

# Contribution of Cruise Tourism to the Global Economy 2023



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December 2024

# CONTENTS

<b>Executive Summary</b>	<b>03</b>
<b>Introduction</b>	<b>08</b>
<b>Cruise Industry's Global Economic Impact</b>	<b>12</b>

## December 2024

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# EXECUTIVE SUMMARY



## THE CRUISE INDUSTRY IN 2023

In 2023, the global cruise industry experienced record activity, marking its first year of full recovery from the pandemic. Overall occupancy rates improved throughout the year, approaching pre-COVID levels by the second quarter of 2023. As a result, a record 31.7 million passengers embarked on cruises in 2023, representing a 55% increase from 2022 and a 7% increase compared to 2019. This growth was fuelled by strong demand for cruise vacations accompanied by an increased capacity. This included the introduction of new vessels, including the largest ever built, which helped attract a broader audience.

The overall cruise-linked spending was higher than 2022. The fast growth in passenger volumes translated into significantly higher spending by passengers and cruise lines. On the other hand, shipbuilding activity, which is concentrated in Europe, slowed down. As a result, the gains driven by passenger and cruise line spending in Europe were offset by a slowdown in shipbuilding activity. Regions dependent on passenger volumes such as the US and Canada saw a larger increase in the economic impact linked to cruise when compared to last year.

**Cruise Lines International Association (CLIA)** recently commissioned Oxford Economics to assess the economic contribution of cruise activity globally in 2021, 2022 and 2023.

## How does the Cruise Industry Generate Economic Impact?

We assess the economic impact of cruise tourism globally using a standard approach known as an economic impact analysis that quantifies the impact of the cruise industry across three “core” channels:



### DIRECT IMPACT

The first channel—**direct**—relates to the economic activity supported by expenditure directly linked to the cruise industry. This includes visitor spending at ports, cruise line operational and capital purchases, and wage-linked consumption by cruise line employees. Additionally, we quantify direct cruise line employment and associated wages within this study where appropriate.



### INDIRECT IMPACT

The second channel—**indirect**—captures supply chain effects that follow on from direct impacts, for example, purchases by businesses of goods and services from other businesses.



### INDUCED IMPACT

The final channel—**induced**—captures the income effect and flow on to household consumption.

## KEY FINDINGS

Despite pandemic-suppressed passenger volumes, the cruise industry’s global activities in 2023 yielded significant economic benefits, supporting:



**\$168.6bn**

worth of total economic output



**\$85.6bn**

worth of gross domestic product (GDP)



**1.6mn**

total jobs



**\$56.9bn**

worth of wages

**Fig. 1. Summary of cruise industry activity globally, 2022**

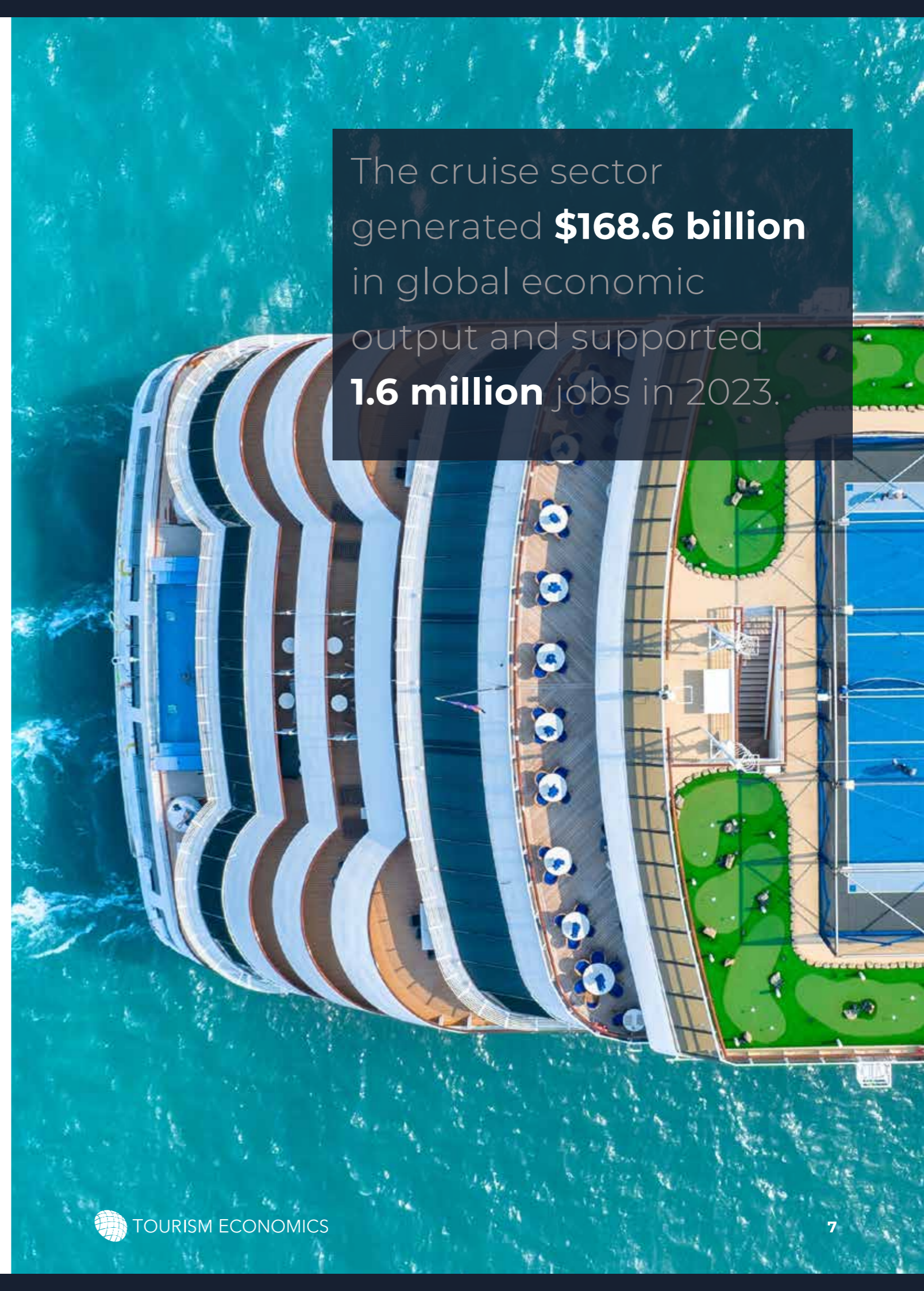
	Direct Expenditure	Direct Cruise Line Employment	Indirect	Induced	Total
Output (\$ bn)	76.3	-	53.4	38.9	168.6
GDP (\$ bn)	36.9	-	27.2	21.6	85.6
Employment (000s)	663	360	322	245	1,591
Wages (\$ bn)	23.4	8.1	14.1	11.4	56.9

Source: Oxford Economics.

**Fig. 2. Summary of cruise industry activity by global region, 2023**

		Global	USA	Canada	Europe	RoW
<b>Passenger flows (000s)</b>	Transit visits	101,149	8,895	2,138	44,628	45,488
	Embark	31,391	15,689	681	9,451	5,570
	Debark	31,274	15,645	677	9,448	5,505
	<b>Total cruise visits</b>	<b>163,814</b>	<b>40,228</b>	<b>3,496</b>	<b>63,527</b>	<b>56,562</b>
<b>Spend (\$ Billions)</b>	Passengers	21.9	7.9	0.6	6.0	7.5
	Cruise line purchases	39.1	18.1	1.3	12.2	7.5
	Shipbuilding	9.7	0.1	0.0	8.8	0.8
	Staff income	8.0	2.5	0.0	1.8	3.6
	<b>Total spend</b>	<b>78.8</b>	<b>28.7</b>	<b>1.9</b>	<b>28.8</b>	<b>19.4</b>
<b>Output (\$ Billions)</b>	Direct	76.3	27.7	1.9	28.1	18.5
	Indirect	53.4	18.8	1.2	20.7	12.7
	Induced	38.9	18.9	0.7	10.9	8.4
	<b>Total output</b>	<b>168.6</b>	<b>65.4</b>	<b>3.9</b>	<b>59.7</b>	<b>39.6</b>
<b>GDP (\$ Billions)</b>	Direct	36.9	14.5	1.0	12.3	9.2
	Indirect	27.2	10.7	0.6	9.6	6.2
	Induced	21.6	10.8	0.4	5.8	4.5
	<b>Total GDP</b>	<b>85.6</b>	<b>36.0</b>	<b>2.0</b>	<b>27.7</b>	<b>19.9</b>
<b>Employment (000s)</b>	Direct (expenditure linked)	663	142	14	219	289
	Direct (cruise line employment)	360	21	1	48	291
	Indirect	322	57	6	113	147
	Induced	245	70	3	61	111
	<b>Total employment</b>	<b>1,591</b>	<b>290</b>	<b>24</b>	<b>440</b>	<b>838</b>

Source: Oxford Economics.



The cruise sector generated **\$168.6 billion** in global economic output and supported **1.6 million** jobs in 2023.

# INTRODUCTION



# INTRODUCTION

In 2023, the global cruise industry experienced record activity, marking its first year of full recovery from the pandemic. Overall occupancy rates improved throughout the year, approaching pre-COVID levels by the second quarter of 2023. As a result, a record 31.7 million passengers cruised in 2023, representing a 55% increase from 2022 and a 7% increase compared to 2019. This growth was fuelled by strong demand for cruise vacations accompanied by an increased capacity. This included the introduction of new vessels, including the largest ever built, which helped attract a broader audience.

Throughout 2023, cruise activity continued to increase, supported by newly launched vessels, to reach a record 19.6 million Available Passenger Cruise Days (APCDs) in December, closing the year at a total of 220 million APCDs. The overall fleet capacity increased by about 8.5% compared to 2019.

In this report, we examine how the various activities of the cruise sector in 2023 supported economic impacts across the world, including a breakdown of the cruise industry's impact on the US, Canada, and Europe.

## An Overview of Economic Impact Analysis

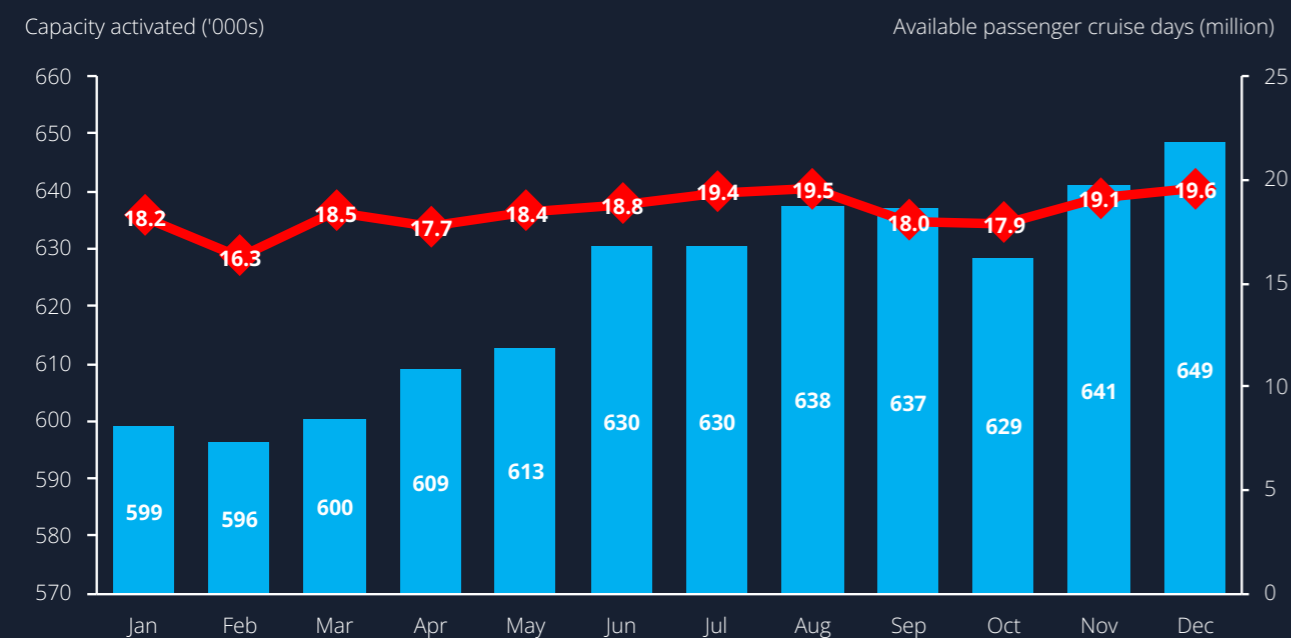
We assess the economic impact of cruise tourism globally using a standard approach known as an economic impact analysis that quantifies the impact of the cruise industry across three “core” channels:

- **Direct impact**—this relates to the economic activity supported by expenditure directly linked to the cruise industry. This includes visitor spending at ports, cruise line operational and capital purchases, wage-linked consumption by cruise line employees. Additionally, we quantify direct cruise line employment and associated wages within this study where appropriate.
- **Indirect impact**—captures supply chain effects that follow on from direct impacts. For example, purchases by businesses of goods and services from other businesses.
- **Induced impact**—captures the income effect and flow on to household consumption. Direct and indirect impacts generate employment and wages among businesses, and these employees then spend elsewhere in the economy.

This approach enables us to present the economic impact of the cruise tourism globally across four key metrics:

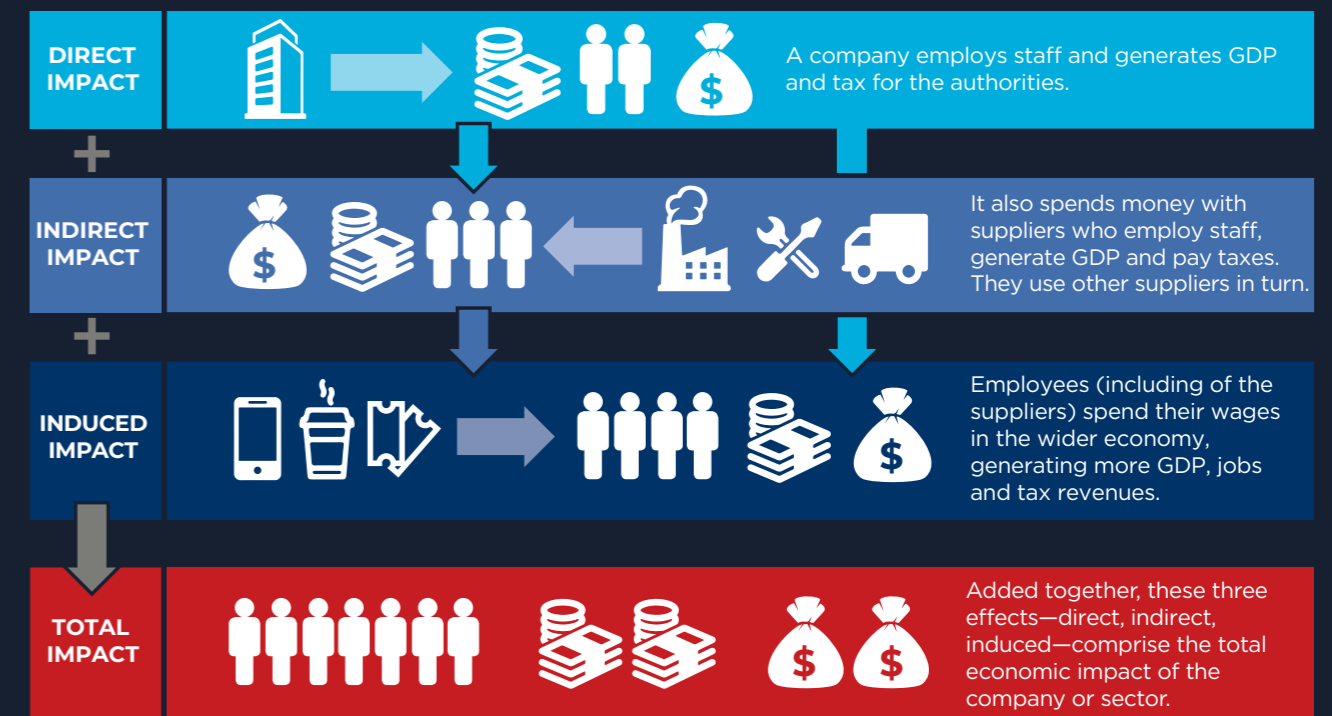
- **Output**—this consists of those goods or services that are produced by a company or industry. To calculate output, we add together the value of the inputs used in the production process including labour, capital, and intermediate goods and services. Output is closely linked to turnover.<sup>1</sup>
- **GDP**—the gross-value added contribution to GDP. This reflects the value (after accounting for costs) that a business or sector receives for producing goods and services. This value is distributed between wages and profits.<sup>2</sup>
- **Employment**—the number of jobs supported.
- **Wages**—which includes the gross wages paid to workers but also includes benefits in-kind and employer social security contributions (including pensions).

Fig. 3. Global cruise industry restart in 2023



Source: Oxford Economics/Tourism Economics, Cruise-IP

## Channels of economic impact



<sup>1</sup> Source: OECD

<sup>2</sup> Source: OECD

# CRUISE INDUSTRY'S GLOBAL ECONOMIC IMPACT



# CRUISE INDUSTRY'S GLOBAL ECONOMIC IMPACT

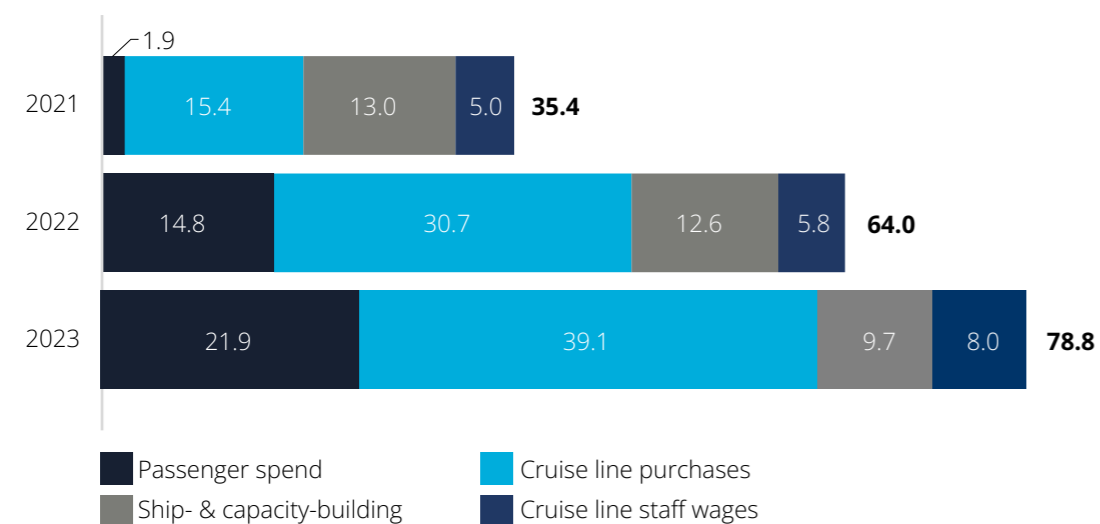
## 2.1 Direct Cruise-Linked Spending

The cruise industry's direct economic impact globally is assessed through four main expenditure channels.



Expenditure through each of these channels supports economic activity and employment throughout the world, to a greater or lesser degree depending on the amount of spend. The figure and commentary below summarise the spending performance of these four channels in 2023.

Fig. 4. Direct cruise-linked spending globally, 2023 (\$ billions)



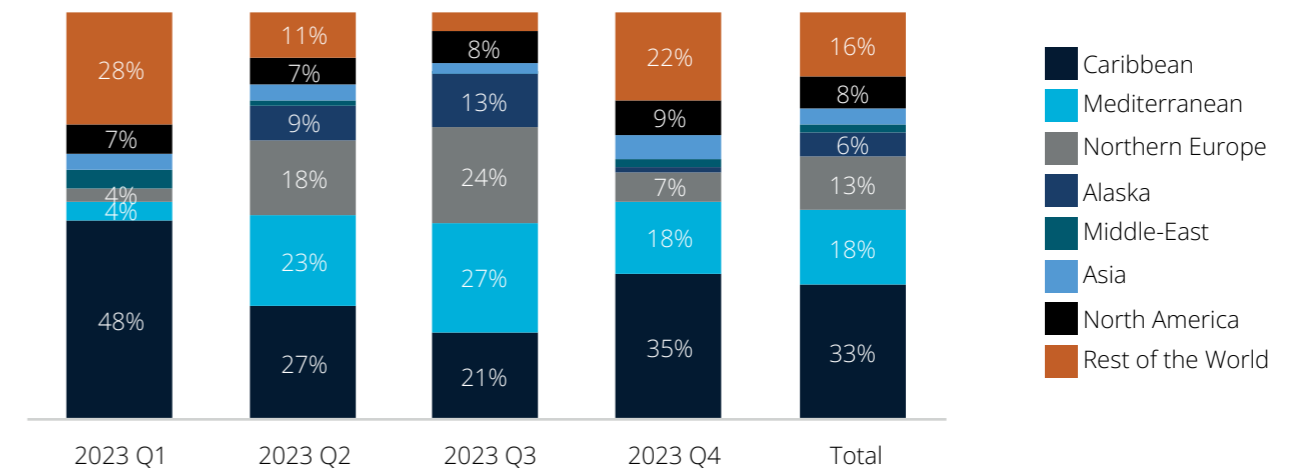
Source: Oxford Economics

In 2023, total cruise-linked spending reached \$78.8 billion, up from \$64 billion in 2022 and \$35.4 billion in 2021. The largest item was cruise purchases, followed passenger and crew spending, and shipbuilding. The latter dropped from 2022, impacting Europe where shipbuilding activity is concentrated.

Cruise line purchases reached \$39.1 billion in 2023. The record level of global deployment in 2023, and corresponding higher passenger volume, resulted in a sharp increase in cruise line purchases in 2023, up 27% compared to last year.

The beginning of 2023 saw an increase in deployment, which continued to increase throughout the year to reach a monthly record of 19.4 million Available Passenger Cruise Days (APCDs) in December 2023, closing the year with a record 220 million APCDs. The four largest cruise regions in 2023, Caribbean, Mediterranean, Northern Europe and North America accounted for 70% of the total deployment for the year. In these top three regions the deployment was at a similar level to 2019. However other regions such as Asia remain significantly lower than in 2018 and 2019, with cruise activity taking longer to recover there.

Fig. 5. Deployment, 2023 (% of total capacity)



Source: Oxford Economics/Tourism Economics, Cruise-IP

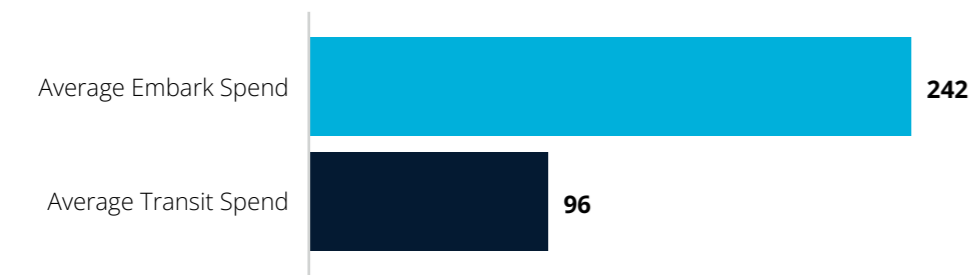


In 2023, the total spend associated with the cruise industry was **\$79 billion**, up from **\$64 billion** in 2022.

**Cruise passengers and crew spent \$21.9 billion in 2023**, a large jump from last year due to the full resumption of cruising and a record number of global passengers. Passenger spending is impacted directly by the large increase in passenger numbers in 2023. On the other hand, cruise line spending also depends on certain fixed costs which make it less reactive to changes in passenger volumes.

Globally, overall transit spend per passenger was \$96 in 2023. Spend per embarkation was over twice as high, at \$242 per passenger. These average figures exclude inbound transport, while transit spend has been adjusted to reflect the share of passengers that go ashore each time a cruise ship docks.

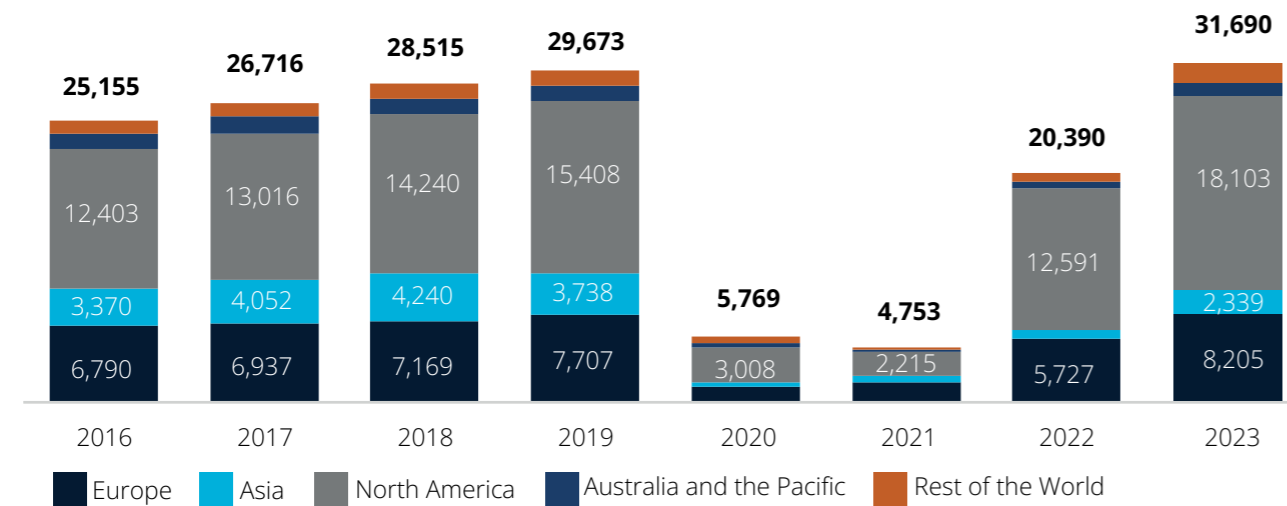
**Fig. 6. Global transit and embark spend per passenger, 2023 (\$)**



Source: Oxford Economics

The majority of cruise passengers in 2023 came from North America, followed by Europe. These regions both recovered quickly and are now both exceeding their 2019 levels. On the other hand, Asia is still seeing lower numbers of cruisers, at just below two thirds of the pre-pandemic level.

**Fig. 7. Cruise passengers per source market, 2016-23 (000s)**



Note: As of Jan 2023

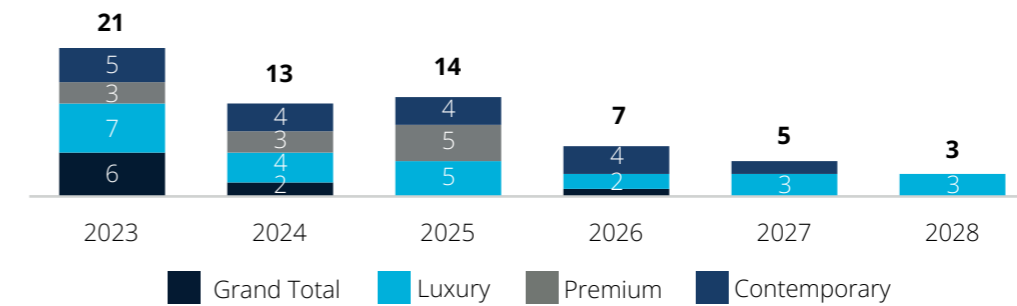
Source: Oxford Economics/Tourism Economics, Cruise-IP

**Shipbuilding expenditure was \$9.7 billion in 2023, accounting for 12% of all direct cruise-linked spending globally.** Shipbuilding continued to play a key part in the cruise ecosystem in 2023 as a total of 63 cruise ships were on the orderbook at the beginning of 2023 representing a total capacity more than 138,000 lower berths or 23% of the active capacity at the beginning of the year. Shipyards in Europe capture most (90%) of the shipbuilding activity.

Globally, 21 vessels were due to be launched in 2023, some generating a lot of interest such as Icon of the Seas, the largest cruise ship in the world at the time it was launched, or the first vessel from Explora, the new Luxury brand from MSC. Shipyards in Italy, France, and Germany experienced the highest construction volume.

Due to the timescales involved in shipbuilding, which often spans multiple years, there is a lag between a vessel being ordered and its delivery. As a result of the pandemic, this lag was amplified, as lockdown restrictions caused a slowdown in shipbuilding activity. A large number of ships ordered prior to the pandemic were not completed until 2022, inflating shipbuilding numbers during this year. 2023 saw a return to normal shipbuilding activity, with the supply-side effect of delayed pre-covid orders removed. This is the main reason the order book of new vessels shrinks in 2023 compared to 2022.

**Fig. 8. Cruise ships on the orderbook, by cruise segment (number of cruise ships by expected delivery date)**

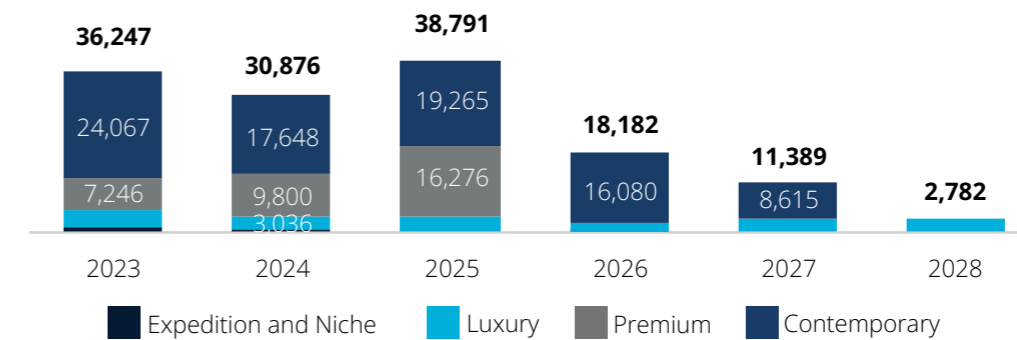


Note: As of Jan 2023

Source: Oxford Economics/Tourism Economics, Cruise-IP

The orderbook is still relatively rich in 2024 and 2025 but we can expect a lull in 2026 and potentially 2027 which would have a negative impact on the overall economic contribution of cruise in Europe in the coming years.

**Fig. 9. Capacity of ships on orderbook, by cruise segment (Lower berths)**



Note: As of Jan 2023

Source: Oxford Economics/Tourism Economics, Cruise-IP

**In total, we estimate that cruise line staff wages in 2023 amounted to \$8.0 billion.**<sup>3</sup> Cruise line staff wages grew somewhat faster than cruise line spending, to service the increasing number of passengers.

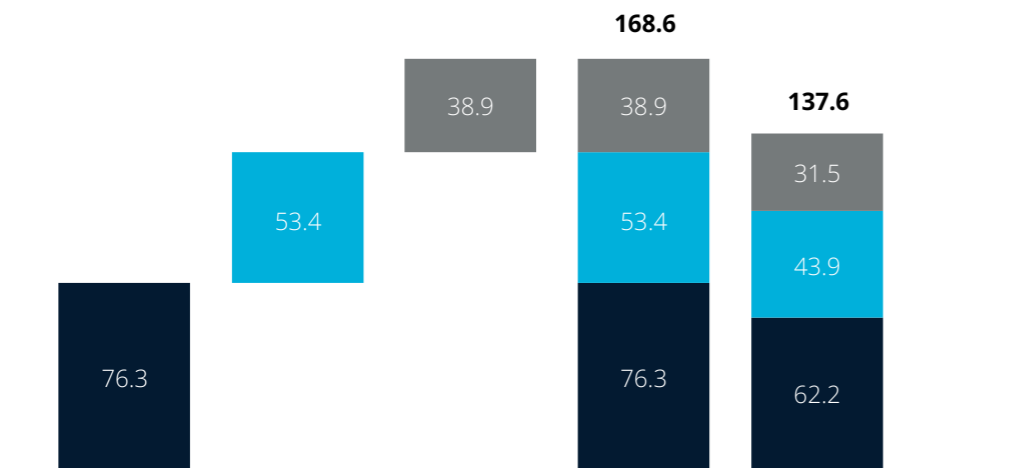
<sup>3</sup> Cruise line staff wages of \$8.0 billion is a gross figure that includes taxes paid on income, social security payments and other benefits in-kind. When assessing the impact of wages, we account for these items and produce a net wage estimate. We then assess the spending of net wages after accounting for savings and import purchases.

## 2.2 Economic Impact

### 2.2.1 Output

Cruise-linked spending supports the production of goods and services (output) through direct, indirect, and induced channels. **Output generated by the industry directly along with ancillary impacts amounted to an estimated \$168.6 billion in 2023.**<sup>4</sup>

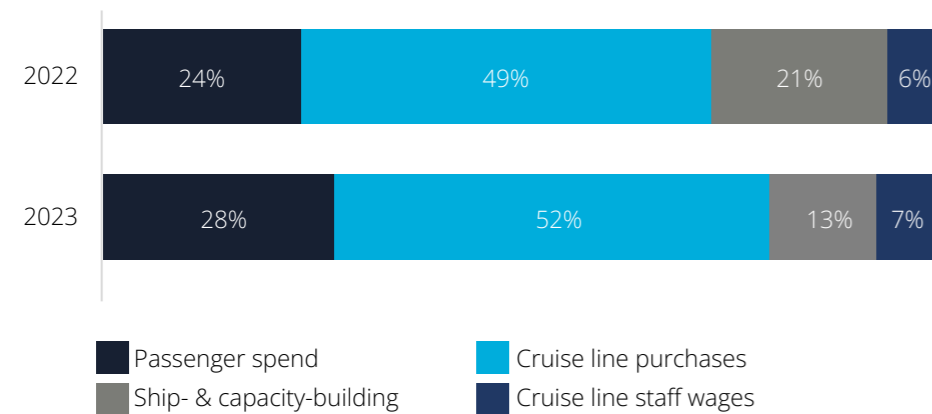
**Fig. 10. Global cruise industry output, 2023 (\$ billions)**



Source: Oxford Economics

Cruise line purchases generated an estimated \$87.1 billion—equivalent to 52% of the industry's estimated overall output globally in 2023. Passenger spending generated an additional \$47.9 billion, or 28% of the industry's total output. This was higher than 2022, an increase driven by a rise in passenger volumes. An additional \$22 billion, or 13% of the industry's overall output in 2023 was linked to ship- and capacity-building activities. This represented a notable decrease in the proportion of impact derived from these activities compared to previous years, mainly due to the higher impact coming through channels more closely linked to passenger activity. Crew wage-linked spending accounted for the smallest proportion of the industry's overall output in 2023 at \$11.6 billion.

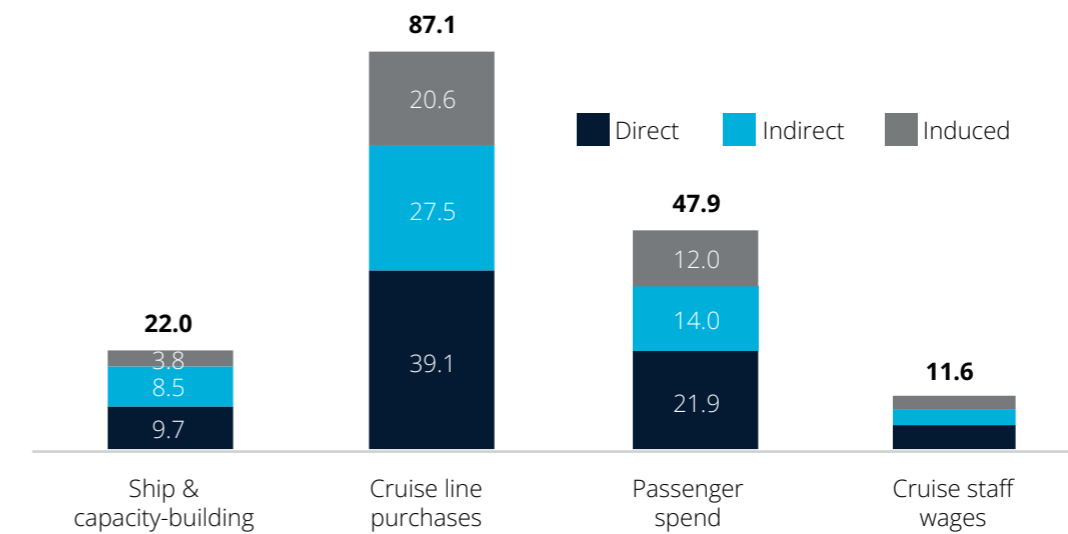
**Fig. 11. Composition of cruise industry's overall output impact globally, 2023 (% total output impact)**



Source: Oxford Economics

For each of the four main expenditure channels, the direct output impact of the expenditure outweighed the indirect and induced output impacts. The largest direct output impact was for cruise line purchases (\$39.1 billion) followed by passenger spend (\$21.9 billion).

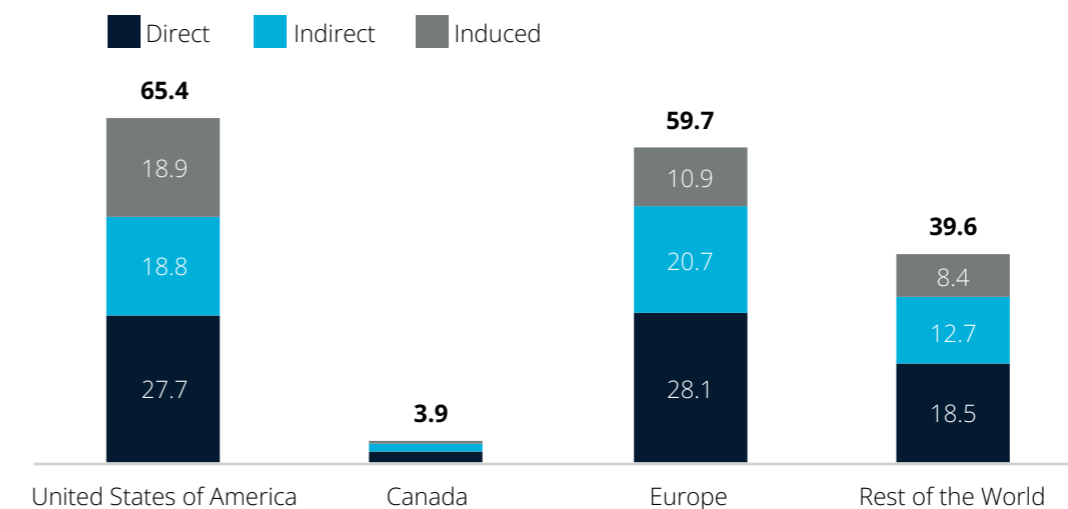
**Fig. 12. Composition of cruise industry's output impacts by channel, 2023 (\$ billions)**



Source: Oxford Economics

Cruise industry output impacts were greatest in the United States of America, which saw \$65.4 billion in output impacts overall – 37% of the global total in 2023. In Europe, cruise industry activities generated \$59.7 billion of output impacts. In Canada, the impact was smaller at \$3.9 billion, while in the rest of the world \$39.6 billion worth of output was generated by the industry's activities.

**Fig. 13. Composition of cruise industry's output impacts by global region, 2023 (\$ billions)**

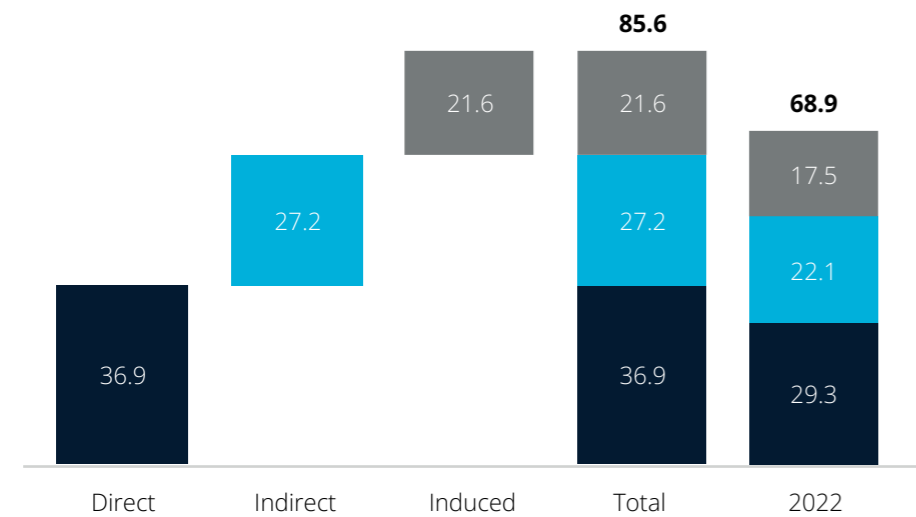


Source: Oxford Economics

## 2.2.2 GDP

The cruise industry is estimated to have contributed **\$85.6 billion in gross domestic product (GDP) to the global economy in 2023**. Of this, \$36.9 billion was delivered through direct effects, \$27.2 billion through indirect effects (e.g., supply chain effects) and \$21.6 billion through induced effects (e.g., household consumption resulting from the income effect).

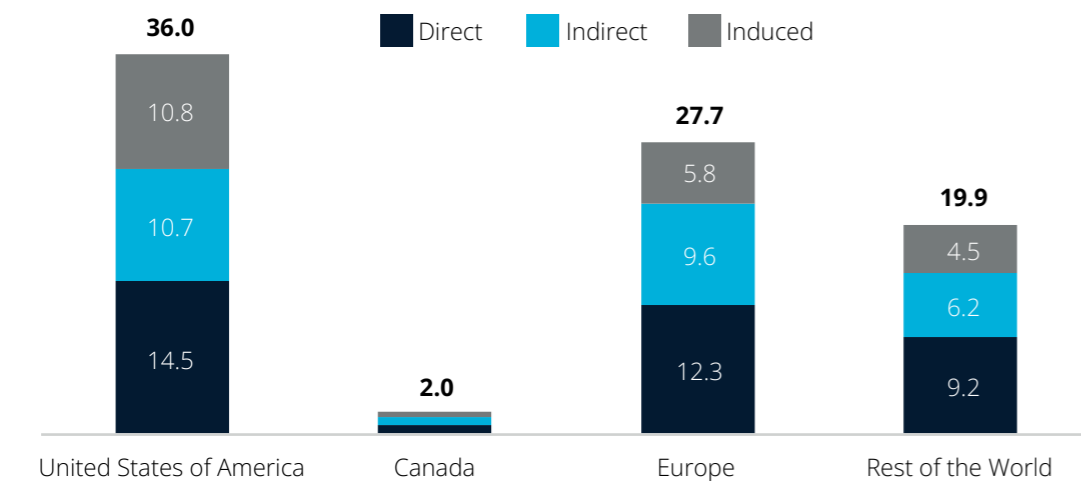
Fig. 14. Cruise industry GDP impacts globally, 2023 (\$ billions)



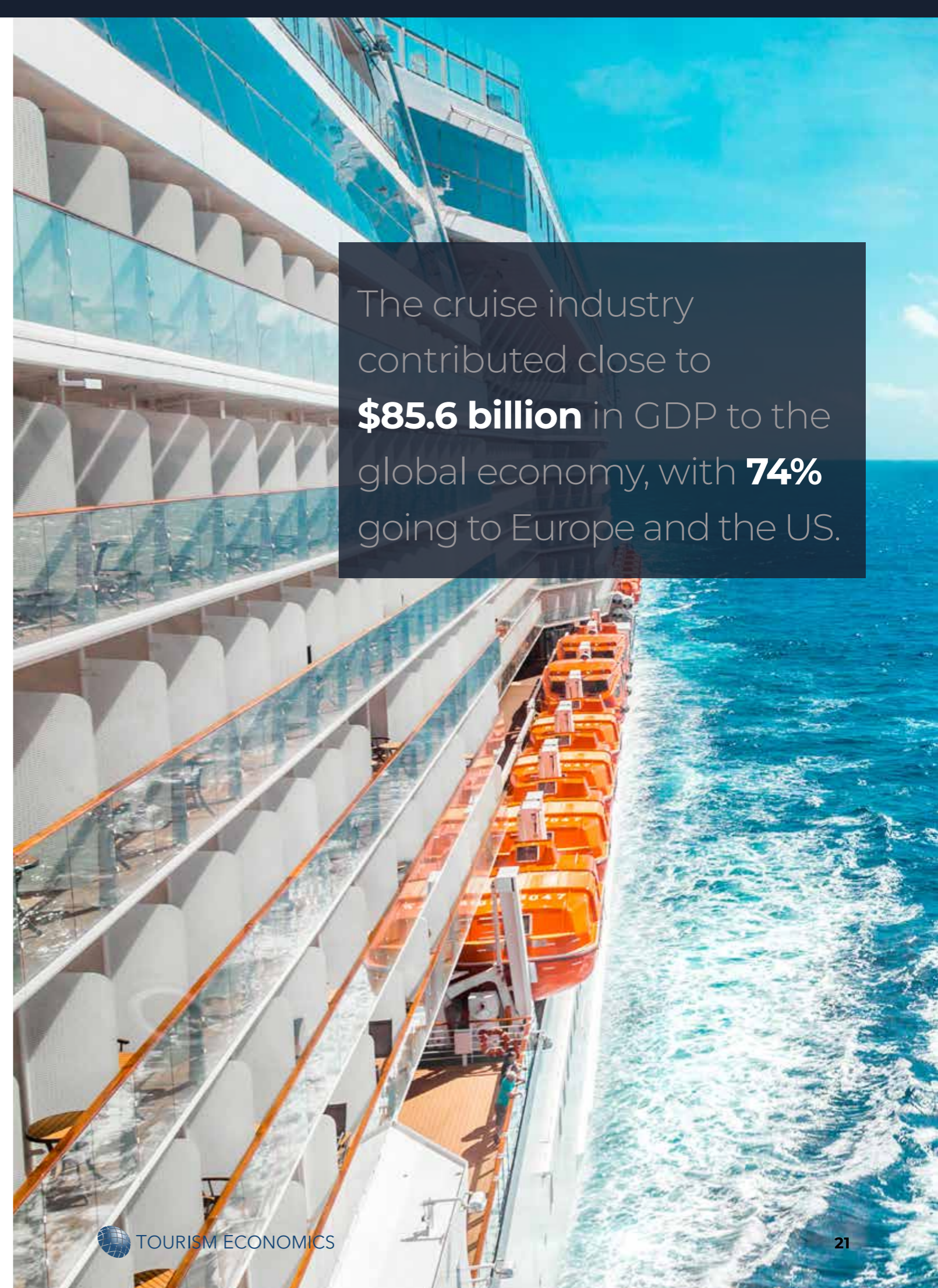
Source: Oxford Economics

In terms of GDP stimulus, the cruise industry made the most impact in the United States with \$36 billion of GDP generated through its activities in 2023. It was followed by Europe at \$27.7 billion. Canada saw smaller GDP impacts worth \$2 billion, while the rest of the world saw impacts worth around \$19.9 billion.

Fig. 15. Cruise industry GDP by global region, 2023 (\$ billions)



Source: Oxford Economics

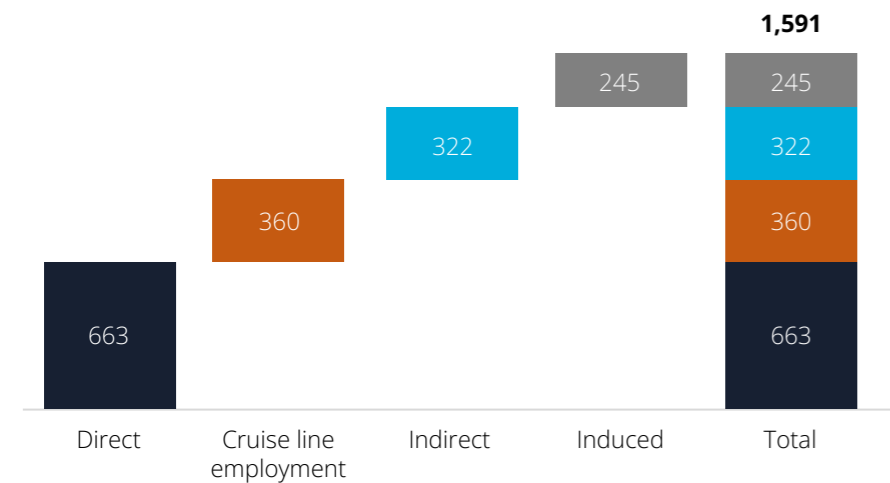


The cruise industry contributed close to **\$85.6 billion** in GDP to the global economy, with **74%** going to Europe and the US.

### 2.2.3 Employment

The industry's activities require a workforce to sustain it. **In total, the cruise industry supported nearly 1.6 million jobs globally in 2023.** When assessing the impact of employment, we include the employment supported by the expenditure channels linked to cruise (through direct, indirect, and induced channels) as well as the employment sustained by the cruise lines directly.

**Fig. 16. Cruise industry employment impacts globally, 2023 (number of jobs, 000s)**

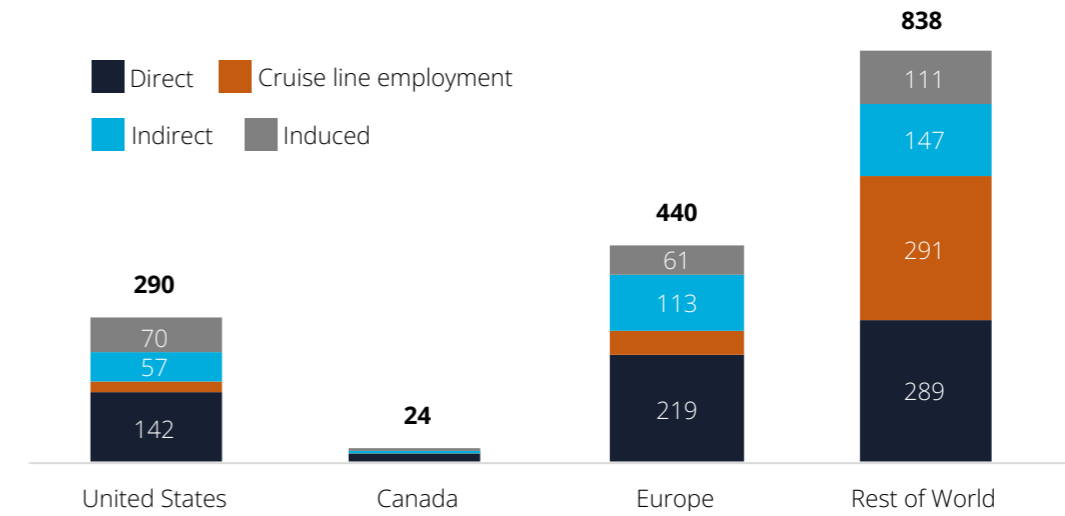


Source: Oxford Economics

It is estimated that cruise lines created 360,000 jobs directly. In addition, 1.2 million jobs were attributable to the industry's global onshore activities, particularly at ports, including direct, indirect, and induced employment effects. Over 663,000 jobs were generated through direct effects, 332,000 came through indirect effects, and 245,000 through induced effects. The sum of jobs linked to cruise lines economic impact at ports (1.2 million) and employment sustained by the cruise lines directly equates to nearly 1.6 million jobs.

Despite stronger GDP impacts through cruise industry activities, Europe and the United States do not enjoy the same job creation compared to the rest of the world. This is primarily due to productivity differences. There is a skew towards higher-value impacts in Europe and the United States – while much of the crew is sourced from the rest of the world, where staff costs are typically lower.

**Fig. 17. Cruise industry employment impacts by global region, 2023 (number of jobs, 000s)**



Source: Oxford Economics



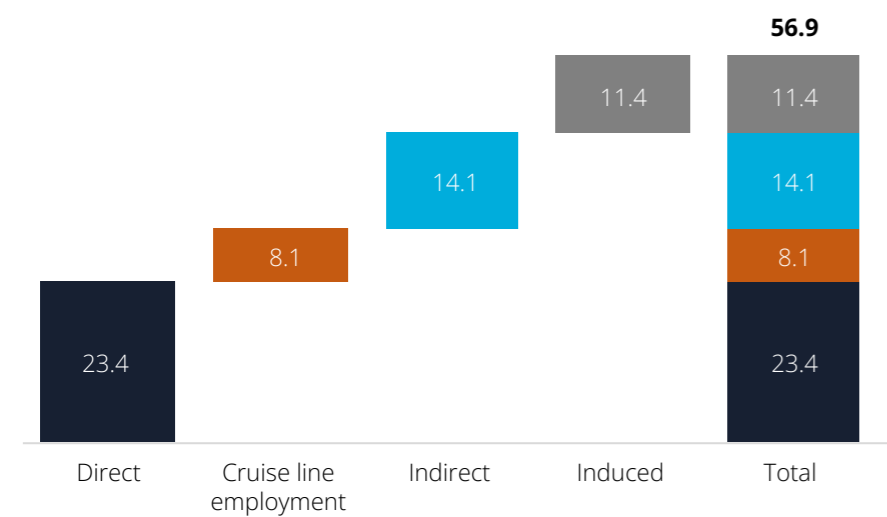
The cruise sector supported nearly **1.6 million** jobs in 2023, corresponding to total wages of nearly **\$57 billion.**

## 2.2.4 Wages

The cruise industry provided significant wages for a workforce across the globe through direct cruise line employment and additionally through direct, indirect, or induced effects related to the industry's onshore activities, particularly at global ports.<sup>5</sup>

**Total wages provided or supported by the industry overall equated to an estimated \$56.9 billion globally in 2023.** Cruise line crew and shoreside staff earned \$8.1 billion. In addition, \$23.4 billion in wages were linked to direct expenditure, \$14.1 billion to indirect (supply-chain) channels, and €11.4 billion came through induced (wage-linked) channels.

**Fig. 18. Cruise industry-generated wages globally, 2023 (\$ billions)**



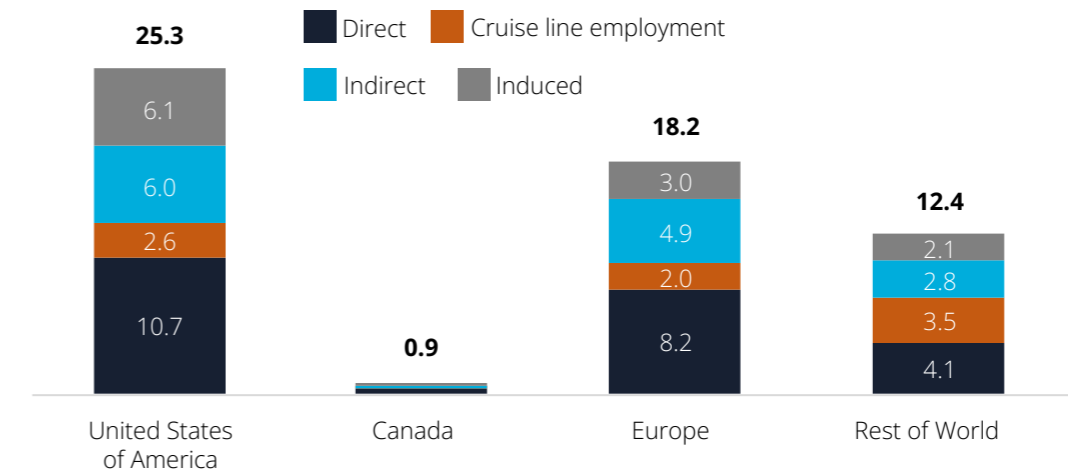
Source: Oxford Economics

<sup>5</sup> Unlike output and GDP, but similar to employment, we include the impact of cruise line employment in our wage analysis as well as the impact of cruise linked spending.

The United States of America was the chief beneficiary of wages generated by the cruise industry in 2023. Overall, the cruise industry in the US generated \$25.3 billion in wages through direct (expenditure and cruise line employment), indirect, and induced impacts. In Europe, wage impacts were slightly lower at \$18.2 billion. Much of this came through ship- and capacity building impacts and activities ancillary to the cruise sector.

Wages accrued from cruise line employment were the largest in the Rest of the World at \$3.5 billion, despite a smaller overall wage impact when compared to the US and Europe.

**Fig. 19. Cruise industry-generated wages by global region, 2023 (\$ billions)**



Source: Oxford Economics

The cruise industry generated **\$31.4 billion** in direct wages and a further **\$25.5 billion** in induced and indirect wages for a total of **\$56.9 billion**.





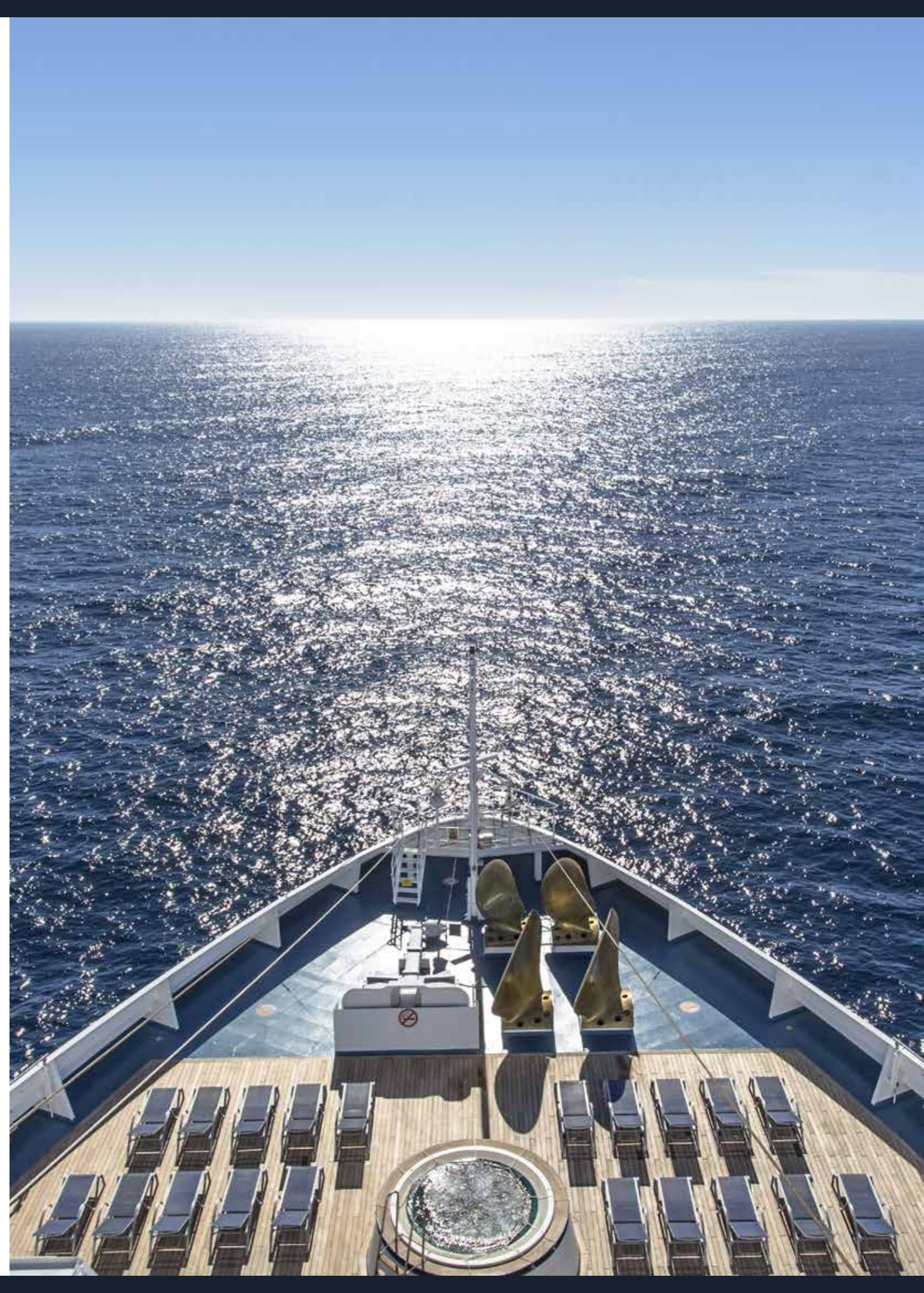
# ABOUT THE RESEARCH TEAM



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