



OFFICE OF STATE TOURISM LIAISON

News Release

LINDA LINGLE
GOVERNOR

MARSHA WIENERT
TOURISM LIAISON
Phone: (808) 586-2362
Fax: (808) 586-2377

For Immediate Release: **January 6, 2005**
DBEDT Release 05-02

**CRUISE INDUSTRY CONTINUES TO BENEFIT
HAWAII'S ECONOMY**

HONOLULU – The state's fast-growing cruise industry contributed \$293.7 million in 2003 and \$286.3 million in direct and indirect spending in 2002 to Hawaii's Gross State Product, according to statistics from the *2002 and 2003 Hawaii Cruise Impact Study* released today by the Department of Business, Economic Development and Tourism (DBEDT). When the multiplier effect of increased spending by households with persons working in the cruise industry is taken into account, the industry's overall contribution increased to \$390.5 million for 2003 and \$381.1 million for 2002.

DBEDT conducted the study to examine the impact of the expanding cruise industry on Hawaii's local economy. The report details the expenditures of cruise visitors, ship crew members, cruise lines, shipping agents and harbor fees and calculate the economic impacts on Hawaii's Gross State Product, earnings, state and county taxes and jobs.

Statistics for this report were collected from surveys of Hawaii Harbors, cruise lines, shipping agents, visitors and ship crewmembers from various cruise ships in the islands in 2002 and 2003. During these two years only foreign flagged ships, including those home-based in Hawaii and those from out-of-state, visited the islands.

Findings from the study also indicate that Hawaii's cruise industry generated \$108.1 million and \$110.4 million in earnings, and created 4,547 jobs and 4,582 jobs in 2002 and 2003, respectively. Additionally \$37.4 million (2002) and \$38.2 million (2003) in state and county taxes were generated.

“We are pleased by the growing contribution from the cruise industry to our State’s economy” said State Tourism Liaison, Marsha Wienert. “Looking forward, we can expect to see continued increases in the number of cruise ships to our islands, which will help diversify our tourism base and provide yet another reason for visitors to come to Hawaii.”

Since July 2004, a U.S. flagged ship has been home-ported in the islands, paying Hawaii taxes and hiring U.S. and Hawaii crews. Two more U.S. flagged ships are scheduled to be Hawaii home ported in 2005 and 2006. The U.S. flagged ships will employ Hawaii residents and be subject to all federal, state and local taxes.

Selected Highlights from the Report:

- The total direct economic impact of the cruise industry in Hawaii in 2002 and 2003 was \$261.0 million and \$268.7 million, respectively. Converting these amounts into per cruise visitor per day impact, each cruise visitor contributed about \$155 per day in 2002 and \$157 per day in 2003 into Hawaii’s economy.
- Total spending from out-of-state cruise visitors was \$163.1 million in 2002 and increased to \$169.5 million in 2003. The four percent increase in expenditure is attributable to an increase in length of stay and daily expenditure. Spending per person per day rose from \$99 per person to \$101 per person. Total spending from crewmembers was \$38.8 million in 2002 and dropped to \$33.5 million in 2003 due to fewer trips to Hawaii.
- Spending by the cruise lines was also significant. Cruise line spending includes shipping agent spending, port entry, dockage, miscellaneous (this should be defined—food, supplies, services, etc.), and passenger fees, and their spending in Hawaii for operations and administration. In total, the cruise lines spent \$57.5 million in 2002. This grew 12% in 2003 to \$64.5 million, mainly due to the higher spending from the cruise lines in operations and administration.

This and other details from the *2002 and 2003 Hawaii Cruise Impact Study* are available in Adobe Acrobat format on the DBEDT Web Site:

<http://www2.hawaii.gov/dbedt/latest>

###

January 6, 2005
Page 3

For more information, contact:

Marsha Wienert, Tourism Liaison
Phone: (808) 586-2362
Email: marsha.wienert@hawaii.gov

Dave Young, DBEDT
Phone: (808) 587-1212
Email: dyoung@dbedt.hawaii.gov