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Hawai'i Scenario Analysis: Economic effects of Changes in Cruise Visitation for 2023

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Final Report

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1 Executive Summary

Economic and Social impacts

The cruise industry is an integral part of Hawai'i's visitor economy, supporting a wide network of businesses, employment, and household incomes. Its contribution flows through two main channels:

- Passenger and crew spending onshore
- Cruise line purchases from local suppliers and service providers.

Together, these activities ensure that the benefits extend well beyond the ports into sectors such as food and beverage, transport, retail, and other services.

Cruise activity also plays a role in reinforcing the state's fiscal base. Taxes generated through both direct and indirect activity provide a reliable stream of revenue, complementing the income and jobs supported across the islands. This linkage between private spending, household earnings, and public revenues highlights how deeply the sector is woven into Hawai'i's economic structure.

The results of this study confirm that the impact of cruise activity is broad and interconnected. While the detailed figures are presented in later sections, the evidence makes clear that changes in cruise volumes have a measurable influence on economic outcomes, underlining the importance of maintaining Hawai'i as a competitive and welcoming cruise destination.

Source: Tourism Economics

Note: Cruise visitors represented roughly 3% of total visitor arrivals to Hawai'i in 2023, based on 297,000 unique cruise visitors reported by the Hawai'i Department of Business, Economic Development & Tourism (DBEDT).

2023: Hawai'i 's Total Economic Impacts





2 Methodology

Economic Impact Process

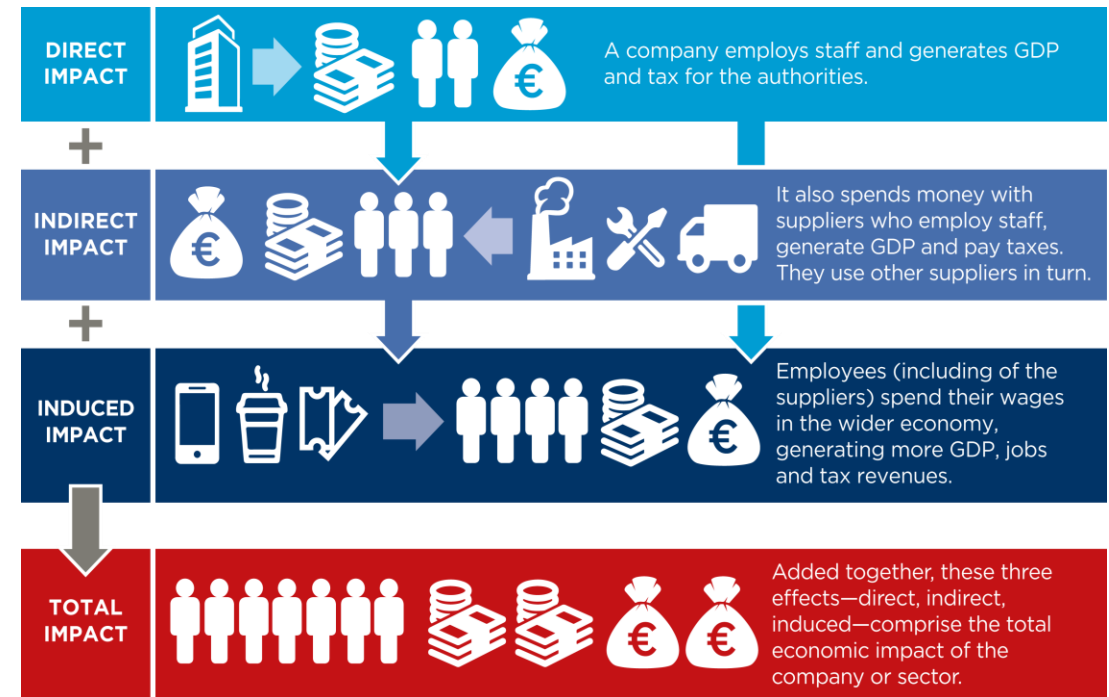
An overview of economic impact analysis

We assess the economic impact of cruise tourism in Hawai'i using a standard approach known as an input-output 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, and wage-linked consumption by cruise line employees. Additionally, where appropriate, we quantify the direct employment provided by cruise lines and the associated wages.
- **Indirect impact**—this captures supply chain effects that follow on from direct impacts. For example, businesses purchase goods and services from other businesses.
- **Induced impact**—this encompasses the effects of income and the resulting household consumption. The direct and indirect impacts create jobs and wages among businesses, and these employees then spend their earnings elsewhere in the economy.

To complement the baseline analysis, we modelled a series of hypothetical reductions in cruise passenger volumes for Hawai'i in 2023. These scenarios serve as stress tests, illustrating how shifts in deployment away from Hawai'i would cascade through the economy. Reductions in passenger volumes would negatively affect Hawai'i's economy because fewer visitors mean lower spending in local businesses, smaller purchases of supplies and services by cruise lines, and reduced income for workers—all of which translate into declines in output, GDP, employment, and tax revenues across the state.

Principles of Input-Output modelling



Hawai'i : an in-depth overview

Methodological approach

Passenger and crew spending

For Hawai'i , passenger and crew spending was derived from 2023 port traffic statistics and established industry benchmarks. The model assumes that approximately 90% of transit passengers and 45% of crew go ashore, reflecting common cruise industry behaviour (based on BREA's economic contribution studies of cruise tourism to the destination economies), which reflects the proportion of crew that typically leave the ship while in port. Where direct expenditure surveys were limited, averages were drawn from broader U.S. cruise markets with similar profiles, ensuring that Hawai'i 's estimates remain realistic and consistent with national patterns.

The methodology accounts for spending across key tourism sectors: transport, accommodation, food and beverage, retail purchases, and attractions such as cultural sites and guided tours. Inbound transport spending—covering travel to points of embarkation—was also incorporated using historical data and regional assumptions. These categories ensure that the diverse footprint of cruise-related spending in Hawai'i is captured.

Cruise line spending

Cruise line operational expenditures form another major input. For Hawai'i , this includes port fees, provisioning, refuelling, and purchases from local suppliers. Estimates were based on financial reports provided by cruise operators, supplemented with CLIA, Cruise-IP, and port-level data. Where direct reporting was unavailable, allocations were made using industry averages from other U.S. embarkation and transit ports, ensuring Hawai'i 's role in cruise line spending is fully reflected.

Economic impact of Hawai'i

Data sources

Data on cruise traffic by port

- Cruise Intelligence Platform (Cruise-IP) provides detailed data on itineraries at each port worldwide.
- Direct correspondence with major ports confirms the passenger numbers from Cruise-IP.

Tourism Economics Survey Database

- The Cruise Database (ex GP Wild) includes historical surveys of ports covering transit and embarkation visits from cruise passengers.
- The Cruise Trends Survey is one of our in-house surveys, collecting data from a diverse range of ports across multiple regions. It provides insights into average cruise passenger expenditures, passenger activity, and other key cruise-related metrics, offering an in-depth view of spending patterns and economic contributions at numerous port destinations.



Economic impact of Hawai'i

Data sources

Passenger and crew spending

- Hawai'i Tourism Authority (HTA) (2020) 2019 Annual Report. Available at: <https://www.Hawai'i tourismauthority.org/media/5062/2019-annual-report-final-for-posting.pdf>
- Hawai'i Tourism Authority (HTA) (2023) 2022 Annual Report. Available at: <https://www.Hawai'i tourismauthority.org/media/11448/2022-annual-report-final3.pdf>
- Hawai'i Tourism Authority (HTA) (2024) 2023 Annual Report. Available at: <https://www.Hawai'i tourismauthority.org/media/13190/2023-annual-report-final.pdf>
- Hawai'i Tourism Authority (2023) Cruise Visitor Fact Sheet. Available at: <https://www.Hawai'i tourismauthority.org/media/11890/cruise-fact-sheet-with-september-2023-data-final.pdf>

Cruise line spending

- Cruise line financial reporting (U.S. coverage: 86.5%)
- Cruise-IP, on the deployment by cruise line and port
- CLIA, on the country of origin of cruise passengers
- Port-specific data, on cruise traffic for 2023
- Oxford Economics Global Economic Model, on macro-economic variables including GDP per capita, average wages, population, disposable income.



3 Spending

An aerial photograph of a coastal city, likely Honolulu, Hawaii, featuring a large bay with waves breaking on the shore, a dense urban area with numerous high-rise buildings, and a green park area in the foreground. The image is overlaid with a semi-transparent dark blue horizontal band across the top, which contains the text '3 Spending' in white.

Direct cruise linked spending

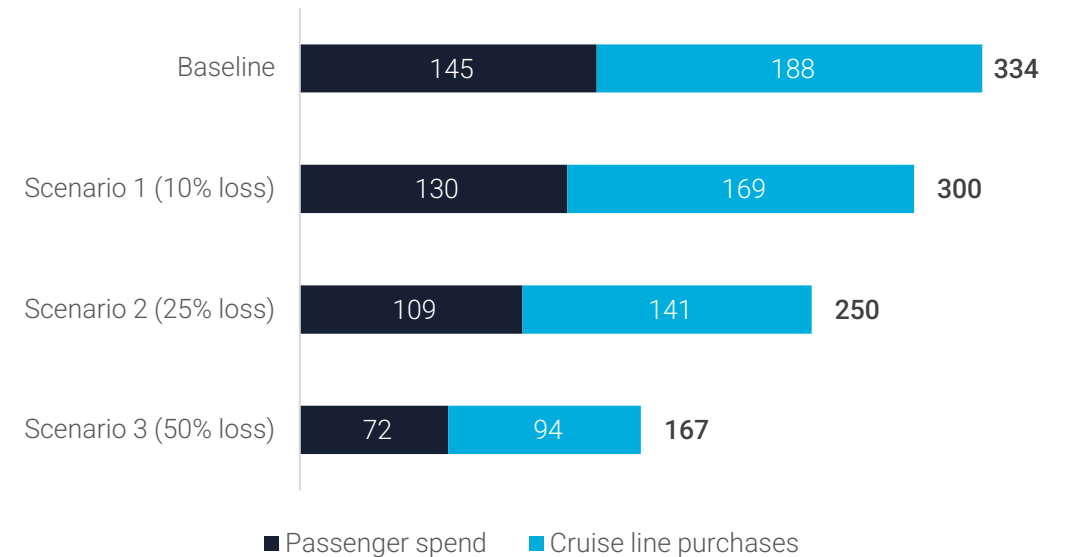
Key findings

In 2023, global cruise-linked spending in Hawai'i reached over \$330 million, driven mainly by cruise line purchases (\$188 million) and passenger spending (\$145 million). This spending directly supported local businesses across accommodation, food and beverage, transport, and port-related services.

If passenger numbers had been lower in 2023, the impact on direct cruise-linked spending would have been substantial. A 10% decline in cruise visitation would have reduced overall spending by around \$34 million, as fewer passengers meant less activity in shops, restaurants, and excursions, as well as smaller operational purchases by cruise lines.

Under more severe reductions, the effects would have been even greater. A 50% fall in passenger numbers would have resulted in nearly \$170 million in lost domestic business sales, with the largest declines stemming from cruise line purchases from local suppliers. These scenarios underline the close link between cruise activity and the health of Hawai'i's visitor economy: as passenger volumes fall, the economic benefits to local businesses, workers, and government revenues diminish sharply.

Direct cruise-linked spending in Hawai'i, 2023 (\$ millions)



Source: Tourism Economics

A scenic view of a lush, green mountain range with a blue body of water in the foreground and a cloudy sky above. The mountains are covered in dense vegetation, and the sky is filled with soft, white clouds. The overall atmosphere is serene and natural.

4 Hawai'i's economic impact

Economic impact of Hawai'i

Total economic contribution

Cruise activity in Hawai'i generated significant value in 2023, supporting close to \$640 million in total output, over \$370 million in total GDP, and more than 2,850 total jobs. This contribution was spread across direct spending by passengers and cruise lines, as well as the broader supply chain and household consumption effects. The sector played an important role in sustaining wages of over \$215 million and \$116 million in state and local tax revenues.

The baseline results show that the benefits of cruise activity are spread across multiple parts of Hawai'i's economy. Output and GDP rise closely together, which indicates that much of the value generated by cruise activity remains within the state. Jobs and wages also move in step, meaning that employment is tied directly to household income that supports local spending. On the public side, the \$116 million in tax revenues highlights how cruise activity contributes not only to businesses and workers but also to the state's finances.

Total economic impacts of Hawai'i's cruise-related economic contributions, 2023 (\$ millions and number of persons)

Hawaii	Vol. loss	Pax	Direct Output	Indirect and Induced Output	Total Output
Scenarios	(%)	Persons	\$ USD	\$ USD	\$ USD
Baseline	0%	1,267,622	335M	304M	639M

Hawaii	Vol. loss	Pax	Direct GDP	Indirect and Induced GDP	Total GDP
Scenarios	(%)	Persons	\$ USD	\$ USD	\$ USD
Baseline	0%	1,267,622	190M	181M	371M

Hawaii	Vol. loss	Pax	Direct Employment	Indirect and Induced Employment	Total Employment
Scenarios	(%)	Persons	Persons	Persons	Persons
Baseline	0%	1,267,622	1,768	1,083	2,851

Hawaii	Vol. loss	Pax	Direct Wages	Indirect and Induced Wages	Total Wages
Scenarios	(%)	Persons	\$ USD	\$ USD	\$ USD
Baseline	0%	1,267,622	114M	103M	217M

Hawaii	Vol. loss	Pax	Direct Taxes	Indirect and Induced Taxes	Total Taxes
Scenarios	(%)	Persons	\$ USD	\$ USD	\$ USD
Baseline	0%	1,267,622	69M	46M	116M

Source: Tourism Economics

Note: Direct cruise line employment and wages are excluded from the total economic impacts.

Numbers may not sum to total due to rounding

5 Scenario Analysis

A scenic landscape at sunrise or sunset. The sun is low on the horizon, casting a warm glow over a range of mountains and a sea of clouds. The sky is a deep blue, and the overall atmosphere is serene and contemplative.

Economic impact of Hawai'i

Total economic contribution

Building on the 2023 baseline, we tested how the economy would respond under different assumptions about cruise visitation. These scenarios model hypothetical reductions in passenger traffic and show how shifts in deployment away from Hawai'i would affect output, GDP, employment, wages, and tax revenues. The results provide a clear picture of the state's sensitivity to changes in cruise volumes.

When passenger volumes decline, the impacts decrease quickly throughout the economy. A reduction of just 10% in cruise visitation would already translate into tens of millions in lost output and GDP, nearly 300 fewer jobs, and a noticeable contraction in both household wages and tax receipts. The analysis highlights how even relatively small changes in cruise activity carry immediate and tangible consequences for local businesses, workers, and government finances.

More severe reductions amplify these effects dramatically. At a 50 percent decline in cruise passenger traffic, Hawai'i would forgo close to \$320 million in output, almost \$190 million in GDP, around 1,400 jobs, \$100 million in wages, and nearly \$60 million in tax revenues. These scenarios underscore the sector's role as a critical pillar of Hawai'i's visitor economy, with the results demonstrating how sensitive the state remains to shifts in cruise volumes.

Note: Direct cruise line employment and wages are excluded from the total economic impacts.

Total economic impacts and estimated effects of passenger volume reductions on Hawai'i's cruise-related economic contributions, 2023 (\$ millions and number of persons)

Hawaii	Vol. loss	Pax	Direct Output	Indirect and Induced Output	Total Output
Scenarios	(%)	Persons	\$ USD	\$ USD	\$ USD
Scenario 1	10%	(126,762)	(33M)	(30M)	(64M)
Scenario 2	25%	(316,906)	(84M)	(76M)	(159M)
Scenario 3	50%	(633,811)	(167M)	(152M)	(319M)

Hawaii	Vol. loss	Pax	Direct GDP	Indirect and Induced GDP	Total GDP
Scenarios	(%)	Persons	\$ USD	\$ USD	\$ USD
Scenario 1	10%	(126,762)	(19M)	(18M)	(37M)
Scenario 2	25%	(316,906)	(47M)	(45M)	(93M)
Scenario 3	50%	(633,811)	(95M)	(90M)	(185M)

Hawaii	Vol. loss	Pax	Direct Employment	Indirect and Induced Employment	Total Employment
Scenarios	(%)	Persons	Persons	Persons	Persons
Scenario 1	10%	(126,762)	(176M)	(108M)	(284M)
Scenario 2	25%	(316,906)	(441M)	(270M)	(711M)
Scenario 3	50%	(633,811)	(882M)	(540M)	(1,422M)

Hawaii	Vol. loss	Pax	Direct Wages	Wages	Total Wages
Scenarios	(%)	Persons	\$ USD	\$ USD	\$ USD
Scenario 1	10%	(126,762)	(11M)	(10M)	(22M)
Scenario 2	25%	(316,906)	(28M)	(26M)	(54M)
Scenario 3	50%	(633,811)	(57M)	(51M)	(108M)

Hawaii	Vol. loss	Pax	Direct Taxes	Indirect and Induced Taxes	Total Taxes
Scenarios	(%)	Persons	\$ USD	\$ USD	\$ USD
Scenario 1	10%	(126,762)	(7M)	(5M)	(12M)
Scenario 2	25%	(316,906)	(17M)	(12M)	(29M)
Scenario 3	50%	(633,811)	(35M)	(23M)	(58M)

Source: Tourism Economics

Numbers may not sum to total due to rounding



6 Concluding Insights

Economic impact of Hawai'i

Concluding insights

In 2023, the cruise sector formed a meaningful part of Hawai'i's visitor economy. Beyond the ships themselves, activity from both passengers and cruise lines supported a mix of jobs, wages, and tax revenues while creating steady demand for local services. From tour operators and restaurants to transport providers and suppliers, a wide range of businesses benefited from the flow of visitors that cruises bring to the islands.

The scenarios we examined show how quickly this contribution can shift if passenger volumes change. Even a relatively small drop in visitation would be felt across the economy, with lower business sales, fewer jobs supported, and reduced household income. As reductions become larger, the effects accumulate, and it is often the local businesses most tied to visitor spending that carry the greatest burden.

Taken together, the results point to a clear conclusion: cruise is a core strand of Hawai'i's tourism economy, and its presence makes a measurable difference for communities across the state. When cruise volumes are stable, the benefits reach widely; when they decline, the impacts are visible and immediate. Ensuring Hawai'i remains an attractive destination for cruise operators is therefore closely linked to the resilience of its visitor economy as a whole.



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Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialised economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

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