CRUISE LINES INTERNATIONAL ASSOCIATION

Summer 2024 | Messaging Guide
June 2024

Messaging content for CLIA and its members and partners

Introduction

This guide provides guidance on messaging for key topics regarding the cruise industry and Cruise Lines International Association (CLIA). All content is for the sole use of CLIA and its cruise lines, members and partners.

While you are encouraged to utilize content from this messaging guide in your communications, please do not publish, post, or forward this document in whole or in part.

If you wish to share this guide with others, please contact a member of CLIA strategic communications (see contact information below).

Purpose of this guide

With the summer cruise season in full force, CLIA wants to share the latest data and information about the cruise industry on key topics, as well as the latest cruise data and trends.

Should you have any questions or need more information about any of the topics covered within this guide, please feel free to contact a member of our team. Your feedback will also help us enhance future versions of the guide.

Need more information? Please contact us.

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About Cruise Lines International Association

Who we are

Cruise Lines International Association (CLIA) provides a unified voice for the industry as the leading authority of the global cruise community. Together with its members and partners, CLIA supports:

- Policies and practices that foster a safe, healthy and sustainable cruise operations;
- Tourism strategies that maximise the socio-economic benefits of cruise travel; and
- Technologies and innovations that protect and preserve our planet.

Our vision and mission

Our Vision
For the cruise industry to be recognized as a leader in responsible travel and the best way to see the world.

Our Mission
To foster our members' success and to protect and promote the industry's license to operate responsibly.

About the Industry

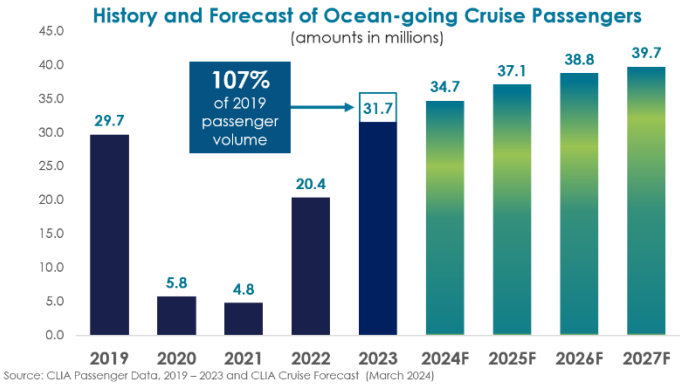
Plenty of room for growth

Accounting for only 2% of the travel and tourism sector, and with intent to cruise higher than it was in 2019, the cruise industry has plenty of room for growth.

Strong and resilient | Passenger Volume

With consistent and steady growth over the past 50 years, the cruise sector has demonstrated more resilience than other sectors—rebounding faster following downturns.

- Cruise travel reached 107% of 2019 levels in 2023—with 31.7 million passengers sailing.
- This compares to overall international tourism arrivals, which are 12% lower than 2019.
- For 2024, our forecast globally is for 34.1 million passengers, and 2025 36.4 million passengers (115% and 123% of 2019 volume, respectively).



Source: CLIA Passenger Data, 2019 – 2023 and CLIA Cruise Forecast (March 2024)

- For context, these levels compare to the initial forecast by UN Tourism, which estimates 2024 international tourism arrivals pointing to 2% growth above 2019 levels.
- By 2027, cruise is forecast to grow to nearly 40 million passengers

2023 Passenger Volume by Cruise Region

Cruise capacity is forecast to grow at least 10% from 2024 through 2028.

Source Region	2023	2019	% Change (2019 to 2023)
Global	31.7 million	29.7 million	+6.8%
North America	18.1million	15.4 million	+17.5%
Europe	8.2 million	7.7 million	+6.5%
Asia	2.3 million	3.7 million	-37.7%
Australasia	1.34 million	1.35 million	-1.0%
South America	996 k	935 k	+6.6%

Source: CLIA 2023 Global Passenger Report

Intent to Cruise

Intent to cruise continues to be strong among forever cruisers and potential new-to-cruise travelers

- 12% of cruise travelers cruise twice a year.
- 10% of cruise travelers take three to five cruises a year.

82% of those who have cruised will cruise again

71% of international travelers are considering taking their first cruise

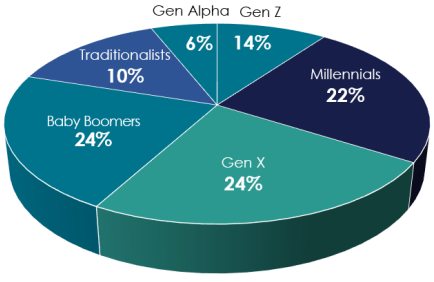
Source: CLIA Sentiment Perception and Intent Survey (March 2024)

Cruise Travelers by Generation

The future of cruise is the younger generation.

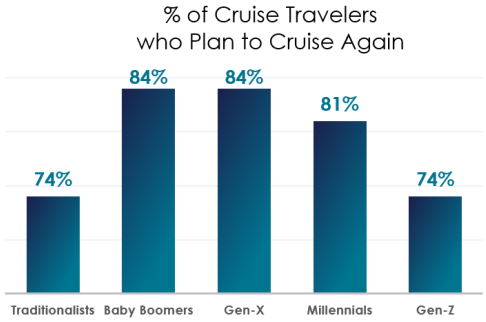
- Millennials are the most enthusiastic about planning a cruise holiday

46 Average age of a cruise traveler (36% are under the age of 40)



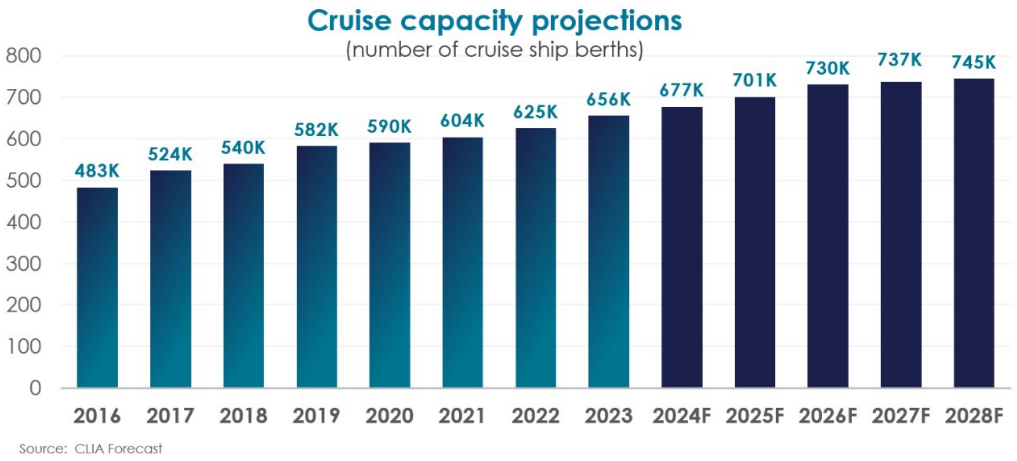
Source: CLIA Cruise Traveler Sentiment, Perception, and Intent Survey (March 2024); cruise travelers who have cruised in the past two years

Gen-X and Millennial travelers are the future of cruise



Cruise Capacity

Cruise capacity is forecast to grow at least 10% from 2024 through 2028.

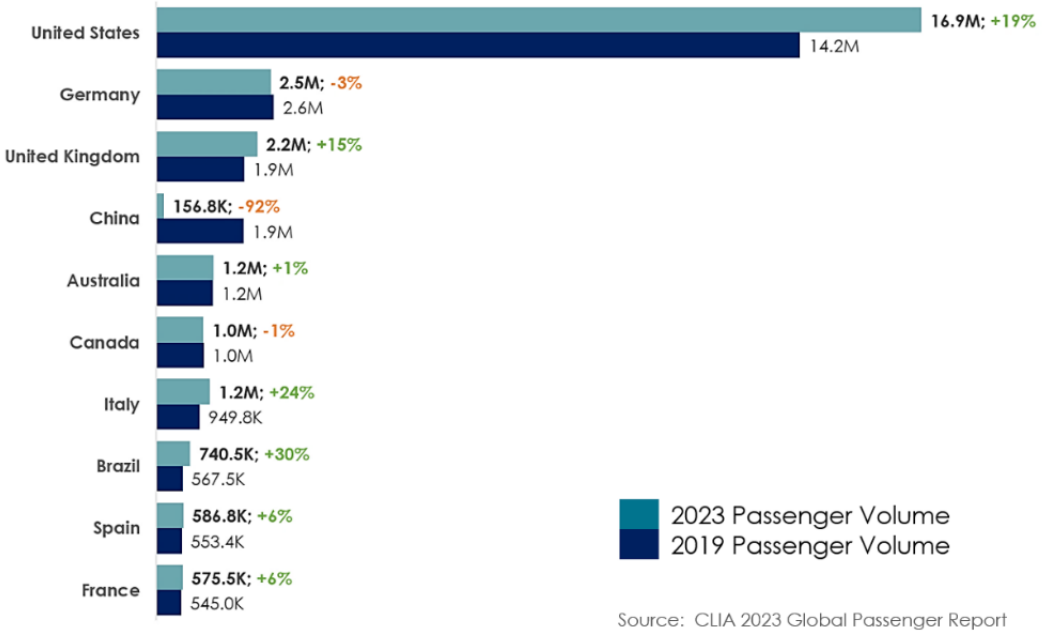


Cruise Markets

Source Markets

- During 2023, there were significant relative gains in passengers cruising from Brazil, Italy and the UK.
- All other markets generally returned to levels similar to 2019.
- Most increases were in the United States, with an incremental increase of 2.7 million passengers, 19% higher than 2019.
- China re-opened in September 2024, and while there was a surge in cruise passenger volume, it wasn't enough to return the market to its status as a major source market.

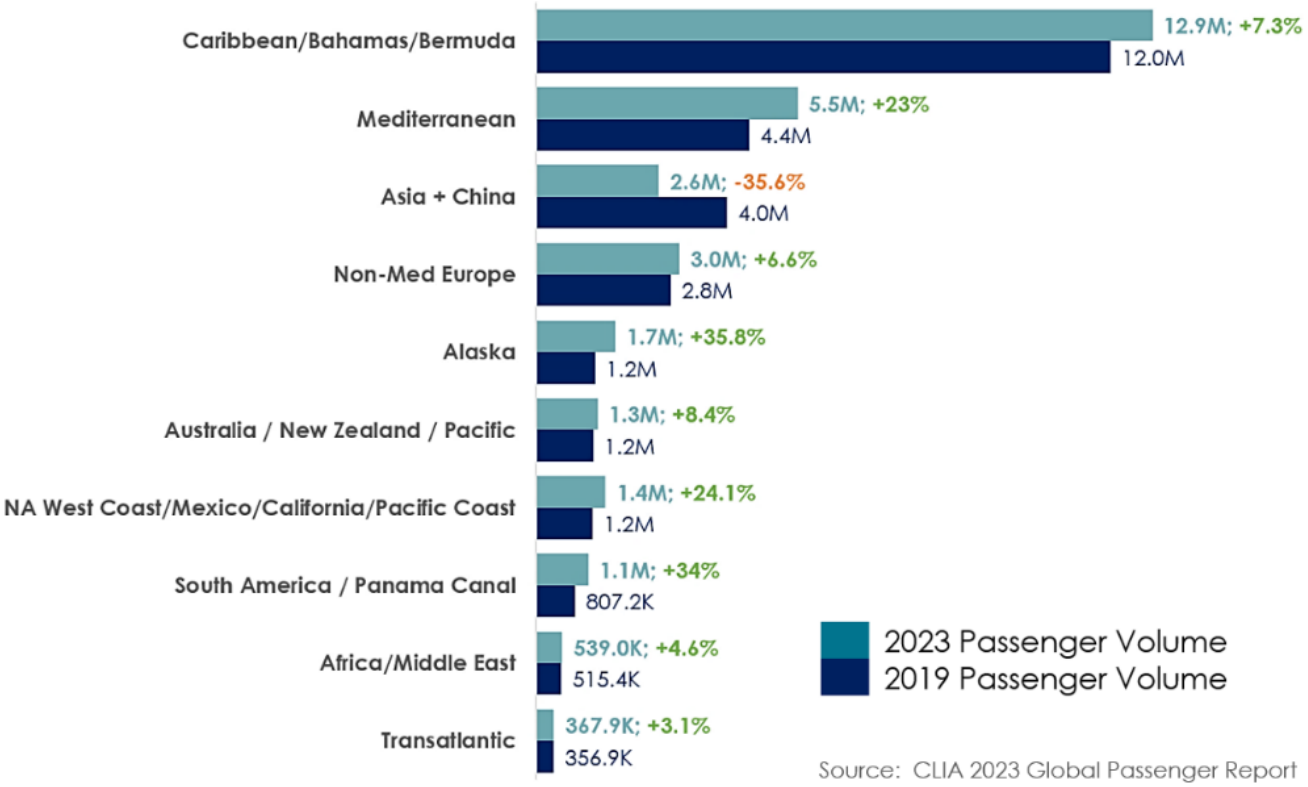
Top 10 Source Markets in 2019 and Respective Passenger Volume in 2023



Destinations

- Aside from decline in China, gains were distributed among the top destinations to varying degrees.
- The Caribbean, which continues to be the world's most visited region by cruise, gained almost 1million new cruise visitors in 2023 compared to 2019.
- Cruise destinations with the highest percentage increases in travelers include the Mediterranean, North America's West Coast, Alaska South America, The Mediterranean

Top 10 Source Markets in 2019 and Respective Passenger Volume in 2023



Source: CLIA 2023 Global Passenger Report

Accessible, Responsible and Experiential

Cruise is one of the safest ways to travel—and is becoming one of the most responsible and best ways to see the world—with cruise lines advancing an ambitious sustainability agenda.

Cruise is Accessible

- Accessible (in terms of the range of types of cruises, price points that appeal to a variety of travelers—plus it's accessible to those who would otherwise not be able to travel due to physical or other challenges.
- This is one reason that cruising appeals to multi-generational family travel.
- There are few other travel options that support multi-generational travel in the ways cruise does.
- There are cruise experiences onboard and shoreside that appeal to diversity in all its forms.

Cruise is Responsible

- The cruise industry is fast-becoming one of the best ways to travel responsibly—with environmental technologies and practices—that are more respectful and caring of the environment than other options on land in many respects.
- Cruise tourism is managed tourism.
- We work with destinations to manage traffic flows and educate cruise passengers to be culturally sensitive.

And Cruise is Experiential

- Cruise offers more choices in activities and experiences, plus the ability to explore more destinations in a single trip than any other type of holiday.
- More than 60% of travelers who first visit a location by cruise return for a longer, land-based holiday – extending that experience further.
- Cruise travel also allows for personal growth and a greater understanding of the world – by introducing people to destinations in ways that create greater cultural appreciation and better environmental awareness.
- Many people tell us that a cruise experience is also essential to their lives and livelihoods, and to local and national economies.

For these reasons, and more, cruise is essential.

- It's essential to lives and livelihoods—to local and national economies.
- It creates unique and expansive opportunities to create better lives for themselves and their families. You can see this on our ships and in the destinations we visit.
- It's essential to the health of communities, of people, and relationships.
- And cruise connects people in ways that create greater understanding and appreciation for each other's cultures, as well as better awareness of the environment—not only in destinations around the world—but along the way to those destinations.

Cruise is Responsible Tourism

The pages that follow provide more detail on the many ways cruise is responsible tourism.

Summary Points

Cruise is pursuing net zero emissions by 2050—in fact, the future of sustainable cruise travel is being built into today's ships as CLIA cruise line members:

- Invest in development of sustainable marine fuels, each year the fleet becomes more efficient, and we are equipping cruise ships to connect to shoreside electricity to reduce emissions.
- Use circular economy principles at scale, with complex onboard systems for reducing waste and sorting materials for recycling. We are also seeing further advances in areas like advanced wastewater treatment systems which are already used on 77% of global cruise capacity and which will be fitted on 100% of future capacity on order. These systems treat wastewater to a higher standard than in many coastal cities to protect the marine environment.
- Work closely with local authorities and ports to enable communities to continue to enjoy the economic and social benefits of cruise tourism.

Read on to learn more about these and many other ways cruise is a leader in environmental practices and technologies.

Pursuing Net Zero Emissions by 2050

Cruise lines are actively pursuing net zero emissions by 2050, consistent with the International Maritime Organization's (IMO) 2023 Strategy on Reduction of Greenhouse Gas (GHG) Emissions from Ships.

- Reducing emissions at berth and at sea (technologies, infrastructure and operational efficiencies)
- Investing in new ships and engines that allow for fuel flexibility to use low- to zero-GHG fuels, once available at scale
- Conducting multiple trials and pilot programs to test sustainable fuels and technologies.
- Employing a range of environmental technologies and practices to advance sustainability initiatives.

Each year the fleet becomes more efficient—as cruise lines embrace new technologies, innovations and, as available, the uptake of alternative fuels.

Alternative Fuels and Fuel Flexibility

Cruise lines are pursuing a variety of new and more sustainable alternative energy sources and investing in propulsion technologies with conversion capabilities that are easily adaptable for the use of low- to zero-emissions fuels once they become available at scale.

- The cruise industry is investing billions in new ships and engines that allow for fuel flexibility to use low to zero-GHG fuels, once available at scale, with little to no engine modification.
- These fuels and energy sources include green methanol, bioLNG and synthetic LNG, hydrogen fuel cells, photovoltaic/solar (in use on five ships today), battery storage, wind.
- An increasing number of vessels sailing and launching over the next five years will either use alternative fuels or be able to incorporate zero-carbon fuels once available at scale.

Source: CLIA Environmental Technologies & Practices report (September 2023)

- Within the CLIA member fleet, four ships sailing today use renewable biofuel as an energy source and four new-build ships are expected to be configured for renewable biofuels.
- 24 ships currently have biofuel trials and two have synthetic carbon fuels trials.
- Seven new-build ships are anticipated to run on zero carbon fuels, including five ships envisioned to use green methanol and two envisioned to use green hydrogen.
- More than 15% of cruise ships entering service in the next five years will be equipped with battery storage to allow for hybrid power generation once available.

Investing in LNG technologies is helping to speed up transition to bio and synthetic gas.

Source: CLIA Environmental Technologies & Practices report (September 2023) and CLIA cruise line member fleet orderbook data as of May 2024

- Ships designed with LNG engines and fuel supply systems are able to switch to bio or synthetic LNG in the future, with little or no engine modifications.
- LNG has virtually zero sulfur emissions and particulate emissions, reduces NOx emissions by approximately 85%, and achieves up to a 20% reduction in GHG emissions.
- Multiple reports confirm the benefits and advancements with LNG—with methane slip on a path to be nearly eradicated within the next few years.
- By 2028 there will be 41 ships (representing 48% of new-build capacity) that are currently specified with engines designed to utilize fuels such as LNG or methanol—and which are capable of switching to bio or synthetic LNG with little or no engine modifications when these fuels become more widely available. These ships will be capable of running on renewable marine fuels once fuel providers can make them available at scale.

Methanol has the potential to be a long-term solution for decarbonization.

- As CLIA member lines work towards a future free of fossil fuel, they are developing the first ships incorporating engines than can run on methanol.
- Many of the safety considerations for bunkering and operations with methanol are already known, and once available at scale, green methanol – such as biomethanol and e-methanol – will make operations almost climate neutral.
- Construction on the first methanol-ready cruise ship began in 2022—and today, seven ships, either methanol ready on delivery or methanol capable, represent 15% of the current order book through 2028. The first methanol ships will deliver in 2025.
- These ships represent a significant investment in new engine technologies that will accelerate the maritime transition towards a future of low to zero carbon fuels.

Given the technology forecast, in the short term (up to 2030), the decarbonisation of cruise will rely on maximising energy efficiency improvements, supplemented by use of drop-in biofuels and biogas.

- In the mid term (2030-2040), newbuild ships will principally rely on gas as a marine fuel, including Methane (green CH4) or Methanol (Green MeOH).
- For the longer term (2040-2050 and beyond), green hydrogen and bio-based feedstocks derived from renewable energy and electrolysis will be needed to meet net zero ambitions.
- The entire maritime sector, including cruise, will need sustainable alternative fuels in volumes to meet targets such as the European Union's Fit for 55, which mandates 2% use of alternative fuels in 2025 and 6% in 2030.
- CLIA is urging governments to support the deployment of alternative fuels for the maritime sector with the important purpose of making sure these fuels can be available in the short term as the industry continues to pursue net zero emissions by 2050.

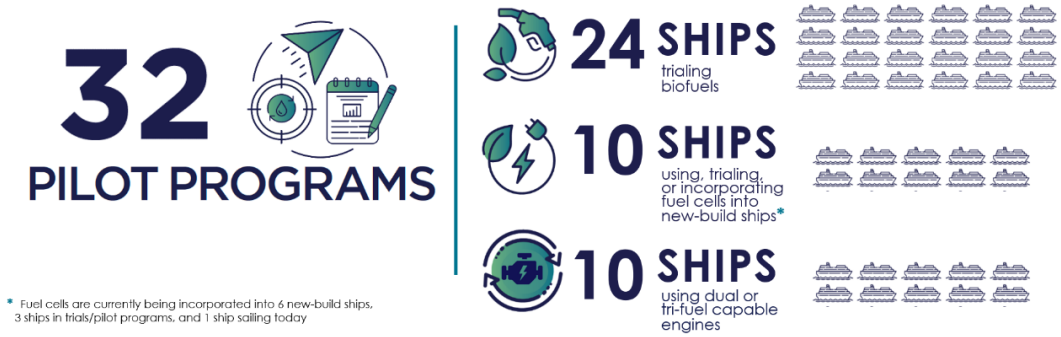
Cruise Lines are building the future of sustainable travel in ships today.

- With a typical lifespan of around 30 years, cruise ships being launched today will be sailing in 2050 and beyond.
- To meet sustainability goals, the focus is on developing new ships that are future-focused with the latest innovations, state-of-the-art equipment and adaptability to work with new sustainable fuels once available to meet the challenges of the future

Pilot Programs Testing Sustainable Fuels and Technologies

Cruise lines are trialing and building the ships of the future, which will run on new, more sustainable engine technologies.

- In cooperation with fuel producers and engine manufacturers, the cruise industry is pursuing a variety of sustainable energy sources. These sources include internationally certified sustainable biofuels, and synthetic e-fuels such as e-methane and e-methanol.
- Other sources being explored as part of hybrid solutions include electric batteries, bio-LNG, e-LNG, methanol, or hydrogen fuel cells.
- There are 32 pilot projects and collaborative initiatives underway with sustainable fuel producers and engine companies testing sustainable fuels and technologies.



Source: CLIA Environmental Technologies & Practices report (September 2023)

Onshore Power Supply (OPS)

Onshore power supply allows ship engines to be switched off at berth for significant emissions reduction.

- Plugging in to OPS when ships are in port allows ship engines to be switched off for significant emissions reductions of up to 98% (with all emissions covered), depending on the mix of energy sources, according to studies conducted by a number of the world's ports and the U.S. Environmental Protection Agency.
- CLIA champions the advancement of onshore power infrastructure as an important component in the industry's pursuit of net zero emissions by 2050 and supports continued development of cost-effective infrastructure for clean shore-side electricity in ports where cruise ships call when the net impact delivers an overall emission reduction.
- Until there are alternative fuels available at scale and at a competitive price, shore power is a critical component of the industry's pursuit of its net-zero by 2050 ambitions.

Across the CLIA cruise line member fleet, the number of cruise ships equipped to connect to onshore power has more than doubled in the past five years and continues to grow.

- Today 120 ships are equipped to connect to shoreside electricity. By 2028, more than 210 ships will be sailing with the ability to plug in at port—representing 72% of all CLIA-cruise line member ships.
- CLIA member ocean lines have made a commitment that all ships calling at ports capable of providing onshore power are anticipated to be equipped to either use shoreside electricity by 2035 or to be able to use alternative low carbon technologies, as available, to reduce emissions in port.
- Today, only 34 cruise ports—comprising less than 3% of the world's cruise ports—currently offer onshore power (with at least one berth for cruise ships). The industry will continue to work with its port partners as they evolve their shoreside sustainability offerings.

TODAY'S CRUISE FLEET

120 SHIPS

46%
of the FLEET

52%
of GLOBAL CAPACITY
able to plug in at cruise ports with OPS

BY 2028

210 SHIPS

72%
of the FLEET

74%
of GLOBAL CAPACITY
is forecast to have the ability to plug in at cruise ports with OPS

CRUISE PORTS

35 CRUISE PORTS
representing

< 3% of PORTS
have OPS available for cruise

Cruise ships with the ability to plug in: Nearly 50%

- Today, 120 ships (46% of the fleet and 52% of global capacity) have the ability to plug in at cruise ports where the infrastructure is available.
- 86% of CLIA-member cruise line ships scheduled to launch between now and 2028 are specified for OPS capability.
- By 2028, more than 210 ships with OPS capability are expected to be online, plus additional ships to be retrofitted with the capability, representing a total of 72% of ships and 74% of global passenger capacity.

Cruise ports with OPS: Less than 3%

- Today, 35 cruise ports worldwide (less than 3%) have at least one cruise berth with OPS.
- At least 22 additional ports are funded for OPS and 16 ports have plans to implement OPS.

View and download a map of ports with at least one cruise berth offering Onshore Power Supply at cruising.org or scan this QR code

Other Environmental Technologies & Practices

Advanced Wastewater Treatment Systems (AWTS)

202 SHIPS
77% of the FLEET

CLIA cruise line members have committed to not discharging untreated sewage anywhere in the world during normal operations. Cruise lines also utilize AWTS, which operate to a higher standard than shoreside treatment plants in many coastal cities and go well beyond international requirements.

- Across the CLIA cruise-line member fleet, **202 ships (77% of the total), representing 80% of global passenger capacity (a 12% increase from 2022) are equipped with advanced wastewater treatment systems.** These systems operate to a higher standard than shoreside treatment plants in many coastal cities.
- All CLIA-member cruise line new-build ships are specified for advanced wastewater treatment systems—which will bring the total to **242 ships, representing 80% of the fleet and 84% of global capacity over the next five years**.
- Since 2019, the number of ships with advanced wastewater treatment systems capable of meeting the more stringent standards of the Baltic Sea Special Area has increased 150% and, today, nearly one-third of CLIA member ships sailing meet this standard.

Water Conservation

Up to 90% of water produced onboard

State-of-the-art systems enable cruise lines to produce up to 90% of water on board rather than draw from areas where resources are limited. This is made possible by a range of environmental practices ranging from:

- **Irrigation systems** on private islands that repurpose treated wastewater to maintain landscaping and other features.
- **Steam evaporation** using the heat from ship engines to condense desalinated water into distilled purified water.
- **Reverse osmosis** that purifies water using semi-permeable membrane filters to separate water and salts.
- **Aeration** to reduce the amount of water need to provide guests comfortable water pressure in showers and sinks.
- **Re-purposing and re-using water** such as using condensation methods to collect water produced by HVAC systems for re-use in laundry systems.

Source: CLIA Environmental Technologies & Practices report (September 2023) and CLIA's "Charting the Future of Sustainable Cruise Travel" publication (September 2023).

Reducing and Repurposing Waste

Up to 100% of waste repurposed

Some ships are able to repurpose 100% of waste generated on board by

- Removing, reusing, recycling, and converting waste to energy,
- Transferring surplus heat from machinery to heat water for showers and pools, and
- Significantly reducing food waste by using bio-digesters, and
- Employing landfill-free onboard operational practices.

While percentages vary between cruise lines, the cruise industry goes to great lengths to minimise waste to levels lower than other consumer-facing businesses and even the level of waste that occurs in homes.

The CLIA Waste Management Policy, a condition of membership in CLIA, outlines advanced practices for waste disposal and considers the entire lifecycle from planning to onboard consumption, and more.

Protecting Marine Life

Cruise lines are recognized for initiatives to protect marine life and ocean ecosystems

Many cruise line members have been recognized for their efforts in marine life protection from notable organizations such as the World Sustainability Organization, the National Oceanic and Atmospheric Oceanic and Atmospheric Administration's (NOAA) National Marine Fisheries Service.

Examples of some of the initiatives cruise lines utilize include:

- Hosting scientists on board ships to support important ocean and marine life research—especially in arctic and polar regions.
- Voluntarily reducing vessel speed and maintain safe distances in sensitive areas or when marine life is observed/present.
- Training crews to sight marine mammals and participating in interactive, computer-based training programs developed in collaboration with NOAA and the National Parks Service.
- Building ships with specially designed hulls, propellers, and noise suppression devices designed to significantly minimize underwater vibrations.
- Developing marine conservation centers, solar farms, and coral restoration initiatives support ocean and private island biodiversity.

Source: CLIA Environmental Technologies & Practices report (September 2023) and CLIA's "Charting the Future of Sustainable Cruise Travel" publication (September 2023).

Exhaust Gas Cleaning Systems (EGCS)

Remove
98% of sulphur,
>50% particulate matter
Reduce NOx by 12%

EGCS technology installed on ships is designed to remove 98% of sulphur and well over 50% of particulate matter, with a 12% reduction in NOx.

The vast majority additionally include washwater filters, and some include a catalytic filter on the engine exhaust prior to the EGCS as well as continuous monitoring equipment to automatically record all parameters.

A variety of technologies further clean the EGCS washwater stream including fine-mesh filtration, purification, centrifugal separation and dissolved air with flocculant. EGCS washwater filter residue and process tank residue are disposed of ashore.

Air Lubrication Systems & Optimized Hull Design

Air Lubrication increases fuel efficiency by nearly
10%
Optimized hull designs result in energy savings of up to
15%

Many cruise ships use a built-in air lubrication system which channels air to the bottom of the hull, creating millions of microscopic air bubbles, which reduces drag and conserves fuel and energy by nearly 10%

An optimised hull design can reduce drag and improve fuel efficiency by generating a bow wave which can result in up to 15% energy savings.
Hull coatings.

Use of nontoxic anti-fouling paints helps a ship move more efficiently through water, reducing energy consumption. CLIA cruise line members have long been committed to using advanced green paints and varnishes and silicon-based anti-fouling coatings.

Source: CLIA Environmental Technologies & Practices report (September 2023) and CLIA's "Charting the Future of Sustainable Cruise Travel" publication (September 2023).

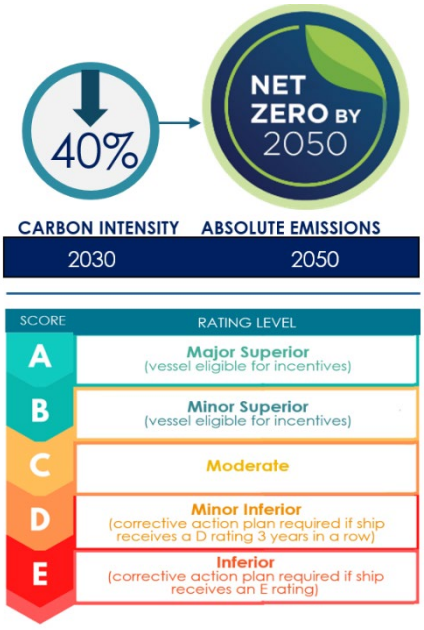
IMO Strategy for the Reduction of Greenhouse Gases

Cruise lines are actively pursuing net zero emissions by 2050, consistent with the International Maritime Organization's (IMO) 2023 Strategy on Reduction of Greenhouse Gas (GHG) Emissions from Ships.

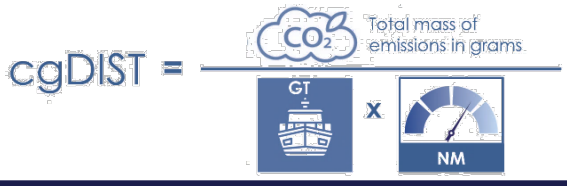
- The Strategy has a number of components and sustainability targets—with the overall ambition focused on achieving net-zero GHG emissions by or around, i.e. close to, 2050.
- The Strategy also includes a target of a 5% (striving for 10%) uptake of alternative fuels across the maritime industry by 2030.
- These targets send a strong signal to markets and fuel suppliers that should provide the advanced technologies and alternative fuels needed in order for the maritime sector to do its part in achieving the Revised Strategy's ambition for net zero GHG emissions by or around 2050.
- CLIA is in dialogue with policymakers about the need for a regulatory environment that supports the production, distribution, and use of renewable fuels, which is critical for the entire maritime sector to reach this target.
- The global community of governments and broader stakeholders, including engine manufacturers and fuel suppliers, will play a critical role in providing necessary technologies and available fuels.

Carbon Intensity Indicator (CII): One component of the IMO Strategy

One component of the IMO Strategy calls for carbon intensity of ships to decline through further improvement of the energy efficiency of ships.



- While the ultimate target of the IMO strategy is to achieve net-zero GHG emissions by or around 2050, the CII sets a target of reducing carbon intensity by at least 40% by 2030 compared to 2008.
- In support of this target, the IMO introduced the Carbon Intensity Indicator (CII)—a rating system designed to assess the carbon intensity of a ship (also known as the rate of carbon emissions).
- Beginning in 2024, and based on the current CII measurement mechanism, each ship will receive an annual rating ranging from A to E, whereby the rating thresholds will become increasingly stringent towards 2030. ships will receive annual ratings ranging from A to E (based on data collected the prior year).
- For cruise ships, the rating formula calculates the amount of carbon dioxide emitted based on fuel consumption per gross tonnage and nautical miles travelled.



Key

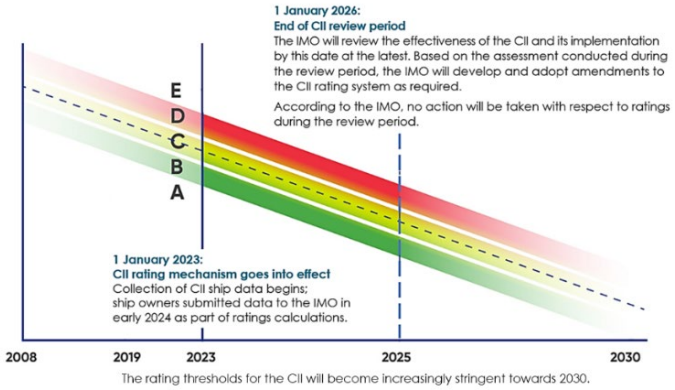
cgDST	CII calculation result
GT	Gross Tonnage of the Ship
NM	Annual Distance Sailed in Nautical Miles

The current CII rating methodology has inherent inconsistencies that work against its intended purpose.

- The CII, as currently designed, has inherent inconsistencies that work against its intended purpose of supporting our collective objective of reducing GHG emissions across the maritime industry.
- Among the many concerns expressed across the maritime sector (from cargo ships to cruise), the formulas used as part of the CII mechanism notably disregard the varying operations of different ship types. For example:
  - The current CII methodology favors ships traveling longer distances.
  - Cruise ships often travel shorter distances and spend more time in port as an integral part of the traveler experience.
  - Port time is also when a ship generally has its lowest CO_2 emissions.
  - As a result, a ship traveling longer distances and producing greater emissions may have a better CII rating than a cruise ship sailing shorter distances and producing less emissions.
  - As a result, an A-rated ship could generate more GHG emissions than a similar, E-rated ship since CII ratings do not accurately reflect the overall efficiency or environmental performance of most cruise ships.

The CII is currently under review by the IMO; the review period will begin in earnest in September 2024 and conclude by 1 January 2026.

- The IMO has publicly acknowledged the "shortcomings and unintended consequences of the CII mechanism" and has requested member states to submit proposals.
- To date (June 2024), the IMO has received at least 78 proposals for amendments to the CII system from Member States representing a range of shipping sectors – and more are expected.
- To achieve the IMO's intent, the CII must reflect the true energy efficiency of ships.



The rating thresholds for the CII will become increasingly stringent towards 2030.

- Cruise, together with the broader shipping industry, continues to work to promote a CII methodology that is accurate, reliable, and implemented in a way that fully reflects the intent of the IMO Strategy for the world's fleet of commercial ships.

SHORTCOMINGS OF THE CURRENT CII COULD:

- Reward longer itineraries with higher absolute CO2 emissions and penalize shorter, more efficient itineraries (with less distance traveled and longer port stays).
- Lead to **MORE** absolute emissions—counter to the intent of the CII.

THE "ONE-SIZE FITS ALL" APPROACH OF THE CURRENT CII WORKS AGAINST EMISSIONS REDUCTION

- Currently, an "A-rated" ship could generate more GHG emissions than a similar "E-rated" ship since the CII methodology ignores the ways different ships are able to increase efficiencies and reduce emissions.

THE CII NEEDS CORRECTIVE ACTION:

- Required to address the "shortcomings and unintended consequences" of the CII mechanism acknowledged by the IMO at its 81st session in March 2024 and which should be addressed in the review process.
- To date, 78 proposed amendments from member states and NGOs representing a range of maritime sectors note significant issues with the current CII.

IT IS VITAL THAT PORTS, DESTINATIONS, REGULATORS AND OTHERS REFRAIN FROM MISGUIDED ACTION BASED ON RATINGS INCONSISENT WITH A SHIP'S ACTUAL ENERGY EFFICIENCY.

- The current CII creates risk if used to make critical business decisions.
- The best course of action is to work closely with ship owners and flag administrations to determine if a CII rating accurately reflects ship efficiency.

Regulations, Oversight and Inspection

The cruise industry is subject to regulations developed by the International Maritime Organization (IMO) and enforced through flag state inspections and port state verifications (e.g., U.S. Coast Guard, U.S. Centers for Disease Control and Protection, Federal Maritime Commission, and the Environmental Protection Agency for the USA among others).

This multi-layered system, designed to protect passengers, crew, the environment and destinations cruise lines visit, includes the International Maritime Organization and International Labour Organization, Port States, Countries of Registration (Flag States) and Classification Societies—with each having a key role.

- **International Maritime Organization & International Labour Organization**
  - Apply safety and environmental rules and guidelines and provide oversight for ship design, construction, and operation through surveys, audits, and inspections.

- **Port States**[1]
  - Review ship designs and issue safety certification before the ship sails.
  - Conduct announced and unannounced inspections and enforce compliance with international and domestic laws and regulations
  - Detain ships if serious violations are found

- **Countries of Registration | Flag States**
  - Ensure that registered ships meet national and international requirements.

- **Classification Societies**
  - Set safety and environmental rules and guidelines and provide oversight for ship design construction and operation.
  - Conduct inspections and surveys on behalf of flag states, insurers and other members of the maritime community to make sure ships are seaworthy and managed responsibly.

Cruise lines are also governed by the International Health Regulation of the WHO, which require that Health Declarations detailing illnesses of individuals on board be provided to port authorities around the globe prior to a ship's entry.

Every cruise ship receives multiple inspections each year – announced and unannounced – to support implementation of strict environmental and safety regulations.

In addition, as a requirement of membership, all CLIA cruise line members must adhere to a strict and robust set of policies and practices which undergo constant review and improvement and often exceed what international, national and local laws require.

[1] Paris Memorandum of Understanding / MOU on Port State Control (28 maritime administrations participating), Tokyo MOU (21 administrations participating), U.S. Coast Guard, plus other regional MOUs including: Vina Del Mar (Central & South America), Mediterranean, and Indian Ocean

Destination Stewardship

Cruise tourism is responsible and managed tourism

CLIA and member cruise lines work closely with destinations to support tourism management needs while also protecting the economic benefits that cruise tourism brings to communities.

- Cruise tourism is responsible and managed tourism. It is planned and scheduled well in advance, so it provides a lot of opportunities to work with local communities.
- Sustainable tourism means being good partners with our destinations and local communities.

There are multiple case studies showing the benefits of positive engagement.

- In February 2022, cruise lines operating in the Balearics signed a manifesto on sustainable cruise tourism in the port of Palma. In 2023, cruise lines and the French Government signed a Charter of Sustainable Cruising in the French Mediterranean.
- More recently CLIA embarked on partnerships in locations such as Corfu and Heraklion in Greece, working with local authorities to jointly fund tourism management assessments in partnership with the Global Sustainable Tourism Council (GSTC). Projects like these provide a framework for the future management of tourism, so everyone can benefit.
- These initiatives provide a framework for the future management of tourism, to ensure we continue to growth and develop in ways that benefit the communities we visit.

Trends

Source for all trends listed below is based on the CLIA Sentiment, Perception and Intent Survey (March 2024) unless otherwise noted.

New-to-cruise

Welcome Aboard: An increasing number of new-to-cruise travelers are choosing a holiday at sea.

- 27% of of cruisers in the past two years are new-to-cruise, an increase of 12% compared to the prior two-year period

Solo Travelers

Millennials and Gen Z are more likely to travel solo than other generations.

- 8%-13% of cruise travelers are traveling solo (percentage range varies by source market)
- Globally, 8% of cruise travelers are traveling solo (average of all markets)
- 10% of cruise travelers from U.S. ports are traveling solo
- 13% of cruise travelers from ports in Canada are traveling solo

Multi-generational Travel

Cruises are a top choice for multi-generational travelers—with one-third of families sailing with at least two generations.

- 28% of cruise travelers sail with three to five generations of friends and family members.

Top Reasons Travelers Choose Cruise

The ability to visit multiple destinations + value for the money are the top reasons cruisers love to cruise.

- 11% of cruise travelers only considered cruise for their holiday this year.

Expedition and Exploration Cruise Travel

Expedition and exploration are the fastest-growing cruise itineraries being sailed.

- The number of passengers sailing on expedition itineraries has increased 71% from 2019 to 2023

Source: CLIA 2023 Passenger Reports

Accessibility

Accessibility is a travel imperative, and today more than 100 accessible shore excursions are available in cruise ports of call.

- 45% of cruise travelers booked an accessible shore excursion in the past year.

Source: CLIA Sentiment, Perception and Intent Survey (March 2024); data regarding the number of accessible shore excursions provided by Sage Inclusion

Travel Advisors

Travel advisors meaningfully influence traveler decisions to cruise; the main driver for working with a travel agent is their advisor's knowledge and experience.

- 73% of cruise travelers say travel advisors have a meaningful impact on their decision to cruise

Private Islands and Beach Clubs

Cruise lines are investing in private islands and beach clubs, including enhancing existing ones.

- 5 new private islands or beach clubs opening in the next two years.
- Most of these exclusive destinations within a destination are in the Caribbean (e.g., Bahamas, Haiti, Dominican Republic)
- While the first island opened in the 1970s, their amenities and sustainability features have expanded. In addition, private beach clubs are now part of the mix.
- There is a key difference between these exclusive cruise experiences on shore:
  - Private islands are owned or leased by a cruise line for the exclusive use of the cruise line; while they are part of the destination, they are an exclusive private destination only accessible by cruise ship by the cruise line brands that own or lease the private island.
  - Private beach clubs are located within the port of call destination—only accessible by cruise lines that have established partnerships with those beach clubs.
- Helps balance out the flow of visitors as the Caribbean continues to increase in popularity with cruise travelers. Destinations in the Caribbean are the most visited ports of call in the world.
- The investment in the islands by the cruise lines is significant (upwards of $200 million USD to $600 million USD—and helps revitalize the destination's adjacent islands).
- Destinations receive tax revenue from these islands—and most, if not all, employ locals to support the islands' operations, hospitality and guest services—providing economic benefits in a responsible way.
- Sustainability is a key driver for many of these islands, which have been planned and / or are being refurbished with sustainability in mind. For example, conservation and sustainability initiatives on a cruise line's private island can act as a a hub for marine biologists, coral reef restoration experts, and students studying marine biology, ocean science, etc.

Social Media Assets

Below are examples of social media assets available for your use. Each will use the following "Net Zero by 2050" mark to designate and reinforce the industry's core message that:

Cruise lines are actively pursuing net zero emissions by 2050, consistent with the International Maritime Organization's (IMO) 2023 Strategy on Reduction of Greenhouse Gas (GHG) Emissions from Ships.

To view and downloaded these and other assets for use in social media, please go to this link.

cruising.org

#WeAreCruise