



Cruise Visitor Outlook Is Regional Planning Important?

**February 14, 2018
Southeast Conference Mid-Session Summit**

CLIA Alaska Member Lines Expanding



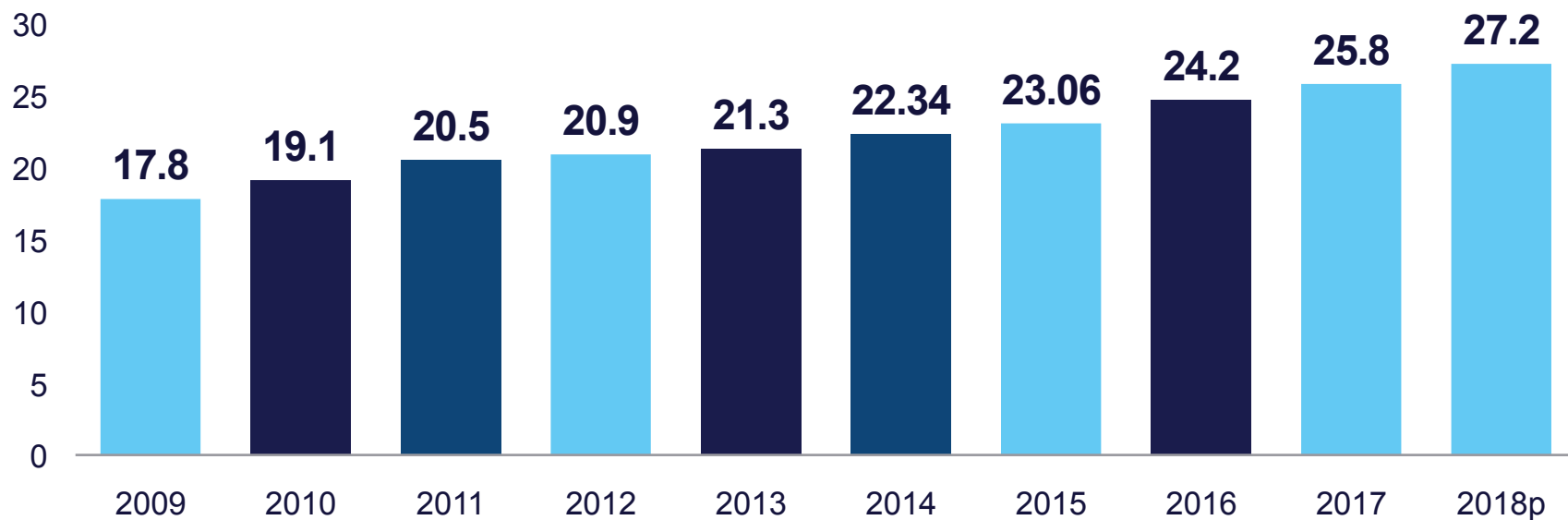
**New in 2017



2018 Global Passenger Capacity

2018 = 27.2 Million Passengers Expected to Cruise

CLIA Global Ocean Cruise Passengers (In Millions)



p = projection



New Ships 2018-2026

- 26 new ships entering market in 2018
- 95 ships on order
- \$60 billion value
- Total Berths: 246,744



Alaska 2018 Cruise Season Projection



1,165,500 total proj. pax
7% growth
Another record breaking
year

- Norwegian Bliss - first ship purpose-built for Alaska
- Windstar entering Alaska market
- Golden Princess added to Alaska

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Additional Deployments 2019

As of 12/31/17

- Azamara Quest 5,576 pax
- Carnival Legend 3 voyages added 6,372 pax
- Oosterdam is back 38,808 pax
- Royal Princess replaces Emerald 9,082 more pax
- Ovation of the Seas replaces Explorer 27,000 more pax
- Celebrity Eclipse replace Infinity 15,428 more pax
- Ponant Le Soleal is back 1,040 pax
- Silver Muse replaces Silver Shadow 3,210 more pax
- Viking Orion 9,300 pax
- Cunard Queen Elizabeth 10,460 pax

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Alaska 2019 Preliminary Projections



1,310,000 total proj. pax
12% growth
Another all time record!

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2017-2019 Comparison

	2017	2018 (projected)	2019 (projected)
Ships	33	34	37
Voyages	497	519	567
Passengers	1,089,700	1,165,500	1,310,000

2017 to 2019 Growth = 19%

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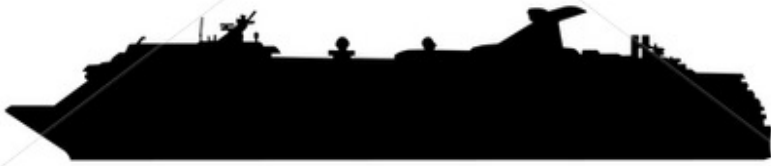
Alaska Cruise Industry Economic Impact

- Passengers, Cruise Line, and Crew spent:
 - Nearly **\$1 Billion in total statewide spending** (May 1 to Sept 30 2017)
 - **\$6.5 million of spending in Alaska every single day for 150 days**
 - **That's 65,000 Ben Franklins falling out of peoples pockets each and every day for 150 days.**
- Alaska Visitor Total Tax Revenue
 - **\$82.9 million in Municipal Revenues**
 - **\$104.8 million in State Revenues**

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2019 Projected Economic Impacts



2017 passengers = 1,089,700

2019 passengers = 1,310,000 (projected)

220,300 passenger increase

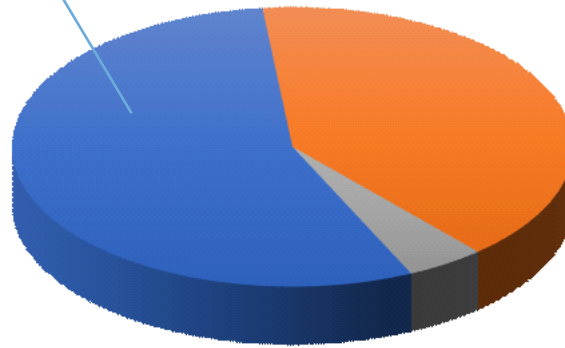
- **\$137.5 million increase** in passenger spending that is available for local sales taxes
- **\$7.6 million increase** in passenger entry fees
 - **\$45.2 million total** passenger entry fees statewide

Visitor Demographics

Statewide, AVSP 2016



Cruise Passengers 1,025,900 = 55%



Air 747,100 = 40%



Ferry/Highway 84,500 = 5%

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Visitor Demographics

Example: Juneau 2017

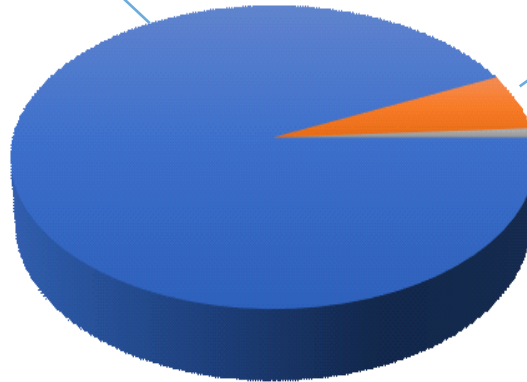


Cruise Passengers = 93%

**\$176.6 million in
taxable spending**

(average \$162 per passenger)

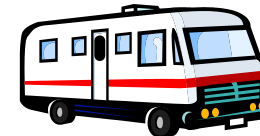
*not including crew or cruise line



Air = 6%

**\$44.3 million in
taxable spending**

(average \$630 per)



Ferry/Highway = 1%

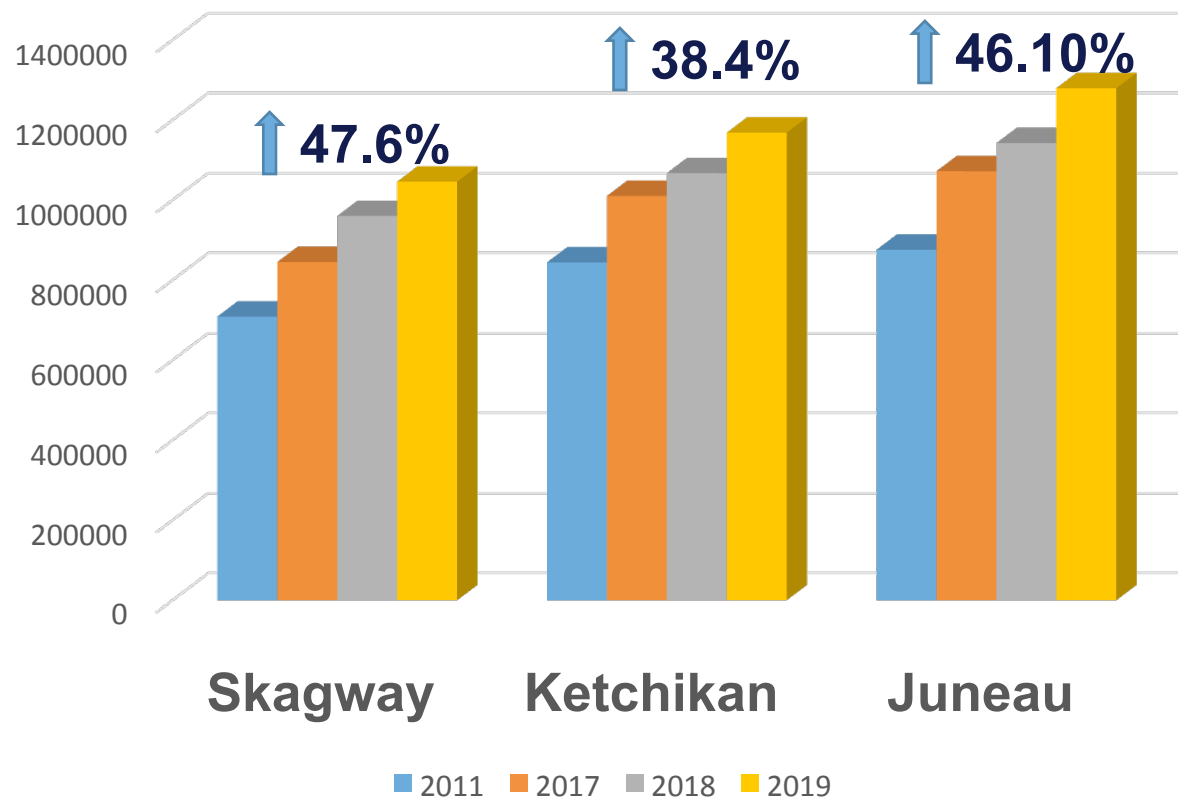
**\$3.3 million in
taxable spending**

(average \$281 per)

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Cruise Visitor Growth

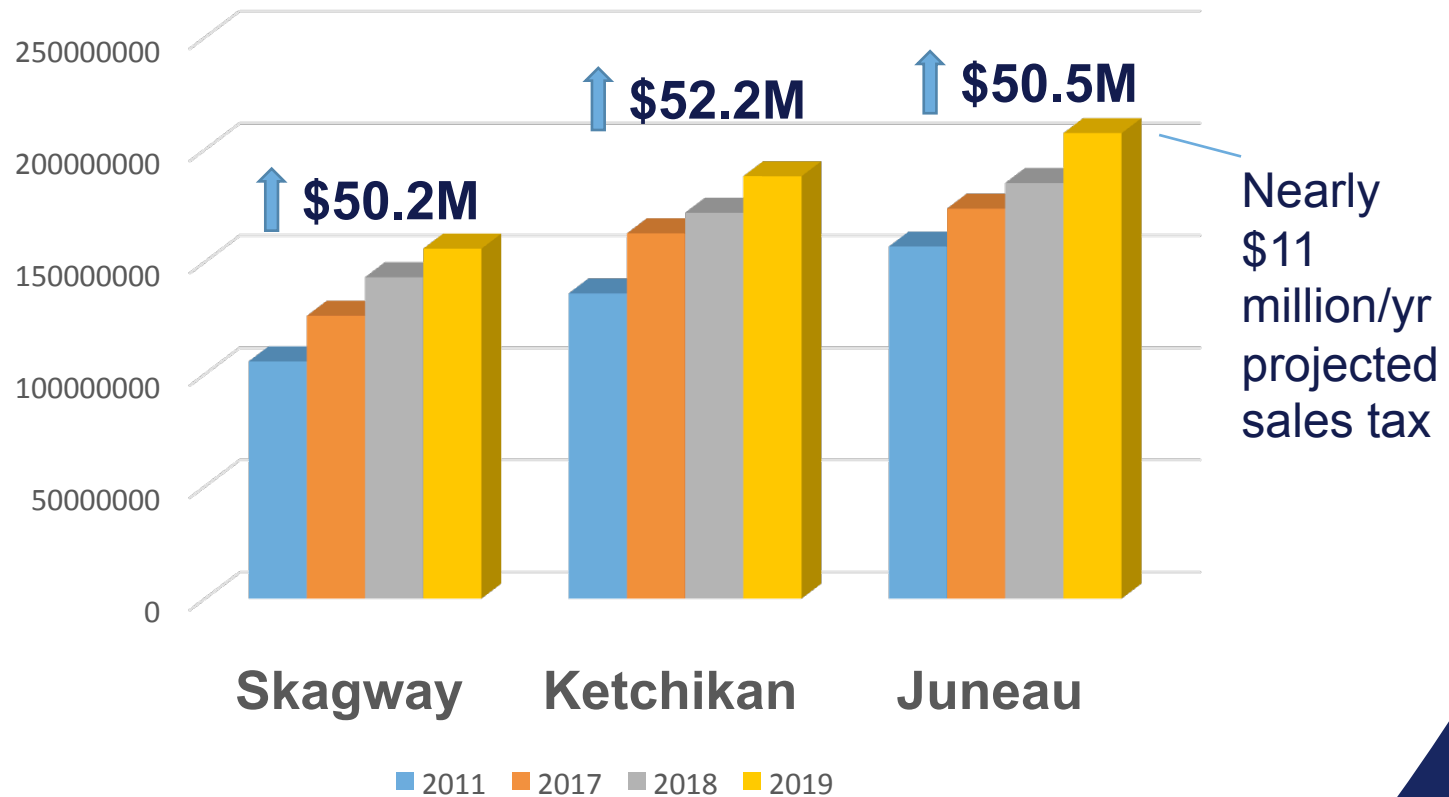


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Cruise Passenger Spending

*\$2.5M to \$3M increase in annual sales tax



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Is Regional Planning Important?



Ovation of the Seas

Tonnage:	168,666 GT
Length:	348 m (1,142 ft)
Beam:	41.2 m (135 ft)
Draught:	8.5 m (28 ft)
Capacity:	4600
Completed	4/8/2016

Newer, larger vessels require special dock infrastructure

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Regional Planning Can Help Overcome These Challenges

- Successful itineraries need a minimum of 3 port calls
- Some ports have limited infrastructure or are not able to accommodate larger vessels
- More ships are interested in coming - upgrades will be necessary to meet demand & retain a high level of guest experience
- Currently there is a disparity between ports' access to funding and their needs

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Comparison of Communities (2017)

- Juneau - \$13 m in passenger fees
Maintains 2 docks, other 2 docks are private
- Ketchikan - \$9.5 m in passenger fees
Operates and Maintains 4 docks
- Skagway - \$4 m in passenger fees
All 4 docks are maintained by White Pass Railroad
- Hoonah - \$800,000 in passenger fees
Needs second dock
- Seward - \$450,000 in passenger fees
Aging dock needs to be replaced – terminal needed to turn ships
- Haines - \$208,000 in passenger fees

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Closing Thoughts

- **Alaska's Cruise Industry is strong with a bright future**
- **Projected 19% growth in passengers by 2019**
- **Communities will see significant increases in local revenues**
- **Regional planning can help lead to better utilization of local and state passenger fees**
- **More itinerary options can boost the entire region**
- **Let's work together**

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Thank You!



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