



Asia-Pacific
Economic Cooperation

APEC ECONOMIC STUDY ON IMPACT OF CRUISE TOURISM:

Fostering Micro, Small and Medium Enterprises Growth & Creating Sustainable Communities¹

SOM Steering Committee on Economic and Technical Cooperation, Tourism
Working Group

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STATE OF THE CRUISE INDUSTRY 2023



Cruise tourism is forecast to reach **106%** of 2019 levels in 2023—with **31.5 million** passengers sailing and to reach **39.4 million** passengers in 2027².



85% of those that have cruised will cruise again, **6% higher** than pre-pandemic³.



Global cruise capacity in 2022 was 625,000 lower berths and is **forecast to grow to 746,000 by 2028⁴**.



CLIA cruise line members are introducing **44 new ships** from 2023 through 2028⁵.



APEC economies accounted for **30.4%** of global passenger trade and were the source of **70.8%** of global cruise passengers in 2018⁶.



STUDY KEY POINTS

Cruise tourism offers an economic stimulus for coastal communities globally. However, destinations need to understand realities and take a balanced and sustainable approach to attracting and servicing cruise ships and their passengers commensurate with their destination's characteristics.

Sustainable cruise tourism revolves around an equitable distribution of economic benefits, protection of the marine and terrestrial environment and preservation of the cultural and societal values of the destination.

Destinations and communities need to organise and work in partnership with cruise lines to sustain and grow business. At the same time, they need to measure and track key measures of sustainability to demonstrate positive and mitigate negative impacts to all stakeholders and to use in informed decision making.

The opportunity for developing cruise destinations in APEC economies is high. With cruise lines selling itineraries and not destinations there are many operational factors at play in decision making. Destinations therefore need to provide unique and differentiated experiences to stand out. These experiences are the destination's value proposition and need to be sustained and appropriately managed.

Furthermore, given the complex cruise eco-system, destinations need to collaborate and plan extensively with the cruise lines to be successful.

Managing the destination is also important not just for cruise but also for broader tourism purposes.

To be effective, destination planning, and management must be based on appropriate research and the needs of the travelling consumer. The process of destination management integrates both demand and supply. It also requires significant collaboration between government, Destination Management Organisations, industry and the community to be successful.

The economic impact on micro, small and medium enterprises (MSME) and communities from cruise tourism depends heavily on the destination type, value proposition and frequency, nature and quantum of passenger and crew expenditure. The more expenditure MSMEs can capture through presenting attractive tours, retail and hospitality offers, the larger the economic benefits are likely to be.

¹ APEC Economic Study on the Impact of Cruise Tourism: Fostering MSMEs' Growth and Creating Sustainable Communities | APEC

² CLIA Passenger Data, 2019 – 2021 and CLIA Cruise Forecast /Tourism Economics (December 2022)

³ CLIA Cruise Traveler Sentiment, Perception, and Intent Survey (December 2022)

⁴ CLIA Passenger Data, 2019 – 2021 and CLIA Cruise Forecast /Tourism Economics (December 2022)





⁵ CLIA orderbook data

⁶ AEC Group



CRUISE TOURISM POSITIVE & NEGATIVE IMPACTS

+ POSITIVES

-  **Income**
-  **Employment**
-  **Infrastructure**
-  **Regeneration**

— NEGATIVES

-  **Conjestion**
-  **Risk to culture**
-  **Risk to heritage**
-  **Environmental damage**

APEC CRUISE TOURISM CHALLENGES & OPPORTUNITIES

CHALLENGES

- ⚙️ A need for common understanding of cruise tourism and terms.
- ⚙️ Cruise tourism impacts vary in importance with destination characteristics and maturity.
- ⚙️ There needs to be consistent approaches to the measurement of economic impact.
- ⚙️ Cruise lines are subject to differing jurisdictional regulations.
- ⚙️ In some destinations over tourism is a growing problem.
- ⚙️ Cruise tourism is complex and involves many different sized stakeholders.
- ⚙️ Cruise passengers often do not have accurate information on the destination.
- ⚙️ Participation by women needs to be a focus.

OPPORTUNITIES

- ✅ Adopt standard definitions on all aspects of cruise tourism.
- ✅ Agreement on triple bottom line (economic, social, environment) cruise tourism measures and consistency of their measurement.
- ✅ Encourage economies to move towards international standards or best practice.
- ✅ Approaches for cruise destination planning and management should be adopted appropriate to the nature of a destination.
- ✅ A structured process to build capacity to develop and market products and services specifically for cruise.
- ✅ Development of education, training and service improvement materials along with experience sharing forums.
- ✅ Setting up a network that encourages woman to participate in forums and any formalised training including an incubator program.



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MORE INFORMATION

Contact the authors of the report at info@cruisetourismpartners.com