

Cruise at a Glance in British Columbia

British Columbia's cruise passengers (2015)	1.35 million	Total economic output (2014)	\$1.79 billion
British Columbia's share of Canadian cruise passengers (2014)	57%	Direct spend in BC by Passengers (2014)	\$232 million
British Columbia's share of global cruise passengers (2014)	6%	Full-time jobs (2014)	9,863
Top source markets: United States (particularly western states), British Columbia, Australia, UK and Ontario			

Sources: Cruise BC; Port of Vancouver; Pacific Rim Cruise Association; Cruise Market Watch; Cruise Industry News 2014-2015 Annual Report; 2015 Florida-Caribbean Cruise Association; Cruise Industry Overview

About Cruise Tourism

British Columbia is the largest cruise region in Canada, accounting for more than 50% of all Canadian cruise traffic, mainly serving the Alaska cruise market. The cruise industry in BC is seasonal, with the majority of cruise visits occurring between May and September. The shoulder season cruise visits, those outside May-September, include Hawaiian, California west coast and/or repositioning itineraries.

In total, BC is home to four cruise ports with Vancouver leading as the largest cruise homeport and Victoria being the busiest cruiseship port-of-call in Canada.

Port of Vancouver

For more than 30 years, the Port of Vancouver has been a leading homeport for Alaska cruises. Canada Place at the Port of Vancouver is home to an award winning cruise terminal, located in the heart of downtown Vancouver, close to the city's major attractions and 30 minutes from the Vancouver International Airport.

The Port of Vancouver is homeport to most major cruise lines including Celebrity Cruises, Compagnie Du Ponant, Crystal Cruises, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Oceania Cruises, Princess Cruises, Regent Seven Seas, Royal Caribbean International and Silversea Cruises. These cruise lines offer a variety of itineraries ranging from 7 to 14-day and both one-way and roundtrip itineraries through BC's spectacular Inside Passage.

The Vancouver cruise industry stimulates more than \$2 million in economic activity for each ship that calls at Canada Place.

In 2009, Canada Place cruise ship terminal became the first in Canada and the third in the world to offer shore power for cruise ships. Since inception, the shore power installations at Canada Place

have reduced greenhouse gas (GHG) emissions by more than 14,000 tonnes.

Greater Victoria Harbour Authority

Victoria is Canada's busiest port-of-call. In 2012, Cruise Lines International Association estimated the economic impact of cruise for the Greater Victoria was over \$100 million.

Port of Nanaimo

In 2011, Nanaimo opened its new \$25 million port facility which makes passenger loading and unloading more efficient.

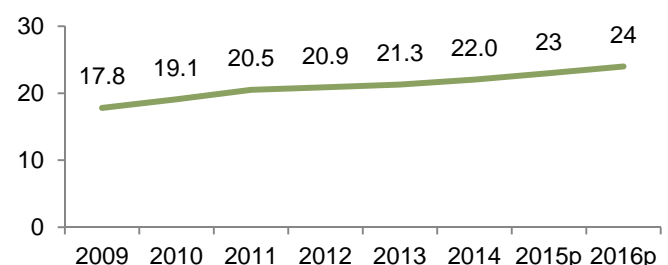
Port of Prince Rupert

Prince Rupert is BC's northernmost port-of-call. Over 800km away from Vancouver, Prince Rupert is a highlight for many Alaskan cruise itineraries.

Global Volume

2014 was a record breaking year for global cruise passenger volume, an increase of 4% compared to 2013, reaching 22.1 million cruise passengers. This represents nearly a 20% increase in volume since 2009. The industry also exceeded a 100% occupancy rate, meaning the global demand for cruises is outpacing the supply. This growth is expected to continue, with 24 million passengers projected by 2016.

Global Cruise Passengers (Millions) between 2009-16



Source: 2015 Cruise Industry Outlook: Cruising to New Horizons and Offering Travellers More

Note: 2015 and 2016 figures are projected estimates

Global Vessel Capacity and Deployment

There were 296 vessels globally which represented a passenger capacity of 21.4 million in 2014. North America represents the largest cruise sector globally. Over half (53%) of the global cruise fleet is located in North America (156 ships) which represents 61% of the global capacity (13.1 million passenger capacity). Alaska cruise passenger capacity represented 4% of global capacity in 2014 and 5% in 2015.

Global deployment rates have remained relatively stable since 2013 with over a third of deployments being for Caribbean and/or Bahamas itineraries.

Global Deployment Rates

Region	2013	2014	2015
Caribbean/Bahamas	37%	38%	36%
Mediterranean	20%	19%	20%
Other Europe	10%	11%	11%
Asia	7%	5%	6%
Australia/NZ/S. Pacific	4%	5%	6%
Alaska	5%	5%	5%
South America	3%	3%	3%
Other Programs	17%	15%	15%

Source: 2015 Cruise Industry Overview, 2015 Florida-Caribbean Cruise Association: State of the Cruise Industry

British Columbia Volume

BC saw approximately 1.35 million cruise passengers in 2015 which represents approximately 6% of global passenger volume. BC-related itineraries are a strong draw for passengers coming to Canada. In fact, nearly 6-in-10 cruise passengers to Canada come to BC.

The cruise sector in BC has experienced some challenges in previous years; however, between 2012 and 2014 the cruise calls to BC increased by 12%. Deployments to Alaska itineraries have stagnated therefore the increased volume will likely come from two ways: (1) enticing existing Alaska cruise lines to embark from BC instead of another port such as Seattle and (2) supplementing the core Alaska product with other itineraries such as Hawaii, Coastal USA and BC.

As BC's only homeport, Port of Vancouver accounts for a high proportion of cruise passengers. In 2015, Canada Place saw over 805,000 passengers through the terminal. This is a small decrease from 2014. In 2016, Vancouver expects to welcome approximately 830,000 passengers on 228 calls, reflecting a forecasted three percent increase passenger volume over 2015.

British Columbia Cruise Revenue Passengers

Year	Vancouver	Victoria	Nanaimo	Prince Rupert
2012	666,240	503,691	N/A	N/A
2013	812,425	482,461	12,382	N/A
2014	812,095	464,838	5,390	3,392
2015	805,435	532,197	5,326	3,587

Source: Cruise BC

Note: Cruise revenue passengers include paying passengers embarking or disembarking from a single port

Markets of Interest

Consistent with global trends, North America is the largest source market for Alaska cruises. In 2015, a study of cruise passengers through Vancouver was conducted. The findings indicate that the majority of passengers were from the United States (62%), while one-quarter (23%) are from overseas and 16% are from Canada.

Vancouver Cruise Passenger Origin

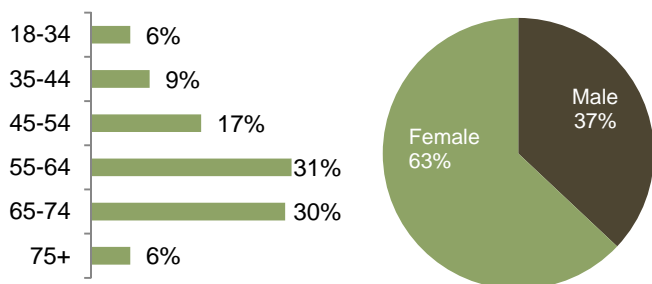
Origin	2012	2015
Canadian residents	25%	16%
British Columbia	14%	7%
Ontario	6%	4%
United States residents	57%	62%
California	10%	9%
Florida	4%	6%
Texas	4%	5%
Overseas residents	18%	23%
Asia/Pacific	10%	11%
Australia	7%	10%
Europe	7%	10%
United Kingdom	5%	6%

Source: 2015 Pacific Rim Cruise Association: Vancouver Cruise Passenger Survey

Visitor Characteristics

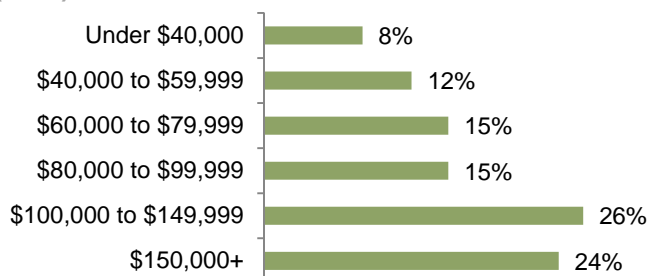
In 2015, Vancouver Alaska cruise passengers tended to be older (67% are 55 year old or older), well educated (61% are university graduates) and affluent (50% have an annual household income of over \$100,000). Since 2012, there was a trend towards slightly more educated (61% are university graduates compared to 46% in 2012) and more affluent passengers (24% have a household income of \$150,000 or more, compared to 19% in 2012).

Vancouver Cruise Passenger Age and Gender (2015)



Source: 2015 Pacific Rim Cruise Association: Vancouver Cruise Passenger Survey

Vancouver Cruise Passenger Household Income (2015)

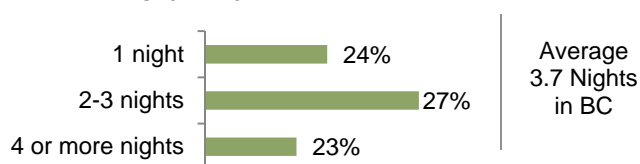


Source: 2015 Pacific Rim Cruise Association: Vancouver Cruise Passenger Survey

The trend toward slightly larger travel parties since 1999 continued in 2015 with an average travel party of 2.9 people. This average travel party increase may be attributable to more family-oriented cruises lines. Nearly three-in-ten (27%) of Alaska Cruise passengers in 2015 had a travel party of three or more people (up from 23% in 2012).

Nearly half of Vancouver cruise passengers noted that the fact that they wanted to visit Vancouver was important in their decision to choose that cruise. Given this, it is not surprising that 74% of these passengers stay at least one night in BC before or after their trip. On average, cruise passengers stay 3.7 nights in BC. Among all cruise passengers, average travel party expenditure in Vancouver was \$649 and \$264 in Other BC, for a total of \$913 average expenditures per party.

Vancouver Cruise Passenger Overnight Visits Pre/Post Trip (2015)



Source: 2015 Pacific Rim Cruise Association: Vancouver Cruise Passenger Survey

Cruise visitors tend to be interested in participating in a range of activities including sightseeing, dining out in

restaurants, parks and other natural areas and shopping. Although Vancouver is the most commonly visited location (84% spend some time), many passengers spent some time in Victoria (17%), Whistler (12%) and other locations in BC (16%).

Vancouver Cruise Passenger Activities while in BC

Activities	Vancouver	Other BC
Sightseeing	71%	80%
Dining out in restaurants	66%	56%
Parks or other natural areas	53%	62%
Shopping	51%	49%
Attractions	35%	48%
Historic sites	19%	30%
Outdoor recreation activities	15%	22%
Nightlife/entertainment	6%	6%
Visit friends and/or relatives	10%	13%

Source: 2015 Pacific Rim Cruise Association: Vancouver Cruise Passenger Survey

Cruise visitors were happy with their experience in BC and 23% expressed a desire to return to Vancouver in the next two years. Nearly one-in-five visitors (18%) plan on returning to Victoria and other BC locations within the next two years and 12% plan to go back to Whistler.

Economic Value

The Cruise sector is a key driver of economic activity within the tourism industry in BC. In 2014, the economic output of this sector in BC was \$1.79 billion. In addition, the cruise sector supports nearly 10,000 full-time jobs in BC. According to Cruise BC, the direct spend of cruise passengers in BC is \$232 million (2014).

The cruise sector also brings new visitors to BC. Approximately 40% of cruise passengers at Port of Vancouver have never been to BC before. Given that 42% of North American cruisers return to destinations first visited on a cruise, this represents a large opportunity to encourage future travel to BC. Based on the 1.3 million cruise passengers in 2014, this represents over 218,000 future visits to BC.

Barriers to Growth

Air access to Vancouver for US travellers remains a challenge and gives Seattle a competitive advantage. Stakeholders and cruise lines continue to work to expand transportation options for cruise passengers to minimize this barrier to growth.

For more information, please contact:
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