenger Expenditures | | | \$148,231 |

Per crew spending estimates were derived from the surveys completed by crew members during the survey period. As shown in **Table 113**, crew members made limited purchases on the island. Each crew member spent an average of \$17.61 in St. Vincent and the Grenadines. The average spend per crew member is the sum of the weighted spending in each of the five

⁹² No purchases of entertainment or electronics were reported by passengers visiting St. Vincent and the Grenadines.

categories.⁹³ For example, 21 percent of the survey respondents reported spending an average of \$9.30 for food and beverages. Spread over all the crew members that visited St. Vincent and the Grenadines, this represents an average of \$1.95 per crew member.

Expenditures by crew in St. Vincent and the Grenadines were concentrated in two categories which accounted for 75 percent of their onshore expenditures: ground transportation and entertainment. Combined, crew spent an average of \$16.00 for goods in these two categories. Purchases of food and beverages were the most popular expenditure item with 38% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 6,927 crew who visited St. Vincent and the Grenadines spent an estimated total of **\$0.15 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$1.3 million** (\$US) in St. Vincent and the Grenadines during the 2011/2012 cruise year. Essentially all of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 114 – Total Economic Contribution of Cruise Tourism in St. Vincent and the Grenadines 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|--------------------------------|
| Direct Economic Contribution | 52 | \$0.5 |
| Total Economic Contribution | 80 | \$0.8 |

As shown in **Table 114**, the \$3.0 million in total cruise tourism expenditures generated direct employment of 52 residents of St. Vincent and the Grenadines paying \$500,000 in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise

⁹³ Little or no spending was reported by crew for jewelry, clothing, shore excursions, perfumes, liquor, electronics, and communications.

tourism expenditures generated a total employment contribution of 80 jobs and \$800,000 in wage income in St. Vincent and the Grenadines during the 2011/2012 cruise year.

As shown in **Figures 73 and 74**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 98 percent of the employment and wage impacts.⁹⁴ This is not surprising since the direct impacts account for about 65 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 71 percent of the wage impacts but only 57 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Figure 73 – Total Employment Impacts by Sector - St. Vincent and the Grenadines

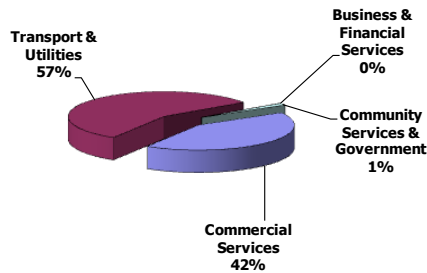
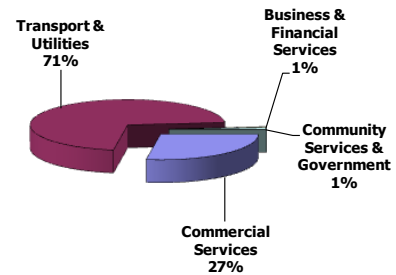


Figure 74 – Total Wage Impacts by Sector St. Vincent and the Grenadines



⁹⁴ The industry sectors include the following activities:
 Manufacturing & Construction: residential and nonresidential construction and all manufacturing
 Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
 Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
 Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
 Community Services & Government: education, health and social services and government agencies

Comparison to 2009 Study

Total passenger and crew declined by nearly 55 percent from 144,600 during the 2008/2009 cruise year to 65,700 during the 2011/2012 cruise year. Total direct cruise tourism expenditures declined by a similar percentage, 56 percent, over the three year period, falling from \$6.8 million to \$3.0 million. As indicated in **Table 115**, expenditures by cruise lines, passengers and crew declined.

**Table 115 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study
St. Vincent and the Grenadines**

| | Current Study | 2009 Study | Percent Change |
|--|----------------|----------------|----------------|
| Total Onshore Visits (Thousands) | 65.7 | 144.6 | -54.6% |
| Passengers | 58.8 | 124.7 | -52.8% |
| Crew | 6.9 | 19.9 | -65.3% |
| Total Direct Expenditures (\$US Millions) | \$ 3.0 | \$ 6.8 | -55.9% |
| Passengers | \$ 1.6 | \$ 4.2 | -61.9% |
| Crew | \$ 0.1 | \$ 0.3 | -66.7% |
| Cruise Lines | \$ 1.3 | \$ 2.3 | -43.5% |
| Average Per Passenger Expenditure | \$27.05 | \$33.50 | -19.3% |
| Average Per Crew Expenditure | \$21.40 | \$17.61 | +21.5% |
| Total Employment Impact | 80 | 159 | -49.7% |
| Total Wage Impact (\$US Millions) | \$ 0.8 | \$ 1.5 | -46.7% |

The 62 percent decrease in passenger expenditures was the result of a the 53 percent decrease in passenger visits and the 19 percent decline in average passenger expenditures. Cruise passengers tended to make smaller purchases in most categories which were partially offset by an increase in the percentage of passengers making onshore purchases. As a result, the average passenger expenditure declined from the 2008/2009 cruise year. For example, during the 2008/2009 cruise year 20 percent of passengers reported spending an average of \$32.30 on clothing. During the 2011/2012 cruise year 25 percent of passengers reported purchasing clothing but only spent an average of \$25.50. Similar changes occurred for the purchase of food and beverages and jewelry.

The decrease in crew expenditures was the net result of the 65 percent decline in crew visits and the 22 percent increase in average crew expenditures. The decrease in crew spending was concentrated in crew expenditures for local transportation, food and beverages and entertainment.

As a result of the 56 percent decline in direct cruise tourism expenditures from the 2008/2009 cruise year, the economic impacts fell as well. The total employment and wage impacts decreased by slightly less than 50 percent during the three-year period.

Passenger Surveys

A total of 813 passenger surveys were completed and returned for tabulation. **Table 116** shows the major attributes of passenger visits in St. Vincent and the Grenadines as derived from the passenger surveys.

- Of the 813 cruise parties that completed the surveys 75% stated that this had been their first visit to St. Vincent and the Grenadines. This was down from 86% in the 2009 study.
- Ninety-nine percent (99%) of the cruise parties that completed the surveys disembarked their cruise ship to visit St. Vincent and the Grenadines.

Table 116 - Major Attributes of Passenger Surveys - St. Vincent and the Grenadines

| | Number | Percent |
|--|---------|---------|
| Total Respondents | 813 | |
| Number Making First Visit | 610 | 75.0% |
| Number Ashore | 804 | 98.9% |
| Number Making Onshore Purchases: | 366 | 45.5% |
| Average Hours Ashore | 3.5 | |
| Average Size of Expenditure Party (Persons) | 2.0 | |
| Average Onshore Expenditure per Party | \$30.80 | |
| Purchased a Shore Excursion (Tour) | 286 | 35.6% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 156 | 54.5% |
| Onshore from Tour Operator | 84 | 29.3% |
| Travel Agent | 46 | 16.2% |
| Average Cost of Shore Excursion per Party | \$95.80 | |
| Toured On Own/Did not Tour | 518 | |

- Of the cruise parties that went ashore, 46% made at least one purchase while ashore, a decline from 76% during the 2008/2009 cruise year. The typical cruise party consisted of 2.0 passengers that spent an average of 3.5 hours ashore.
- The responding cruise parties reported spending an average of \$30.80 while ashore (excludes shore excursions), a decline of 21 percent from \$39 during the 2008/2009 cruise year.
- Thirty-six percent (36%) of the passengers that went ashore purchased a shore excursion. This is down from 49% in the 2009 study. Fifty-five percent (55%) of passengers who purchased a tour did so through their cruise line, 29% purchased their tour onshore and 16 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$95.80 for their tour, a decline of 7 percent from the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 117**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 117 – Passenger Visit Satisfaction* - St. Vincent and the Grenadines

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 6.3 | 6.7 |
| Visit Met Expectations | 6.1 | 6.3 |
| Likelihood of a Return Visit | 3.4 | 3.7 |
| Informed of Tours and Activities | 7.3 | 7.5 |
| Initial Shoreside Welcome | 7.2 | 7.3 |
| Guided Tour | 8.2 | 8.8 |
| Historic Sites/Museums | 6.5 | 7.0 |
| Variety of Things to See and Do | 5.3 | 5.9 |
| Friendliness of Residents | 7.4 | 7.5 |
| Overall Shopping Experience | 4.9 | 5.0 |
| Courtesy of Employees | 7.2 | 7.3 |
| Variety of Shops | 4.7 | 4.7 |
| Overall Prices | 5.8 | 5.3 |
| Taxis/Local Transportation | 7.1 | 6.7 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

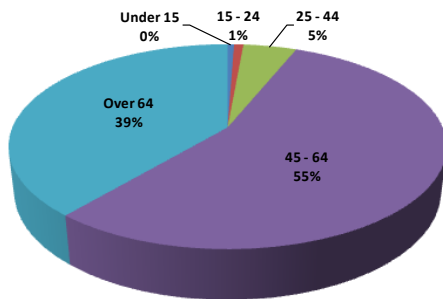
- Overall, the mean satisfaction score for most categories in the current study declined from the 2009 study.
- Cruise passengers were only somewhat satisfied with their overall visit to St. Vincent and the Grenadines with a mean score of 6.3. The visit scored even lower in terms of meeting expectations. The mean score for "Visit Met Expectations" was lower at 6.1.
- Passengers felt very informed about tours and onshore activities in St. Vincent and the Grenadines with a mean score of 7.3.
- "Guided Tours" (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.2. Thus, cruise passengers were very satisfied with their shore excursions which were clearly the highlight of their visit.
- Passenger interactions with residents and store employees were very positive with "friendliness of residents" receiving a mean score of 7.4 and "courtesy of employees" having a mean score of 7.2.

- Categories with slightly lower scores but still above 7.0 (Very Satisfied) were: initial shoreside welcome and local transportation.
- Categories with average scores between 5.0 and 7.0 (Somewhat Satisfied) were given for historic sites, variety of things to see and do and the overall shopping experience, including the variety of shops and overall prices. Thus, while passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (4.7) and overall prices (5.8).
- Cruise passengers stated that they were not too likely to return to St. Vincent and the Grenadines for a land-based vacation.

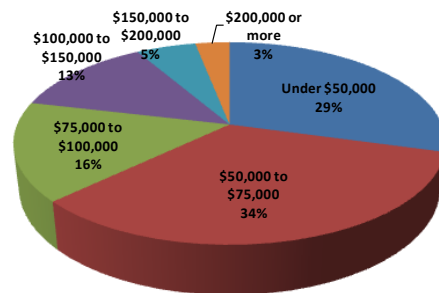
Passenger Demographics

Residents of the United Kingdom accounted for 98 percent of the responding passengers. The average age of the respondents was 60 years with 39 percent of the respondents being 65 years of age or older. St. Vincent and the Grenadines passengers had an average household income of \$79,900 with only 21 percent having over \$100,000 in household income.

**Figure 75 – Passenger Age
St. Vincent and the Grenadines**



**Figure 76 – Passenger Household Income
St. Vincent and the Grenadines**



Turks and Caicos

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.⁹⁵ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

⁹⁵ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data obtained from Ministry of Tourism, 804,674 cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.⁹⁶ Of these, an estimated 724,207 passengers (90 percent) disembarked and visited the Turks and Caicos. Utilizing additional data provided by the Tourism Ministry and visiting cruise lines, we have estimated that 304,981 crew were aboard the cruise ships and that 40 percent, or 121,992 crew, disembarked and visited the Turks and Caicos. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$60.6 million** (\$US) in cruise tourism expenditures in the Turks and Caicos during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 118 – Estimated Passenger Spending (\$US) in the Turks and Caicos, 2011/2012 Cruise Year⁹⁷

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| F&B at Restaurants & Bars | \$ 33.80 | 53.5% | \$ 18.09 |
| Shore Excursions | \$ 70.50 | 44.2% | \$ 31.13 |
| Clothing | \$ 54.20 | 43.1% | \$ 23.33 |
| Local Crafts & Souvenirs | \$ 24.40 | 33.2% | \$ 8.09 |
| Watches & Jewelry | \$ 245.50 | 18.7% | \$ 45.88 |
| Other Purchases | \$ 45.40 | 14.4% | \$ 6.53 |
| Taxis/Ground Transportation | \$ 29.90 | 12.2% | \$ 3.66 |
| Retail Purchases of Liquor | \$ 33.50 | 5.7% | \$ 1.90 |
| Perfumes & Cosmetics | \$ 50.10 | 3.0% | \$ 1.52 |
| Entertainment/Night Clubs/Casinos | \$ 42.90 | 0.5% | \$ 0.21 |
| Telephone & Internet | \$ 47.70 | 0.3% | \$ 0.14 |
| Electronics | \$ 25.60 | 0.2% | \$ 0.05 |
| Total Spend per Cruise Party | | | \$140.53 |
| Average Size of a Cruise Party | | | 2.2 |
| Total Spend per Cruise Passenger | | | \$63.88 |
| Cruise Passenger Visits | | | 724,207 |
| Total Cruise Passenger Expenditures | | | \$46,258,804 |

⁹⁶ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

⁹⁷ The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the 1,469 surveys completed by passengers that went ashore during the survey period. As shown in **Table 118**, each passenger cruise party spent an average of \$140.53 in the Turks and Caicos. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 54 percent of the survey respondents reported spending an average of \$33.80 at local restaurants and/or bars. Spread over the cruise parties that visited the Turks and Caicos, this represents an average of \$18.09 per party. On a per passenger basis, the average total expenditure was \$63.88. This represents the sum of per party expenditures, \$140.53, divided by the average size of a cruise party in the Turks and Caicos, 2.2 passengers.

Cruise passenger expenditures in the Turks and Caicos were concentrated in four categories which accounted for nearly 85 percent of their onshore expenditures: watches and jewelry, shore excursions, clothing and food and beverages. Forty percent (40%) or more of the passengers that went ashore made purchases of food and beverages, shore excursions and clothing.

Forty-four percent (44%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$70.50 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$116 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 724,207 cruise passengers who visited the Turks and Caicos spent a total of **\$46.3 million** (\$US).

Table 119 – Estimated Crew Spending (\$US) in the Turks and Caicos, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 37.70 | 50.5% | \$ 19.07 |
| Taxis/Ground Transportation | \$ 12.10 | 9.7% | \$ 1.17 |
| Local Crafts & Souvenirs | \$ 16.60 | 9.1% | \$ 1.52 |
| Perfumes & Cosmetics | \$ 67.50 | 7.5% | \$ 5.08 |
| Other Purchases | \$ 109.00 | 5.4% | \$ 5.86 |
| Clothing | \$ 41.10 | 4.8% | \$ 1.99 |
| Watches & Jewelry | \$ 139.30 | 4.3% | \$ 5.99 |
| Telephone & Internet | \$ 9.70 | 2.7% | \$ 0.26 |
| Shore Excursions | \$ 16.10 | 1.6% | \$ 0.26 |
| Total Spend per Crew | | | \$41.20 |
| Cruise Passenger Visits | | | 121,992 |
| Total Cruise Passenger Expenditures | | | \$5,026,087 |

Per crew spending estimates were derived from the nearly 400 crew surveys completed by crew members during the survey period. Based upon these data, and as shown in **Table 119**, crew members were estimated to have spent an average of \$41.20 in the Turks and Caicos. The average spend per crew member is the sum of the weighted spending in each of the nine

categories.⁹⁸ For example, 51 percent of the survey respondents reported spending an average of \$37.70 for food and beverages. Spread over all the crew members that visited the Turks and Caicos, this represents an average of \$19.07 per crew member.

Expenditures by crew in the Turks and Caicos were concentrated in three categories which accounted for nearly 75 percent of their onshore expenditures: food and beverages, watches and jewelry and perfumes and cosmetics. Combined, crew spent an average of \$30.14 for goods in these three categories. Purchases of food and beverages were the most popular expenditure item with 51% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated, 121,992 crew who visited the Turks and Caicos spent an estimated total of **\$5.0 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$9.3 million** (\$US) in The Turks and Caicos during the 2011/2012 cruise year. Essentially all of these expenditures were payments for port fees and taxes and navigation services.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 120 – Total Economic Contribution of Cruise Tourism in the Turks and Caicos 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|--------------------------------|
| Direct Economic Contribution | 715 | \$11.9 |
| Total Economic Contribution | 1,115 | \$18.6 |

As shown in **Table 120**, the \$60.6 million in total cruise tourism expenditures generated direct employment of 715 residents of the Turks and Caicos paying \$11.9 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise

⁹⁸ No purchases of entertainment or retail purchases of liquor or electronics were reported by crew visiting the Turks and Caicos.

tourism expenditures generated a total employment contribution of 1,115 jobs and \$18.6 million in wage income in The Turks and Caicos during the 2011/2012 cruise year.

As shown in **Figures 77 and 78**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 98 percent of the employment and wage impacts.⁹⁹ This is not surprising since the direct impacts account for about 65 percent of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively higher wages in the transport sector compared to the other sectors of the economy, the transport sector accounts for 33 percent of the wage impacts but only 21 percent of the employment impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Figure 77 – Total Employment Impacts by Sector - Turks and Caicos

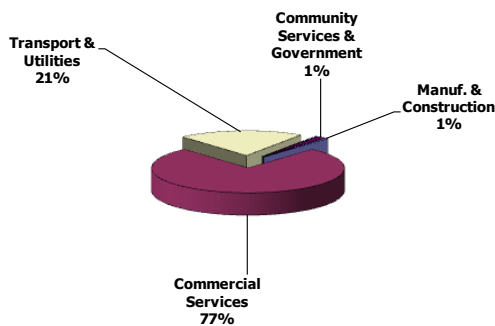
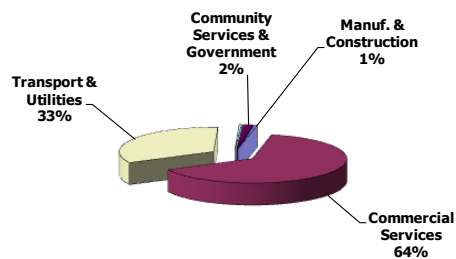


Figure 78 – Total Wage Impacts by Sector Turks and Caicos



⁹⁹ The industry sectors include the following activities:

- Manufacturing & Construction: residential and nonresidential construction and all manufacturing
- Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
- Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
- Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
- Community Services & Government: education, health and social services and government agencies

Comparison to 2009 Study

Total passenger and crew visits more than doubled, increasing from 335,000 visits during the 2008/2009 cruise year to 846,200 during the 2011/2012 cruise year. Similarly, total direct cruise tourism expenditures increased by 141 percent over the three year period, increasing from \$25.1 million to \$60.6 million. As indicated in **Table 121**, spending by the cruise lines and their passengers and crew increased.

**Table 121 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study
Turks and Caicos**

| | Current Study | 2009 Study | Percent Change |
|--|----------------------|-------------------|-----------------------|
| Total Onshore Visits (Thousands) | 846.2 | 335.0 | +153% |
| Passengers | 724.2 | 277.1 | +161% |
| Crew | 122.0 | 57.9 | +111% |
| Total Direct Expenditures (\$US Millions) | \$ 60.6 | \$ 25.1 | +141% |
| Passengers | \$ 46.3 | \$ 18.6 | +149% |
| Crew | \$ 5.0 | \$ 3.5 | +42.9% |
| Cruise Lines | \$ 9.3 | \$ 3.0 | +210% |
| Average Per Passenger Expenditure | \$ 63.88 | \$ 67.22 | -5.0% |
| Average Per Crew Expenditure | \$ 41.20 | \$ 61.00 | -32.5% |
| Total Employment Impact | 1,115 | 473 | +135% |
| Total Wage Impact (\$US Millions) | \$ 18.6 | \$ 7.7 | +142% |

The 149 percent increase in passenger expenditures was the net result of the 161 percent increase in passenger visits and the 5 percent decline in the average expenditure per passenger. The decrease in the average expenditure per passenger was primarily the result of a smaller percentage of passengers making onshore purchases in most categories. For example, during the 2008/2009 cruise year 37 percent of passengers reported spending an average of \$25.90 for local crafts. During the 2011/2012 cruise year the percentage of passengers purchasing local crafts fell to 33 percent and their average purchase value also fell to \$24.40. As consequence, the weighted expenditure by passengers for local crafts fell from \$9.62 during the 2008/2009 cruise year to \$8.09 during the 2011/2012 cruise year. Similar declines occurred for food and beverages and clothing.

The 21 percent increase in crew expenditures was the net result of the 111 percent increase in crew visits and the 32 percent decline in the average crew expenditure. The decline in average crew expenditures was the net result of a general increase in the average purchase value in most categories but a decline in the percentage of crew making onshore purchases. For example, during the 2008/2009 cruise year 24 percent of the crew reported spending an average of \$74.40 watches and jewelry. During the 2011/2012 cruise year the percentage of crew purchasing watches and jewelry fell to 5 percent but their average purchase value increased to \$139.30. As consequence, the weighted expenditure by crew watches and jewelry fell from \$18.04 during the 2008/2009 cruise year to \$6.00 during the 2011/2012 cruise year. Similar declines occurred for local crafts and clothing.

As a result of the 141 percent increase in total expenditures, the total employment impacts increased by 135 percent while the wage income impact increased by 142 percent. The higher increase in wages is due to increased labor productivity and average wages over the intervening period.

Passenger Surveys

A total of 1,469 passenger surveys were completed and returned for tabulation. **Table 122** shows the major attributes of passenger visits in the Turks and Caicos as derived from the passenger surveys.

- Of the 1,469 cruise parties that completed the surveys 80% stated that this had been their first visit to the Turks and Caicos. This down from 86% in the 2009 study.
- Ninety-nine percent (99%) of the cruise parties that completed the surveys disembarked their cruise ship to visit the Turks and Caicos.

Table 122 - Major Attributes of Passenger Surveys - Turks and Caicos

| | Number | Percent |
|--|--------|---------|
| Total Respondents | 1,469 | |
| Number Making First Visit | 1,175 | 80.0% |
| Number Ashore | 1,454 | 99.0% |
| Number Making Onshore Purchases: | 1,022 | 70.3% |
| Average Hours Ashore | 3.8 | |
| Average Size of Expenditure Party (Persons) | 2.2 | |
| Average Onshore Expenditure per Party | \$109 | |
| Purchased a Shore Excursion (Tour) | 642 | 44.2% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 557 | 86.8% |
| Onshore from Tour Operator | 46 | 7.1% |
| Travel Agent | 39 | 6.1% |
| Average Cost of Shore Excursion per Party | \$116 | |
| Toured On Own/Did not Tour | 812 | |

- Of the cruise parties that went ashore, 70% made at least one purchase while ashore. This is essentially unchanged from the 2008/2009 cruise year. The typical cruise party consisted of 2.2 passengers and spent an average of 3.8 hours ashore.
- The responding cruise parties reported spending an average of \$109 while ashore (excludes shore excursions). Again, this is essentially unchanged from the 2008/2009 cruise year.
- Forty-four percent (44%) of the passengers that went ashore purchased a shore excursion. This is up from 31% in the 2009 study. Eighty-seven percent (87%) of passengers who purchased a tour did so through their cruise line, 7% purchased their tour onshore and 6 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$116 for their tour. This is a 14 percent decline from \$135 during the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 123**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 123 – Passenger Visit Satisfaction* - Turks and Caicos

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.5 | 6.9 |
| Visit Met Expectations | 7.2 | 6.3 |
| Likelihood of a Return Visit | 4.4 | 4.1 |
| Informed of Tours and Activities | 7.9 | 7.0 |
| Initial Shoreside Welcome | 7.8 | 7.6 |
| Guided Tour | 8.2 | 7.7 |
| Historic Sites/Museums | 6.8 | 5.7 |
| Variety of Things to See and Do | 6.2 | 5.3 |
| Friendliness of Residents | 8.1 | 7.7 |
| Overall Shopping Experience | 6.8 | 6.5 |
| Courtesy of Employees | 7.9 | 7.7 |
| Variety of Shops | 6.6 | 6.2 |
| Overall Prices | 6.2 | 5.8 |
| Taxis/Local Transportation | 7.2 | 6.5 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

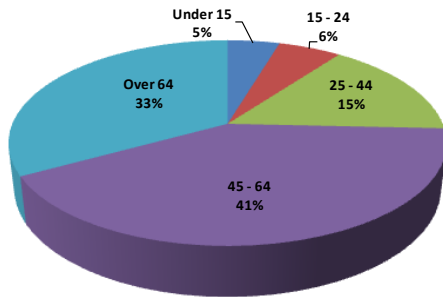
- Passenger satisfaction scores for most categories in the current study increased by a half point or better from the 2009 study.
- Cruise passengers were very satisfied with their overall visit to the Turks and Caicos with a mean score of 7.5. Passengers also reported that the visit exceeded their expectations. The mean score for "Visit Met Expectations" was 7.2, up from 6.3 in the 2009 study.
- Passengers felt very informed about tours and onshore activities in the Turks and Caicos with a mean score of 7.9.
- "Guided Tours" (or Shore Excursions) received the highest score of all visit attributes with a mean score of 8.2. Thus, cruise passengers were very satisfied with their shore excursions.
- Passenger interactions with residents and store employees were very positive with "friendliness of residents" receiving a mean score of 8.1 and "courtesy of employees" having a mean score of 7.9.

- Cruise passengers were very satisfied with their initial shoreside welcome which received a mean score of 7.6 and local transportation with a mean score of 7.2.
- Categories with average scores between 5.0 and 7.0 (Somewhat Satisfied) were given for historic sites, variety of things to see and do, local transportation and the overall shopping experience, including the variety of shops and overall prices. Thus, while passengers thought shop employees were very courteous, the overall score for their shopping experience was brought down by lower perceptions on the variety of shops (6.6) and overall prices (6.2).
- Cruise passengers stated that they were not too likely to return to the Turks and Caicos for a land-based vacation.

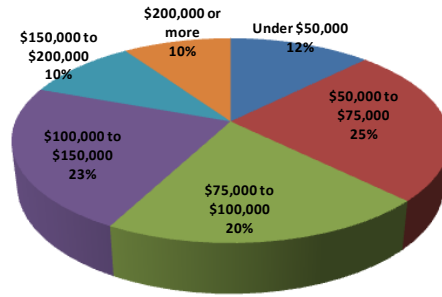
Passenger Demographics

Residents of the United States and Canada accounted for 95 percent of the respondents. The average age of the respondents was 53 years with 33 percent of the respondents being 65 years of age or older. The Turks and Caicos passengers had an average household income of \$108,700 with 42 percent having over \$100,000 in household income.

**Figure 79 – Passenger Age
Turks and Caicos**



**Figure 80 – Passenger Household Income
Turks and Caicos**



U.S. Virgin Islands

At the core of the analysis of the economic contribution of cruise tourism were a set of passenger and crew surveys that were conducted onboard ships of the FCCA member cruise lines.¹⁰⁰ The surveys were undertaken during the six-month period beginning in December 2011 and ending in May 2012. The survey schedule was designed so that surveys were conducted by FCCA member cruise lines that called at each destination and that the distribution of passenger and crew surveys would reflect the distribution of passenger and crew arrivals by cruise line at each destination. On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their quarters and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination. On a subsequent itinerary, passengers were surveyed following a call at a different destination.

The passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information:

- hours spent ashore;
- expenditures by category, including shore tours, food & beverages, clothing, etc.;
- visit satisfaction, including shore tour, friendliness of residents, prices, shopping, etc.;
- likelihood of returning for a land-based vacation; and
- demographic characteristics, including country of residence, age group, income, etc.

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for each destination. This process began with the collection of economic data for each destination from a combination of local, regional and international sources. Utilizing all of these data a set of economic impact models were developed for each destination to estimate the direct and total employment and wage impacts. A more detailed description of these models is provided in the **Data and Methods** section of Volume I.

¹⁰⁰ Surveys were conducted on the ships of the following cruise lines: Carnival Cruise Lines, Celebrity Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Princess Cruises, P&O Cruises and Royal Caribbean International.

Cruise Tourism Expenditures

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- onshore expenditures by passengers which tend to be concentrated in shore excursions and retail purchases of clothing, jewelry and local crafts and souvenirs;
- onshore expenditures by crew which are generally concentrated in purchases of food and beverages, local transportation and retail purchases of clothing and electronics;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and
- purchases of supplies, such as food and other stores, by the cruise lines from local businesses.

According to data obtained from the Department of Tourism and the CTO, an estimated 2.0 million cruise passengers arrived aboard cruise ships during the 2011/2012 cruise year.¹⁰¹ Of these, an estimated 1.8 million passengers (90 percent) disembarked and visited U.S. Virgin Islands. Utilizing additional data provided by the visiting cruise lines, we have estimated that 745,634 crew were aboard the cruise ships and that 46 percent, or 342,355 crew, disembarked and visited the U.S. Virgin Islands. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **\$339.8 million** (\$US) in cruise tourism expenditures in the U.S. Virgin Islands during the 2011/2012 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Table 124 – Estimated Passenger Spending (\$US) in the U.S. Virgin Islands, 2011/2012 Cruise Year¹⁰²

| Purchase Categories | Average Spend per Party | Share of All Onshore Visits | Weighted Average Spend per Party |
|--|-------------------------|-----------------------------|----------------------------------|
| Clothing | \$ 63.30 | 48.4% | \$ 30.64 |
| F&B at Restaurants & Bars | \$ 27.70 | 45.9% | \$ 12.70 |
| Shore Excursions | \$ 73.00 | 45.5% | \$ 33.23 |
| Taxis/Ground Transportation | \$ 34.60 | 44.5% | \$ 15.40 |
| Watches & Jewelry | \$ 547.30 | 34.3% | \$ 187.67 |
| Local Crafts & Souvenirs | \$ 30.50 | 33.7% | \$ 10.29 |
| Other Purchases | \$ 72.80 | 20.0% | \$ 14.57 |
| Retail Purchases of Liquor | \$ 53.70 | 15.9% | \$ 8.56 |
| Perfumes & Cosmetics | \$ 68.20 | 6.9% | \$ 4.73 |
| Electronics | \$ 192.60 | 2.0% | \$ 3.84 |
| Entertainment/Night Clubs/Casinos | \$ 47.20 | 1.7% | \$ 0.79 |
| Telephone & Internet | \$ 20.70 | 1.6% | \$ 0.33 |
| Total Spend per Cruise Party | | | \$322.75 |
| Average Size of a Cruise Party | | | 2.2 |
| Total Spend per Cruise Passenger | | | \$146.70 |
| Cruise Passenger Visits | | | 1,795,884 |
| Total Cruise Passenger Expenditures | | | \$263,461,201 |

¹⁰¹ The 2011/2012 cruise year includes the twelve months beginning in May, 2011 and ending in April, 2012.

¹⁰² The average shore excursion expenditure is a weighted average of the onshore and Internet purchases and the portion of the onboard purchases paid to local tour operators.

Per passenger spending estimates were derived from the 1,703 surveys completed by passengers that went ashore during the survey period. As shown in **Table 124**, each passenger cruise party spent an average of \$322.75 in the U.S. Virgin Islands. The average spend per cruise party is the sum of the weighted spending in each of the twelve categories. For example, 46 percent of the survey respondents reported spending an average of \$27.70 at local restaurants and/or bars. Spread over the cruise parties that visited the U.S. Virgin Islands, this represents an average of \$12.70 per party. On a per passenger basis, the average total expenditure was \$146.70. This represents the sum of per party expenditures, \$322.75, divided by the average size of a cruise party in the U.S. Virgin Islands, 2.2 passengers.

Cruise passenger expenditures in the U.S. Virgin Islands were concentrated in four categories which accounted for nearly 85 percent of their onshore expenditures: watches and jewelry, shore excursions, clothing and ground transportation. Over 40 percent of the passengers that went ashore made purchases of clothing, food and beverages, shore excursions and ground transportation.

Forty-six percent (46%) of the passengers reported that their cruise party purchased a shore excursion. The effective local price of the shore excursion was \$73 per party but when the full price of the purchase from cruise lines and travel agents is included passengers spent an average of \$120 per party for their tours.

For the entire 2011/2012 cruise year, the estimated 1.8 million cruise passengers who visited the U.S. Virgin Islands spent a total of **\$263.5 million** (\$US).

Table 125 – Estimated Crew Spending (\$US) in the U.S. Virgin Islands, 2011/2012 Cruise Year

| Purchase Categories | Average Spend per Crew | Share of All Onshore Visits | Weighted Average Spend per Crew |
|--|------------------------|-----------------------------|---------------------------------|
| F&B at Restaurants & Bars | \$ 25.90 | 69.5% | \$ 18.00 |
| Taxis/Ground Transportation | \$ 10.90 | 43.5% | \$ 4.74 |
| Clothing | \$ 66.40 | 24.5% | \$ 16.27 |
| Other Purchases | \$ 125.10 | 16.5% | \$ 20.64 |
| Telephone & Internet | \$ 17.20 | 17.5% | \$ 3.01 |
| Local Crafts & Souvenirs | \$ 18.30 | 16.0% | \$ 2.93 |
| Electronics | \$ 322.20 | 14.5% | \$ 46.72 |
| Retail Purchases of Liquor | \$ 53.10 | 8.0% | \$ 4.25 |
| Perfumes & Cosmetics | \$ 92.50 | 7.5% | \$ 6.94 |
| Watches & Jewelry | \$ 138.00 | 7.0% | \$ 9.66 |
| Shore Excursions | \$ 9.20 | 6.0% | \$ 0.55 |
| Entertainment/Night Clubs/Casinos | \$ 131.10 | 3.5% | \$ 4.59 |
| Total Spend per Crew | | | \$138.30 |
| Cruise Passenger Visits | | | 342,355 |
| Total Cruise Passenger Expenditures | | | \$47,347,737 |

Per crew spending estimates were derived from the nearly 300 surveys completed by crew members during the survey period. As shown in **Table 125**, each crew member spent an average of \$138.30 in the U.S. Virgin Islands. The average spend per crew member is the sum of the weighted spending in each of the twelve categories. For example, 70 percent of the

survey respondents reported spending an average of \$25.90 for food and beverages. Spread over all the crew members that visited the U.S. Virgin Islands, this represents an average of \$18.00 per crew member.

Expenditures by crew in the U.S. Virgin Islands were concentrated in four categories which accounted for nearly 75 percent of their onshore expenditures: electronics, food and beverages, clothing and other (unspecified) purchases. Combined, crew spent an average of \$102 for goods in these four categories. Purchases of food and beverages were the most popular expenditure item with 70% percent of the crew reporting the purchase of food and beverages.

For the entire 2011/2012 cruise year, the estimated 324,355 crew who visited the U.S. Virgin Islands spent an estimated total of **\$47.3 million** (\$US).

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines made other local expenditures, including payments for port fees and taxes, navigation services, utilities and other supplies. Based upon data provided by the FCCA member cruise lines, we estimated that all cruise lines spent **\$28.9 million** (\$US) in the Virgin Islands during the 2011/2012 cruise year. Approximately 80 percent of these expenditures were payments for port fees and navigation services while the remaining 20 percent consisted of payments for ship supplies.

Economic Contribution of Cruise Tourism Expenditures

As noted in the **Data and Methods** section of the full report, a set of economic impact models were developed for each destination to produce estimates of the economic contribution of cruise tourism. Data for these models were collected from a broad range of local, regional and international sources. The impact models were designed to reflect the economic structure of each destination, including the industrial composition of Gross Domestic Product (GDP), the wage share of GDP by industry and average employee wages by industry.

Table 126 – Total Economic Contribution of Cruise Tourism in the U.S. Virgin Islands 2011/2012 Cruise Year

| | Employment | Wage Income (\$US Millions) |
|-------------------------------------|------------|--------------------------------|
| Direct Economic Contribution | 3,375 | \$ 74.4 |
| Total Economic Contribution | 6,349 | \$139.6 |

As shown in **Table 126**, the \$339.8 million in total cruise tourism expenditures generated direct employment of 3,375 residents of the U.S. Virgin Islands paying \$74.4 million in annual wages. Adding the indirect contribution that results from the spending of those local businesses that are the direct recipients of passenger, crew and cruise line expenditures, the direct cruise tourism expenditures generated a total employment contribution of 6,349 jobs and \$139.6 million in wage income in the U.S. Virgin Islands during the 2011/2012 cruise year.

As shown in **Figures 81 and 82**, the total employment and wage impacts of cruise tourism are concentrated in the commercial and transport sectors which account for about 85 percent of the employment and wage impacts.¹⁰³ This is not surprising since the direct impacts account for more than half of the total employment impacts and that virtually all of the cruise tourism expenditures are made with businesses in these sectors. Because of the relatively lower wages in the commercial sector relative to the other sectors of the U.S. Virgin Islands economy, the commercial sector accounts for 75 percent of the employment impacts but only 70 percent of the wage impacts. The remainder of the total employment and wage impacts was generated by the indirect spending in the other sectors of the economy.

Figure 81 – Total Employment Impacts by Sector - U.S. Virgin Islands

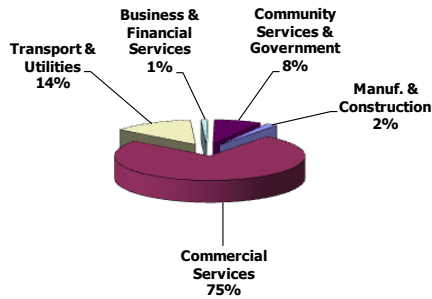
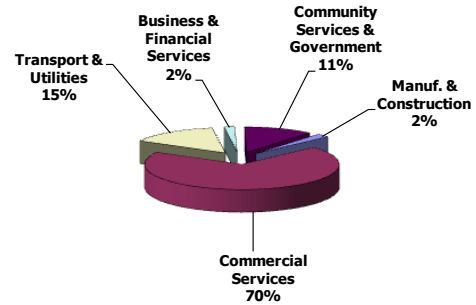


Figure 82 – Total Wage Impacts by Sector U.S. Virgin Islands



¹⁰³ The industry sectors include the following activities:

- Manufacturing & Construction: residential and nonresidential construction and all manufacturing
- Commercial Services: wholesale and retail trade, lodging and eating and drinking establishments
- Transportation & Utilities: tour operators, port services, telecommunications and water and power utilities
- Business & Financial Services: banking, insurance, legal, accounting, leasing and other business services
- Community Services & Government: education, health and social services and government agencies

Comparison to 2009 Study

Total estimated passenger and crew visits increased by nearly 12 percent from 1.91 million visits during the 2008/2009 cruise year to 2.14 million during the 2011/2012 cruise year. However, total direct expenditures in the U.S. Virgin Islands decreased by 12 percent from \$384.4 million in the 2008/2009 cruise year to \$339.8 million in the 2011/2012 cruise year. As indicated in **Table 127**, expenditures by passengers and crew declined while cruise lines spending increased slightly.

Table 127 – Comparison of Cruise Tourism Impacts, Current Study versus 2009 Study - USVI

| | Current Study | 2009 Study | Percent Change |
|--|-----------------|-----------------|----------------|
| Total Onshore Visits (Thousands) | 2,138.2 | 1,911.1 | +11.9% |
| Passengers | 1,795.9 | 1,575.0 | +14.0% |
| Crew | 342.3 | 336.1 | +1.8% |
| Total Direct Expenditures (\$US Millions) | \$339.8 | \$384.4 | -11.6% |
| Passengers | \$ 263.5 | \$ 304.3 | -13.4% |
| Crew | \$ 47.3 | \$ 51.3 | -7.8% |
| Cruise Lines | \$ 28.9 | \$ 28.6 | +1.0% |
| Average Per Passenger Expenditure | \$146.70 | \$193.22 | -24.1% |
| Average Per Crew Expenditure | \$138.30 | \$152.58 | -9.4% |
| Total Employment Impact | 6,349 | 6,688 | -5.1% |
| Total Wage Impact (\$US Millions) | \$ 139.6 | \$ 146.6 | -4.8% |

The 13 percent decline in passenger expenditures was the net result of the 14 percent increase in passenger visits which was more than offset by the 24 percent decrease in average passenger expenditures. The decrease in per passenger expenditures was primarily driven by a decline in the percentage of passengers making onshore purchases. Among the major purchase categories the percentage of passengers making on shore purchases fell from the 2008/2009 cruise year to the 2011/2012 cruise year as follows: shore excursions (51% to 46%), watches and jewelry (39% to 34%), clothing (54% to 48%) and local crafts (36% to 34%). As a result the weighted average expenditure for all these categories fell with the exception of clothing which increased as a result of an increase in the value of clothing purchases by those passengers purchasing clothing.

The situation for crew expenditures was similar. The 8 percent decline in total crew expenditures was the net result of a 2 percent increase in crew visits that was offset by a 9 percent decrease in the average per crew expenditure. The decline in the average crew expenditure was driven primarily by an 80 decline in the weighted average crew expenditure for jewelry. Relative to the 2008/2009 cruise year, a smaller percentage of crew purchased jewelry during the 2011/2012 cruise year and when they did they spent much less.

As a result of the 12 percent decrease in direct cruise tourism expenditures from the 2008/2009 cruise year, the total employment and wage impacts declined by about 5 percent over the three-year period.

Passenger Surveys

A total of 1,703 passenger surveys were completed and returned for tabulation. **Table 128** shows the major attributes of passenger visits in the U.S. Virgin Islands as derived from the passenger surveys.

Table 128 - Major Attributes of Transit Passenger Surveys - U.S. Virgin Islands

| | Number | Percent |
|--|--------|---------|
| Total Respondents | 1,703 | |
| Number Making First Visit | 664 | 39.0% |
| Number Ashore | 1,654 | 97.1% |
| Number Making Onshore Purchases: | 1,254 | 75.8% |
| Average Hours Ashore | 4.5 | |
| Average Size of Expenditure Party (Persons) | 2.2 | |
| Average Onshore Expenditure per Party | \$272 | |
| Purchased a Shore Excursion (Tour) | 753 | 45.5% |
| Purchased Onshore Tour from: | | |
| Cruise Line | 571 | 75.8% |
| Onshore from Tour Operator | 125 | 16.6% |
| Travel Agent | 57 | 7.6% |
| Average Cost of Shore Excursion per Party | \$120 | |
| Toured On Own/Did not Tour | 901 | |

- Of the 1,703 cruise parties that completed the surveys 39% stated that this had been their first visit to the U.S. Virgin Islands. This is a decline from 44% in the 2009 study.
- Ninety-seven percent (97%) of the cruise parties that completed the surveys disembarked their cruise ship to visit the U.S. Virgin Islands.
- Of the cruise parties that went ashore, 76% made at least one purchase while ashore. This is a decline from 82% during the 2008/2009 cruise year. The typical cruise party consisted of 2.2 passengers that spent an average of 4.5 hours ashore.
- The responding cruise parties reported spending an average of \$272 while ashore (excludes shore excursions), a decline of 26 percent from \$367 during the 2008/2009 cruise year.
- Forty-six percent (46%) of the passengers that went ashore purchased a shore excursion. This is a decline from 51 percent in the 2009 study. Seventy-six percent (76%) of passengers who purchased a tour did so through their cruise line, 17% purchased their tour onshore and 7 percent purchased their tour through their travel agent.
- The typical cruise party that purchased a shore excursion spent \$120 for their tour. This is a 9 percent increase from \$110 during the 2008/2009 cruise year.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit along a number of parameters, as shown in **Table 129**. A 10-point scale was used with 10 being the highest score, i.e., extremely satisfied, and 1 being the lowest score, i.e., not at all satisfied.

Table 129 – Passenger Visit Satisfaction* - U.S. Virgin Islands

| Visit Attributes | Mean Score | |
|---|---------------|------------|
| | Current Study | 2009 Study |
| Overall Visit | 7.9 | 8.0 |
| Visit Met Expectations | 7.4 | 7.4 |
| Likelihood of a Return Visit | 5.8 | 5.4 |
| Informed of Tours and Activities | 8.0 | 8.0 |
| Initial Shoreside Welcome | 7.6 | 7.6 |
| Guided Tour | 7.9 | 8.1 |
| Historic Sites/Museums | 7.0 | 7.2 |
| Variety of Things to See and Do | 7.2 | 7.4 |
| Friendliness of Residents | 8.1 | 8.0 |
| Overall Shopping Experience | 7.5 | 7.5 |
| Courtesy of Employees | 8.2 | 8.1 |
| Variety of Shops | 7.2 | 7.2 |
| Overall Prices | 7.0 | 7.1 |
| Taxis/Local Transportation | 7.6 | 7.7 |

* Scale is 1 to 10 with 10 being the highest score. The mean scores can be interpreted as follows:
 Extremely Satisfied: 10-9; Very Satisfied: 8-7; Somewhat Satisfied: 6-5; Not Too Satisfied: 4-3;
 Not At All Satisfied: 2-1.

Among other key conclusions concerning visit satisfaction were the following:

- Cruise passenger satisfaction with the various attributes of their visit to the U.S. Virgin islands changed very little from the 2009 study.
- Cruise passengers were very satisfied with their overall visit to the U.S. Virgin Islands with a mean score of 7.9. They also reported that their visit exceeded their expectations. The mean score for "Visit Met Expectations" was lower at 7.4.
- Passengers felt very informed about tours and onshore activities in the U.S. Virgin Islands with a mean score of 8.0.
- "Guided Tours" (or Shore Excursions) received a mean score of 7.9. Thus, cruise passengers were very satisfied with their shore excursions.
- Passenger interactions with residents and store employees were very positive with "friendliness of residents" receiving a mean score of 8.1 and "courtesy of employees" having a mean score of 8.2.

- Categories with slightly lower scores but still above 7.0 (Very Satisfied) were: initial shoreside welcome, historic sites, variety of things to see and do and local transportation.
- Cruise passengers were very satisfied with their overall shopping experience. As noted above, passengers thought shop employees were very courteous and were very satisfied with the variety of shops (7.2) and overall prices (7.0).
- Cruise passengers stated that they were somewhat likely to return to the U.S. Virgin Islands for a land-based vacation.

Passenger Demographics

Residents of the United States and the Canada accounted for 94 percent of the responding passengers. The average age of the respondents was 56 years with 40 percent of the respondents being 65 years of age or older. The U.S. Virgin Islands’ passengers had an average household income of \$103,600 with 39 percent having over \$100,000 in household income.

Figure 83 – Passenger Age U.S. Virgin Islands

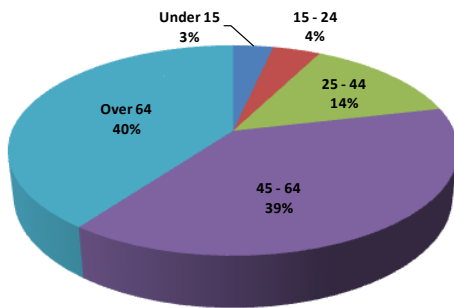
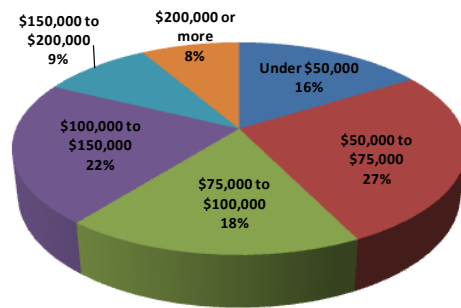


Figure 84 – Passenger Household Income U.S. Virgin Islands





BREA specializes in custom market analyses for clients throughout the private and public sectors. These unique market analyses integrate economic, financial, and demographic trends with primary market research, proprietary client data, and advanced statistical and modeling techniques. This approach results in comprehensive and actionable analysis, databases and models, designed to support planning, sales and marketing, and education within client organizations.

Dr. Moody, President of BREA, has more than twenty-five years of experience in consulting and forecasting with a wide range of international product and service companies, including consumer products, leisure, retailing, gaming, business services, telecommunications, and utility and financial services. Typical consulting assignments provide critical analysis and insight into market dynamics, product demand, economic trends, consumer behavior and public policy.

BREA has provided specialized consulting support, including market research, economic impact studies and demand analyses, to the cruise lines, port service providers and industry associations. Among BREA's recent clients are: Port of Philadelphia and Camden, Tampa Port Authority, Port of San Diego, Royal Caribbean Cruises Ltd., Carnival Corp., P&O Ports of North America, and the International Council of Cruise Lines. Since studies are designed to meet the specific needs of each client, they can incorporate many dimensions of the market and include a variety of ancillary services.

BREA provides the following services:

Market Research: design and implementation of primary market research instruments using telephone, mail, and intercept surveys. Test instruments are designed to collect information on product demand, attributes of consumers and users, perceived product attributes, and customer satisfaction.

Economic Impact Studies: thorough analysis of industries and consumption behavior and their contribution to or impact on national and regional (state, metropolitan areas, counties, etc.) economies.

Statistical and Econometric Modeling: developing quantitative models relating market and product demand to key economic factors and demographic market/consumer attributes. Models can be used for forecasting, trend analysis and divergence/convergence analysis.

Market Studies and Trend Analyses: detailed descriptions of markets (defined as products, regions, industries, consumer segments, etc.) and comprehensive analyses of underlying market forces (such as economic and financial conditions, competitive environment, technology, etc.).