



European
Cruise Council

THE CRUISE INDUSTRY

A LEADER IN EUROPE'S
ECONOMIC RECOVERY

Contribution of Cruise Tourism to the

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GP Wild (International) Limited and Business Research and Economic Advisors (BREA) were engaged by the European Cruise Council to conduct a comprehensive analysis of the global cruise industry's operations in Europe and its contribution to the European economy using the most recent available statistics.

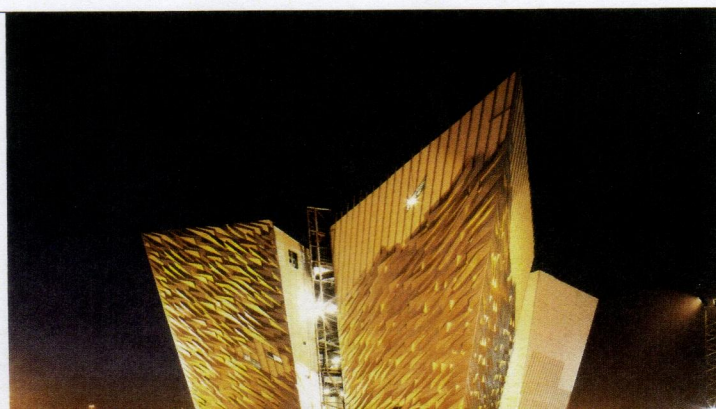
Prepared by **G.P. Wild (International) Limited** and **Business Research & Economic Advisors**

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Belfast Harbour

**CRUISE DESTINATION BELFAST
2012. TITANIC BELFAST – A
NEW ICON FOR THE NEW CITY.**



Welcome to the European Cruise Council's latest report on the contribution of cruise tourism to the European economy.

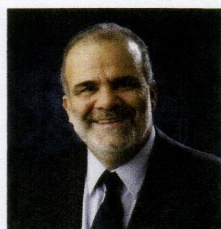
The European Cruise Council (ECC) is the association representing the leading cruise operators in Europe. Since its inauguration, the ECC has gradually grown and now has 30 cruise members and 34 associate members. The ECC and its members stand for quality shipping, upholding high environmental and safety standards for the benefit of the passengers, coastal areas, the sea and society at large. The ECC and its members work constantly to deliver ever higher environmental standards to ensure the European cruise industry can continue to grow sustainably.

This report, commissioned by the ECC from independent economic experts G.P. Wild (International) Limited and Business Research and Economic Advisors, demonstrates that despite the global economic crisis in the last year, the cruising industry continues to show steady growth. The number of Europeans and non-Europeans who chose a cruise holiday in Europe has more than doubled in the past decade to over 5 million; the sector attracted 1.2mn passengers from outside Europe. The report shows the industry generated €35.2bn of goods and services, and increased its European bookings by 9.3 per cent over 2009 to command 30 per cent of the global market. It generates employment for more than 300,000 people across Europe.

Last but not least, in these challenging economic times the cruise industry is a leader in Europe's economic recovery by creating jobs in European shipyards, employment in European ports and serving as a catalyst for European tourism.

Manfred Lefebvre d'Ovidio

Manfredi Lefebvre d'Ovidio
Chairman, European Cruise Council



Executive Summary

G. P. Wild (International) Limited and Business Research and Economic Advisors were engaged by the European Cruise Council to conduct a comprehensive analysis of the global cruise industry's operations in Europe and its contribution to the European economy in 2010. For the purposes of this report, unless otherwise stated, Europe is defined as the EU with 27 members plus Switzerland, Norway and Iceland. The EU-27 member states are fully defined in the Glossary.

Some of the major highlights of cruise operations in Europe during 2010 were:

- During 2010 there were 45 cruise lines domiciled in Europe, operating 132 cruise ships with a capacity of around 137,100 lower berths. Another 66 vessels with a capacity of nearly 81,000 lower berths were deployed in Europe by non-European lines.
- Over 5.5 million European residents booked cruises, a 10 % increase over 2009, representing nearly 30% of all cruise passengers worldwide.
- More than 5.2 million passengers embarked on their cruises from a European port, a 7.6% increase over 2009. Of these over 4 million were European nationals and about 1.2 million came from outside Europe.
- The vast majority of these cruises visited ports in the Mediterranean, the Baltic and other European regions, generating 25.2 million passenger visits at a total of around 250 European port cities, a 6.0% increase over 2009.
- In addition, an estimated 13.2 million crew also arrived at European ports.

As a result of the European cruise operations and the investment in new cruise ships by the global cruise industry, this industry generated significant economic impacts throughout Europe. In 2010, cruise industry direct expenditures increased by 3.0% from 2009 to €14.5 billion. As will be discussed below this increase was the net result of an 8.5% decline in the shipbuilding sector and an 8.6% increase in the remaining components of cruise industry expenditures. The total economic impacts of the cruise industry included the following:

- €35.2 billion in total output¹,
- €14.5 billion in direct spending by cruise lines and their passengers and crew,
- 307,526 jobs², and
- €9.3 billion in employee compensation.

These impacts are the sum of the direct, indirect and induced impacts of the cruise industry. In summary, each €1 million in direct cruise industry expenditures generated:

- €2.42 million in business output, and
- 21 jobs paying an average wage of over €30,100.

Direct Economic Impacts

The direct economic impacts include the production, employment and employee compensation that were generated in those European businesses that supplied goods and services to the cruise lines and its passengers and crew. The direct impacts also include the compensation paid to the European employees of the cruise lines.

In 2010, the cruise industry generated direct expenditures of **€14.5 billion**. These expenditures included the following:

- **€4.2 billion** in spending for the construction of new cruise ships and the maintenance and refurbishment of existing ships with European shipyards, an 8.5% decline from 2009 and the second consecutive year in which these expenditures have fallen. Growth in the construction and maintenance of ships had slowed during 2008 and turned negative during 2009 as the decline in new orders during 2008 and 2009 finally impacted European shipyards. This lagged impact of new orders on actual construction continued into 2010. It is anticipated that this trend will be reversed in the future as new orders expand.
 - During 2010 there were some 25-cruise ships on the orderbooks of the European shipyards.
 - Currently, European shipyards are under contract to build 21 cruise ships with a combined value of €10.8 billion through to 2014 with two additional contracts secured early in 2011.
- **€6.0 billion** in spending by cruise lines with European businesses for goods and services in support of their cruise operations, an increase of 9.5% over 2009. Among the major expenditures were the following.
 - Cruise lines purchased nearly €495 million in provisions consumed on board cruise ships from European food and beverage manufacturers.
 - An estimated €860 million in commissions was paid to European travel agents.
 - The cruise lines spent just under €1.3 billion on financial and business services including: insurance, advertising, engineering and other professional services.
- **€3.1 billion** in cruise passenger and crew spending. Passenger expenditures included spending for shore excursions, pre- and post-cruise hotel stays, air travel and other merchandise at ports-of-embarkation and ports-of-call. Crew spending was concentrated in expenditures for retail goods and food and beverages. Total passenger and crew expenditures increased by 8.1% from 2009.
 - Including airfares, embarking passengers spent an average of nearly €285. Excluding airfares, cruise passengers spent an average of nearly €70 at embarkation port cities.
 - On average, cruise passengers then spent another €61 at each port visit on their cruise itinerary.
 - Crew spending at each port call averaged €16 per crewmember.

1. By definition, total output includes all intermediate inputs, taxes net of subsidies, net surplus (profits, net interest, dividends and other items) and employee compensation.

- **€1.24 billion** in wages and salaries plus benefits, an increase of 5.2% from 2009, were paid to the European administrative staff and crew of the cruise lines.
- Cruise lines employed more than 5,000 European nationals in their headquarters and administrative offices.
 - Another 50,000 European nationals were employed as officers and ratings on cruise ships.

These expenditures generated employment and employee compensation across a wide range of industries and in virtually every country that sourced passengers and/ or hosted cruise ship calls. As indicated in the following table, the €14.5 billion in direct expenditures generated nearly **150,401 direct jobs** paying **€4.4 billion in employee compensation**.

Table ES - 1: Direct Economic Impacts of the European Cruise Sector by Industry, 2010

Industry ¹	Expenditures € Million	Jobs	Compensation € Million
Agr., Mining & Constr. ²	€ 18	171	€ 4
Manufacturing	€ 7,044	39,110	€ 1,539
Nondurable Goods	€ 1,482	5,369	€ 193
Durable Goods	€ 5,562	33,741	€ 1,346
Wholesale & Retail Trade	€ 631	9,368	€ 178
Transportation & Utilities	€ 3,299	20,206	€ 717
Hospitality ³	€ 343	5,773	€ 123
Financial and Business Services	€ 1,302	11,514	€ 408
Personal Services & Govt	€ 599	8,839	€ 227
Subtotal	€ 13,236	94,981	€ 3,196
Cruise Line Employees	€ 1,240	55,420	€ 1,240
Grand Total	€ 14,476	150,401	€ 4,436

¹ The aggregate (bold) and sub-industries are based on standard industry definitions used by the OECD in its input-output accounts. The level of detail in each table may vary but the definitions remain the same.

² Agr. Mining & Constr. is the aggregation of the Agriculture, Mining and Construction industries. Generally, the estimated impacts for each of these industries is too small and imprecise to show.

³ Hospitality includes hotels, restaurants and bars and amusement and recreation establishments.

The following three economic sectors accounted for more than 75% of the direct economic impacts of the European cruise industry:

- The Manufacturing sector, led by the shipbuilding industry, accounted for 49% of the cruise industry's direct expenditures, 26% of the direct jobs and 35% of the direct employee compensation.
- European employees of the cruise lines accounted for 37% of the direct jobs generated by the cruise industry and 28% of the compensation.
- The Transportation and Utilities sector which includes tour operators and travel agents accounted for 23% of the direct expenditures, 13% of the direct jobs and 16% of the compensation impacts.

Total Economic Impacts

The total economic impacts are the sum of the direct, indirect and induced impacts. The indirect impacts result from the spending by the directly impacted businesses for those goods and services they require to support the cruise industry. The induced impacts result from the spending by the impacted employees for household goods and services. Thus, the indirect impacts primarily affect business-to-business enterprises while the induced impacts primarily affect consumer businesses. The total economic impacts are shown in the following table.

The total economic impacts are more evenly spread among the various industries than the direct economic impacts as the indirect and induced impacts affect non-cruise sectors. Yet the manufacturing (primarily shipbuilding) and transportation sectors still account for more than half of the cruise industry's total impact throughout Europe.

- The Transportation and Utilities sector, which includes the employees of the cruise lines, accounted for 21% of the total output and 31% of the total employment and 29% of the total compensation impacts.
- The Manufacturing sector, which includes the shipbuilding industry, accounted for 37% of the total output, 24% of the jobs and 30% of the total compensation generated by the cruise industry.

Table ES - 2: Total Economic Impacts of the European Cruise Sector by Industry, 2010¹

Industry	Output € Million	Jobs	Compensation € Million
Agr., Mining & Constr.	€ 1,889	15,283	€ 285
Manufacturing	€ 12,949	74,782	€ 2,825
Nondurable Goods	€ 3,759	17,288	€ 618
Durable Goods	€ 9,190	57,494	€ 2,207
Wholesale & Retail Trade	€ 2,131	26,918	€ 478
Transportation & Utilities ²	€ 7,478	95,089	€ 2,721
Hospitality	€ 1,101	14,839	€ 326
Financial and Business Services	€ 7,991	57,920	€ 1,997
Personal Services & Govt	€ 1,628	22,695	€ 646
Total	€ 35,167	307,526	€ 9,278

¹ Since compensation is included in total output, these impacts are not additive. Output is a measure of the industry's impact on the overall economy while compensation is a measure of the industry's impact on employees and the household sector.

² Includes the European employees of the cruise lines and their compensation.

Country Impacts

The economic impacts were spread throughout Europe. However, as indicated in the following table the majority of these impacts were concentrated in six countries, which accounted for about 80% of the cruise industry's impacts throughout Europe.

Table ES - 3: Total Economic Impacts of the Cruise Sector by Country, 2010

Country	Direct Expenditures € Million	Growth from 2009	Total Jobs	Total Compensation € Million
Italy	€ 4,538	4.8%	99,057	€ 2,952
UK	€ 2,569	6.7%	58,604	€ 2,120
Germany	€ 2,306	20.2%	36,084	€ 1,313
Spain	€ 1,186	6.0%	25,219	€ 766
France	€ 972	-16.1%	13,012	€ 577
Greece	€ 580	-3.0%	11,612	€ 227
Top Six	€ 12,151	5.4%	243,588	€ 7,955
Rest of the EU+3	€ 2,325	-7.7%	69,938	€ 1,323
Total	€ 14,476	3.0%	307,526	€ 9,278

The three countries of Italy, the UK and Germany accounted for 61% of the direct expenditures of the cruise industry. These three countries experienced a combined increase of 8.7% in direct expenditures from 2009. These countries participated in all segments of the industry:

- Serving as major source and destination markets for cruise passengers,
- Maintaining headquarters facilities and providing crew,
- Providing shipbuilding and repair services, and
- Provisioning and fuelling of cruise ships.

The remaining three countries in the top six tended to be impacted in one or two major segments:

- Spain serves primarily as a source and destination market with some headquarters operations.
- France is principally a source and destination market with the addition of shipbuilding.
- Greece serves primarily as a destination market with some cruise maintenance activities.

As shown in the table the top six countries experienced a 5.4% increase in direct cruise industry expenditures during 2010. Germany led the way with a 20% increase in direct expenditures and accounted for 63% of the net increase in expenditures among the top six countries. Germany's growth was led by a 25% increase in shipbuilding expenditures and a nearly 20% increase in spending by passengers and crew at Germany's cruise ports.

The three countries of Italy, the UK and Spain each experienced an increase in direct expenditures of between 4% and 7%. The UK had the strongest increase with an annual growth of 6.7% in direct expenditures. The growth in the U.K. was led by a 7.6% increase in spending by passengers and crew at UK ports and a 10% increase in expenditures by cruise lines with UK businesses.

Direct expenditures in Spain increased by 6.0% during 2010. The nearly 17% increase in passenger and crew spending at Spanish ports accounted for the vast majority of the spending gains.

Italy experienced a 4.8% increase in direct cruise industry expenditures in 2010. The gains in spending were fairly uniform across the four major spending categories, with passenger and crew spending leading the way with a 10% annual rate of growth.

France experienced a loss in direct spending in 2010. The annual loss of 16% was concentrated in shipbuilding where expenditures fell by 33% in 2010. These losses were only partially offset by the 7% increase in passenger and crew expenditures and the 10% increase in spending by cruise lines with French businesses.

Direct expenditures in Greece also declined. The 3.0% decline in direct cruise expenditures is directly related to the 10% decline in transit passenger arrivals at Greek ports during 2010. This was only partially offset by an increase in cruise maintenance activity.

It should be noted that Greece replaced Finland among the top six. Finland is primarily impacted by cruise ship construction, which accounts for more than 75% of the cruise industry's direct expenditures in the country. During 2010 shipbuilding expenditures declined by 49% and total direct expenditures fell by 41%.

Five-year Growth Trend

Since 2005 European-sourced passengers have increased by 64% from 3.3 million in 2005 to 5.4 million in 2010. Even the global recession in 2009 and the subsequent moderate rebound in growth have done little to slow this increase. Embarkations at European ports has grown even more rapidly, 83% over the 5-year period, from 2.8 million in 2005 to 7.44 million in 2010. The stronger expansion in embarkations reflects the growing interest in European cruises by non-Europeans, especially North Americans. Finally, port-of-call passenger visits have increased by 92% over the 2005-2010 period, growing from 13.2 million to 25.2 million. This even higher growth reflects the impacts of longer cruise itineraries that include more port calls and the increase in the number of transatlantic cruises.

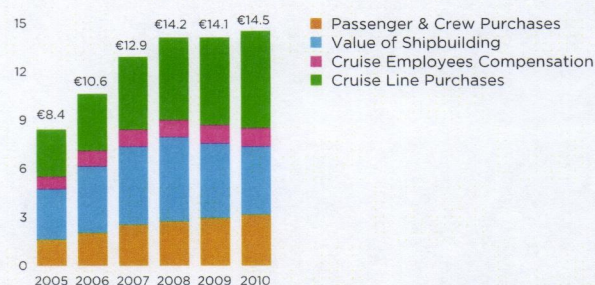
Table ES - 4: European Passenger Statistics, 2005 - 2010 Millions

Category	2005	2006	2007	2008	2009	2010
European-sourced passengers	3.29	3.42	4.00	4.42	4.94	5.40
Percentage change		3.65%	17.30%	10.50%	11.76%	9.31%
Embarkations from European Ports	2.84	3.61	4.29	4.69	4.84	5.20
Percentage change		27.11%	18.84%	9.32%	3.20%	7.44%
Port-of-Call passenger visits	13.15	15.71	18.82	21.71	23.76	25.18
Percentage change		19.47%	19.80%	15.36%	9.44%	5.98%

Since the inauguration of this European cruise industry analysis for 2005, direct expenditures have increased by 68% from €8.4 billion in 2005 to €14.5 billion in 2010. This represents an average annual growth rate of 11% over the five-year period. Figure ES-1 clearly shows the impact that contraction in value of shipbuilding during 2009 and 2010 has had on the growth trend for direct cruise expenditures, which have remained virtually flat since 2008.

Given the growth in passenger visits, each of the remaining components of direct expenditures has steadily increased on a year-over-year basis. Since 2005, the combined expenditures by cruise lines, passengers and crew, and employee compensation have nearly doubled from €5.3 billion in 2005 to €10.3 billion in 2010.

**Figure ES - 1: Direct Cruise Industry Expenditures in Europe, 2005 - 2010
€ Billions**



The total output of the industries affected by the direct, indirect and induced impacts of the European cruise industry has increased by 84% since 2005, increasing from €19.1 billion to €35.2 billion in 2010.

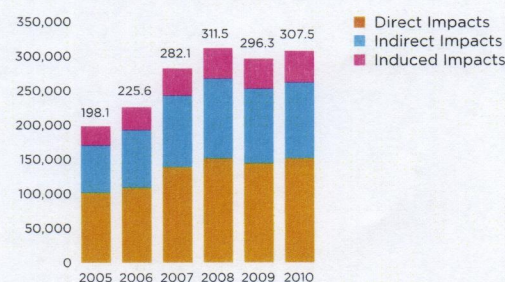
Figure ES - 2: Total Output Generated by Cruise Industry Expenditures in Europe, 2005 - 2010 € Billions



The stronger growth in total output relative to the growth in direct expenditures is partially the result of increased productivity throughout most European industries.

The total employment associated with the total output discussed above has increased by 55% from 198.1 thousand jobs in 2005 to 307.5 thousand jobs in 2010. The slower growth in employment is the result of the inverse impact of productivity increases on employment relative to output. In addition, the combination of the decline in cruise ship building, which has a considerable multiplier impact, and the impact of the 2009 global recession, resulted in a absolute decline in total employment in 2009 which has only been partially reversed in 2010. Nevertheless, the continued expansion of the European cruise industry has had a significant impact on job generation throughout Europe.

Figure ES - 3: Total Employment Generated by Cruise Industry Expenditures in Europe, 2005 -2010



1. An Overview of the Importance of the European Cruise Industry – Facts and Figures

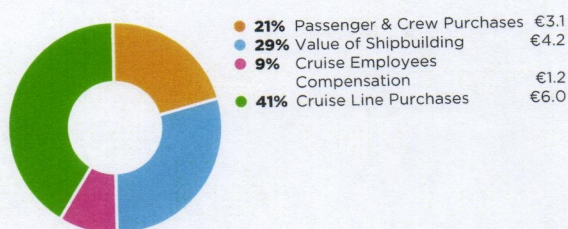
The cruise industry in Europe³ is a dynamic source of economic activity providing economic benefits to virtually all industries and countries throughout Europe.

- Cruise tourism in Europe impacts all of the major aspects of the industry, including: ports of embarkation, ports-of-call, shipbuilding, ship maintenance, provisioning, sales and marketing, the staffing of cruise ships and administrative facilities.
- Over 5.4 million European residents booked cruises in 2010, a 9.3% increase over 2009.
- In 2010, Europeans represented nearly 30% of all cruise passengers worldwide, compared with 21% ten years earlier.
- More than 5.2 million passengers embarked on their cruises from a European port, a 7.6% increase over 2009. Approximately 4.2 million (77%) were European nationals.
- The vast majority visited ports in the Mediterranean, the Baltic and other European regions and generated 25.3 million passenger visits during 2010, a 6.3% increase over 2009.
- Cruise lines visited a total of around 250 European port cities including the Black Sea and Atlantic Isles.
- In addition, an estimated 13.2 million crew also arrived aboard cruise ships calling at European ports during 2010.

The cruise industry's direct spending made by the cruise lines⁴ and their passengers and crew throughout Europe increased by 3.0% in 2010 to €14.5 billion after declining by 1.2% in 2009.

Figure 1. 1: Direct Cruise Industry Expenditures in Europe, 2010

€14.5 Billion



- Cruise passengers and crew spent an estimated €3.1 billion in purchases during their port visits, ranging from accommodation to retail purchases of jewellery, clothing and other similar items. This represented an 8.1% increase over passenger and crew expenditures in 2009.
- Europe is also the centre of and world leader in cruise ship construction and refurbishment. However, the impact of declining orders in 2007 and 2008 continued to be felt during 2010 with an 8.5% decline in expenditures for cruise construction and maintenance to €4.2 billion.

- Included in the €14.5 billion is €1.24 billion in compensation paid to employees of the cruise industry that reside in Europe. With increases in crew and landside employment during 2010, total employee compensation increased by 5.2%.
- Finally, the cruise lines also spent another €6.0 billion with European businesses to support their cruise and administrative operations, an increase of 9.5% from 2009.
- This spending by the cruise lines and their passengers generated an estimated 307,526⁵ jobs throughout Europe through direct, indirect and induced economic impacts. This is a 3.8% increase from 2009. This is the net result of the positive gains resulting from increases in spending by passengers, crew and cruise lines for goods and services and the negative impacts of the continued contraction in cruise ship construction at European shipyards.
- In turn, the workers in these jobs produced an estimated €35.2 billion in total output and received €9.3 billion in total (direct, indirect and induced) compensation⁶. Both the total output and compensation impacts increased by 3% from 2009.

Cruise New Building and Investment 2011-14

- Over the four-year period from 2011 to 2014⁷, 23 cruise vessels have been scheduled for delivery for worldwide trading with capacity for 60,630 passengers. These include two vessels contracted during 2011. Of these, nine ships with 20,300 berths (33.5%) are primarily for the European source market, representing investment of €5.1 billion. Many of the others will visit European destinations. This new investment underlines the cruise industry's continuing commitment to the future of its business both in Europe and elsewhere in the world.

Table 1. 1: Cruise Ship Orders 2011-14

Year Completed	Ships	Berths	Investment (Millions)
2011	8	16,156	€ 3,251
2012	8	22,466	€ 4,120
2013	4	10,308	€ 1,650
2014	3	11,700	€ 1,805
Total	23	60,630	€ 10,826

- At the same time, however, the dearth of new orders over the last few years means that the forward order book has diminished in value compared with last year. New orders have continued, albeit at a slower pace than in mid-decade, and this pace needs to be at least maintained, so that the industry can continue to satisfy future growth in demand.

3. The European cruise industry is defined as those cruise-related activities that take place within Europe including cruise itineraries that visit European ports and destinations and also directly impact businesses and individuals located in Europe. It is broadly defined to include cruise lines and their employees; the direct suppliers to the cruise lines, such as wholesale distributors, stevedoring firms, and financial and business service providers, such as insurers and consultants; shipyards; and cruise passengers.

4. Cruise lines are defined as those cruise companies that offer multi-day cruises in open waters. This definition thus excludes companies that offer river cruises.

5. These are full time equivalent jobs (FTEs).

6. As defined by the OECD. Compensation and remuneration are used interchangeably in the report and are considered to mean the same thing. Also, compensation is included in output.

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2. Cruise Industry Expenditures by Country

The cruise industry generated an estimated €14.5 billion in direct expenditures throughout Europe in 2010. These expenditures were derived from four major sources:

- Cruise passengers;
- The construction and maintenance of cruise ships;
- Cruise line purchases in support of their operations; and
- Compensation of cruise line administrative staff and crew in Europe.

Furthermore, this spending impacted to some degree each of the 30 European countries included in the analysis.

- The top ten countries accounted for 94.5% of the cruise industry's expenditures throughout Europe.
- Italy, as the leading centre for cruise ship construction in Europe and the largest cruise embarkation and destination market, benefited from €4.5 billion in direct cruise industry expenditures, an increase of 4.8% from 2009.
- The UK is the largest source market for cruise passengers in Europe with over 1.6 million residents taking cruises during 2010. It was also the second largest market in terms of cruise industry direct spending with €2.6 billion, a 6.7% increase over 2009.
- Germany is the second largest passenger source market in Europe and also the second largest market for cruise ship construction and maintenance. With the nearly 25% increase in cruise ship construction at German yards, total direct spending by the cruise industry in Germany rose by 20.2% from 2009 to €2.3 billion in 2010.

Figure 2. 1: Cruise Industry Direct Expenditures by Country, 2010, Millions



All Europe: € 14.5 Billion

Even with the contraction in shipbuilding, the four major centres for cruise ship construction, Italy, Finland, Germany and France, were among the top seven countries for cruise industry spending. These four countries accounted for 88% of construction and maintenance of cruise ships and 58% of total industry expenditures in Europe during 2010.

3. A Global Industry

The cruise industry has enjoyed dynamic growth over a period of 30 years, driven initially by demand from North America and more recently by growing demand from Europe Table 3. 1 sets out international cruise sector growth between 2000 and 2010.

- Over the ten years from 2000 to 2010 demand for cruising worldwide has almost doubled from 9.73 million passengers to 18.80 million (+93%) with 7.4% growth achieved in 2010. Over a similar period, global, mainly land-based tourism has grown by less than 40% to an estimated 935 million in 2010, 7% up on 2009.
- Although North American cruise passenger numbers have increased by 66%, the region's relative share of the total has declined from 71% in 2000 to 59% in 2010.

Table 3. 1: International Demand for Cruises 2000 to 2010

Region	2000	2005	2006	2007	2008	2009	2010
Million passengers							
N. Am.	6.88	9.96	10.38	10.45	10.29	10.40	11.11
Europe ¹	2.07	3.15	3.44	4.05	4.46	5.00	5.54
Sub-total	8.95	13.11	13.82	14.5	14.75	15.40	16.95
RoW ²	0.78	1.21	1.29	1.37	1.45	2.18	2.25
Total	9.73	14.32	15.11	15.87	16.20	17.58	18.8
% NA	70.7	69.6	68.7	65.8	63.5	59.2	59.4

1. Including Russia and Central and Eastern European countries outside the EU-27.

2. Largely estimated and adjusted from 2009 to take account of dynamic growth in the global south.

Source: G. P. Wild (International) Limited from PSA, CLIA, IRN and other sources.

A European Growth Industry

The falling global share of the North American market reflects expansion in Europe as can be seen from the more detailed figures for European growth over the 2008-2009 period, shown in the next table.

- In 2000 an estimated 2.0 million Europeans cruised but by 2010 this figure had grown to 5.5 million, representing an increase of 175%.
- Over a similar period Europe as a source market for land-based tourism expanded by around 30%.

Table 3. 2: Western European Cruise Market 2008-10

Source Market	2008		2009		2010		% Change 2008/10
	Group total 1,000s Pax	Market Share %	Group total 1,000s Pax	Market Share %	Group total 1,000s Pax	Market Share %	
UK ¹	1,477	33	1,533	31	1,622	30	+10
Germany	907	21	1,026	21	1,219	22	+34
Italy	682	15	799	16	889	16	+30
Spain	497	11	587	12	645	12	+30
France	310	7	347	7	387	7	+25
Other	550	12	652	13	690	13	+25
Total	4,422	100	4,944	100	5,452		+23

1. Including Ireland.

Source: IRN

The European Cruise Fleet

During 2010 there were 45 cruise lines domiciled in Europe which operated 132 cruise ships with a capacity of around 137,100 lower berths. In addition there were 24 cruise lines domiciled outside Europe participating in the European cruise market. These lines, predominately North American, deployed 66 vessels in the region with a capacity of 80,600 lower berths.

There were at least 162 cruise ships active in the Mediterranean and 100 in Northern Europe during 2010⁸, some of which repositioned from the Mediterranean for the shorter Northern season. These ships ranged in size from the 3,634 passenger *Independence of the Seas* to ships with a capacity of less than 100 passengers. 2011 will see the 4,100 passenger *Norwegian Epic* become the largest ship yet to be deployed in European waters.

The Mediterranean

- In 2010 162 cruise ships were active in Mediterranean waters with a capacity of 190,114 lower berths (an average of 1,174 berths per ship).
- Collectively these ships carried a potential 3.47 million passengers on 2,841 cruises, offering a total capacity of 27.69 million pax-nights, giving an average cruise length of 8.0 nights.
- The Mediterranean market was expected to continue to grow in 2011 with a potential 33.8 million pax-nights with further growth likely in 2012.
- In 2010, North American operators deployed 52 ships with 67,882 lower berths in the Mediterranean, including some ships targeted at European markets. In comparison, European domiciled lines operated 110 vessels, which offered 122,232 lower berths.

Northern Europe

- In 2010 a total of 100 cruise ships were active in Northern European waters with a capacity of 106,104 lower berths (average 1,061 berths per ship).
- Collectively these carried a potential of 1.08 million passengers on 1,053 cruises, offering a total capacity of 9.73 million pax-nights, giving an average cruise length of 9.0 nights.
- The Northern European market declined slightly in 2010 but is expected to resume growth in terms of overall capacity in 2011 with a potential 11.40 million pax-nights and to continue to grow in 2012.
- In 2010, North American operators deployed 25 ships, with 36,424 berths in Northern Europe. European domiciled cruise lines operated 62 vessels with 67,459 lower berths. The balance was largely made up of niche market ships visiting the polar-regions.
- The Baltic is the largest segment in Northern Europe market, generating 3.1 million passenger port visits in 2010 and a projected 3.5 million in 2011.

8. The figures for the Mediterranean and North European fleets cannot be compared with those given for the domiciled and non-domiciled fleets as ships move between markets both within Europe and

4. European Cruise Ports

The European cruise industry is to a large extent destination-led and the Mediterranean and Northern European regions include many attractive destinations.

- Many of the leading ports are regarded as “must see” or “marquee” destinations that destination planners will wish to include in their itineraries.
- Other ports, some of which are also marquee ports in their own right, have advantages of strategic position, access to major hub airports and suitable bed-stock, enabling them to feature prominently as Home Ports.

The following table summarises the position in 2010 for the leading European ports⁹ in respect of the embarkations, disembarkations and port-of-call visits at each port. As many ports have not yet reported their final tally for 2010 the list includes a number of estimates.

Table 4. 1: Leading Cruise Ports in 2010 – Thousands of Passengers

Port	Revenue Passengers, 2010			
	Embarking	Disembarking	Port Call	Total
Mediterranean Top ten				
Barcelona	632	631	1,085	2,348
Civitavecchia	360	360	1,200	1,920
Venice	651	661	305	1,617
Palma Majorca	284	284	778	1,347
Piraeus	255	255	700	1,210
Naples	25	25	1,068	1,118
Dubrovnik	9	8	953	970
Tunis	0	0	850	850
Livorno	25	25	775	825
Santorini	0	0	758	758
Northern Europe Top ten				
Southampton	596	597	7	1,200
Copenhagen	220	220	222	662
Lisbon	31	32	385	448
St Petersburg	0	0	428	428
Stockholm	20	20	375	415
Tallinn	0	0	389	389
Helsinki	18	18	306	342
Kiel	165	166	10	341
Dover	128	127	52	307
Bergen	1	1	291	292

Note: This and subsequent tables include estimates in italics where actual data is unavailable.

Source: MedCruise, Cruise Europe and individual port data.

Major European Home Ports

The principal Home Ports in the Mediterranean and Northern Europe are shown in the following table with passenger throughputs (or revenue passengers), where available for 2008-10.

Table 4. 2: Revenue Passengers - Major European Home Ports 2008-10

Home Port	Country	2008	2009	2010
Mediterranean				
Barcelona	Spain	2,069,651	2,151,465	2,347,976
Civitavecchia	Italy	1,818,616	1,802,938	1,920,000
Piraeus (Athens)	Greece	1,290,000	1,500,000	1,210,000
Venice	Italy	1,215,088	1,420,980	1,617,011
Palma Majorca	Spain	1,131,147	1,056,215	1,347,009
Savona	Italy	772,000	712,681	644,000
Genoa	Italy	547,905	671,468	860,290
Northern Europe				
Southampton	UK	971,258	1,054,900	1,200,000
Copenhagen	Denmark	555,819	675,000	662,000
Kiel	Germany	222,130	291,388	341,000
Dover	UK	273,187	259,222	307,223
Hamburg	Germany	89,791	126,839	246,000
Amsterdam	Netherlands	226,079	181,548	200,000
Bremerhaven	Germany	127,300	125,931	100,000
Harwich	UK	133,660	148,000	66,000

Note: Where a port also handles Port-of-Call passengers, these are also included in the totals shown in the above table.

Source: MedCruise, Cruise Europe and individual port data.

9. In this and the subsequent port tables non-European Mediterranean ports are included.

Key European Ports-of-Call

The principal ports-of-call in the Mediterranean and Northern Europe are shown in the following table with passenger throughputs, where available, from 2008 to 2010.

Table 4. 3: Major European Ports-of-Call 2008-10

Port-of-Call	Country	2008	2009	2010
Mediterranean				
Naples	Italy	1,237,078	1,265,000	1,118,000
Dubrovnik	Croatia	850,521	845,603	970,000
Tunis	Tunisia	694,829	752,246	850,000
Livorno	Italy	849,050	795,313	825,000
Nice/ Villefranche/ Cannes	France	708,785	742,668	690,000
Marseille	France	540,000	622,300	681,000
Malaga	Spain	352,875	487,955	680,000
Bari	Italy	465,739	567,885	560,000
Valletta	Malta	555,840	439,630	491,201
Messina	Italy	337,117	253,200	392,000
Limassol/ Larnaca	Cyprus	376,296	322,034	380,278
Palermo	Italy	537,721	478,900	380,000
Gibraltar	UK dep	308,989	348,199	319,000
Monte Carlo	Monaco	231,639	235,904	302,000
Northern Europe				
Lisbon	Portugal	407,508	415,758	448,497
St Petersburg	Russia	394,827	425,665	427,500
Stockholm	Sweden	363,276	447,000	415,000
Tallinn	Estonia	375,578	415,575	389,370
Helsinki	Finland	360,000	361,000	342,000
Cadiz	Spain	224,905	237,066	334,162
Bergen	Norway	232,210	282,938	291,877
Oslo	Norway	239,991	269,736	260,843
Vigo	Spain	216,118	222,948	233,644
Rostock/ Warnemunde	Germany	171,500	160,000	222,000
Geiranger	Norway	163,695	218,096	210,105
Stavanger	Norway	125,603	147,340	175,325
Flam	Norway	119,684	142,608	136,908
Havre, Le	France	78,250	86,315	127,854
Gdynia	Poland	123,521	134,484	125,005
Nordkapp	Norway	80,844	95,197	98,170
Dublin	Ireland	65,101	71,750	87,082
Tromsø	Norway	77,874	78,269	85,397
Alesund	Norway	67,596	66,312	76,709
Zeebrugge	Belgium	74,800	83,148	74,000

Notes:

1. Where a port also handles some home porting passengers, these are also included in the totals shown in the above table.

2. Other, mainly Greek, ports located in the Mediterranean, which are important ports-of-call but for which there are no published data include the following with estimates of 2010 passenger numbers by G. P. Wild (in thousands): Santorini (758); Katakolon (663) Mykonos (644), Corfu (583), Kusadasi, Turkey (500), Heraklion/ Other Crete (444).

3. Four of the five leading ports of call in Northern Europe are in the Baltic.

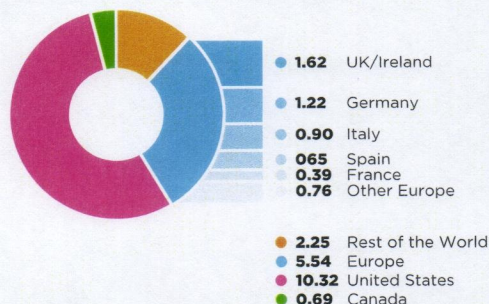
Source: MedCruise, Cruise Europe and individual port data.

5. Cruise Passengers - Where do they come from and where do they go?

Source Markets

There were an estimated 18.8 million global cruise passengers in 2010. The countries of Europe accounted for 29% of them.

Figure 5. 1: Global Source Markets by Cruise Passengers
18.8 Million Passengers



Note: UK includes Irish Republic; USA includes Puerto Rico. Breakdown in millions.

During 2010 just over 5.54 million residents of Western Europe cruised. The top five source markets, UK, Germany, Italy, Spain and France, accounted for over 87% of the market.

Table 5. 1: European Cruise Passengers by Source Country, 2010

Country	Passengers	Share of Total
UK/ Ireland ¹	1,622,000	29.8%
Germany	1,219,000	22.4%
Italy	889,000	16.3%
Spain	645,000	11.8%
France	387,000	7.1%
Scandinavia	168,000	3.1%
Benelux	126,000	2.3%
Austria	93,000	1.7%
Switzerland	91,000	1.7%
Other EU + 3	212,000	3.9%
Total ²	5,452,000	100.0%

1. Of which Irish Republic, 58,000.

2. An additional 90,000 passengers are estimated to be sourced from other European countries outside the EU+3 to give a European total of 5.54 million.

Source: IRN and other trade sources.

- The European market has grown by 23% over the past three years and by some 150 per cent over the last ten. Sixty-one percent of Europeans cruised in the Mediterranean and Atlantic Isles in 2010, 16.6% in Northern Europe and the remaining 22.7% cruised outside Europe, primarily in the Caribbean.

Passenger Embarkations

Nearly 5.3 million cruise passengers embarked on their cruises from European ports in 2010.

- Italian ports, led by Venice, Savona, Genoa and Civitavecchia, were European market leaders with 1.9 million passenger embarkations in 2010.
- Spain was in second position with just over 1.1 million passenger embarkations during 2010. Barcelona and Palma were Spain's major embarkation ports.
- The United Kingdom was third behind Spain with 837,000 embarkations. The principal embarkation ports for UK passengers were Southampton and Dover.
- The next three most important cruise embarkation countries were Germany, Greece and Denmark. Ports in Germany generated 361,000 passenger embarkations, followed by Greece with 336,000 and Denmark with 220,000. The major embarkation ports in these countries were: Kiel and Hamburg in Germany, Piraeus in Greece and Copenhagen in Denmark.

Table 5. 2: Cruise Passengers by Country of Embarkation, 2010

Country	Passengers	Share of Total
Italy	1,888,000	35.8%
Spain	1,155,000	21.9%
UK	837,000	15.9%
Germany	361,000	6.8%
Greece	336,000	6.4%
Denmark	220,000	4.2%
France	141,000	2.7%
Netherlands	80,000	1.5%
Cyprus	55,000	1.0%
Portugal	47,000	0.9%
Norway	28,000	0.5%
Sweden	20,000	0.4%
Finland	18,000	0.3%
Malta	14,000	0.3%
Other EU + 3	12,000	0.2%
EU+3	5,212,000	98.7%
Other Europe	68,000	1.3%
Total	5,280,000	100.0%

Source: G. P. Wild (International) Limited.

Port-of-Call Visits

The vast majority of cruise port calls in Europe are at the Mediterranean and Baltic ports. Including the Black Sea and Atlantic Isles the region as a whole includes around 250 ports visited by cruise ships. The top ten destination countries accounted for 86% of cruise passenger visits in 2009. The top four are in the Mediterranean¹⁰ and accounted for two-thirds of all European passenger visits.

- Led by Naples, Civitavecchia and Livorno, Italian ports also hosted 5.4 million visits in 2010 making Italy the largest cruise destination in Europe
- With the inclusion of the Canary Islands, Spanish ports received 4.9 million cruise passenger visits in 2010. Spain's ranking rose from third in 2009 to second in 2010.
- A decline in cruise passenger arrivals at Greek ports in 2010 resulted in Greece falling from first in 2009 to third in 2010 with 4.5 million cruise passengers. Santorini, Mykonos and Rhodes were the leading island calls.
- Just over 2 million cruise passengers arrived at French ports in 2010. This is a 8.5% increase from 2009 and placed France as the fourth highest cruise destination in Europe.
- Norway ranked fifth and was the leading destination in Northern Europe with nearly 1.8 million passenger visits, led by Bergen and Oslo.

Table 5. 3: European Cruise Passengers by Country of Destination, 2010

Country	Passengers	Share of Total
Italy	5,403,000	21.4%
Spain	4,911,000	19.5%
Greece	4,473,000	17.8%
France	2,010,000	8.0%
Norway	1,793,000	7.1%
Portugal	925,000	3.7%
Denmark	529,000	2.1%
Sweden	517,000	2.1%
United Kingdom	541,000	2.1%
Estonia	391,000	1.6%
Malta	462,000	1.8%
Gibraltar	319,000	1.3%
Finland	315,000	1.3%
Germany	210,000	0.8%
Cyprus	271,000	1.1%
Ireland	177,000	0.7%
Poland	140,000	0.6%
Iceland	147,000	0.6%
Benelux	193,000	0.8%
Other EU + 3	161,000	0.6%
EU+3	23,888,000	94.8%
Other Europe	1,312,000	5.2%
Total	25,200,000	100.0%

6. Shipbuilding in Europe

Although conventional merchant shipbuilding has been in decline in Europe since the late 70's in the face of lower-cost competition from the Far East, the European industry has been more successful in retaining market share in a number of specialist sectors.

- The most important of these is cruise ship construction in which the European industry has been the world leader for 40 years.
- All the oceanic cruise ships currently under construction are being built in European yards.
- The yards in France, Germany and Italy are the most important suppliers to the market and currently account for all new ships due for delivery from 2011 to 2014. Finnish yards have also recently built cruise ships but at present have no new ships under construction.
- Germany currently has almost 50% of the order book.
- The order book has shrunk by 22 ships and around 50,000 berths since its peak at the end of 2007.
- Although non-European yards have the capacity and technology to build cruise ships, they may not have project management ability, aptitude or the desired balance of labour and skills required to deliver a cost effective result within a required budget in the contracted delivery time.
- The majority of cruise ships serving the European market are dry-docked in Europe, together with a number of North American ships summering in Europe.
- European yards also undertake major conversions such as replacement of main engines and insertion of a mid-body to lengthen the ship.
- The outstanding reputation of European yards has meant that US cruise lines have continued to order ships in Europe despite the weakness of the US dollar against the euro.
- Europe offers an abundance of specialist skills and sophisticated technology in areas such as navigation and outfitting, which support European cruise ship construction and assist the yards in maintaining a competitive edge over their rivals in other parts of the world.

The current allocation of the 2011-14 order book by country of build is shown in the next table.

Table 6. 1: Ocean-going Cruise Vessels – Scheduled Newbuildings, 2011-2014

Country of Build	No.	GT	Pax (LB)	Cost €M	Share of Cost
France	3	318,900	7,496	€ 1,354	12.5%
Germany	10	1,146,300	29,340	€ 5,316	49.1%
Italy	10	943,000	23,794	€ 4,156	38.4%
Total	23	2,408,200	60,630	€ 10,826	100.0%

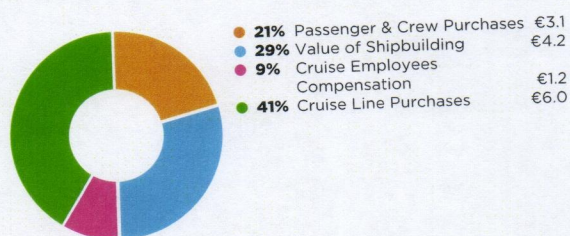
Note: GT (Gross Tonnage), LB (Lower Berths), Pax (Passenger). The table includes additional orders placed during 2011 to date.
Source: G. P. Wild (International) Limited.

7. Direct Cruise Industry Expenditures in Europe: A Broadly Based Flow of Spending

Major Segments

Cruise tourism generated €14.5 billion in direct expenditures throughout Europe in 2010, a 3.0% increase from 2009. As indicated in the following figure, these expenditures were broadly distributed across the four major source segments.

Figure 7. 1: Direct Cruise Industry Expenditures in Europe, 2010
€14.5 Billion



Shipbuilding

The global cruise industry spent €4.2 billion, 29% of total cruise industry expenditures in 2010. Expenditures for new construction and maintenance declined for the second consecutive year, falling by 8.5% in 2010 after declining by 13% in 2009.

- Since the cruise ship order book peaked in 2007, new orders have fallen in each of the next three years. As a consequence, the growth in shipbuilding expenditures declined in 2008 and finally turned negative in 2009 and as noted above continued to decline in 2010.

Table 7. 1: Cruise Industry Expenditures for New buildings and Refurbishment (Millions), 2010

Country	Newbuildings	Refurbishment	Total
Italy	€ 1,523	€ 88	€ 1,611
Germany	€ 871	€ 162	€ 1,033
France	€ 409	€ 39	€ 448
Finland	€ 401	€ 8	€ 409
Other EU+3	€ 382	€ 289	€ 671
Subtotals	€ 3,586	€ 586	€ 4,172
Non-EU	€ 43	€ 5	€ 48
Totals	€ 3,629	€ 591	€ 4,220

- Eighty-six percent (86%) of these expenditures covered the work-in-progress for the construction of new cruise ships, with the remaining 14% covering conversion, refitting, refurbishment and maintenance of cruise ships.
- Among the four major shipbuilding countries in Europe, expenditures for new construction increased in Germany and Italy during 2010, by 9.4% and 12.1% respectively. Expenditures declined by 37% in France and 49% in Finland.

Cruise Line Purchases

Cruise lines spent an additional €6.0 billion with European businesses in support of their cruises. This was 41% of the total and a 9.5% increase over 2009. These purchases included a broad range of products and services and touched virtually every industry in Europe.

Among the major industries that benefited from the impact of direct cruise line spending were the following.

- Food and beverage manufacturers produced €495 million in provisions consumed on board cruise ships, an increase of 8.3% from 2009.
- The petrochemical industry received an estimated €662 million from cruise lines in 2010, a 2.5% increase over 2009. Petrochemical products included bunker fuels, lubricants, paint and cleaning supplies.
- Another €935 million was spent for the manufacture of metals and machinery, including material handling equipment, engines, lighting equipment, communication equipment and computers. This was almost twice the spending in 2009 with the growth being principally driven by spending for landside capital goods.
- Spending for transport services totalled €1.25 million and included spending for travel agent commissions, port charges and ground transportation.
- The cruise industry also spent an estimated €1.27 billion on financial and business services including: advertising, engineering and other professional services, computer programming and support services and direct mail and market research.

Table 7. 2: Direct Cruise Lines Purchases by Industry (Millions), 2010 (Excluding Shipbuilding)

Industry	Purchases	Share of Total
Ag. Min., & Const.	€ 18	0.3%
Food & Beverage	€ 495	8.2%
Textiles & Apparel	€ 169	2.8%
Paper & Printing	€ 156	2.6%
Petroleum & Chemicals	€ 662	11.0%
Stone & Glass	€ 24	0.4%
Metals	€ 252	4.2%
Machinery	€ 683	11.3%
Other Manufacturing	€ 506	8.4%
Utilities	€ 11	0.2%
Wholesale Trade	€ 64	1.1%
Transportation Services	€ 1,251	20.7%
Communications	€ 25	0.4%
Financial & Bus. Services	€ 1,267	21.0%
Personal Serv. & Gov't	€ 450	7.4%
Total	€ 6,033	100.0%

Note: In this and subsequent tables in the economic impact sections, the totals may differ from the sum of the components due to rounding.

Cruise Passengers and Crew

Passengers and crew spent €3.1 billion at ports-of-embarkation and call in 2010, accounting for 21% of total cruise industry expenditures. This was an 8.1% increase over passenger spending in 2009.

- The 5.3 million cruise tourists that embarked on cruises from European ports spent an estimated €1.5 billion on airfares, port fees, accommodation, excursions, food and beverages amongst others at the embarkation ports, 9.3% more than in 2009.
- European airfares accounted for approximately three-fourths of these expenditures by embarking passengers.
- The 25.2 million passenger visits at European ports-of-call generated an additional €1.55 billion in expenditures for tours, food and beverage, merchandise and other similar expenditures. This is an increase of 6.3% from 2009.
- An estimated 13.2 million crew arrived at port cities during cruise calls. Of these an estimated 5.3 million disembarked and made purchases totalling an estimated €87 million, or nearly €16.50 per crew visit.
- Including port-of-embarkation visits, each passenger visit at a European port generated an average total passenger expenditure of nearly €100.

Compensation of Cruise Line Employees

European cruise lines spent €1.24 billion on compensation for employees who resided in Europe during 2010, a 5.1% increase from 2009. These expenditures accounted for 9% of total cruise industry expenditures. The cruise lines employed over 55,000 residents of Europe in their administrative offices and as crew onboard their ships.

Table 7. 3: Cruise Line Compensation Shares by Country, 2010 - Country of Residence of Employees

Country	Share of Total
United Kingdom	39.3%
Italy	34.2%
Germany	7.7%
Norway	6.5%
Spain	2.6%
France	2.4%
Portugal	2.0%
Ireland	1.0%
Netherlands	0.8%
Romania	0.6%
Austria	0.5%
Bulgaria	0.5%
Rest of EU+3	1.9%

Direct Expenditures by Country

As indicated in the following tables, businesses in virtually every country in Europe were directly impacted by the cruise industry.

- The three countries of Italy, the UK and Germany accounted for 61% of the direct expenditures of the cruise industry. These three countries experienced a combined increase of 8.7% in direct expenditures from 2009. These countries participated in all segments of the industry:
 - Serving as major source and destination markets for cruise passengers,
 - Maintaining headquarters facilities and providing crew,
 - Providing shipbuilding and repair services, and
 - Provisioning and fuelling of cruise ships.

Table 7. 4: Direct Cruise Industry Expenditures by Country, 2010 - Millions

Country	Direct Spending	Share of Total
Italy	€ 4,538	31.4%
UK	€ 2,569	17.8%
Germany	€ 2,306	15.9%
Spain	€ 1,186	8.2%
France	€ 972	6.7%
Greece	€ 580	4.0%
Finland	€ 528	3.6%
Norway	€ 496	3.4%
Netherlands	€ 309	2.1%
Denmark	€ 205	1.4%
Top 10	€ 13,689	94.5%
Malta	€ 69	0.5%
Cyprus	€ 59	0.4%
Sweden	€ 50	0.4%
Portugal	€ 48	0.3%
Switzerland	€ 40	0.3%
Rest of the EU+3	€ 521	3.6%
Total	€ 14,476	100.0%

The top five countries experienced a 5.8% increase in direct cruise industry expenditures during 2010.

- Germany led the way with a 20% increase direct expenditures and accounted for 60% of the net increase in expenditures among the five countries. Germany's growth was led by a 25% increase in shipbuilding expenditures and a nearly 20% increase in spending by passengers and crew at Germany's cruise ports.

The three countries of Italy, the UK and Spain each experience an increase indirect expenditures of between 4% and 7%.

- The UK had the strongest increase with an annual growth of 6.7% in direct expenditures. The growth in the U.K. was led by a 7.6% increase in spending by passengers and crew at UK ports and a 10% increase in expenditures by cruise lines with UK businesses.
- Direct expenditures in Spain increased by 6% during 2010. The nearly 17% increase in passenger and crew spending at Spanish ports accounted for the vast majority of the spending gains.
- Italy experienced a 4.8% increase in direct cruise industry expenditures in 2010. The gains in spending were fairly uniform across the four major spending categories with passenger and crew spending leading the way with a 10% annual rate of growth.
- France was the only country in the top five to experience a loss in direct spending in 2010. The annual loss of 16% was concentrated in shipbuilding where expenditures fell by 33% in 2010. These

losses were only partially offset by the 7% increase in passenger and crew expenditures and the 10% increase in spending by cruise lines with French businesses.

The remaining five countries in the top ten experienced an aggregate loss of 12% in aggregate expenditures. This was the net result of losses of 5% and 42% in Greece and Finland respectively and gains of nearly 20% in Norway, 7% in the Netherlands and 1% in Denmark.

- The losses in Greece were largely the result of a 12% decline in spending by cruise lines with business in Greece.
- Finland's losses were the direct result of the 50% decline in shipbuilding expenditures during 2010.
- Norway's 20% growth in direct expenditures was the net result of a 10% loss in shipbuilding expenditures which was more than offset by a 20% growth in passenger and crew expenditures and a 30% increase in cruise line spending with Norwegian businesses.
- The growth in direct expenditures in the Netherlands during 2010 was fairly uniform across the four major spending categories. However, because cruise line expenditures in Netherlands account for more than 80% of total spending, the absolute increase in direct expenditures was concentrated there.
- Denmark's modest growth was primarily the result of strong growth (15%) in passenger and crew spending, which was partially offset by losses in cruise line expenditures.

The next five countries had direct cruise industry spending between €40 million and €69 million. These countries were primarily impacted as either passenger source markets and/or destination markets.

- Source Market: Switzerland;
- Destination Markets: Malta, Sweden, Cyprus and Portugal.

The remaining 15 countries all had direct cruise industry expenditures of under €40 million. These countries were primarily impacted as either source markets or as sources for crew:

- Passenger Source Markets: Austria, Belgium, Ireland, Iceland and Luxembourg;
- Crew: Bulgaria, Estonia, Hungary, Poland, Slovakia, Lithuania, Czech Republic, Latvia, Romania and Slovenia.

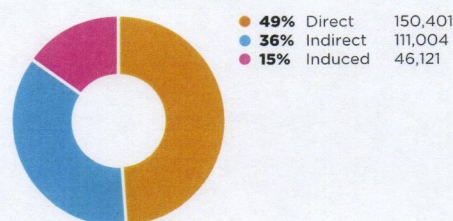
8. The Economic Benefits of Cruise Tourism

Employment Impacts

The €14.5 billion in direct cruise tourism expenditures throughout Europe in 2010 generated an estimated 307,526 jobs (direct, indirect and induced).

Figure 8. 1: Total Employment Impact in Europe, 2010

307,526 Jobs



Direct Employment Impacts

The direct cruise tourism expenditures directly generated an estimated 150,401 jobs. These included employees of the cruise lines, direct suppliers to the cruise lines and employees of establishments providing goods and services to passengers.

The direct economic impacts of the cruise industry are derived from a broad range of activities including:

- Port services and cruise industry employment;
- Transportation of cruise passengers from their place of residence to the ports of embarkation;
- Travel agent commissions;
- Spending for tours and pre- and post-cruise stays in European port cities;
- Passenger spending for retail goods in European port cities; and
- Purchases of supplies by the cruise lines from European businesses.

The direct jobs generated by the cruise industry are located on cruise ships, in headquarters of cruise lines, at travel agencies that sell cruises, at manufacturing plants that provide goods consumed on cruise ships, at shipyards, advertising agencies and at hotels that are used by passengers for pre- and post-cruise stays.

As indicated in the following table the direct employment impacts are broadly based and include the following:

- Cruise lines directly employed 55,420 European residents in their administrative offices and on board cruise ships. They accounted for 36.9% of the direct employment impacts.
- European manufacturers employed an estimated 39,110 workers, 26% of the direct jobs. The total number of manufacturing jobs generated by cruise industry expenditures increased by 3.0% from 2009.
- European shipyards employed an estimated 23,637 workers on the construction and repair of cruise ships nearly 10% fewer than in 2009.

Table 8. 1: Direct Cruise Industry Employment by Industry, 2010

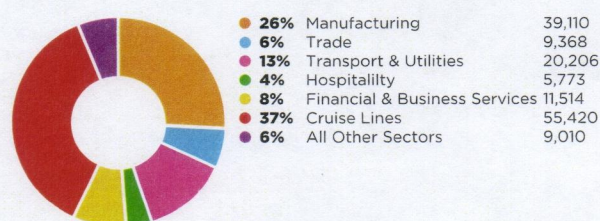
Industry	Direct Jobs	Share of Total
Agr., Mining & Constr.	171	0.1%
Manufacturing	39,110	26.0%
Food & Beverages	1,962	1.3%
Textiles & Apparel	1,527	1.0%
Paper & Printing	981	0.7%
Petroleum & Chemicals	899	0.6%
Stone, Clay & Glass	162	0.1%
Metals	2,717	1.8%
Machinery	2,907	1.9%
Electrical Machinery	1,902	1.3%
Shipbuilding	23,637	15.7%
Other Manufacturing	2,416	1.6%
Wholesale & Retail Trade	9,368	6.2%
Hospitality	5,773	3.8%
Transportation & Utilities	20,206	13.4%
Air Transport	5,304	3.5%
Transport Services	13,069	8.7%
Other Transport & Utilities	1,833	1.2%
Financial and Business Services	11,514	7.7%
Finance, Ins. & Real Estate	861	0.6%
Business Services	10,653	7.1%
Personal Services & Govt	8,839	5.9%
Subtotal	94,981	63.1%
Cruise Line Employees*	55,420	36.9%
Grand Total	150,401	100.0%

* European Nationals

- Nearly 2,000 jobs were generated in the food and beverage industry to produce food and beverage items consumed on cruise ships.
- More than 7,500 workers were employed in the metals, machinery and electrical machinery industries to produce structural metal products and equipment used in offices and on cruise ships.
- The wholesale and retail trade sector employed an estimated 9,368 workers to provide goods to the cruise lines and their passengers.
- The Transportation and Utilities sector employed just over 20,200 workers, 13.4% of the total. These included air transportation workers dependent on air travel by passengers and crew, truck drivers who deliver goods to cruise ships, travel agents who sell cruises and tour operators that provide onshore excursions.

Figure 8. 2: Direct Employment by Sector, 2010

150,401 Jobs



- Financial and business service providers employed just over 11,500 persons, including insurance agents, financial advisors, computer programmers, engineers, management consultants, lawyers and accountants.
- Nearly 5,800 workers were employed in the hospitality industry (hotels, restaurants and amusement enterprises) as a direct result of passenger spending during their cruise vacations.

Finally, just over 8,800 jobs were generated in the personal services, government and other sectors. These include photographers, health care employees and social service providers, among others.

Total Employment Impacts

As indicated in Table 8.2 an estimated 307,526 total jobs, comprising direct, indirect and induced employment, were generated throughout Europe by the cruise industry in 2010, an increase of 3.8% from 2009.

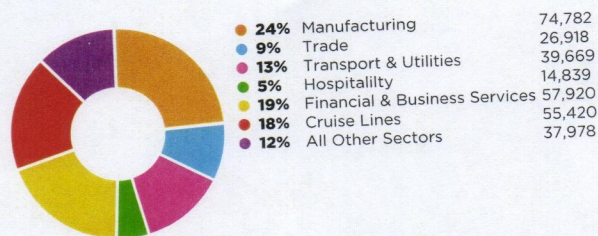
- European manufacturers employed almost 74,800 workers, 24.3% of the total jobs, as a result of the total economic impact of the cruise industry. This is an increase of nearly 5% from 2009.
 - Transportation equipment industry employed an estimated 28,313 workers, 83% on construction and maintenance of cruise ships and other vessels.
 - More than 9,500 jobs were generated in the food, textiles and apparel industries as result of cruise line, passenger and household demand for food, clothing and related products.
 - Approximately 22,500 workers were employed in the metal and machinery industries primarily as a result of direct and indirect demand from the shipbuilding industry.
- Cruise lines directly employed more than 55,400 European residents in their administrative offices and on board cruise ships. They accounted for 18% of the total employment impacts.
- Financial and Business Services accounted for 18.8% of the total employment impacts with almost 58,000 jobs. While the total impacts measured in this section were spread throughout all components of this sector, the impacts were most heavily concentrated in the area of business services.
- Combined, the Trade and Hospitality sectors accounted for 13.6% of the total employment impacts, which amounted to over 41,700 total jobs. The trade jobs were primarily among wholesale trade establishments, while the hospitality jobs were concentrated in hotels and eating and drinking outlets.

Table 8. 2: Total Employment by Industry, 2010

Industry	Total Jobs	Share of Total
Agr., Mining & Constr.	15,283	5.0%
Manufacturing	74,782	24.3%
Food & Beverage	4,786	1.6%
Textiles & Apparel	4,736	1.5%
Paper & Printing	4,080	1.3%
Petroleum & Chemicals	3,688	1.2%
Stone & Glass	1,252	0.4%
Metals	11,666	3.8%
Machinery	5,526	1.8%
Electrical Machinery	5,315	1.7%
Transportation Equipment ¹¹	28,313	9.2%
Other Manufacturing	5,420	1.8%
Wholesale & Retail Trade	26,918	8.8%
Hospitality	14,839	4.8%
Transportation & Utilities	39,669	12.9%
Air Transport	5,981	2.0%
Transport Services	18,739	6.1%
Other Transport	9,589	3.1%
Communications & Utilities	5,360	1.7%
Financial & Business Services	57,920	18.8%
Finance, Ins. & Real Estate	8,593	2.8%
Business Services	49,327	16.0%
Personal Services & Govt	22,695	7.4%
Subtotal	252,106	82.0%
Cruise Line Employees	55,420	18.0%
Grand Total	307,526	100.0%

- Transportation and Utility services accounted for 12.9% of the total employment impacts and almost 39,700 jobs. This reflects direct demand generated by the cruise industry and the strong inter-industry linkages which reflect the heavy usage of a variety of transportation services to supply businesses with their inputs and to deliver consumer goods to retail outlets.

Figure 8. 3: Total Employment by Sector, 2010
307,526 Jobs



- Nearly 15,300 total jobs, amounting to 5% of the total employment impacts were generated in the Agriculture, Mining and Construction segments. These jobs were spread fairly evenly throughout the industries in this sector.
- The Personal Services and Government sector accounted for 7.4% of the total employment impacts with almost 22,700 total jobs. These jobs were concentrated in the education, medical care and social services industries.

Total Employment by Country

As indicated in the next table, the European cruise industry was responsible for generating employment in each of the EU+3 countries. The employment impacts were, however, concentrated in 10 countries, accounting for nearly 90% of the industry's job creation. Another five had total employment impacts in excess of 1,100 jobs and accounted for 3.6% of total job creation. The remaining 15 countries accounted for 6.6% of total employment impacts generated by the industry.

The Top Ten

The three countries of Italy, UK and Germany accounted for 63% of the cruise industry's total employment impact in Europe, including:

- Maintaining headquarters facilities and providing crew,
- Serving as major source and destination markets for cruise passengers,
- Providing shipbuilding and repair services, and
- Provisioning and fuelling cruise ships.
- Italy accounted for 32.2% of the total employment impacts with 99,057 jobs:
 - As Europe's largest cruise destination market, the transportation (excluding cruise line employees), trade and hospitality industries accounted for a combined 25% of the total employment impacts.
 - The manufacturing sector accounted for 29% of the total impact with these jobs concentrated in the shipbuilding and metals industries.
 - The cruise lines directly employed an estimated 12,469 Italian residents as crew and administrative staff, 13% of the total employment impacts.

Table 8. 3: Total Employment by Country, 2010

Country	Total Jobs	Share of Total
Italy	99,057	32.2%
UK	58,604	19.1%
Germany	36,084	11.7%
Spain	25,219	8.2%
France	13,012	4.2%
Norway	11,914	3.9%
Greece	11,612	3.8%
Finland	7,909	2.6%
Portugal	7,521	2.4%
Netherlands	5,130	1.7%
Top 10	276,062	89.8%
Malta	2,890	0.9%
Denmark	2,608	0.8%
Poland	2,342	0.8%
Sweden	2,203	0.7%
Cyprus	1,143	0.4%
Rest of EU+3	20,278	6.6%
Total	307,526	100.0%

- The United Kingdom accounted for 19.1% of the total employment impacts with an estimated 58,604 jobs:
 - As Europe's largest cruise passenger source market, the transportation (excluding cruise line employees), trade and hospitality industries accounted for a combined 19% of the total employment impacts.

- The Financial and Business Services sector accounted for 23% of the total impact. These jobs were primarily in the advertising, professional consulting and insurance industries.
- The cruise lines directly employed an estimated 13,800 UK residents as crew and administrative staff, which accounted for 24% of the total employment impacts.
- Germany accounted for almost 12% of the total employment impacts with an estimated 36,084 jobs:
 - Manufacturing accounted for 30% of the total impact. This is up from 28% in 2009. This reflects a partial rebound in cruise ship construction.
 - As Europe's second largest cruise passenger source market, Germany's transportation (excluding cruise line employees), trade, and hospitality industries accounted for a combined 17% of the total employment impacts.
 - The cruise lines directly employed an estimated 3,750 German residents as crew and administrative staff, which accounted for 10% of the total employment impacts.

The remaining seven countries in the top ten tended to be impacted in one or two primary segments.

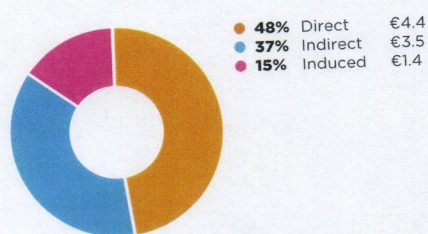
- Spain, as a major source and destination market with some headquarters operations, had a total employment impact that totalled 25,219 jobs. Cruise line employees accounted for 4% of its total employment impact while the transportation (excluding cruise line employees), trade and hospitality industries accounted for 44% of the impact.
- France is a shipbuilding centre and a source and destination market. It had a total employment impact of over 13,000 jobs. The manufacturing sector accounted for 29% of the total, down from 34% in 2009 and 53% in 2008, while the transportation, trade and hospitality industries accounted for 27% of the total employment impact.
- Norway provides ship maintenance services and crew and is a destination market with total employment impact of just under 12,000 jobs. Cruise line employees accounted for 30% of total impact and manufacturing for 14%.
- Greece is primarily a destination market with some ship repair services and had a total employment impact of just over 11,600. Approximately 38% of these jobs were in the transportation sector and 9% in manufacturing.
- Finland features primarily as a shipbuilding centre. Its employment impact in excess of 7,900 jobs was concentrated in the manufacturing sector, which accounted for 62% of the total impact. The cruise industry's economic impact in Finland has steadily declined over the past two years as the construction of new cruise ships has fallen.
- Portugal is a source for crew and ship repair services and is also a cruise destination market. It had a total employment impact of just over 7,500 jobs. Employees of the cruise lines accounted for 41% of the total impact and the transportation (excluding crew), trade and hospitality sectors accounted for 23%.
- Netherlands is primarily a source market for cruise industry purchases and shipbuilding. Purchases by cruise lines amounted to 81% of the direct expenditures with shipbuilding accounting for another 8%. The manufacturing sector was responsible for 25% of the total employment impacts while the transportation, trade and hospitality sectors accounted for 29%.

The remaining 21 countries were primarily impacted as source markets, destination markets or as sources for crew. As a result most of the jobs generated in these countries were either as crew or in the transportation, trade and hospitality sectors.

Compensation Impacts

The cruise industry is also responsible for the generation of significant income throughout Europe. The 307,526 total jobs generated by cruise tourism also generated €9.3 billion in total compensation, which is comprised of direct, indirect and induced impacts.

Figure 8. 4: Total Compensation Impact in Europe, 2010
€9.3 Billion



Direct Compensation Impacts

The cruise tourism expenditures directly generated €4.4 billion in compensation throughout Europe during 2010, an increase of 3.3% from 2009. This compensation included income received by employees of the cruise lines, direct suppliers to the cruise lines and the employees of establishments providing goods and services to cruise passengers.

The distribution of compensation among the major industries in Europe is similar to but not identical to the employment distribution. The differences are due to the wage differentials among the impacted industries and the countries in which the jobs are generated.

As indicated in the previous table the direct compensation impacts are broadly based and include the following.

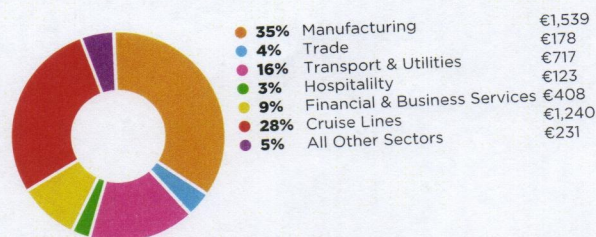
- The 55,420 European residents directly employed by the cruise lines received €1.24 billion in compensation. They accounted for 28% of the direct compensation impacts.
- The 39,110 European manufacturing employees dependent on cruise-related spending earned an estimated €1.5 billion in compensation, amounting to nearly 35% of the total direct compensation.
- Employees of European shipyards engaged in the construction and maintenance of cruise ships received an estimated €1.0 billion in compensation in 2010.
- Employees in the food and beverage industry earned €58 million from the production of provisions consumed by cruise passengers and crew.
- Workers directly employed in the metals and machinery industries earned €262 million producing a broad range of equipment used on cruise ships and in administrative offices.

Table 8. 4: Direct Cruise Industry Compensation by Industry, 2010

Industry	Direct Compensation Millions	Share of Total
Agr., Mining & Constr.	€ 4	0.1%
Manufacturing	€ 1,539	34.7%
Food & Beverage	€ 58	1.3%
Textiles & Apparel	€ 39	0.9%
Paper & Printing	€ 38	0.9%
Petroleum & Chemicals	€ 58	1.3%
Stone & Glass	€ 5	0.1%
Metals	€ 84	1.9%
Machinery	€ 108	2.4%
Electrical Machinery	€ 70	1.6%
Shipbuilding	€ 1,004	22.6%
Other Manufacturing	€ 75	1.7%
Wholesale & Retail Trade	€ 178	4.0%
Hospitality	€ 123	2.8%
Transportation & Utilities	€ 717	16.1%
Air Transport	€ 256	5.8%
Transport Services	€ 416	9.4%
Other Transport & Utilities	€ 45	0.9%
Financial & Business Serv.	€ 408	9.2%
Finance, Ins. & Real Estate	€ 68	1.5%
Business Services	€ 340	8.6%
Personal Services & Govt	€ 227	5.1%
Subtotal	€ 3,196	72.0%
Cruise Line Employees	€ 1,240	28.0%
Grand Total	€ 4,436	100.0%

- It was estimated that the 9,368 wholesale and retail trade sector employees directly employed as a result of cruise industry expenditures received €178 million in compensation, 4.0% of the total direct compensation impacts.

Figure 8. 5: Direct Compensation by Sector, 2010
€4.4 Billion. Breakdown in millions



- It was also estimated that the 20,206 workers directly employed in Transportation & Utilities sector earned €717 million, 16% of the total direct compensation impacts.
- The 11,514 persons calculated to be employed in the Financial and Business Services sector were paid €408 million, which amounted to 9% of the direct compensation impacts.
- The more than 5,700 workers that were employed in the hospitality sector as a direct result of passenger spending on their cruise vacations made €123 million in compensation and accounted for 2.8% of the total.
- In the Personal Services and Government sectors, it was estimated that the nearly 8,900 directly generated jobs earned €227 million in compensation, 5.1% of the total direct compensation impacts.

Total Compensation Impacts

As indicated in the next table an estimated €9.3 billion in total compensation, which combines the sums derived from direct, indirect and induced compensation, was earned by workers throughout Europe as a result of the European cruise industry in 2010, a 3% increase from 2009.

- The more than 74,700 European manufacturing jobs generated by the European cruise industry produced €2.8 billion in total compensation. Manufacturing accounted for 30% of total compensation impacts.
- The 28,313 workers estimated to be employed in the manufacturing of transportation equipment earned an estimated €1.2 billion in 2010. Nearly 83% of these earnings were paid to workers in the shipbuilding and repair industry.
- The more than 9,500 employees the food, textiles and apparel industries earned €276 million in compensation as result of cruise line, passenger and household demand for these products.
- The more than 22,500 workers employed in the metal and machinery industries primarily as a result of the direct and indirect demand from shipbuilding received €807 million in remuneration.
- A sum of €1.24 billion was paid in compensation to European residents that were directly employed by the cruise lines in 2010, 13.4% of total compensation impacts.
- Financial and Business Services were estimated to employ nearly 58,000 workers due to the economic activities of European cruise industry. These workers made €2.0 billion in remuneration and accounted for 21.5% of the total compensation impacts.
- Combined, the Trade and Hospitality sectors accounted for 8.7% of the total compensation impacts with €804 million in earnings.
- The 39,669 jobs created in the Transportation and Utilities sector as a result of the direct, indirect and induced impacts of the European cruise industry produced €1.5 billion in employee compensation, amounting to 16.0% of the total impacts.
- The approximately 15,300 total jobs generated in the Agriculture, Mining and Construction industries produced €285 million in compensation, 2.8% of the total.

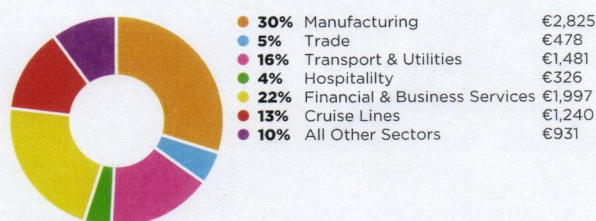
Table 8. 5: Total Compensation by Industry, 2010

Industry	Total Compensation Millions	Share of Total
Agr., Mining & Constr.	€ 285	3.1%
Manufacturing	€ 2,825	30.3%
Food & Beverage	€ 150	1.6%
Textiles & Apparel	€ 126	1.4%
Paper & Printing	€ 146	1.6%
Petroleum & Chemicals	€ 195	2.1%
Stone & Glass	€ 48	0.5%
Metals	€ 369	4.0%
Machinery	€ 222	2.4%
Electrical Machinery	€ 216	2.3%
Transportation Equipment	€ 1,202	12.9%
Other Manufacturing	€ 151	1.5%
Wholesale & Retail Trade	€ 478	5.2%
Hospitality	€ 326	3.5%
Transportation & Utilities	€ 1,481	16.0%
Air Transport	€ 292	3.1%
Transport Services	€ 621	6.7%
Other Transport	€ 331	3.6%
Communications & Utilities	€ 237	2.6%
Financial & Business Serv.	€ 1,997	21.5%
Finance, Ins. & Real Estate	€ 584	6.3%
Business Services	€ 1,413	15.2%
Personal Services & Govt	€ 646	7.0%
Subtotal	€ 8,038	86.6%
Cruise Line Employees	€ 1,240	13.4%
Grand Total	€ 9,278	100.0%

- The Personal Services and Government sector accounted for 7% of total compensation impacts with €646 million in earnings. This was earned by the 22,695 workers that were employed as a result of the total impacts of the cruise industry in Europe.

Figure 8. 6: Total Compensation by Sector, 2010

€9.3 Billion. Breakdown in millions.



Total Compensation by Country

Although the European cruise industry was responsible for generating compensation in each of the EU+3 countries, the majority of these impacts were concentrated in 10 countries, accounting for 96% of the industry's income creation. Another five countries each had total compensation impacts exceeding €8 million and accounted for another 3.3% of the total. The remaining 15 countries accounted for 1.2% of the total compensation impacts with less than €8 million each.

The Top Ten

The three countries of Italy, UK and Germany accounted for nearly 69% of the cruise industry's total compensation impact in Europe.

- Italy accounted for 31.8% of the total compensation impacts with €2.95 billion in earnings:
 - Manufacturing was responsible for 33% of the total impact with compensation totalling €961 million and concentrated in shipbuilding and metals.
 - As Europe's largest cruise destination market, the transportation (excluding cruise line employees), trade and hospitality industries together amounted to 22% of the total compensation impacts, €639 million in earnings.
 - The nearly 12,500 workers calculated to be directly employed by the cruise lines earned €417 million, 14% of the total compensation impacts.
- The United Kingdom accounted for almost 23% of the total compensation impacts with just over €2.1 billion in earned income:
 - Financial and Business Services, with €526 million, were responsible for 25% of the total compensation impacts, concentrated in the advertising, professional consulting and insurance industries.
 - As Europe's largest source market, the transportation (excluding cruise line employees), trade and hospitality industries accounted for €334 million in compensation, amounting to 16% of the total compensation impacts.
 - The 13,846 workers estimated to be directly employed by the cruise lines earned €479 million, which responsible for 23% of the total compensation impacts.

Table 8. 6: Total Compensation by Country, 2010

Country	Total Compensation Millions	Share of Total
Italy	€ 2,952	31.8%
UK	€ 2,120	22.8%
Germany	€ 1,313	14.2%
Spain	€ 766	8.3%
France	€ 577	6.2%
Norway	€ 377	4.1%
Finland	€ 297	3.2%
Greece	€ 227	2.4%
Netherlands	€ 148	1.6%
Portugal	€ 104	1.1%
Top 10	€ 8,881	95.7%
Denmark	€ 96	1.0%
Sweden	€ 89	1.0%
Malta	€ 76	0.8%
Cyprus	€ 20	0.2%
Poland	€ 8	0.1%
Rest of EU+3	€ 108	1.2%
Total	€ 9,278	100.0%

- Germany accounted for 14% of the total compensation impacts with earnings amounting to just over €1.3 billion:
 - Manufacturing amounted to 43% of the total impact with €560 million in employee compensation. This reflects Germany's shipbuilding status, with jobs concentrated mainly in the shipbuilding and metals industries.
 - As Europe's second largest cruise passenger source market, Germany's transportation (excluding cruise line employees), trade and hospitality industries accounted for a combined 16% of the total compensation impacts with €209 million in earnings.
 - The 3,750 workers directly employed by the cruise lines earned €94 million, 7% of total compensation impacts.
 - The remaining seven countries in the top ten tended to be impacted in one or two primary segments:
 - Spain, as a major source and destination market with some headquarters operations, had a total compensation impact of €766 million, accounting for 8.3% of the European total. Cruise line employees were responsible for 4% of the impact and the transportation (excluding cruise line employees), trade and hospitality industries for 40%.
 - France is a shipbuilding centre and a source and destination market. It had a total compensation impact of €577 million in earnings. The manufacturing sector accounted for 35% while the transportation, trade and hospitality industries amounted to 34% of the total compensation impact.
 - Norway provides ship maintenance services and crew and is a destination market with a total compensation impact of €377 million, 4.1% of the total impact. Cruise line employees accounted for 21% of the total compensation impact while the manufacturing sector amounted to 16%.
 - Finland features primarily as a shipbuilding centre. Its compensation impact of €297 million was concentrated in the manufacturing sector, which accounted for 68% of the total impact.
 - Greece is primarily a destination market with some ship repair services with a total compensation impact of €227 million, 2.4% of the European total. Forty-five percent (45%) came from the transportation sector and 19% from manufacturing.
 - Netherlands primarily provides support services and provisioning for cruise ships. It had a total compensation impact of €148 million in earnings, 1.6% of the total European impact. Manufacturing accounted for 39% and the Financial and Business Services sector for 20%.
 - Portugal is a source for crew and ship repair services and is also a cruise destination market. With €104 million in total compensation impacts, it accounted for 1.1% of the total European impact. Cruise line employees accounted for 24% of the total compensation impact while the manufacturing sector accounted for another 22%.

The remaining 20 countries were primarily impacted as source markets, destination markets or as sources for crew. As a result most of the compensation generated in these countries was either as cruise line compensation or earnings in the transportation, trade and hospitality sectors.

Contributors and Sources of Information

The authors acknowledge the contribution made by individual cruise lines and shipbuilding members of Euroyards in providing the financial information underpinning the report.

The following are the other principal sources of information used in the report:

Port statistics published by Cruise Europe, MedCruise, Cruise Norway, Cruise Baltic, Cruise Britain and individual port authorities;

Statistical reports by IRN for the PSA and ECC;

CLIA data;

Cruise market analysis published in the International Cruise Market Monitor

Glossary of Specialist Terms and Abbreviations

Term or Abbreviation	Definition
CLIA	Cruise Lines International Association, US-based body representing the interests of cruise lines active in North America.
Compensation (Remuneration)	Compensation (remuneration, income) is the sum of wage and salary payments, benefits, including health and life insurance, retirement payments and any other non-cash payments; includes all income to workers paid by employers.
Cruise Europe	Organisation representing the interests of cruise ports located mainly in Northern European waters. Other organisations such as Cruise Baltic, Cruise Britain and Cruise Norway represent specific countries or smaller regions.
ECC	European Cruise Council, formed in 2004 to represent the interests of cruise lines active in Europe.
EU	Comprising 27 member states of Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Latvia, Lithuania, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.
EU+3	The EU countries listed above plus Iceland, Norway and Switzerland.
Full time equivalents (FTEs)	Employment (jobs, workers) figures are expressed as full-time equivalent employment, a computed statistic representing the number of full-time employees that could have been employed if the hours worked by part-time employees had been worked by a full-time employee. Thus, FTE is always less than the sum of full-time and part-time employees.
Home Port	Port at which a cruise ship is based, normally for a series of cruises. May also be referred to as a base-port.

Term or Abbreviation	Definition
Euroyards	Organisation representing leading European shipyards, including those building the majority of cruise ships currently on order.
International cruising	This normally refers to cruises on ships that visit ports in more than one country and are also marketed internationally. Other non-international cruising such as coastal and riverine is excluded from the scope of the current study.
Lower Berths	Used to measure the normal capacity of a ship when two beds in each cabin are occupied.
MedCruise	Organisation representing the interests of cruise ports located in the Mediterranean and adjacent waters.
OECD	Organisation for Economic Co-operation and Development, a body comprising mainly the established industrialized countries in Europe, North America and the Commonwealth.
Northern Europe	As defined by Cruise Europe, this region comprises cruise destinations in: the Baltic; Iceland, Norway and Faeroes; Europe West Coast (as far as Lisbon); and United Kingdom and Ireland. The Baltic is the largest sector.
Pax	Abbreviation for passengers.
Pax-nights	Number of passengers in lower berths multiplied by the number of nights a ship is occupied during a cruise. May also be referred to as bed-days or pax-days.
Port-of-Call	Port at which a cruise ship calls during the course of a cruise. Also sometimes referred to as a transit port.
PSA	Passenger Shipping Association, UK body representing the interests of cruise lines and ferry operators active in the UK market.