



**NEW ZEALAND
CRUISE ASSOCIATION**

He Waka Eke Noa

CRUISE TOURISM

ECONOMIC OVERVIEW

2020

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Summary

Each year, at the end of the cruise season (July to June), Statistics New Zealand (SNZ) compiles information which shows the economic benefit of the cruise industry to New Zealand. New Zealand Cruise Association has been using that information, and cruise ship schedules, to forecast the economic benefit in the following season too. Frequent scheduling changes and other factors, such as cruise line deployment specialists considering other locations, make it difficult to forecast more than one season ahead.

New Zealand Cruise Association (NZCA) has published the SNZ information on the 2019-20 season, in this report, and usually we would give an estimate of potential spend for the 2020-21 cruise season, using information on port calls, and vessel numbers with passenger and crew numbers derived from schedules. However, by mid-November 2020 80% of port calls had been cancelled because of uncertainty over our borders opening to foreign ships, so our usual forecasting does not apply. We can only provide an indication of what was expected.

Cruise Tourism Spend

- The 2019-20 season cruise tourism spend was \$547.05 million, down 3.2% from the season before, because of the early closure to cruise ships in March 2020.
- The value of spend predicted by NZCA, for the 2020-21 season, was \$690 million before cancellations. This figure is now considerably reduced to \$138 million, and is expected to reduce further while the border remains closed, and further cancellations are made.

Ships

- In the 2019-20 season there were 43 ships (plus 2 added due to changes relating to COVID-19) coming to our waters on 200 voyages.
- In 2020-21 we had expected 49 ships on 235 voyages.

Port Calls

- A predicted overall increase in the total number of calls from 1040 (of which 901 were completed) in the 2019-20 season to 1130 in 2020-21.

Passengers

- In the 2019-20 season there were 283,000 unique cruise ship passengers, down 12% from the previous season.
- The expected unique passenger number for the 2020-21 season had been 387,000, before our border closed.

Crew

- In the 2019-20 season there were 36,000 unique cruise ship crew.

Turnarounds

- Turnarounds, or passenger exchanges, when passengers disembark cruise ships, and new passengers join the ship occur mostly in Auckland. Passengers joining or leaving a ship often stay overnight (or longer) in the passenger exchange city contributing additionally to the local hospitality industry.

Introduction

In the past New Zealand Cruise Association (NZCA) commissioned studies each year to examine the economic impact of the cruise industry on the New Zealand tourism economy. More recently Statistics New Zealand (SNZ) has been compiling and publishing cruise statistics, initially for the 2016-2017 cruise season, as part of a collaborative project with the Ministry of Business, Innovation and Employment (MBIE) and NZCA. This project produces statistics on the spending of cruise ship travellers, as well as spend from related activities, and has been expanded and improved every year. The information is usually available from late August each year, although, in 2020, SNZ provided the information in October, because of work pressures arising from Covid-19.

From this SNZ information NZCA makes assumptions to provide insight into the expected numbers and value of the 2020-21 cruise season using initial cruise schedules made available by port agents.

We use a simplistic approach, with estimates based on schedules and using lower berth capacity (all cabins sold with two persons per cabin) which estimates unique cruise passengers to be 387,000 for the 2020-21 season.

The overall cruise spend decreased by 3.2% in the 2019-20 season to \$547million, as the season was prematurely ended by the pandemic in March 2020. Expected growth in a variety of parameters (number of passengers, port calls) between the 2019-20 season and the 2020-21 season had been expected to be around 10%.

Cruise Tourism Spend

SNZ's information, from a variety of sources, on passenger spend in New Zealand, showed it had been increasing significantly in the last few years.

SNZ commented in the 2019 report that "*Expenditure surges are boosted by more voyages, port calls, and passengers*".

In the 2020 report SNZ commented:

At the time of enforced border restrictions due to COVID-19, the New Zealand Cruise Association recorded 169 ship voyages and 901 port calls, including a continued season increase in the number of overnight port calls. For the corresponding period of the 2019 season, 146 voyages and 823 port calls were recorded.

A further 41 voyages and 139 port calls were scheduled for the remainder of the 2020 season to June with an estimated additional 70,000 cruise ship passengers anticipated.

The 2019-20 season spend was \$547 million down 3.2% from the season before. This total is made up of:

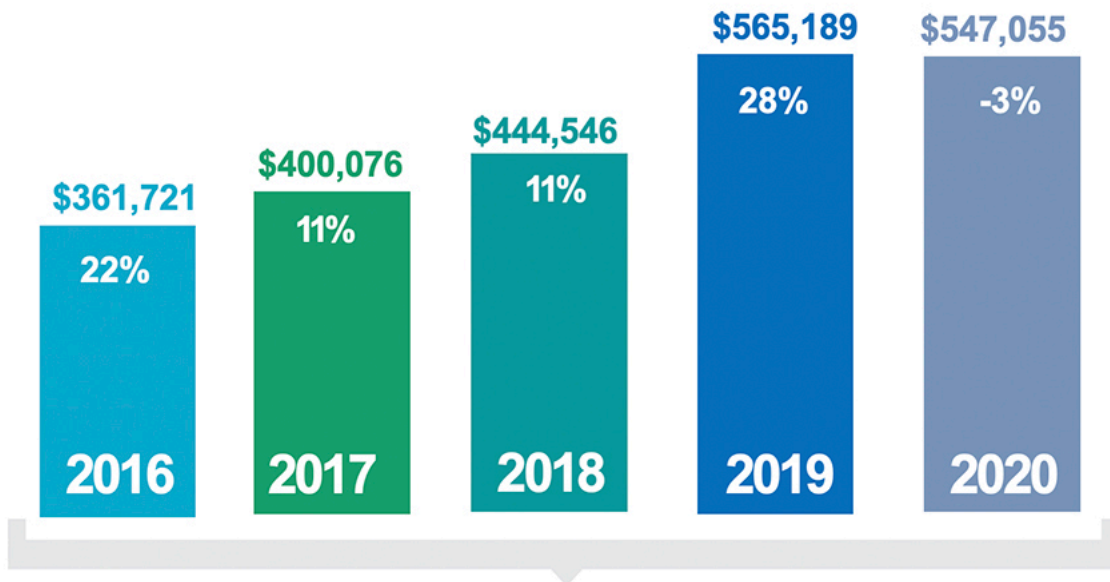
- Spending by cruise visitors (\$356.4 million) – shore excursions, and spending ashore by passengers and crew;
- Spending associated with the ships (\$138.7 million) – port and other fees, purchase of fuel, produce and other supplies; and

- GST from cruise expenditure (\$52.0 million).

SNZ notes that, although New Zealand passenger numbers are included in published data, they are not yet fully accounted for in expenditure statistics. SNZ will continue to work on sourcing more information to rectify this in future.

NZCA applied a conservative growth estimate (10%) to the numbers originally forecast 2019-20 season, and expected expenditure to arrive at a potential value in the 2020-21 season of \$689,450 million.

Cruise Tourism Spend



REGION	2018-19	2019-20	% Change
	\$(000)		
Northland	20,970	23,738	13.2%
Auckland	192,505	207,595	7.8%
Bay of Plenty	90,261	74,267	-17.7%
Gisborne	-	-	-
Hawkes Bay	28,406	27,445	-3.4%
Taranaki	-	-	-
Wellington	59,202	53,058	-10.4%
Tasman/Nelson	1,358	1,584	16.6%
Marlborough	23,503	29,114	23.9%
Canterbury	55,281	52,792	-4.5%
Otago	60,244	49,816	-17.3%
Southland	14,635	10,785	-26.3%
Other	19,114	13,810	-27.7%



Regional spend varies in percentage growth, increasing in some regions, despite the early closure, decreasing in others. Data is collected in regions such as Taranaki and Gisborne with few ships calling, but SNZ does not provide details, commenting that “a breakdown is not possible due to businesses providing confidential Port level data”.




Spend is significantly higher in Auckland, because of turnarounds, provision of stores and fuel, as well as the volume of port calls.

Ships

Most cruise ships come several times to New Zealand each season. In the 2019-20 season we saw 41 individual ships arriving in our ports. These ships are listed in Appendix 2 and range from the Caledonian Sky with 114 passengers to the Ovation of the Seas which has a capacity of 4,180 passengers (lower berth).

In 2020-21 we expected 49 ships, listed in Appendix 3, on 235 voyages - the smallest ship is the 50 passenger Spirit of Enderby, and the largest would have been the Ovation of the Seas.



			
2017-18	36 VESSELS	148 VOYAGES	730 PORT DAYS
2018-19	41 VESSELS	176 VOYAGES	940 PORT DAYS
2019-20	41 VESSELS	166 VOYAGES	901 PORT DAYS

Port Calls

Statistics New Zealand data showed a 3.2% decrease in total spend from the 2018-19 season to the 2019-20 season, and the number of port days decreased by around 3.5% over the same time period.

At the regional level there are gains, in some cases, and reduction in others, but in most cases port calls were lower than the previous season, as the cruise season ended prematurely.

Port Calls: 2019-20 (Actual)



PORT	2018-19	2019-20	% Change
Akaroa	90	78	-13%
Auckland	129	112	-13%
Bay of Islands	62	55	-11%
Bluff	4	6	50%
Dunedin	114	112	-2%
Fiordland	105	100	-5%
Gisborne	14	12	-14%
Kaikoura	8	12	50%
Lyttelton	15	24	60%
Napier	71	74	4%
Nelson	8	7	-13%
Picton	48	50	4%
Stewart Island	17	17	0%
Tauranga	114	100	-12%
Wellington	110	112	2%



Using the cruise schedules already in place, there was a predicted increase in the total number of port calls from 901 (actual) in the 2019-20 season to 1130 in 2020-21 – an increase of around 17% if port calls were to go ahead as originally scheduled.

Port Calls: 2020-21 (Expected)



PORT	2019-20	2020-21	% Change
Akaroa	78	54	-31%
Auckland	112	144	29%
Bay of Islands	55	61	11%
Bluff	6	16	167%
Dunedin	112	137	22%
Fiordland	100	134	34%
Gisborne	12	16	33%
Kaikoura	12	14	17%
Lyttelton	24	81	238%
Napier	74	81	9%
Nelson	7	8	14%
Picton	50	78	56%
Stewart Island	17	34	100%
Tauranga	100	107	7%
Wellington	112	111	-1%

Lyttelton (Christchurch) was expecting a very large increase because of the new cruise berth, completed in time for the 2020-21 season

Passengers

Unique Numbers

In the 2019-20 season there were 282,920 unique cruise ship passengers, down 12 percent from 2019. The unique count is based on passport number, ensuring a cruise ship passenger is counted only once over the season, even if he or she arrives or departs several times.

Unique cruise passengers had been estimated to be 387,419 for the 2020-21 season.



Regional Numbers

Passengers are counted at each port call too, as an indication of the numbers arriving in each region.

Regional Passengers



PORT	2018-19	2019-20	% Change
Akaroa	187773	185942	-1%
Auckland	238975	256574	7%
Bay of Islands	122989	145464	18%
Bluff	1073	1102	3%
Dunedin	237754	252014	6%
Fiordland	222161	252520	14%
Gisborne	22143	18476	-17%
Kaikoura	3464	6360	84%
Lyttelton	8507	16170	90%
Napier	116779	142838	22%
Nelson	4302	4390	2%
New Plymouth	781	1942	149%
<u>Picton</u>	92979	101278	9%
Stewart Island	6733	9812	46%
Tauranga	227358	210176	-8%
Wellington	222448	229982	3%



The number of passengers at the regional level forecast for the 2019-20 season is shown below compared with the actual numbers (data from SNZ). In most cases the actual numbers were significantly lower than forecast, with the exception of Nelson and New Plymouth, which received additional calls from ships diverted from other ports.

Passengers – Actual



PORT	2019-20		% Change
	Forecast	Actual	
Akaroa	185942	143839	-23%
Auckland	256574	183189	-29%
Bay of Islands	145464	107420	-26%
Bluff	1102	765	-31%
Dunedin	252014	191147	-24%
Fiordland	252520	179110	-29%
Gisborne	18476	9522	-48%
Kaikoura	6360	4680	-26%
Lyttelton	16170	12387	-23%
Napier	142838	105943	-26%
Nelson	4390	5942	35%
New Plymouth	1942	3623	87%
Picton	101278	95558	-6%
Stewart Island	9812	7948	-19%
Tauranga	210176	183243	-13%
Wellington	229982	190754	-17%



Passenger Source Countries

SNZ uses information on cruise passengers' country of citizenship (which is not necessarily where they live), from passport details, to determine passenger source countries.

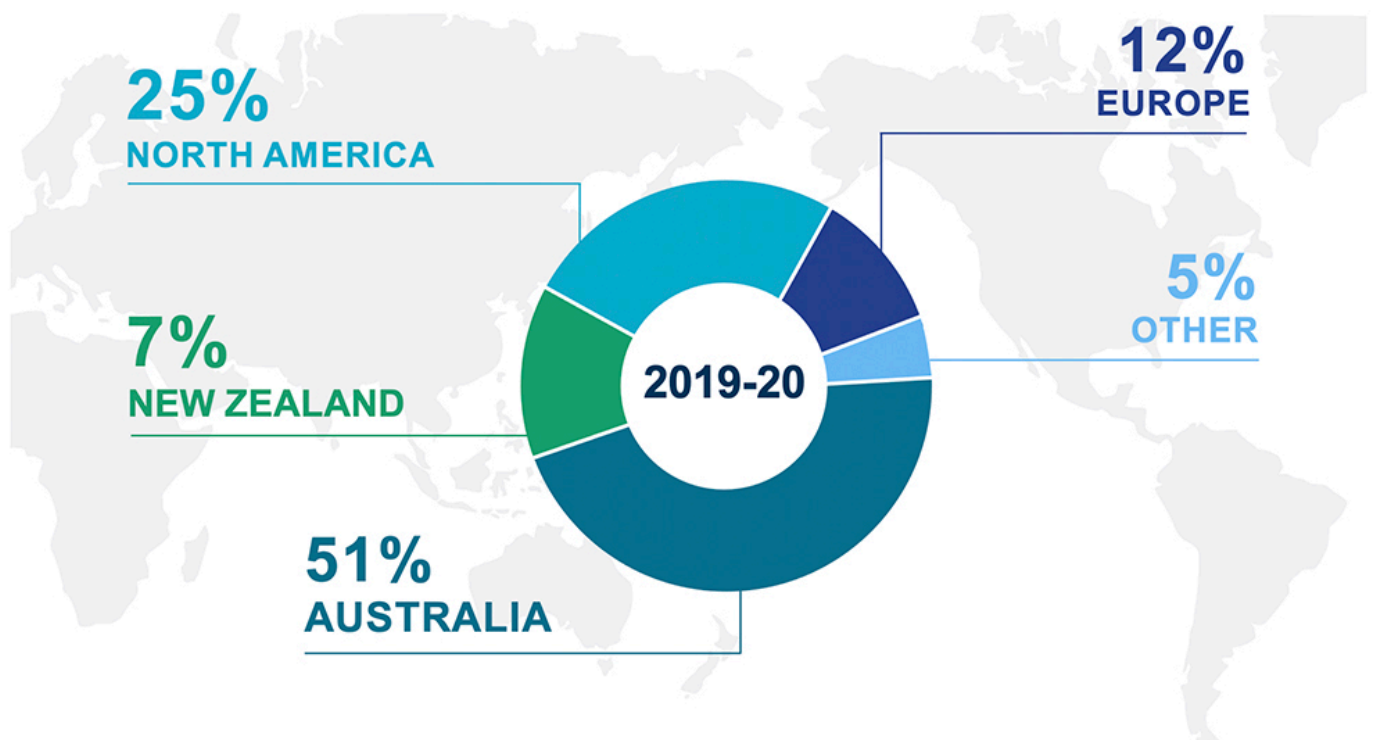
Australia continues to be our largest source market at 51% (up from 49% the previous season). Cruise Lines International Association Australasia (CLIA) in their 2018 Australia Source Market reported that "Australia once again leads the established cruise markets in penetration rates, with 5.8% of the population taking an ocean cruise in 2018, or the equivalent of almost one in every 17 Australians." The majority of Australian cruise passengers choose to cruise within Australia, New Zealand and South Pacific

The next largest source market for New Zealand is the combined US (21%) and Canada (4%) market, which had continued to rise, as New Zealand and Australia become more popular destinations for North Americans.

The number of cruise passenger from New Zealand is 7%. CLIA reports that cruising is very popular with New Zealanders, reaching a record high of 112,000 New Zealand cruise passengers in 2018, and a penetration rate of 2.5%. Most choose to sail to Australia, the South Pacific or around New Zealand – New Zealanders are recognising that cruise is an easy comfortable, and economical way to see our own country.

Cruise passengers from Europe number around 12%. Other nationalities make up the remaining 5% of cruise passengers coming to New Zealand.

Source Market



Crew

Cruise ship crew are an important part of the cruise industry economics, and each crew member is likely to visit New Zealand multiple times. In the same way that SNZ counts unique passengers, they also account for unique crew members.



Turnarounds

Turnarounds, or passenger exchange, when guests leave a ship and new guests embark, occur mostly in Auckland. It is New Zealand's largest city with a good supply of hotel beds, and access to an international airport. Passengers joining or leaving a ship often stay overnight (or longer) in the turnaround city contributing to the local hospitality industry.

Turnarounds are more valuable than transit as passengers spend time and money in a destination pre and post cruise. Although passenger exchange is predominantly in Auckland, there are turnarounds in other locations too

Turnarounds are mostly remaining at the same level, although we should get more passenger exchanges when the larger ships return and once the problems with infrastructure in Auckland are resolved.

Increasing turnarounds are important for the hotel sector – there were around 3000 room nights on pre and post tours in the 2019-20 season.

It has been difficult so far to get information on the additional value, but NZCA will continue to work with the hotel industry in future to determine this value. The information we have at the moment is based on passengers on tours pre and post cruise.

2019-20 Turnarounds



PORT	TOTAL PAX	SHIP VISITS	TURNS	PAX ON T/A
Auckland	256,688	136	81	124,304
Bluff	1,102	5	1	164
Dunedin	252,520	129	3	552
Fiordland	252,520	128	4	414
Lyttleton	17,098	26	3	552
Wellington	233,062	123	1	72

Conclusion

Statistics New Zealand produced a report on the July to June 2019-20 cruise season in October 2020 which provided actual information from collected data.

The New Zealand cruise industry had grown each year, at around 14%, but this growth was halted in March 2020 when New Zealand responded to the Covid-19 pandemic closing borders to cruise ships. This closure curtailed what would have been one of the biggest seasons to date and cruise ships continue to be banned into the 2020-21 season.

Recovery of the cruise industry is some way off, probably not beginning to return in volume until 2021-2022. but it will come again. Sustained growth in future will depend on improvements to infrastructure as well as attention to ensuring that the impact of cruise, especially in small communities, is positive and not overwhelming.

As far as infrastructure is concerned many ports have invested in projects that will work well for cruise. As we mentioned, in Lyttelton, the Port Company completed a purpose designed wharf for new generations of larger ships. Unfortunately Auckland does not yet have adequate infrastructure for larger cruise ships. This will slow cruise development in other regions as well, because Auckland is the gateway to other cruise ports.

The longer term sustainability of cruise in New Zealand will include new regions and attention to the needs of existing cruise communities, as well as making sure that cruise guests have a good experience.

Cruise lines are putting in place strong health protocols on board ships that will ensure cruise is a safe way to travel, returning to the popular holiday it has always been.

Appendix 1: Ships 2018-19

 SHIPS	 GUESTS	 CREW
ALBATROS	880	340
AMADEA	624	243
AMSTERDAM	1380	615
ASTOR	474	300
AZAMARA QUEST	684	408
CALEDONIAN SKY	114	74
CARNIVAL LEGEND	2124	1030
CARNIVAL SPIRIT	2124	920
CELEBRITY SOLSTICE	2850	1250
COLUMBUS	1550	700
COSTA LUMINOSA	2260	912
CRYSTAL SERENITY	980	655
CRYSTAL SYMPHONY	960	545
EUROPA	408	290
EUROPA2	516	370
GOLDEN PRINCESS	2636	1073
INSIGNIA	650	375
LE LAPEROUSE	184	124
MAASDAM	1258	580
MAJESTIC PRINCESS	3560	1357
MAGNIFICA	3013	1038




 SHIPS	 GUESTS	 CREW
NOORDAM	1972	820
NORWEGIAN JEWEL	2376	1100
OVATION OF THE SEAS	4180	1500
PACIFIC ARIA	1260	597
PACIFIC EXPLORER	1998	924
PACIFIC JEWEL	1662	730
PACIFIC PRINCESS	672	391
QUEEN ELIZABETH	2092	1097
QUEEN VICTORIA	2014	992
RADIANCE OF THE SEAS	2064	858
REGATTA	650	375
SEA PRINCESS	2016	839
SEABOURN ENCORE	600	416
SEABOURN SOJOURN	450	338
SEVEN SEAS MARINER	769	445
SILVER MUSE	623	417
SILVER WHISPER	388	295
SUN PRINCESS	2010	847
VIKING ORION	930	480
VIKING SUN	928	460

For more details on Ships Visiting New Zealand:

<https://newzealandcruiseassociation.com/ships-visiting-new-zealand/>

Appendix 2: Ships 2019-20

 SHIPS	 GUESTS	 CREW
ALBATROS	880	340
AIDAAURA	1266	418
AMSTERDAM	1380	615
ARCADIA	1980	880
ARTANIA	1200	520
ASTOR	474	300
AZAMARA JOURNEY	684	407
BREMEN	164	94
CALEDONIAN SKY	114	74
CARNIVAL SPIRIT	2124	920
CELEBRITY SOLSTICE	2850	1250
COLUMBUS	1550	700
CORAL DISCOVERER	72	20
COSTA DELIZIOSA	2260	908
CRYSTAL SERENITY	980	655
EUROPA	408	290
EXPLORER DREAM	1856	1300
GOLDEN PRINCESS	2636	1073
LE LAPEROUSE	184	124
MAASDAM	1258	580
MAJESTIC PRINCESS	3560	1357

 SHIPS	 GUESTS	 CREW
MAGNIFICA	3013	1038
NOORDAM	1972	820
NORWEGIAN JEWEL	2376	1100
OCEAN DREAM	998	550
OVATION OF THE SEAS	4180	1500
PACIFIC ARIA	1260	597
PACIFIC PRINCESS	672	391
QUEEN ELIZABETH	2092	1097
RADIANCE OF THE SEAS	2064	858
REGATTA	650	375
RUBY PRINCESS	3034	1174
SEA PRINCESS	2016	839
SEABOURN ENCORE	600	416
SEVEN SEAS MARINER	769	445
SEVEN SEAS NAVIGATOR	500	340
SEVEN SEAS VOYAGER	754	446
SILVER MUSE	623	417
SUN PRINCESS	2010	847
VASCO DA GAMA	1260	557
VIKING ORION	930	480
VIKING SUN	928	460

Appendix 3: Ships 2020-21

 SHIPS	 GUESTS	 CREW
AMERA	740	460
ARCADIA	1980	880
ASTOR	474	300
ASUKA II	800	470
AZAMARA PURSUIT	770	380
CARNIVAL SPLENDOR	3000	1150
CELEBRITY ECLIPSE	2850	1250
CELEBRITY SOLSTICE	2850	1250
COLUMBUS	1550	700
CORAL DISCOVERER	72	20
CRYSTAL ENDEAVOUR	200	206
EUROPA	408	290
EUROPA 2	516	370
INSIGNIA	650	370
ISLAND PRINCESS	2124	900
LE BELLOT	184	110
LE LAPEROUSE	184	124
MAJESTIC PRINCESS	3560	1357
MSC MAGNIFICA	3013	1038
NAT GEO ENDURANCE	126	112
NORWEGIAN JEWEL	2376	1100
OCEAN DREAM	998	550
OOSTERDAM	1916	817
OVATION OF THE SEAS	4180	1500
PACIFIC ADVENTURE	2636	1100

 SHIPS	 GUESTS	 CREW
PACIFIC ARIA	1260	597
PACIFIC DAWN	1596	724
PACIFIC EXPLORER	1998	840
PACIFIC PRINCESS	672	391
QUEEN ELIZABETH	2092	1097
QUEEN VICTORIA	2014	992
RADIANCE OF THE SEAS	2064	858
REGAL PRINCESS	3560	1350
REGATTA	650	375
SAPPHIRE PRINCESS	2680	1100
SEA PRINCESS	2016	839
SEABOURN ENCORE	600	416
SERENADE OF THE SEAS	2490	890
SEVEN SEAS EXPLORER	754	542
SEVEN SEAS MARINER	769	445
SILVER EXPLORER	144	118
SILVER MUSE	623	417
SILVER WHISPER	388	295
SPIRIT OF ENDERBY	50	22
STAR BREEZE	312	164
SUN PRINCESS	2010	847
VASCO DA GAMA	1260	557
VIKING ORION	930	480
VIKING SUN	928	460