

1.35 million Australians took an ocean cruise in 2018

The Australian source market continued its long run of positive growth in 2018, although at a lower rate than in previous years. A total of 1.35 million Australians took a cruise last year, an increase of 0.9 per cent over 2017. Though positive, the rate of growth was down from the 4.4 per cent shown in 2017, placing Australia behind other large cruise markets such as North America (up 9.4 per cent) and Europe (up 3.3 per cent).

This was mainly the result of lower growth in local cruising (up just 0.1 per cent), due to well-publicised infrastructure constraints and their impact on cruise lines' ability to position new capacity in this region.

Nevertheless, Australians continued to recognise cruise as a preferred holiday choice. The number who chose fly-cruise options in destinations beyond local waters continued to perform strongly in 2018 (up 3.4 per cent), with Europe and the Mediterranean the most popular long-haul destinations for Australian cruisers (up 21.1 per cent).



One in every 17 Australians is cruising

Australia once again leads the established cruise markets in penetration rates, with 5.8 per cent of the population taking an ocean cruise in 2018, or the equivalent of almost one in every 17 Australians. This compares to 4.0 per cent in the USA, 3.0 per cent in the UK, and 2.8 per cent in Germany.

Future Potential

While the local industry faces growth constraints caused by a shortage of cruise infrastructure in Sydney, the construction of a new International Cruise Terminal in Brisbane and other cruise related projects announced in Cairns, Eden and Broome are expected to reignite growth in the homeport market.

Cruise lines have already announced significant new vessel deployments in this region beginning from 2020/2021. At the same time, smaller older vessels will be replaced with newer larger ships to cater to Australian passenger demand while a solution to the Sydney infrastructure constraints is developed.

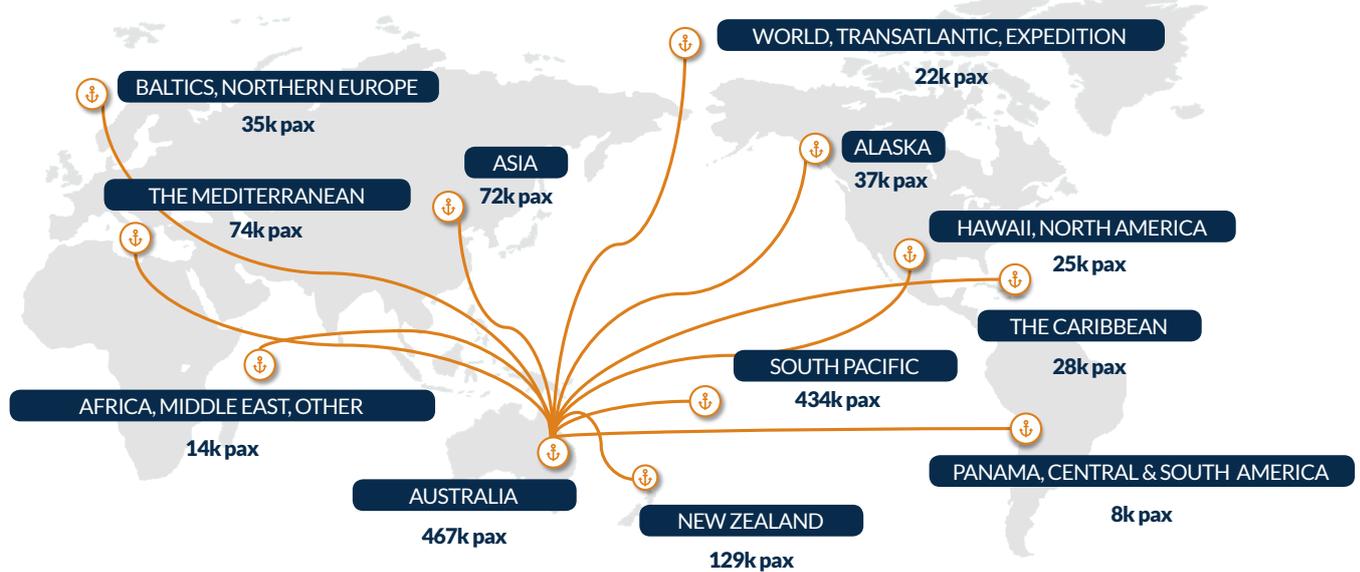
Although the reduced growth trend may continue in the short term into 2019, the future outlook for the Australian ocean cruise passenger market remains positive. As government and local stakeholders recognise the potential for the industry to offer an even broader and more frequent range of domestic itineraries, this will increase the contribution the industry is able to deliver to Australia's national and regional economies.

Globally, there are 122 new cruise ships set for delivery by 2027 at a total cost of more than US\$64 billion. As the industry continues to invest billions of dollars in new vessels, new destinations and strong source markets such as Australasia have the potential to reap the rewards of increased deployment as long as they can meet capacity requirements.

Among the findings of CLIA's annual report were:



Where Are Australians Cruising?



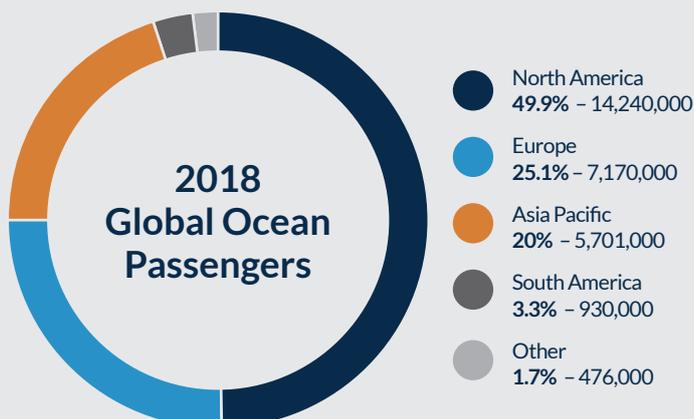
In 2018, the majority of Australian cruisers continued to sail within Australia, New Zealand and the South Pacific (76.6 per cent). Of these, 467,000 sailed locally on Australian cruises (up 2.2 per cent), while 434,000 cruised in the South Pacific (down 7.9 per cent), and 129,000 sailed in New Zealand (up 27.7 per cent). As a result, regional ports and destinations continued to benefit from domestic cruise travellers, delivering significant economic impact to local communities including for restaurants, hotels, shops, transportation and local tour operators.

In terms of fly-cruise, Europe and the Mediterranean were the most popular long-haul destinations for Australians in 2018, accounting for 8.1 per cent of cruisers. 7.3 per cent cruised in North America, the Caribbean, Alaska and Hawaii, while Asia followed with 5.4 per cent of travellers.

World Perspective

There was a 6.7 per cent increase in the number of people taking a cruise globally last year, with 28.5 million cruisers worldwide. This figure is forecast to break the 30 million barrier in 2019.

While the cruise sector represents only 2.0 per cent of the overall global travel industry, it continues on a similar growth pattern to international tourism worldwide. According to the latest UNWTO World Tourism Barometer, international tourist arrivals grew 6.0 per cent in 2018, totalling 1.4 billion, while cruise travel grew at 6.7 per cent over the same period.



Among the findings of CLIA's 2018 global statistics were:

- With 5.1 per cent of global cruise passengers hailing from Australasia, the region was the fourth largest source market in the world. As a region with a comparatively small population, Australasia punches well above its weight.
- Cruises in the Mediterranean rose in popularity with global cruisers.
- Passengers preferred shorter cruise durations with seven-day cruise itineraries up 9.0 per cent and cruises of three days or less up 10 per cent.
- Some 11.3 million cruise passengers travelled to the Caribbean in 2018, up six per cent.
- Alaska has experienced double-digit growth with a 13 per cent increase in 2018.
- When compared to the rapid increases of the past, 2018 saw moderate cruise passenger growth throughout Asia and China with a 5.0 per cent rise in cruise passengers from the region.

Who is cruising in Australasia?

The Australasia region continues to be an attractive cruise destination for inbound holidaymakers with around 200,000 international cruise visitors. In total, cruisers from more than 145 different countries visited the region.

In 2018, North America was the largest source of inbound cruise visitors (125,000), followed by Western Europe (42,000). The growing source market of Asia (14,000) continues to deliver significant cruise passengers to the region, doubling in 2018.



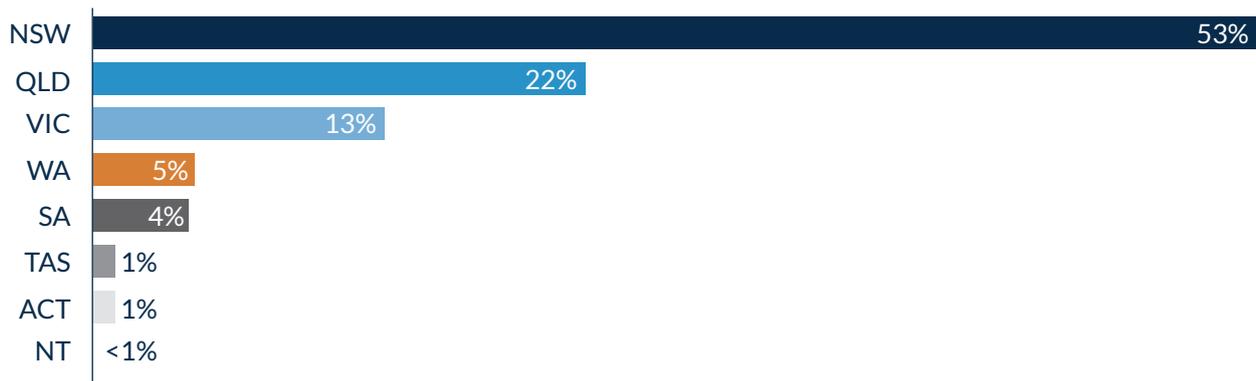
DEMOGRAPHICS

Australian Passenger Origin

The strength of the Australian cruise market continues to stem from its appeal to a broad demographic and across all age groups.

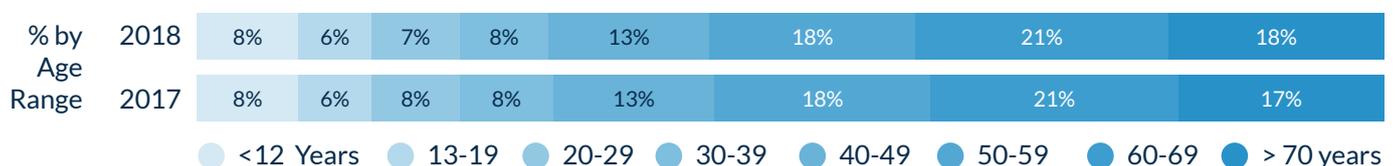
While NSW remained the biggest source of cruise passengers in 2018 and accounted for 53 per cent of all cruisers, this was a two percentage point decrease on 2017, reflecting the growth in the popularity of cruising across all states.

Queensland remained the second biggest contributor, increasing to 22 per cent of ocean cruise passengers.



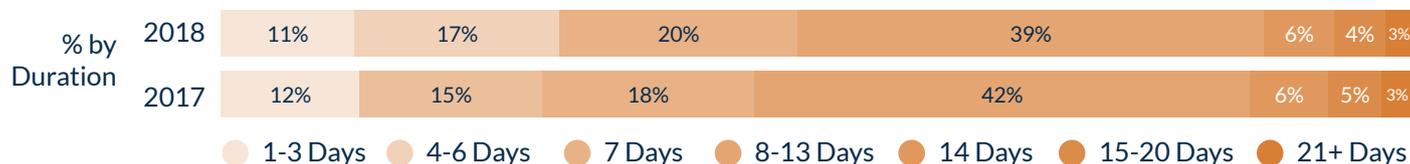
Passenger Age

Australian cruise passengers continued to come from across the age spectrum, with an average age of 49 in 2018.



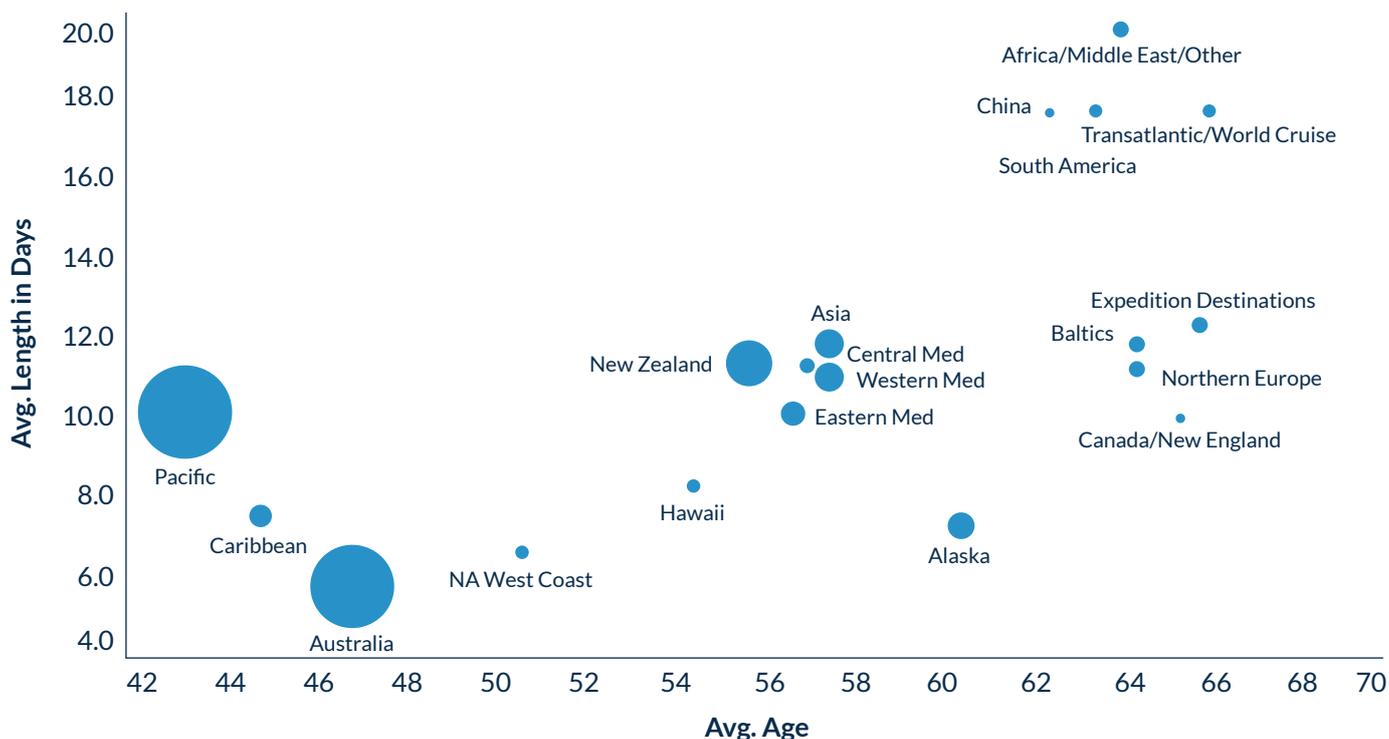
Cruise Length

On average, Australians cruised for 8.8 days (down from 9.1 days in 2017). Cruises of 8-13 days remained the most popular, accounting for 39 per cent of the market, though shorter cruises of up to seven days grew the strongest, up 10 per cent, reflecting increased demand for shorter cruises.



Looking at the distribution of passenger age by cruise destination and duration, shorter itineraries in the South Pacific, Caribbean and Australia appealed to younger cruisers, while middle-aged cruisers were more likely to be attracted to New Zealand, Asia and the Mediterranean.

The average age increased to the 60s for passengers on longer cruises to Northern Europe, Alaska and Expedition Destinations as well as on Transatlantic and world cruises.



Note: This report is based on 2018 calendar year passenger statistics provided by CLIA's ocean Cruise Line members, representing over 95 per cent of the global cruise industry capacity, plus additional data collected from non-CLIA Cruise Lines. The research is based on a methodology that is used in similar studies around the world. The consistency of approach facilitates comparisons with other major cruise markets. Data points below 2000 are not shown.

Cruise Lines International Association (CLIA) is the world's largest cruise industry trade association, providing a unified voice and leading authority of the global cruise community. CLIA supports policies and practices that foster a safe, secure, healthy and sustainable cruise ship environment and is dedicated to promoting the cruise travel experience. Economic, environmental and cultural sustainability is of the utmost importance to the cruise industry. We support local economies not just by bringing guests and crew to their shores but by using local services and goods on our ships. We sustain +1.1M jobs and US\$134B in economic impact worldwide. Every day, the global cruise industry is hard at work protecting the environment and strengthening local destinations through bold leadership, innovative stewardship, and strong strategic partnerships. For more information about CLIA and the Cruise Industry visit www.cruising.org.au