

MORE KIWIS CRUISING THAN EVER BEFORE

Executive Summary

More New Zealanders than ever before are cruising, with ocean cruise passenger numbers growing by 8.7 per cent in 2017 to a record high of 98,000.

Over the past 10 years, New Zealand ocean cruise passenger numbers have risen by an average of 14.7 per cent a year.

While the 2017 growth was not as high as reported in the prior year, the outlook remains positive for future growth in the New Zealand ocean cruise passenger market, well ahead of more established cruise markets such as the USA (4.7%), Europe (2.5%) and the UK/Ireland (0.5%), and ahead of New Zealand's international holiday visitor growth (6.5%).

The growth in 2017 was led by an increase in New Zealanders cruising locally in Australia, New Zealand and the South Pacific, up 14.1 per cent, to 65,302.

New Zealand's growth rate saw the nation increase its market penetration rate slightly to 2.2 per cent, retaining its ranking of sixth in the world against more established cruise markets.

To cater to the region's growing appetite for cruising, CLIA Cruise Lines continue to announce new deployments which will help to drive further growth in local passengers numbers.

Globally there are 109 new cruise ships set to be delivered between 2018-2027. As the industry continues to invest billions of dollars in new vessels, new destinations and strong source markets such as New Zealand have the potential to reap the rewards of increased deployments as long they can meet capacity requirements. Resolving infrastructure constraints in Auckland and regional ports, and minimising any additional tax burden on cruise passengers and operators is an absolute priority to future proof cruise tourism in this region.

Key Findings

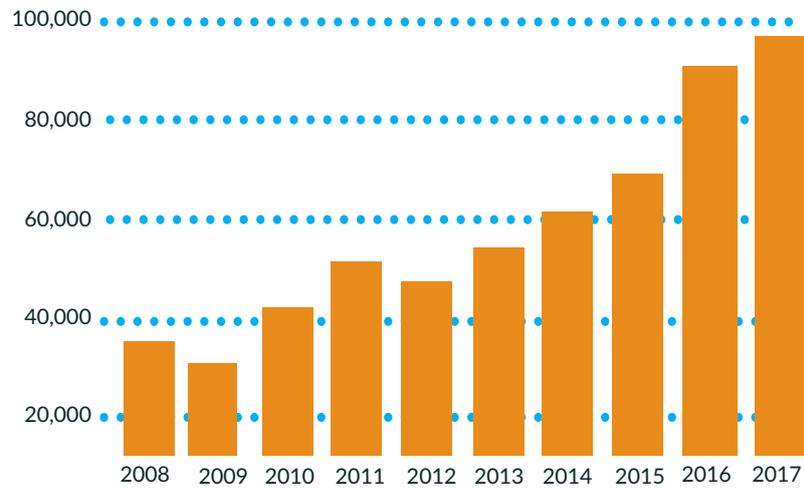
- The South Pacific maintained its place as the most popular destination for Kiwi cruisers with the region attracting one in almost three of the nation's ocean cruise passengers
- New Zealand cruises continued to be the second most popular with 24% of Kiwis choosing to cruise close to home
- The number of New Zealanders cruising in Australia experienced the largest growth in 2017 - with 13,264 cruising, up 112 per cent from 2016
- Europe and the Med fell to fourth place with 11,224 Kiwis heading to the region for a fly-cruise holiday, falling by 1 per cent
- The equivalent of 2.2 per cent of New Zealand's population took an ocean cruise last year, giving the nation a greater market penetration rate than established cruise markets like Italy (1.2 per cent), Spain (1 per cent) and France (0.8 per cent)
- The most popular cruise duration was 8-14 days, with 44% of cruisers, though shorter voyages of less than 4 days once again saw the biggest jump of 150 per cent
- Age brackets remained consistent with 2016, with around 40 per cent of New Zealand cruisers under the age of 50, and about 60 per cent aged over 50
- New Zealand cruise passengers spent 960,400 days at sea in 2017, up 10.1 per cent from 2016

PASSENGER GROWTH

With an additional 7,816 New Zealanders choosing to cruise in 2017, the numbers show that New Zealand sourced ocean cruise passenger numbers have grown by almost 50% in just two years.

The New Zealand passenger market has increased more than three-fold in 10 years, an annual average growth rate of 14.7 per cent.

While the industry was forecasting to reach 100,000 ocean passengers in 2017, three years ahead of the previous target of 2020, the slowdown in growth across the region due to the infrastructure capacity constraints resulted in this target being missed by just 2000 passengers.



- North America 48.7%
- Europe 26.0%
- Asia 15.3%
- Australasia 5.4%
- Central & South America 3.2%
- Scandinavia & Iceland 0.9%
- Africa 0.6%
- Middle East 0.4%
- Other 0.4%
- The Caribbean 0.2%

World Perspective

While New Zealand is still an emerging source market for cruise passengers and has a relatively small population, its performance in 2017 remains impressive on the world stage.

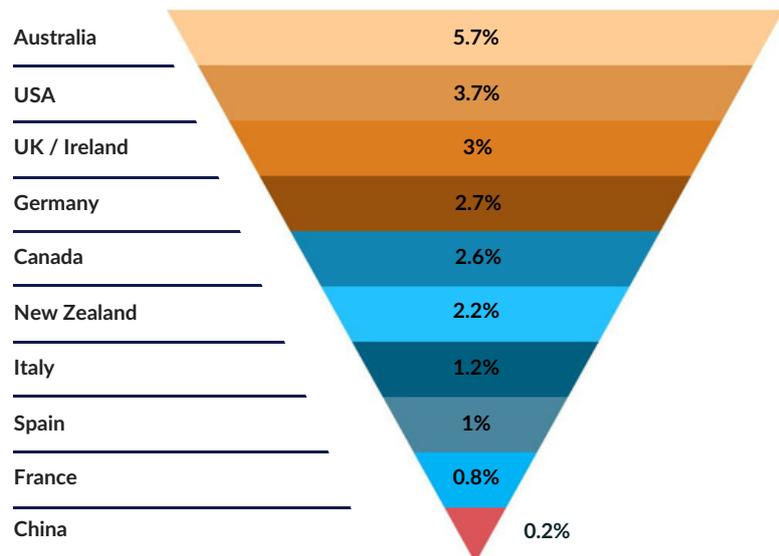
Across the world 26.7 million people took a cruise 2017, up 6.3 per cent from 2016, positioning New Zealand as one of the smallest cruise markets in terms of passenger numbers, with less than 1 per cent of the world's cruisers, but certainly punching above its weight in terms of growth and market penetration.

In percentage terms the nation's growth rate of 8.7 per cent was higher than the levels recorded by other key source markets.

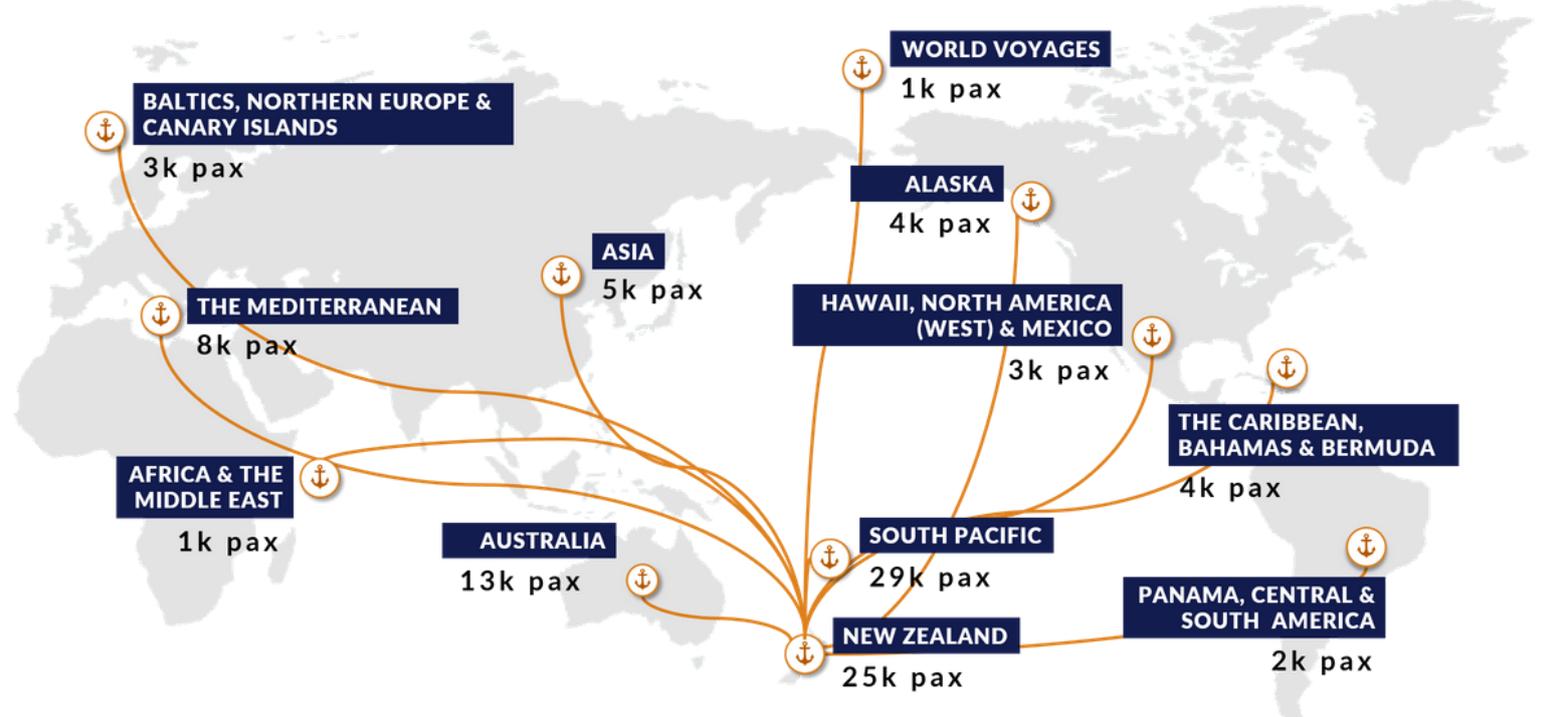
The world's largest cruise market, the United States, recorded 4.8 per cent growth in 2017, China grew by 13.4 per cent and Australia achieved a passenger growth rate of 4.4 per cent. Meanwhile Italy saw just 2.5 per cent increase in its cruise passenger numbers, while the UK and Ireland grew of 0.5 per cent, and France fell by 9.2 per cent.

MARKET PENETRATION

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WHERE ARE NEW ZEALANDERS CRUISING?



With increased deployment in the region throughout the year and an increasing number of ships offering trans-Tasman and South Pacific itineraries, cruising in local waters to the destinations of Australia, New Zealand and the South Pacific accounted for two thirds of New Zealand cruise passengers in 2017. The South Pacific continued to hold the most allure for Kiwi cruisers, attracting almost 30% of the nation's total ocean cruise passengers.

Local cruising around New Zealand remained in second place with 24 per cent of passengers, while Australia experienced the strongest growth with passenger numbers rising 113 per cent, accounting for 13.5 per cent of total New Zealand passengers

Beneficiaries of these domestic cruise travellers included an increasing number of regional ports and destinations.

In terms of long-haul fly cruise destinations, the distribution of New Zealand Sourced cruise passengers remained largely unchanged in 2017. Europe and the Mediterranean continued to be the favoured long-haul option for New Zealand cruise passengers (11.5 percent of travellers), followed by Asia (5.2%), Alaska and the Caribbean (both at 4.2%) and Hawaii, California and Mexico (3.1 per cent).

**Note allocation to trade routes may differ between 2016 and 2017 due to the change in data collection methodology.*

WHO IS CRUISING IN THIS REGION?

This region continues to be an attractive cruise destination for international holidaymakers with around 200,000 international cruise passengers. In total, cruisers from 145 different countries visited the region.

In 2017, the USA was the largest source market for inbound cruise visitors (87,000), with the United Kingdom (21,000), Europe (19,000), Canada (14,000), and the growing source markets of Asia (7,000) also delivering significant cruise passengers to the region.



01	AUSTRALIA 1m pax	EUROPE 19k pax	05
02	UNITED STATES 87k pax	CANADA 14k pax	06
03	NEW ZEALAND 63k pax	ASIA 7k pax	07
04	UNITED KINGDOM 21k pax		

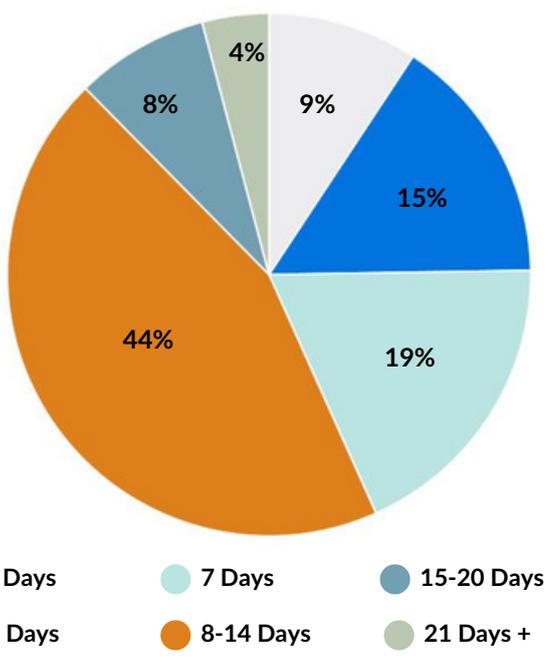
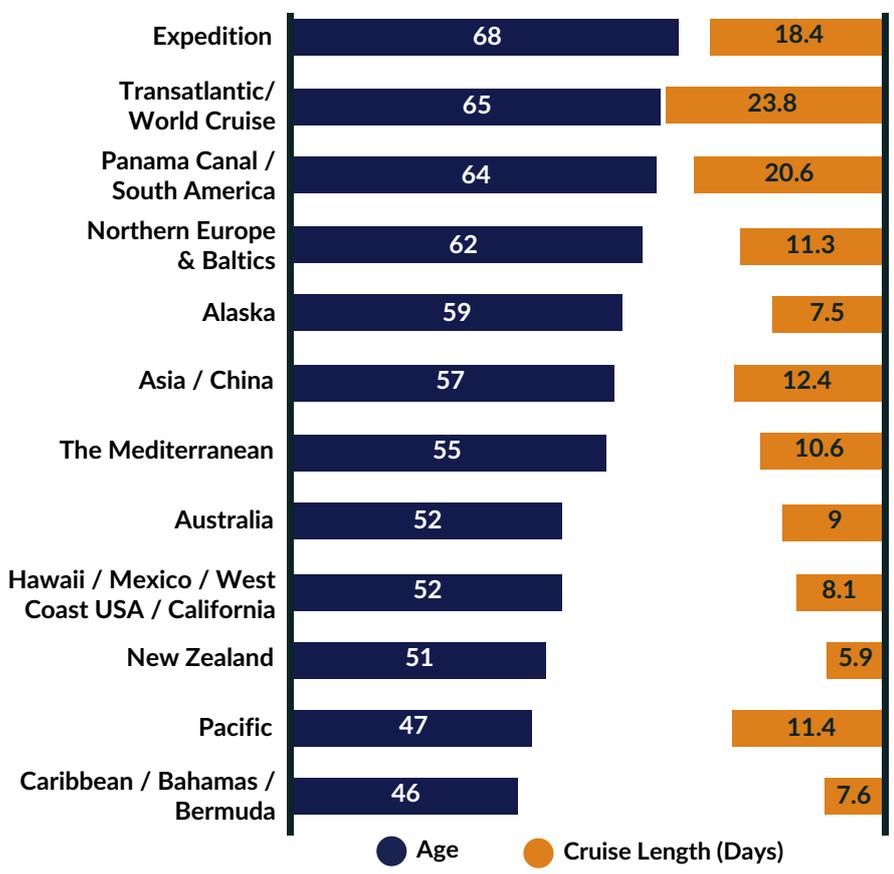
CRUISE PASSENGER AGE & CRUISE LENGTH

The strength of the New Zealand cruise market also lies in its appeal to a broad demographic and across all age groups

New Zealand cruisers continue to come from across the age spectrum, underlying the wide array of cruises and destinations now on offer.

With around 40 per cent of New Zealand cruisers under the age of 50, and about 60 per cent aged over 50, the distribution pattern has remained largely unchanged for the past 4 years, reflecting the appeal of all types of cruising and the diversity of itineraries across the board.

Looking at the distribution of passengers by cruise destination and age, local itineraries in South Pacific, as well cruises in the Caribbean appealed to younger cruisers, while middle age cruisers were more likely to be attracted to cruise in New Zealand, Australia, the US Pacific region, the Med, Asia and Alaska. The average age increases into the 60's for passengers venturing to the Baltics & Northern Europe, and on longer cruises to Panama & South America, Transatlantic & World Cruises, and Expedition itineraries.



In 2017, the average New Zealand passenger was **52 years old** and cruised for **9.8 days**



The most popular cruise duration in 2016 was 8-14 days, with around 44 per cent of all passengers opting for this length cruise.

Shorter voyages of less than 6 days saw the biggest jump of 141 per cent to 25 per cent, reflecting the increased interest in shorter itineraries within the region.

Overall, 88 per cent of New Zealand cruisers took a cruise of 14 days or less

This report is based on 2017 calendar year passenger statistics provided by CLIA's ocean Cruise Line members, representing over 95 per cent of the global cruise industry capacity, plus additional data collected from non-CLIA Cruise Lines. The research is based on a methodology that is used in similar studies around the world. The consistency of approach facilitates comparisons with other major cruise markets.