



Contribution of Cruise Tourism to the Global Economy 2022

REPORT PRODUCED FOR CLIA BY TOURISM ECONOMICS
November 2023



CONTENTS

Executive Summary	03
Introduction	08
Cruise Industry's Global Economic Impact	12

November 2023

All data shown in tables and charts are Oxford Economics' own data, except where otherwise stated and cited in footnotes, and are copyright © Oxford Economics Ltd.

This report is confidential to CLIA and may not be published or distributed without their prior written permission.

The modelling and results presented here are based on information provided by third parties, upon which Oxford Economics has relied in producing its report and forecasts in good faith. Any subsequent revision or update of those data will affect the assessments and projections shown.

To discuss the report further please contact:

Matthew Dass: mdass@oxfordeconomics.com
Christian Savelli: csavelli@oxfordeconomics.com

Oxford Economics
4 Millbank, London SW1P 3JA, UK
Tel: +44 203 910 8061

EXECUTIVE SUMMARY



THE CRUISE INDUSTRY IN 2022

The cruise industry is a large and rapidly growing segment within world tourism. In recent decades, demand for travel overall has increased significantly across the globe due to rising standards of living, changes in consumer behaviour and improved access to transport, among other factors. This growth has benefitted many tourism sectors, including the cruise industry. Cruise Lines International Association (CLIA) recently commissioned Oxford Economics to assess the economic contribution of cruise activity globally in 2021 and 2022.

2021 was a year of rebirth for the cruise industry as pandemic restrictions were lifted and the resumption of operations accelerated through the year. The beginning of 2022 saw an acceleration in deployment, which continued to increase throughout the year. At the end of 2022, the total capacity deployed in terms of Available Passenger Cruise Days (APCD) was just below the 2019 level. Overall occupancy also improved throughout the year but remains below historical averages. This meant that despite the full resumption of cruise activity in 2022 actual passenger volumes were still about 70% of 2019 levels.

How does the Cruise Industry Generate Economic Impact?

We assess the economic impact of cruise tourism globally using a standard approach known as an economic impact analysis that quantifies the impact of the cruise industry across three “core” channels:



DIRECT IMPACT

The first channel—**direct**—relates to the economic activity supported by expenditure directly linked to the cruise industry. This includes visitor spending at ports, cruise line operational and capital purchases, and wage-linked consumption by cruise line employees. Additionally, we quantify direct cruise line employment and associated wages within this study where appropriate.



INDIRECT IMPACT

The second channel—**indirect**—captures supply chain effects that follow on from direct impacts, for example, purchases by businesses of goods and services from other businesses.



INDUCED IMPACT

The final channel—**induced**—captures the income effect and flow on to household consumption.

KEY FINDINGS

Despite pandemic-suppressed passenger volumes, the cruise industry’s global activities in 2022 yielded significant economic benefits, supporting:



\$137.6bn

worth of total economic output



\$68.9bn

worth of gross domestic product (GDP)



1.2mn

total jobs



\$42.8bn

worth of wages

Fig. 1. Summary of cruise industry activity globally, 2022

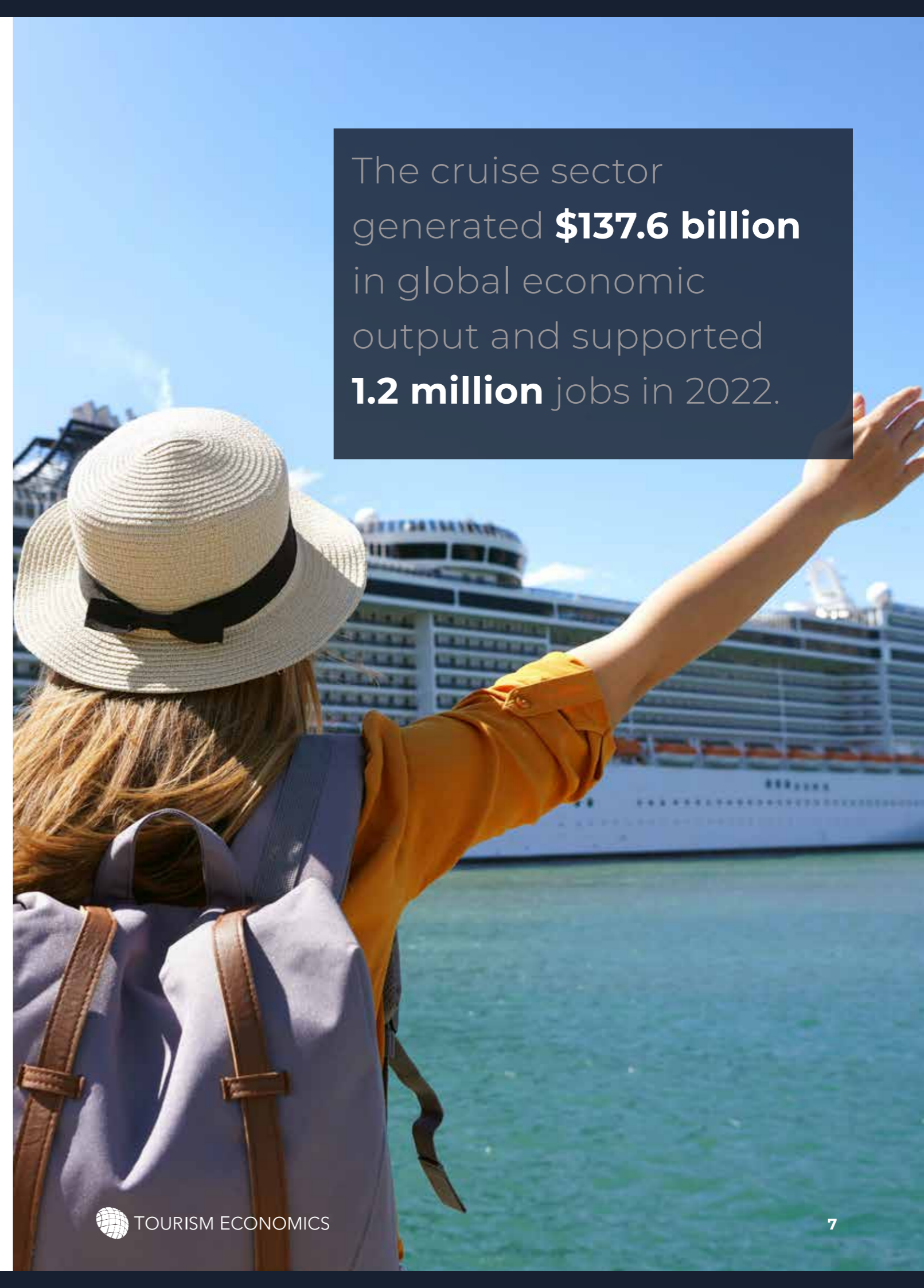
	Direct Expenditure	Direct Cruise Line Employment	Indirect	Induced	Total
Output (€ bn)	62.2	-	43.9	31.5	137.6
GDP (€ bn)	29.3	-	22.1	17.5	68.9
Employment (000s)	462	301	257	191	1,211
Wages (€ bn)	15.2	6.8	11.5	9.3	42.8

Source: Oxford Economics.

Fig. 2. Summary of cruise industry activity by global region, 2022

	Direct Cruise Line Employment	Global	USA	Canada	Europe	RoW
Passengers (000s)	Transit	72,332	6,260	1,595	28,854	35,622
	Embark	20,417	10,137	453	6,283	3,544
	Debark	20,186	9,950	439	6,232	3,566
	Total passengers	112,935	26,348	2,487	41,368	42,733
Spend (€ Billions)	Passengers	14.8	5.3	0.4	4.1	5.0
	Cruise line purchases	30.7	14.9	0.9	11.0	4.0
	Shipbuilding	12.6	0.2	0.0	11.4	1.0
	Staff income	5.8	1.3	0.0	1.4	3.1
	Total spend	64.0	21.6	1.3	27.9	13.1
Output (€ Billions)	Direct	62.2	21.3	1.3	27.3	12.4
	Indirect	43.9	14.3	0.8	20.4	8.5
	Induced	31.5	14.8	0.6	11.5	4.6
	Total output	137.6	50.3	2.6	59.2	25.5
GDP (€ Billions)	Direct	29.3	11.1	0.6	11.4	6.3
	Indirect	22.1	8.2	0.4	9.3	4.1
	Induced	17.5	8.5	0.3	6.1	2.5
	Total GDP	68.9	27.7	1.4	26.9	12.9
Employment (000s)	Direct (expenditure linked)	462	98	10	157	197
	Direct (cruise line employment)	301	19	1	44	237
	Indirect	257	49	4	105	98
	Induced	191	63	3	64	62
	Total employment	1,211	229	19	370	594

Source: Oxford Economics.



The cruise sector generated **\$137.6 billion** in global economic output and supported **1.2 million** jobs in 2022.

INTRODUCTION



INTRODUCTION

The cruise industry is a rapidly growing segment within world tourism. In recent decades, demand for travel overall has increased significantly across the globe due to rising standards of living, changes in consumer behaviour and improved access to transport, among other factors. This growth has benefitted many tourism sectors, including the cruise industry. Cruise Lines International Association (CLIA) recently commissioned Oxford Economics to assess the economic contribution of cruise activity globally in 2021 and 2022.

Previous research published by CLIA indicates that, prior to the coronavirus pandemic, the sector generated \$154.5 billion in global economic output in 2019. The pandemic brought cruise activity to an almost complete stop in 2020 as international restrictions on travel prohibited cruises.

2022 was a year of solid performance as covid-19 related restrictions were fully lifted and operations accelerated through the year. Over the year capacity almost doubled from 350,000 lower berths in January to 605,000 lower berths in December.

Throughout 2022, cruise activity grew significantly, reducing the gap with the record-breaking 2019 performance. In this report, we examine how the various activities of the cruise sector in 2022 supported economic impacts across the world, including a breakdown of the cruise industry's impact on the US, Canada, and Europe.

An Overview of Economic Impact Analysis

We assess the economic impact of cruise tourism globally using a standard approach known as an economic impact analysis that quantifies the impact of the cruise industry across three “core” channels:

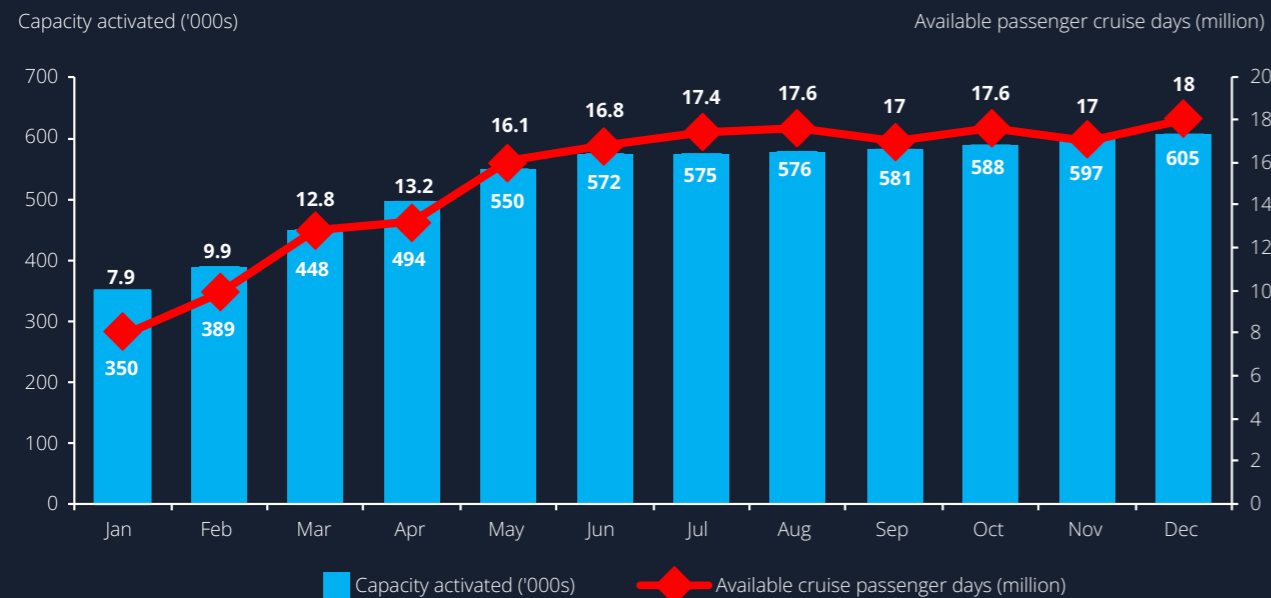
- **Direct impact**—this relates to the economic activity supported by expenditure directly linked to the cruise industry. This includes visitor spending at ports, cruise line operational and capital purchases, wage-linked consumption by cruise line employees. Additionally, we quantify direct cruise line employment and associated wages within this study where appropriate.
- **Indirect impact**—captures supply chain effects that follow on from direct impacts. For example, purchases by businesses of goods and services from other businesses.
- **Induced impact**—captures the income effect and flow on to household consumption. Direct and indirect impacts generate employment and wages among businesses, and these employees then spend elsewhere in the economy.

This approach enables us to present the economic impact of the cruise tourism globally across four key metrics:

- **Output**—this consists of those goods or services that are produced by a company or industry. To calculate output, we add together the value of the inputs used in the production process including labour, capital, and intermediate goods and services. Output is closely linked to turnover.¹
- **GDP**—the gross-value added contribution to GDP. This reflects the value (after accounting for costs) that a business or sector receives for producing goods and services. This value is distributed between wages and profits.²
- **Employment**—the number of jobs supported.
- **Wages**—which includes the gross wages paid to workers but also includes benefits in-kind and employer social security contributions (including pensions).

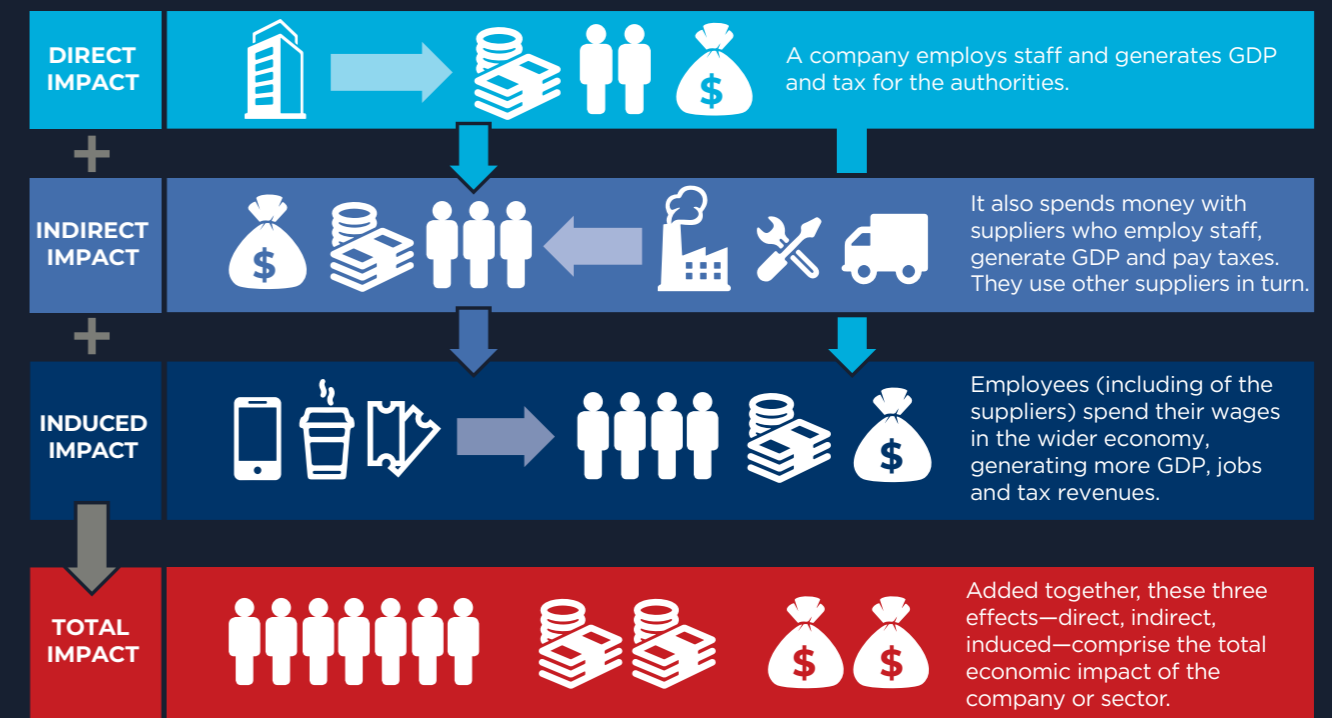
Fig. 3. Global cruise industry restart in 2022

Passenger numbers returned to normal levels after the pandemic, and as a result the cruise industry's global activities in 2022 yielded significant economic benefits, supporting:



Source: Oxford Economics/Tourism Economics, Cruise-IP

Channels of economic impact



CRUISE INDUSTRY'S GLOBAL ECONOMIC IMPACT



CRUISE INDUSTRY'S GLOBAL ECONOMIC IMPACT

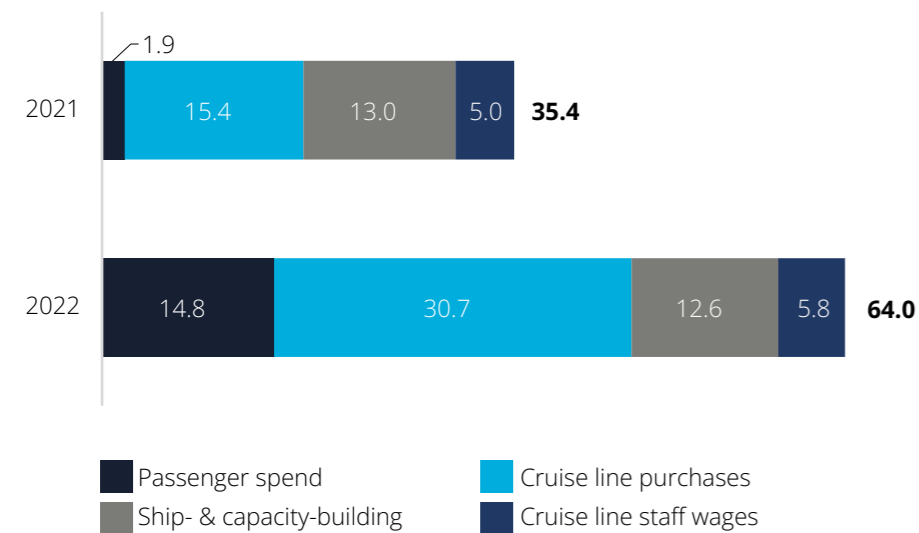
2.1 Direct Cruise-Linked Spending

The cruise industry's direct economic impact globally is assessed through four main expenditure channels.



Expenditure through each of these channels supports economic activity and employment throughout the world, to a greater or lesser degree depending on the amount of spend. The figure and commentary below summarise the spending performance of these four channels in 2022.

Fig. 4. Direct cruise-linked spending globally, 2022 (\$ billions)

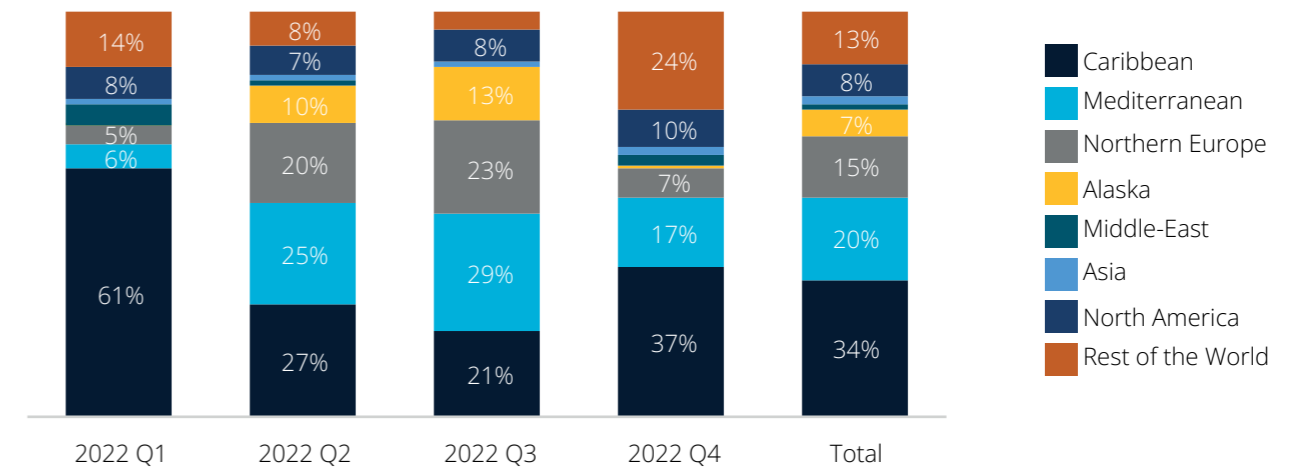


Source: Oxford Economics

In 2022, cruise purchases reached \$30.7 billion. As cruise operators were able to operate in more regions in 2022 compared to 2021, cruise line spending almost doubled over the period.

The beginning of 2022 saw an acceleration in deployment, which continued to increase throughout the year. At the end of 2022, the total capacity deployed in terms of Available Passenger Cruise Days (APCD) was just below the 2019 level. The four largest cruise regions in 2022, Caribbean, Mediterranean, Northern Europe and Alaska accounted for 77% of the total deployment for the year, based on APCD, compared to 70% in 2019. This higher concentration of market share was due to the lack of deployment opportunity in some regions, most notably in Asia.

Fig. 5. Deployment, 2022 (% of total capacity)



Note: As of Jan 2022

Source: Oxford Economics/Tourism Economics, Cruise-IP

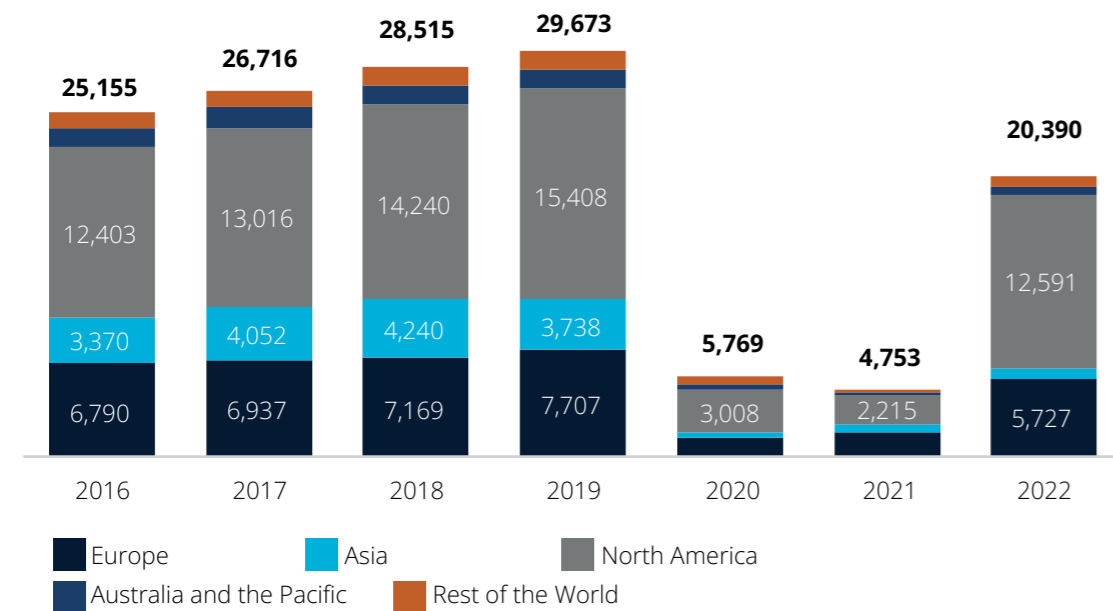


In 2022, the total spend associated with the cruise industry was **\$64 billion**, up from **\$35 billion** in 2021.

Passenger spending was \$14.8 billion in 2022, a large jump from last year due to the lifting of restrictions and re-start of cruising. Passenger spending and cruise line spending were the channels most impacted by the large increase in passenger numbers in 2022.

The majority of cruise passengers in 2022 came from North America, followed by Europe. These regions both recovered quickly and are now at 82% and 74% of their 2019 level respectively. On the other hand, Asia and Australia and the Pacific were at only 21% and 35% of their 2019 levels respectively. This is because movement restrictions were stricter and were enforced for longer in China and Australia. We expect these regions to grow quickly over 2023 as restrictions are fully lifted.

Fig. 6. Cruise passengers per source market, 2016-21 (000s)



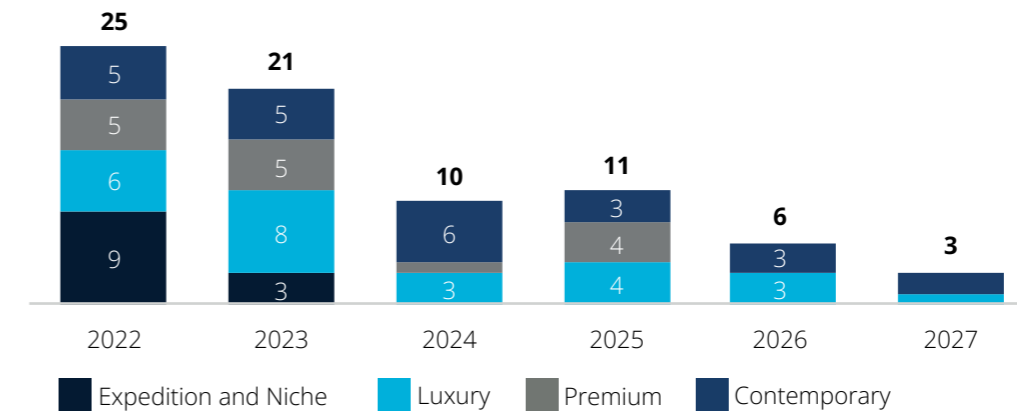
Note: As of Jan 2022

Source: Oxford Economics/Tourism Economics, Cruise-IP

Shipbuilding expenditure was \$12.6 billion in 2022, accounting for 20% of all direct cruise-linked spending globally. Shipbuilding continued to play a key part in the cruise ecosystem in 2022 as a total of 76 cruise ships were on the orderbook at the beginning of 2022.

Globally, 25 vessels were due to be launched in 2022 but, due to various delays, only 21 vessels were delivered. European shipyards produced 18 of them. Shipyards in Italy, France, and Germany experienced the highest construction volume.

Fig. 7. Cruise ships on the orderbook, by cruise segment (# of cruise ships by expected delivery date)

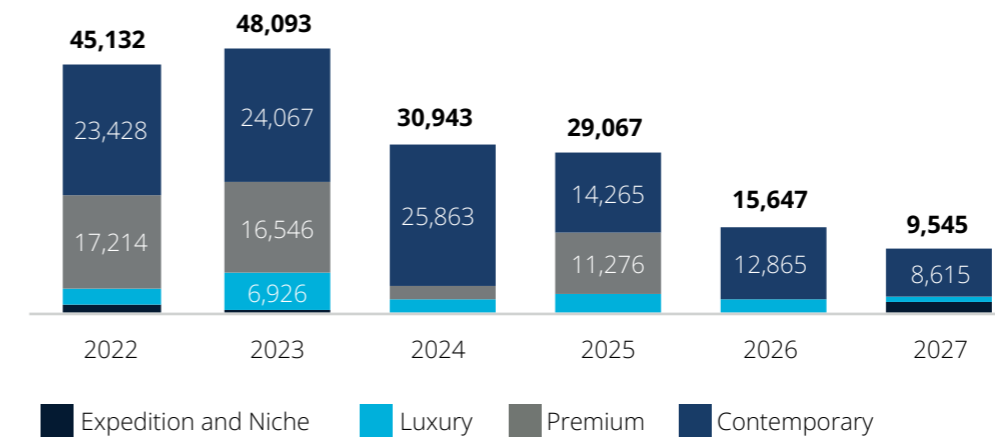


Note: As of Jan 2022

Source: Oxford Economics/Tourism Economics, Cruise-IP

The shipbuilding sector has longer timescales and as a result was not able to react to the reduced demand during the pandemic years. We expect the global order book of new vessels – most of which are manufactured in Europe – to shrink in the coming years as the order book has not been refreshed since the beginning of the pandemic. Most of the new capacity will be in the Contemporary and the Premium segment. The luxury sector will experience the most significant growth in the coming years in the number of vessels.

Fig. 8. Capacity of ships on orderbook, by cruise segment (Lower berths)



Note: As of Jan 2022

Source: Oxford Economics/Tourism Economics, Cruise-IP

In total, we estimate that crew wages in 2022 amounted to \$5.8 billion.³ Crew wages were not as sensitive to changes in passenger numbers, as there are significant costs involved in adjusting permanent staff numbers in response to changes in passenger volume.

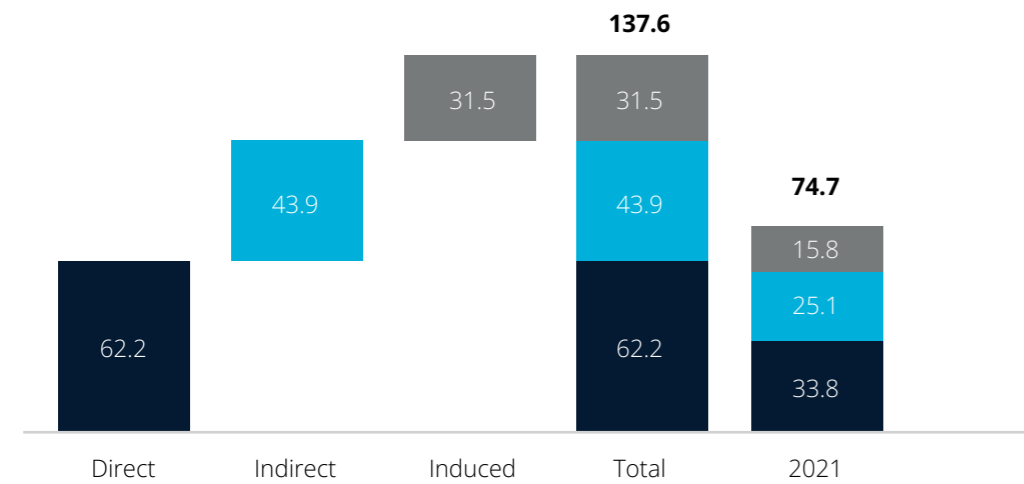
³ Crew wages of \$5.8 billion is a gross figure that includes taxes paid on income, social security payments and other benefits in-kind. When assessing the impact of wages, we account for these items and produce a net wage estimate. We then assess the spending of net wages after accounting for savings and import purchases.

2.2 Economic Impact

2.2.1 Output

Cruise-linked spending supports the production of goods and services (output) through direct, indirect, and induced channels. **Output generated by the industry directly along with ancillary impacts amounted to an estimated \$137.6 billion in 2022.**⁴

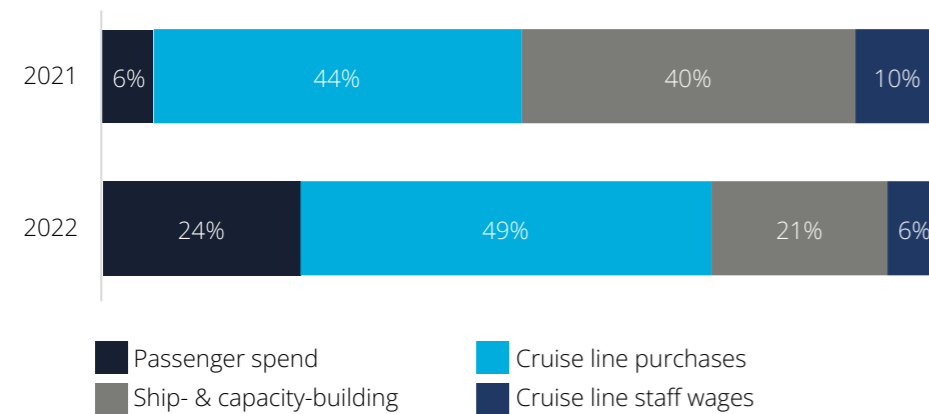
Fig. 9. Global cruise industry output, 2022 (\$ billions)



Source: Oxford Economics

Cruise line purchases generated an estimated \$67.6 billion—equivalent to 49% of the industry’s estimated overall output globally in 2022. Passenger spending generated an additional \$32.5 billion, or 24% of the industry’s total output. This was significantly higher than 2021, an increase driven by a surge in passenger volumes. \$29.1 billion, or 21% of the industry’s overall output in 2022 was linked to ship- and capacity-building activities. This represented a notable decrease in the proportion of impact derived from these activities compared to previous years, mainly due to the higher impact coming through channels more closely linked to passenger activity. Crew wage-linked spending accounted for a smaller proportion of the industry’s overall output in 2022 at \$8.4 billion.

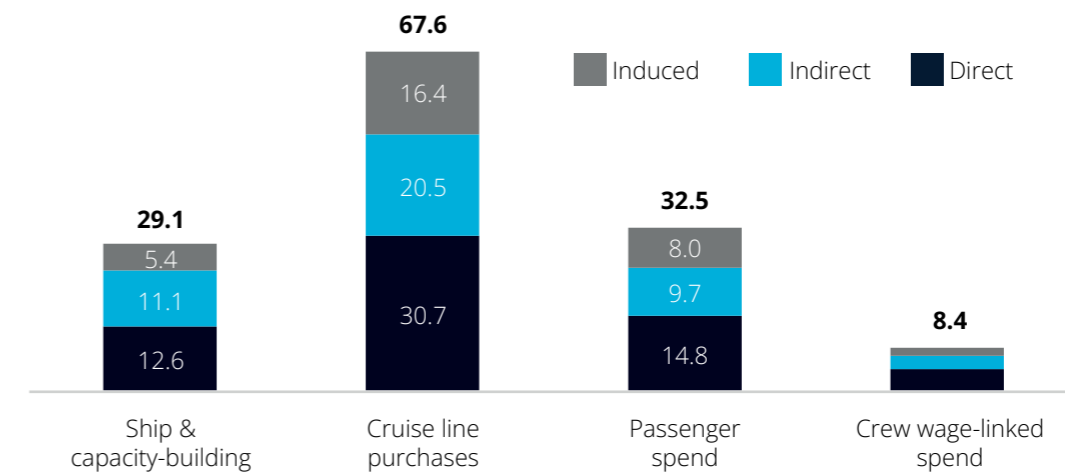
Fig. 10. Composition of cruise industry’s overall output impact globally, 2022 (% total output impact)



Source: Oxford Economics

For each of the four main expenditure channels, the direct output impact of the expenditure outweighed the indirect and induced output impacts. The largest direct output impact was for cruise line purchases (\$30.7 billion) followed by passenger spend (\$14.8 billion).

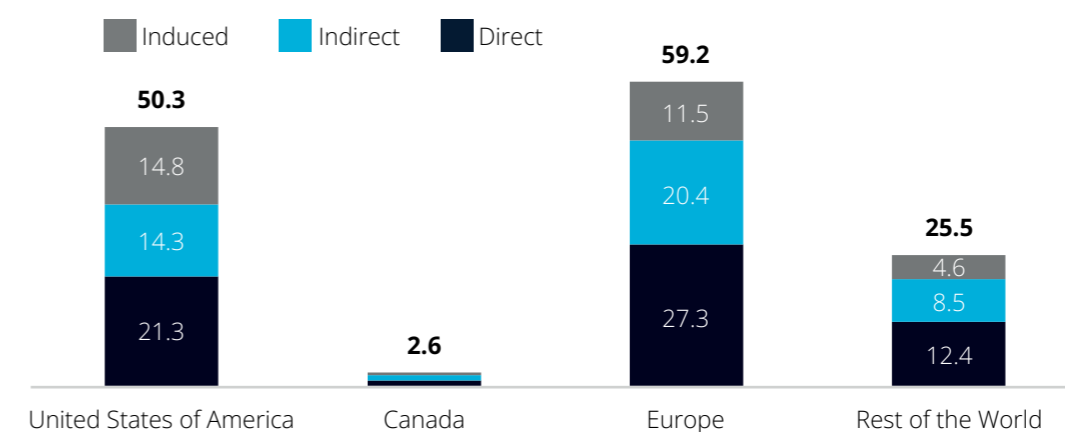
Fig. 11. Composition of cruise industry’s output impacts by channel, 2022 (\$ billions)



Source: Oxford Economics

Cruise industry output impacts were greatest in Europe, which saw \$59.2 billion in output impacts overall – 43% of the global total in 2022. In the United States, cruise industry activities generated \$50.3 billion of output impacts. In Canada, the impact was smaller at \$2.6 billion, while in the rest of the world \$25.5 billion worth of output was generated by the industry’s activities.

Fig. 12. Composition of cruise industry’s output impacts by global region, 2022 (\$ billions)

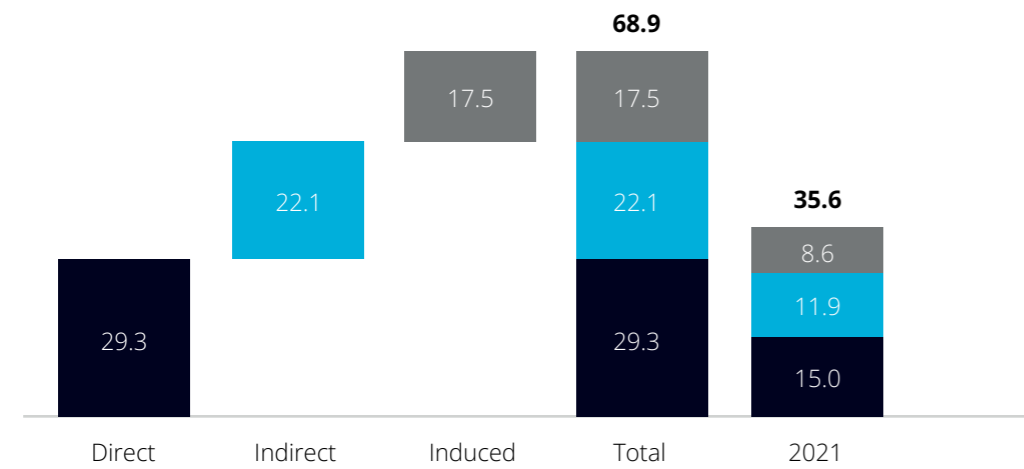


Source: Oxford Economics

2.2.2 GDP

The cruise industry is estimated to have contributed **\$68.9 billion in gross domestic product (GDP) to the global economy in 2022**. Of this, \$29.3 billion was delivered through direct effects, \$22.1 billion through indirect effects (e.g., supply chain effects) and \$17.5 billion through induced effects (e.g., household consumption resulting from the income effect).

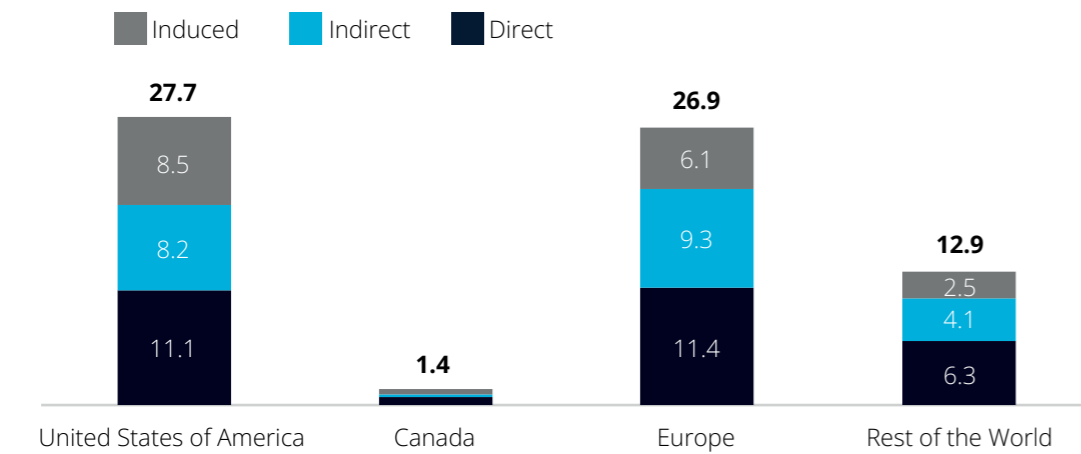
Fig. 13. Cruise industry GDP impacts globally, 2022 (\$ billions)



Source: Oxford Economics

In terms of GDP stimulus, the cruise industry made the most impact in the United States with \$27.7 billion of GDP generated through its activities in 2022. It was followed closely by Europe at \$26.9 billion. Canada saw smaller GDP impacts worth \$1.4 billion, while the rest of the world saw impacts worth around \$12.9 billion.

Fig. 14. Cruise industry GDP by country, 2022 (\$ billions)



Source: Oxford Economics

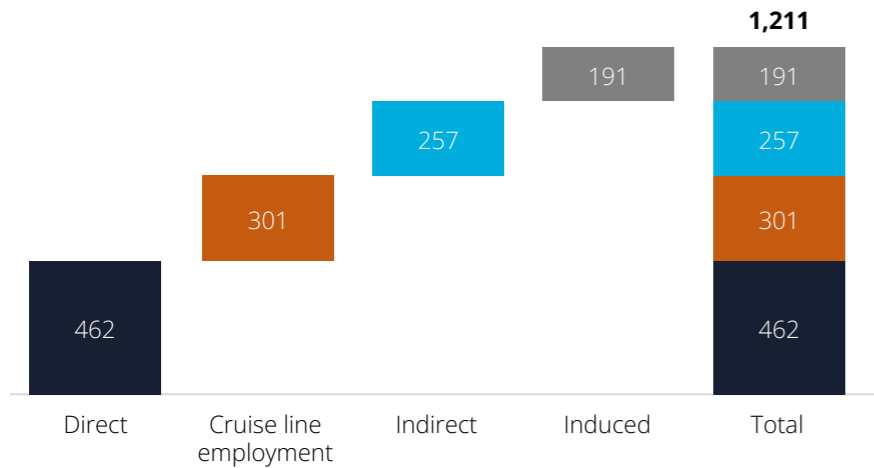


The cruise industry contributed close to **\$69 billion** in GDP to the global economy, with **80%** going to Europe and the US.

1.2.3 Employment

The industry's activities require a workforce to sustain it. **In total, the cruise industry supported 1.2 million jobs globally in 2022.** When assessing the impact of employment, we include the employment supported by the expenditure channels linked to cruise (through direct, indirect, and induced channels) as well as the employment sustained by the cruise lines directly.

Fig. 15. Cruise industry employment impacts globally, 2022 (number of jobs, 000s)

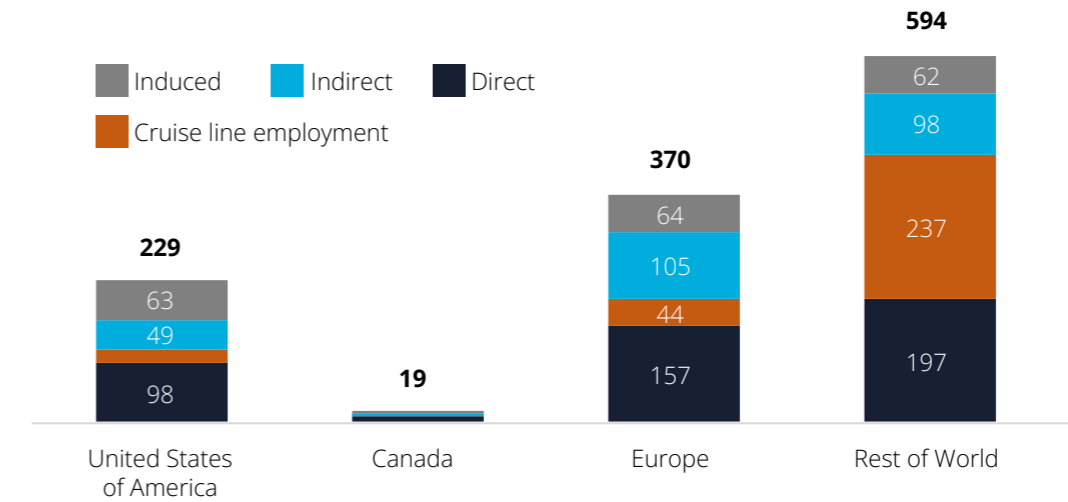


Source: Oxford Economics

It is estimated that 910,000 jobs were attributable to the industry's global onshore activities, particularly at ports, including direct, indirect, and induced employment effects. Almost 462,000 jobs were generated through direct effects, 257,000 came through indirect effects, and 191,000 through induced effects. In addition, 301,000 jobs were provided by cruise lines. The sum of jobs linked to cruise lines economic impact at ports (910,000) and employment sustained by the cruise lines directly equates to 1.2 million jobs.

Despite stronger GDP impacts through cruise industry activities, Europe and the United States do not enjoy the same job creation compared to the rest of the world. This is primarily due to productivity differences. There is a skew towards higher-value impacts in Europe and the United States – while much of the crew is sourced from the rest of the world, where staff costs are typically lower.

Fig. 16. Cruise industry employment impacts by global region, 2022 (number of jobs, 000s)



Source: Oxford Economics



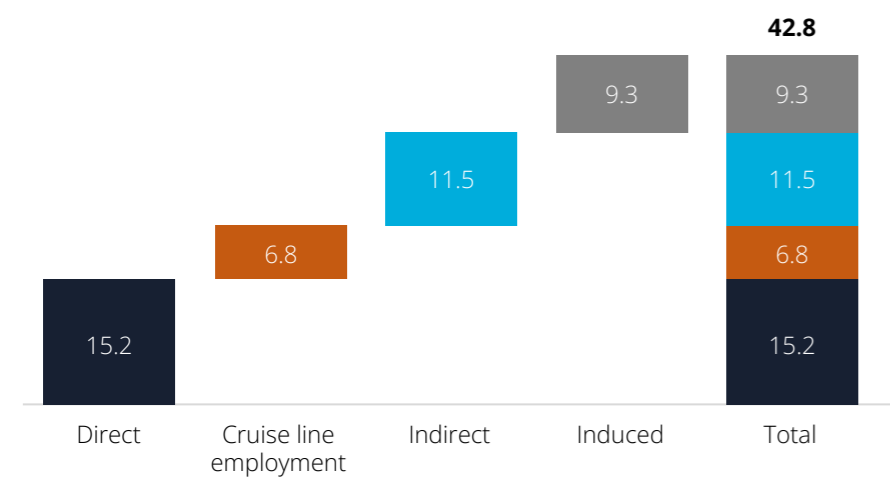
The cruise sector supported more than **1.2 million** jobs in 2022, corresponding to total wages of nearly **\$43 billion.**

1.2.4 Wages

The cruise industry provided significant wages for a workforce across the globe through direct cruise line employment and additionally through direct, indirect, or induced effects related to the industry's onshore activities, particularly at global ports.⁵

Total wages provided or supported by the industry overall equated to an estimated \$42.8 billion globally in 2022. \$6.8 billion was provided through cruise line employment, while \$15.2 billion came through direct channels, \$11.5 billion through indirect channels, and \$9.3 billion through induced channels.

Fig. 17. Cruise industry-generated wages globally, 2022 (\$ billions)



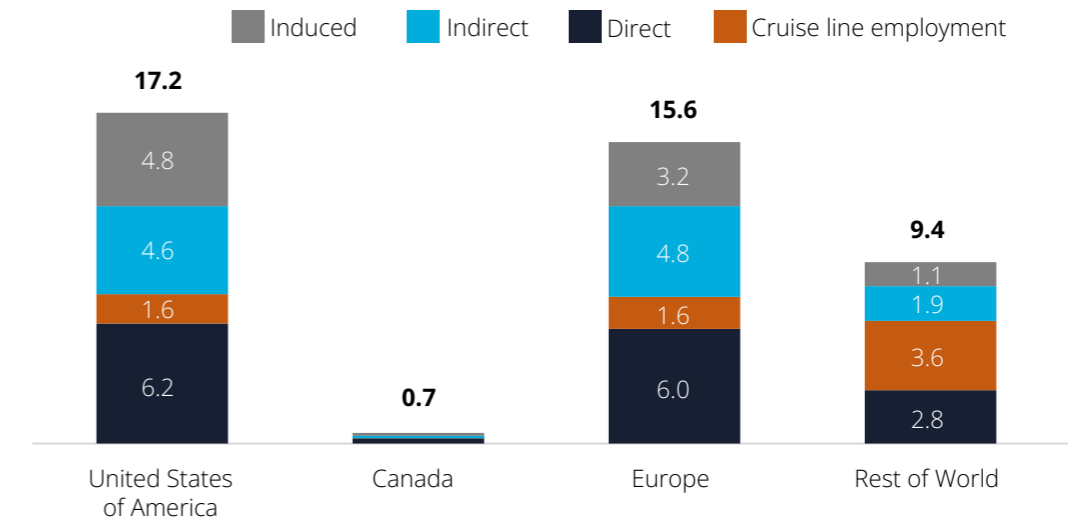
Source: Oxford Economics

⁵ Unlike output and GDP, but similar to employment, we include the impact of cruise line employment in our wage analysis as well as the impact of cruise linked spending.

The United States of America was the chief beneficiary of wages generated by the cruise industry in 2022. Overall, the cruise industry in the US generated \$17.2 billion in wages through direct (expenditure and cruise line employment), indirect, and induced impacts. In Europe, wage impacts were slightly lower at \$15.6 billion. Much of this came through ship- and capacity building impacts and activities ancillary to the cruise sector.

Wages accrued from cruise line employment were the largest in the Rest of the World at \$3.6 billion, despite a smaller overall wage impact when compared to the US and Europe.

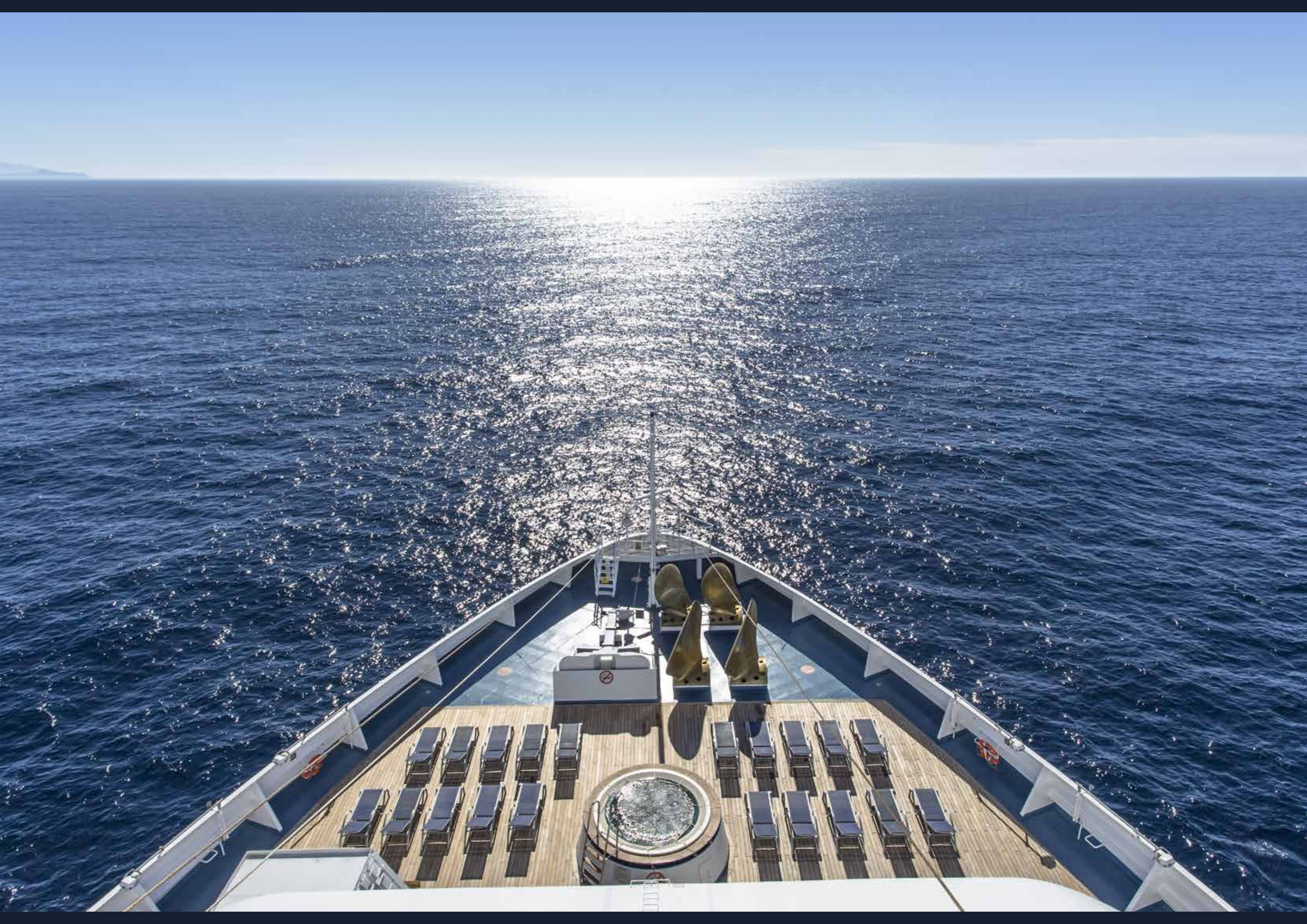
Fig. 18. Cruise industry-generated wages by global region, 2022 (\$ billions)



Source: Oxford Economics

The cruise industry generated **\$22.0 billion** in direct wages and a further **\$20.8 billion** in induced and indirect wages for a total of **\$42.8 billion**.





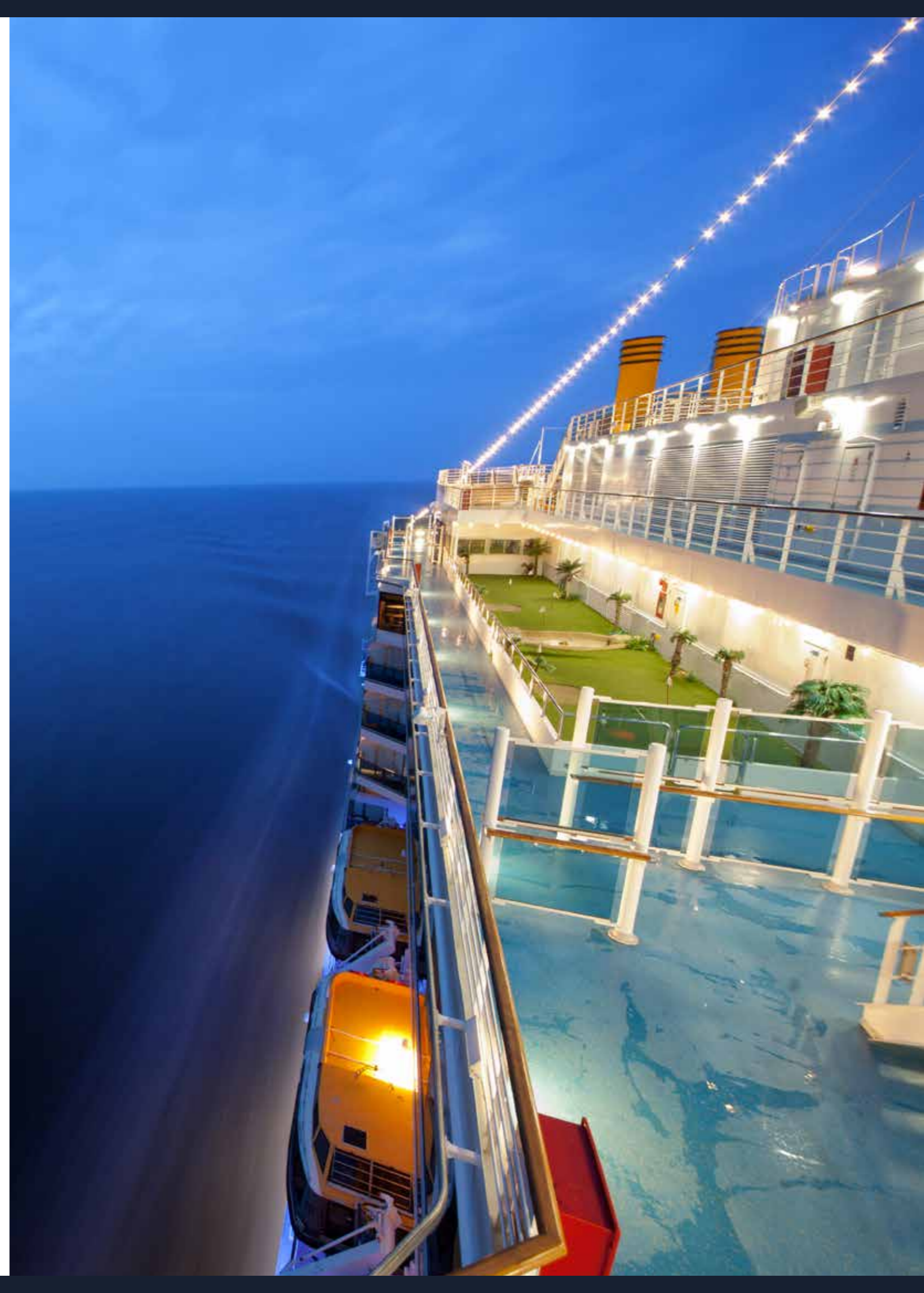
ABOUT THE RESEARCH TEAM



Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on more than 200 countries, 100 industrial sectors, and 8,000 cities and regions. Our best-in-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Headquartered in Oxford, England, with regional centres in New York, London, Frankfurt, and Singapore, Oxford Economics has offices across the globe in Belfast, Boston, Cape Town, Chicago, Dubai, Dublin, Hong Kong, Los Angeles, Mexico City, Milan, Paris, Philadelphia, Stockholm, Sydney, Tokyo, and Toronto. We employ 450 full-time staff, including more than 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists. Our global team is highly skilled in a full range of research techniques and thought leadership capabilities, from econometric modelling, scenario framing, and economic impact analysis to market surveys, case studies, expert panels, and web analytics.

Oxford Economics is a key adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base now comprises over 2,000 international organisations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.





TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY