

# Introduction to Alaska's Cruise Scene



# Why is Alaska losing market share in the global cruise industry?

By Casey Kelly February 11, 2014 CBJA



The Oosterdam was one of the last ships of the 2013 cruise season. (Photo by Heather Bryant/KTOO)  
 Alaska's share of the global cruise industry is on the decline. While the number of passengers to visit the state last year was nearly back to the level before the Great Recession, other cruise destinations continue to attract more ships.  
 Long before he was a Republican state lawmaker and candidate for governor, John Binkley worked on his family's riverboat in Fairbanks, doing tours for visitors to Alaska's Interior.

"When we were growing up in our family business, my father used to always tell us that, 'If you're coasting, you're going downhill,'" Binkley told the Juneau Assembly Committee of the Whole. Binkley is president of Cruise Lines International Association of Alaska, formerly the Alaska Cruise Association. "The state has been coasting when it comes to attracting tourists. The industry, and other industries in the state, need to do more to attract visitors."



8/21/2009

## State tourism on downward slide

By MARY PEMBERTON  
 Associated Press Writer  
 ANCHORAGE - Alaska's tourism industry is flat and now on a downward slide that will only get worse next year with 150,000 fewer cruise ship passengers visiting the state.

A panel of experts attending a tourism summit on Thursday at the Dena'ina Civic and Convention Center in Anchorage said the outlook is not good. "Next year won't be worse. It threatens to be much worse," said moderator John Tracy. So far this year, Alaska is seeing fewer visitors, said Alaska Travel Industry Association President Ron Peck. By the end of 2009, Alaska would be seeing double-digit percentage declines from the nearly 2 million visitors in 2008, he said. If the trend continues in 2010, the state will return to visitor levels last seen in 2004 after years of growth in the tourism industry, Peck said. "We need to work collectively to reverse this trend," he said. Peck said the tourism industry employs 10,000 people. "The state has been coasting when it comes to attracting tourists. The industry, and other industries in the state, need to do more to attract visitors."

## ALASKA ECONOMIC TRENDS

### A big decline in cruise ship visitors is certain

ADOL, Economic Trends, Jan 2010

As difficult as it can be to forecast economic change with any accuracy, there's little doubt that 2010 will be another challenging year for the tourism industry. Several cruise ships have been moved out of the Alaska market and the number of cruise visitors is expected to drop by about 15 percent from preliminary 2009 numbers of slightly less than 1 million.

## CRUISE NEWS

### Alaska businesses feel the pinch of fewer cruise passengers

August 1, 2010 at 1:00 am

Alaska is expected to see a 15 percent decline in passengers this cruise season.

Despite recent news that a boost in independent-visitor traffic is helping offset the negative economic impact of fewer cruise ship passengers this year, the Alaska tourism industry is struggling. Last year's redeployment of three ships to other parts of the world greatly impacted the entire state. Alaska will have **140,000 fewer cruise visitors this year, which equates to a loss of \$150 million in direct and indirect spending and 5,000 Alaska jobs**. Based on industry announcements, it is estimated that Alaska will see 125,000 fewer passengers in 2011. On June 14, Ron Peck with the Alaska Travel Industry Association said the number of independent travelers is up from 2009, but only slightly. Even with the increase, this year's numbers are nowhere near where they were 2008. Initial data from the Alaska Department of Revenue show roughly 20 percent fewer passengers visited Alaska in May of this year than in May 2009. The overall decline in passengers for the summer cruise season is expected to be 15 percent. "There are days that you just drive through town and wonder where everyone went," said Ron Peck, proprietor of All Seasons Bed and Breakfast. "The state has been coasting when it comes to attracting tourists. The industry, and other industries in the state, need to do more to attract visitors."

ONE INDUSTRY. ONE VOICE.



Home > News > News Headlines > Alaska cruises are most booked US vacations, survey finds

## Alaska cruises are most booked US vacations, survey finds



Travel Leaders Group's travel advisers frequently recommend Alaska as a not-to-be-missed travel experience. Here, a Princess Cruises ship in Glacier Bay (Photo: Princess Cruises)

Alaska cruises jumped to the top spot from last year's fifth place to become the most booked domestic vacation for 2018, according to findings from Travel Leaders Group's 2018 Travel Trends Survey.

Orlando was bumped down a notch to second place. Las Vegas, Maui and New York City rounded out the Top 5.

Internationally, Caribbean cruises and Cancun, Mexico, respectively, maintained the top two spots, while European river cruises edged up one place to third. Mediterranean cruises and Punta Cana, Dominican Republic, were fourth and fifth, respectively.

Top 'up and coming' destinations include Iceland, New Zealand, Thailand, Vietnam and Croatia. Additionally, of the respondents who book travel to the Caribbean, 45.6% said their 2018 bookings to the Caribbean are about even with last year, while 13.3% said their bookings to the Caribbean are higher. When it comes to Caribbean cruises, 71.7% said these bookings are either higher than or equal to last year's bookings.

'It is important to note that interest in the Caribbean, whether it is a cruise or land-based travel, remains high,' said Travel Leaders Group CEO Ninan Chacko. 'Cruising overall, whether it's to the Caribbean, a European river cruise or a cruise in the Mediterranean, is a popular vacation pick for Americans due to the multiple destinations one can visit, along with the tremendous value and convenience cruises offer.'

Alaska cruises have been among the top 10 domestic trips booked by Travel Leaders Group travel advisers over the last several years, but this is the first year they have reached the No. 1 spot in the annual Travel Trends Survey. According to Cruise Lines International Association, 1,089,700 passengers cruised in Alaska last year, and that number is projected to grow another 7% to 1,165,500 passengers in 2018.

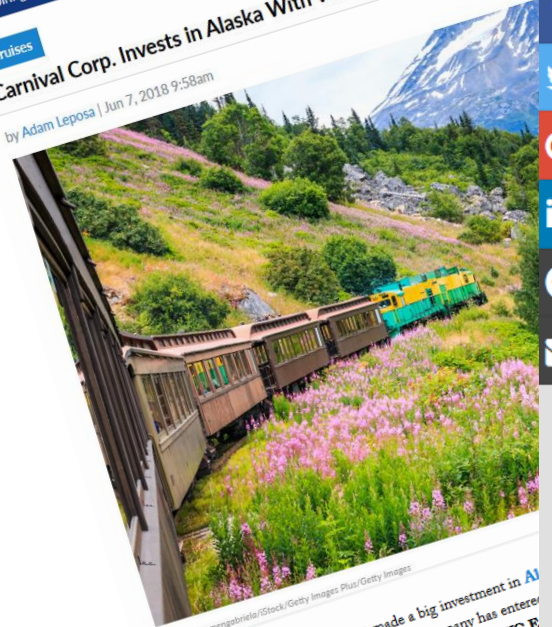


Luxury Travel Advisor's ULTRA Summit  
Inspiring the luxury travel industry further. May 21-23, 2019 | Reunion Resort | Kissimmee, FL

Cruises

Carnival Corp. Invests in Alaska With White Pass & Yukon Rail

by Adam Leposa | Jun 7, 2018 9:58am



Carnival Corporation just made a big investment in Alaska with the purchase of White Pass & Yukon Route rail division of TWEC. The transaction is subject to regulatory review and approval.

Holland America Princess Alaska Tours has also announced a partnership with Survey Point Holdings, Inc. an Alaskan company that operates the White Pass Scenic Railway and the associated White Pass Scenic Railway.

Carnival Corp. says that the agreements with Survey Point Holdings, Inc. are the newest generation of cruise ships, and will be the newest generation of cruise ships, and will be the newest generation of cruise ships, and will be the newest generation of cruise ships.

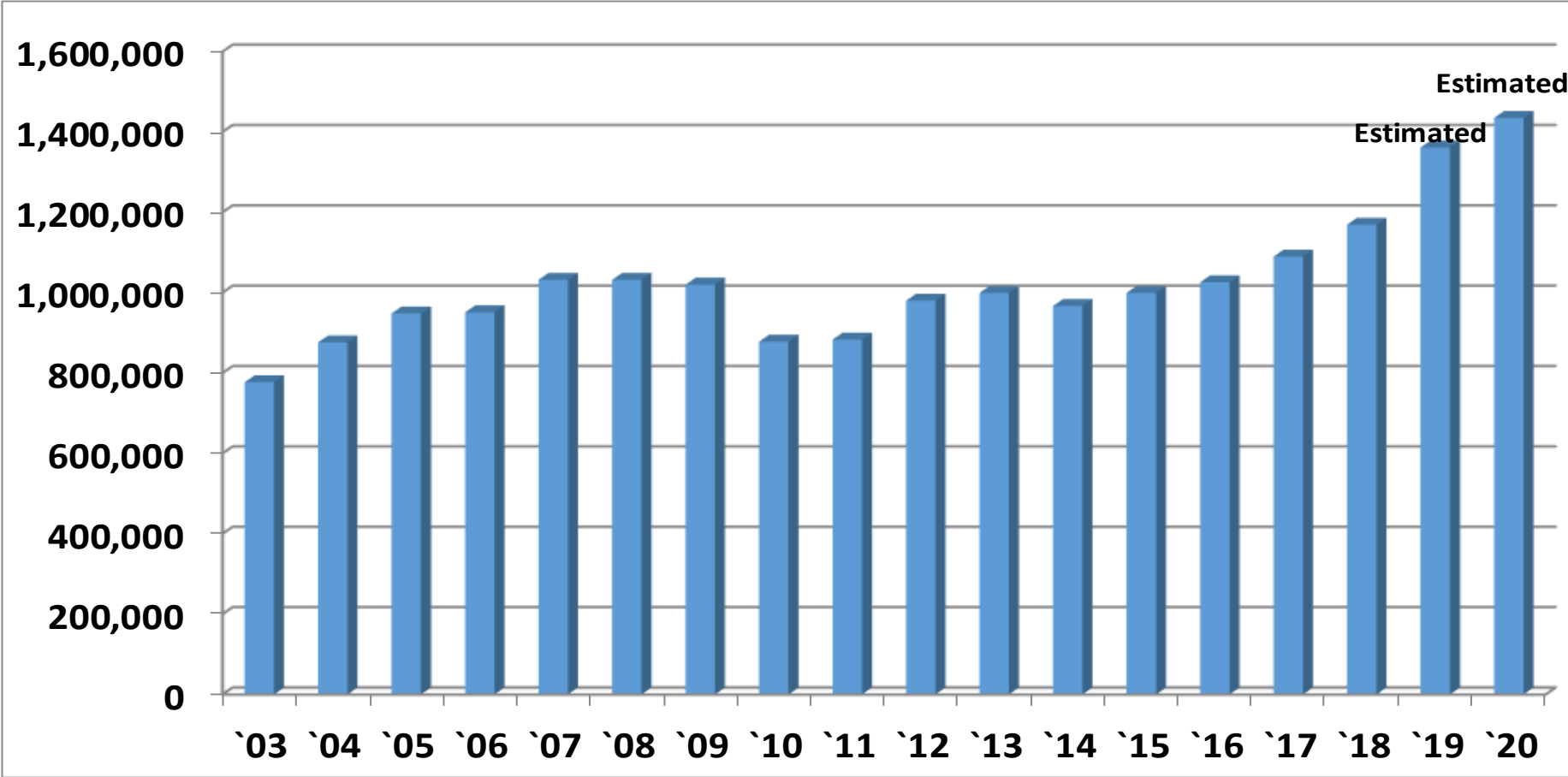
**Cruise Industry News**  
Number 1 in Industry Reporting  
2019 ANNUAL REPORT  
2019 EXECUTIVE GUIDE  
QUARTERLY MAGAZINE  
11 - 13 September 2019 Hamburg

**Norwegian to Build Pier at Icy Strait Point in Alaska**  
December 06, 2018

Holdings today announced a partnership with the Huna Totem Corporation to build a new pier in Icy Strait Point in Alaska. The pier is expected to be completed for the summer 2020 Alaska cruise season and will be built to accommodate Norwegian Cruise Line's Breakaway Plus-class ships, the company said. The new pier will allow the Company to increase its calls to Icy Strait Point. Seven Seas Mariner, Norwegian Jewel and Norwegian Joy are currently scheduled to call at Icy Strait Point. The new pier will provide more cruise passengers with access to Icy Strait's newly upgraded amenities, including the world's largest ZipRider zip line, brown bear viewing, fishing excursions, local cultural dances accompanied by oral traditions, and more. The Huna Totem Corporation is currently planning to construct a new pier at Icy Strait Point, the wildly popular Alaska market. The new pier will provide more cruise passengers with access to Icy Strait's newly upgraded amenities, including the world's largest ZipRider zip line, brown bear viewing, fishing excursions, local cultural dances accompanied by oral traditions, and more. The Huna Totem Corporation is currently planning to construct a new pier at Icy Strait Point, the wildly popular Alaska market. The new pier will provide more cruise passengers with access to Icy Strait's newly upgraded amenities, including the world's largest ZipRider zip line, brown bear viewing, fishing excursions, local cultural dances accompanied by oral traditions, and more. The Huna Totem Corporation is currently planning to construct a new pier at Icy Strait Point, the wildly popular Alaska market.



# HISTORICAL CRUISE VISITORS TO ALASKA



# 2019 PRE-SEASON PROJECTION

**SHIPS = 37**

**VOYAGES = 567**

**PASSENGERS = 1,361,400**

**-Represents a 16% increase statewide**

# 2019 CAPACITY CHANGE BY PORT



| Port        | 2018      | 2019 Projected | % change |
|-------------|-----------|----------------|----------|
| Wrangell    | 12,900    | 18,683         | 44.8%    |
| ISP         | 176,884   | 254,869        | 44.1%    |
| Sitka       | 149,738   | 212,160        | 41.7%    |
| Kodiak      | 22,024    | 28,570         | 29.7%    |
| Seward      | 197,658   | 232,688        | 17.7%    |
| Haines      | 50,892    | 59,698         | 17.3%    |
| Juneau      | 1,074,615 | 1,237,706      | 15.2%    |
| Ketchikan   | 990,114   | 1,138,823      | 15.0%    |
| Whittier    | 167,788   | 188,538        | 12.4%    |
| Glacier Bay | 538,484   | 601,805        | 11.8%    |
| Skagway     | 905,697   | 987,261        | 9.0%     |
| Anchorage   | 14,600    | 14,844         | 1.7%     |

**Note: Capacity is based on 2 pax per berth**

# 2019 SEASON STARTING LINEUP



**Norwegian  
Bliss**



**5 largest ships  
Contributed est.**

**\$269.45 Million  
In New Money**

**Royal  
Princess**



**Ovation  
of the Seas**



**Norwegian  
Joy**



**Celebrity  
Eclipse**

ONE INDUSTRY. ONE VOICE.

**Into our Economy**



# 2019 SEASON OBSERVATIONS

- Capacity is still preliminary
- Looking more like 1,330,000
- Represents 14% increase
- Original projection too aggressive given the significant amount of capacity coming to Alaska in one year





# 2020 PRE-SEASON PROJECTION

**SHIPS = 43**

**VOYAGES = 606**

**PASSENGERS = 1,410,000**

**-Represents a 6% increase statewide**

\* 2020 pax projection has been modified based on preliminary 2019 numbers

# 2020 SCHEDULE HIGHLIGHTS

- **Serenade of the Seas (2,100) in, 3<sup>rd</sup> ship for RCI**
- **NCL Sun (2,002) in, 4<sup>th</sup> ship for NCL**
- **Emerald Princess (3,082) and Pacific Princess (700) in**
  - **Island Princess (2,214) out**
- **Queen Elizabeth doubles voyages (5 to 10)**
- **Koningsdam (2,650) replaces Nieuw Amsterdam (2,100)**
- **Maasdam added 6 voyages**
- **Crystal Symphony (940) out**
- **Roald Amundsen (530) expands to 7 voyages**

# 2020 CAPACITY CHANGE BY PORT



| Port        | 2019 Projected | 2020 Proposed | % change |
|-------------|----------------|---------------|----------|
| ISP         | 254,869        | 383,834       | 50.6%    |
| Anchorage   | 14,844         | 19,401        | 30.7%    |
| Juneau      | 1,237,706      | 1,321,873     | 6.8%     |
| Skagway     | 987,261        | 1,034,117     | 4.7%     |
| Ketchikan   | 1,138,823      | 1,189,952     | 4.5%     |
| Seward      | 232,688        | 238,091       | 2.3%     |
| Wrangell    | 18,683         | 19,114        | 2.3%     |
| Glacier Bay | 601,805        | 576,053       | -4.3%    |
| Sitka       | 212,160        | 198,941       | -6.2%    |
| Whittier    | 188,538        | 157,696       | -16.4%   |
| Kodiak      | 28,570         | 17,100        | -40.1%   |
| Haines      | 59,698         | 35,570        | -40.4%   |

**Note: Capacity is based on 2 pax per berth**

ONE INDUSTRY. ONE VOICE.

**CLIK**

# OUTLOOK

- NEW SHIPS ARE GIVING ALASKA EXPOSURE TO EXPANDED AUDIENCES
- STATEWIDE CAPACITY WILL CONTINUE TO GROW AS INFRASTRUCTURE EXPANDS
- INFRASTRUCTURE IS ALLOWING FOR MORE DIVERSE ITINERARIES OTHER THAN TRADITIONAL 3 PORTS
- SEEING SOME SHORT-TERM SHIFTING IN CAPACITY AMONG SOME PORTS
- CRUISE LINES ARE INVESTING FOR THE LONG-TERM
- ALASKA'S CRUISE INDUSTRY IS VERY STRONG



Thank you!

