

2020

STATE OF THE CRUISE
INDUSTRY OUTLOOK



Cruise Lines International Association (CLIA), the world's largest cruise industry trade association, has released the 2020 State of the Cruise Industry Outlook.

The report offers a look at the **research, analytics and trends** driving the cruise industry forward in the coming year and beyond.

OUTLOOK SNAPSHOT



MESSAGE FROM THE PRESIDENT AND CEO



INDUSTRY TRENDS



2020 CRUISE OUTLOOK



GLOBAL ECONOMIC IMPACT



ABOUT CRUISE LINES INTERNATIONAL ASSOCIATION



MESSAGE FROM KELLY CRAIGHEAD **PRESIDENT AND CEO**

As demonstrated in 2019, the cruise industry has cemented its role as a mainstream vacation choice with more than 30 million guests expected to sail this year. While demand for cruising has reached new heights, the cruise industry is accelerating our efforts to be a leader in responsible tourism.

Our members are at the forefront of best practices designed to protect the sanctity of the destinations we visit and enhance the experiences of travelers and residents alike. In 2019, we embraced new collaborations with local governments and communities, and we look forward to continuing this work in 2020 and beyond.

Moreover, environmental sustainability is central to responsible tourism and another example of where the cruise industry is leading the way. Our members have committed over \$22 billion in new, energy-efficient ships and technologies to minimize our environmental impact and make progress towards our goal of reducing the rate of carbon emissions by 40% by 2030 as compared to 2008.

The 2020 State of the Cruise Industry report takes an in-depth look at the impact of cruising and the trends we are witnessing across the industry, including environmental sustainability, responsible tourism and unique passenger offerings.

On behalf of our members, we look forward to continuing to innovate and reach new milestones to ensure that cruising remains the best way to experience the world for generations to come.

A handwritten signature in blue ink that reads "Kelly Craighead".

Kelly Craighead – President and CEO, Cruise Lines International Association



TRENDS





TREND #1

ENVIRONMENTAL SUSTAINABILITY

The development and identification of new technologies and cleaner fuels is a top priority for the cruise industry, which continues to make substantial investments in reducing its environmental impact.

\$22
BILLION

Invested in new energy efficiency technologies and cleaner fuels

40%
TARGET

Reduction in rate of carbon emissions by 2030 (compared to 2008)

14.1
YEARS

Average age of fleet vs. 14.6 years in 2018

INNOVATION

While cruise ships comprise less than 1% of the global maritime community, the entire shipping industry benefits from the early adoption of new technologies and practices that did not exist just five to ten years ago.

Liquefied Natural Gas (LNG)

Virtually zero sulfur emissions, a 95% to 100% reduction in particulate emissions, and 85% reduction in nitrogen oxide emissions and up to a 20% reduction in greenhouse gas emissions

Exhaust Gas Cleaning Systems (EGCS)

98% reduction in sulfur oxide levels, 50% reduction of total particulate matter and 12% reduction of nitrogen oxides

Advanced Wastewater Treatment Systems

Advanced waste treatment systems that exceed international requirements and are often superior to shoreside treatment plants

Shore-side Power

Cruise ships are increasingly equipped with the ability to turn off the engines and receive shore-side electricity while in port where clean energy is available

PROGRESS

CLIA's most recent **Environmental Technologies and Practice Report** shows significant progress towards the adoption of new and innovative practices, while the industry continues to explore new ways to increase efficiencies.



LNG – 44% of new build capacity will rely on LNG fuel for primary propulsion



ECGS – 68% of global capacity currently utilizes ECGS, while **75%** of non-LNG new-builds will have ECGS



Advanced Wastewater Treatment Systems – 100% of new builds will have these systems in place



Shore-side Power – 88% of new build capacity will have or be configured to add this ability

Additional Areas of Exploration:

Battery Propulsion | Advanced Recycling | Reduced Plastics | Efficient Lighting |
Solar Energy | Fuel Cell Technology

Source: 2019 Global Cruise Industry Environmental Technologies and Practices Report

TREND #2

DESTINATION STEWARDSHIP

With increased demand and growth in the cruise industry comes responsibility to foster respect and cooperation with the places we visit. In collaboration with local communities, the cruise industry is exploring new and creative ways to manage the flow of visitors and implement the highest standards of responsible tourism.



PARTNERSHIPS WITH LOCAL GOVERNMENTS



STAGGERED ARRIVALS AND DEPARTURES



EXCURSION DIVERSIFICATION



SHORESIDE POWER



LOCAL PASSENGER SPENDING

ADDITIONAL 2020 TRENDS



CRUISE AND STAY

65% of cruise passengers spend a few extra days at embarkation or debarkation ports.



THE PLASTIC-FREE PASSENGER

More than eight of ten cruise passengers recycle (**82%**) and reduce using single-use plastics (**80%**) while traveling. **Seven out of ten cruisers** forego plastic straws.



GENERATION CRUISE POSITIVE

More than 66% of Generation X and 71% of Millennials have a more positive attitude about cruising compared to two years ago.



LONE CRUISERS

Cruise lines are responding to a shift in passenger demographics by offering studio cabins, single-friendly activities, eliminating single supplements and solo-lounges.



MICRO TRAVEL

Many cruise lines offer bite-sized cruises over a three-to-five-day period offering incredible itineraries and travel to exciting destinations.



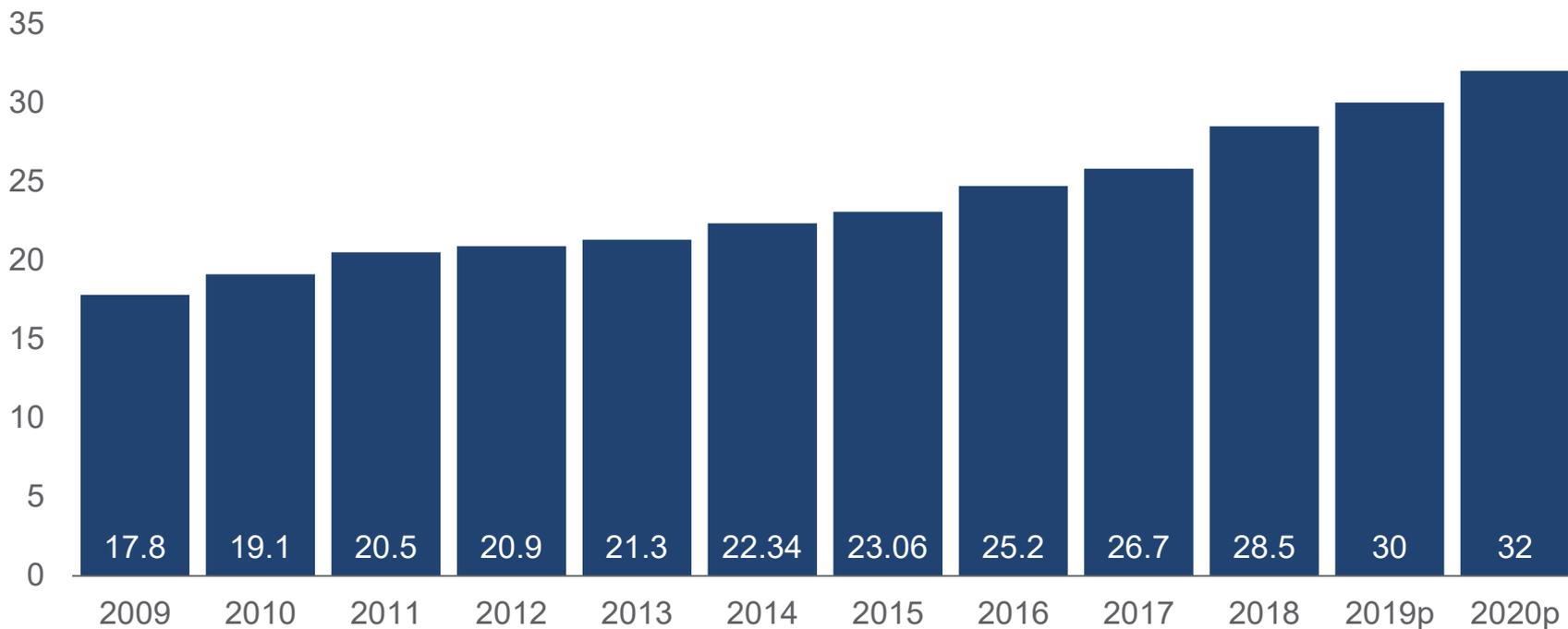
2020 CRUISE INDUSTRY OUTLOOK



2020 PASSENGER CAPACITY SNAPSHOT

2020 = 32 MILLION PASSENGERS EXPECTED TO CRUISE

CLIA Global Ocean Cruise Passengers (In Millions)



p = projection

CLIA OCEAN CRUISE LINE SHIPS

278

PROJECTED IN OPERATION IN 2020

19

SCHEDULED TO DEBUT IN 2020

NEW SHIPS DEBUTING IN 2020

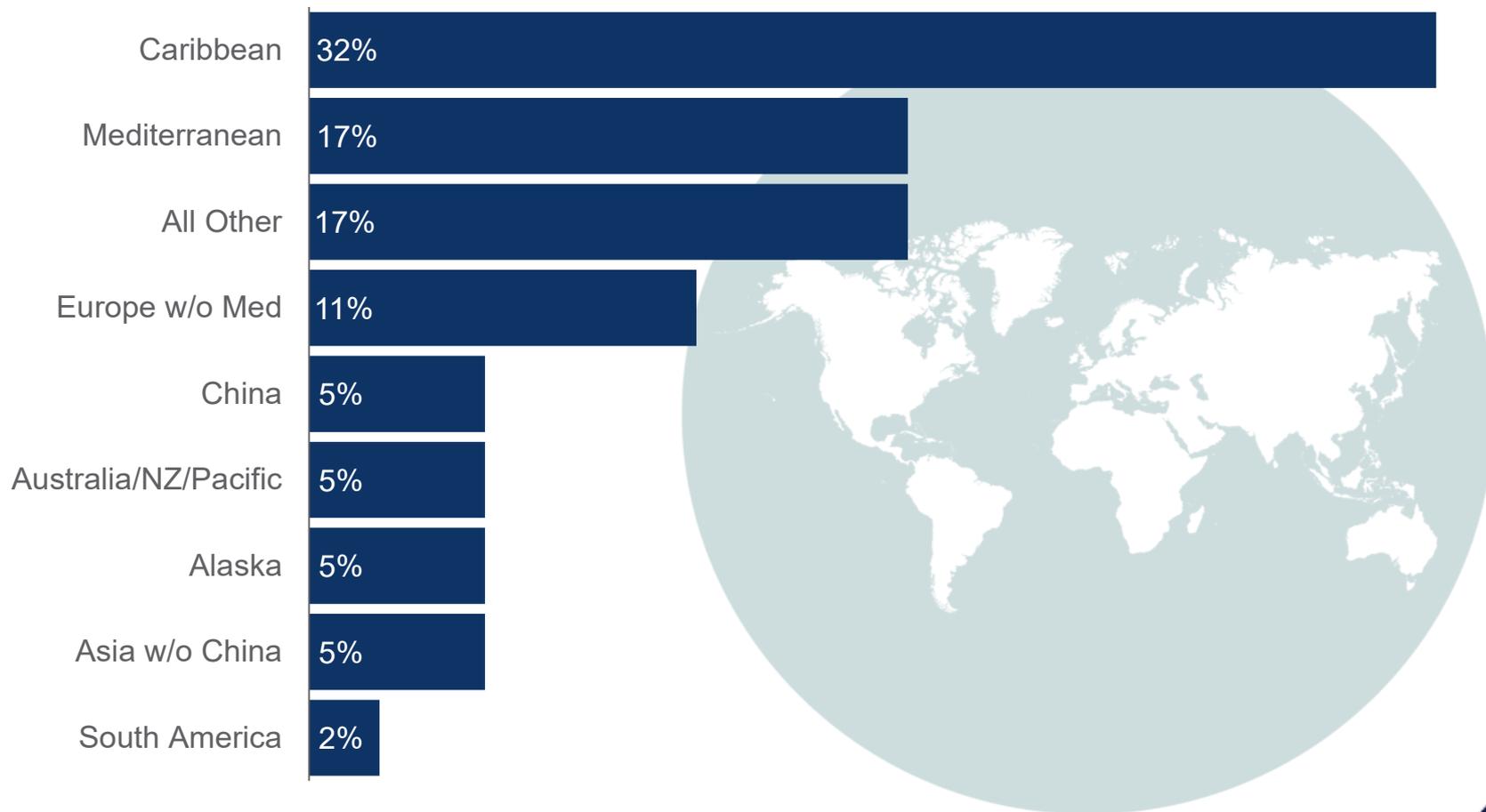
CLIA OCEAN CRUISE LINES REPRESENTED

CRUISE LINE	SHIP
Carnival	<i>Mardi Gras</i>
Celebrity	<i>Celebrity Apex</i>
Coral Expeditions	<i>Geographer</i>
Costa Cruises	<i>Firenze</i>
Crystal	<i>Crystal Endeavor</i>
Dream Cruises	<i>Global</i>
MSC Cruises	<i>Virtuosa</i>
Mystic Cruises	<i>World Voyager</i>
P&O Cruises UK	<i>Iona</i>
Ponant	<i>Le Bellot</i>
Ponant	<i>Le Jacques Cartier</i>
Princess	<i>Enchanted Princess</i>
Regent Seven Seas Cruises	<i>Seven Seas Splendor</i>
Royal Caribbean	<i>Odyssey of the Seas</i>
Saga Cruises	<i>Spirit of Adventure</i>
Scenic	<i>Scenic Eclipse II</i>
Silversea	<i>Silver Moon</i>
Silversea	<i>Silver Origin</i>
Virgin Voyages	<i>Scarlet Lady</i>



DEPLOYMENT

2020 CRUISE LINE DEPLOYMENT BY REGION – % ALBD



Percent of Share
Data 08/21/2019

Source: CLIA 2019 Internal Deployment Report

WHERE ARE PASSENGERS COMING FROM?

1. **North America** / 14,240,000
2. **Western Europe** / 6,731,000
3. **Asia** / 4,240,000
4. **Australasia/New Zealand/Pacific** / 1,460,000
5. **South America** / 883,000
6. **Scandinavia/Iceland** / 225,000
7. **Eastern Europe** / 213,000
8. **Africa** / 154,000
9. **Middle East/Arabia** / 111,000
10. **Caribbean** / 56,000
11. **Central America** / 47,000



Passengers in Millions 2018

Source: CLIA ONE reSource

REPEAT CRUISING

82%

OF CRUISERS LIKELY TO BOOK A CRUISE AS THEIR NEXT VACATION



* Based on vacationer surveys in 9 countries- Summer 2019
Source: CLIA Consumer Survey Spring 2019-8 Countries



GLOBAL ECONOMIC IMPACT



2018 GLOBAL ECONOMIC IMPACT

THE CLIA 2018 GLOBAL ECONOMIC IMPACT IS AN INDEPENDENT STUDY COMMISSIONED BY CLIA AND CONDUCTED BY BUSINESS RESEARCH AND ECONOMIC ADVISORS (BREA).



28.5
MILLION
Passengers



1,177,000
JOBS
FT Equivalent Employees



\$50.24
BILLION
Wages and Salaries

\$150
BILLION

Total Output Worldwide



GLOBAL PASSENGER SPENDING

\$376

**PASSENGER SPENDING
IN PORT BEFORE
BOARDING A CRUISE**

\$101

**PASSENGER SPENDING
IN PORT WHILE VISITING
DURING A CRUISE.**



ABOUT CLIA



CRUISE LINES INTERNATIONAL ASSOCIATION (CLIA)

Cruise Lines International Association (CLIA) provides a unified voice for the global cruise community and its commitment to maritime best practices and responsible tourism. On behalf of the industry, CLIA supports policies and practices that foster a safe, secure, healthy and sustainable cruise ship environment, as well as promote positive travel experiences for the more than 30 million passengers who cruise annually.

The organization's global headquarters are located in Washington, DC, with regional offices located in North and South America, Europe, Asia and Australasia.

CLIA COMMUNITY

55

CRUISE LINES

Ocean, river and specialty cruise lines, representing more than 95% of global cruise capacity



400

EXECUTIVE PARTNERS

Key suppliers and cruise line partners, including ports & destinations and ship development, suppliers and business services



15,000

TRAVEL AGENCIES

Includes the largest agencies, hosts, franchises and consortia



53,000

TRAVEL AGENT MEMBERS WORLDWIDE



GLOBAL VOICE

15 OFFICES AROUND THE WORLD

Brasil / Alaska / Australasia / Belgium & Luxembourg / Europe / France / Germany / Italy / Netherlands / North America / North Asia / North West & Canada / Southeast Asia / Spain / UK & Ireland



THANK YOU

For more information, please visit cruising.org/research and follow us on social media.

