

Hawai'i's Cruise Industry

Balancing Economic Benefits & Sustainability





Hosted By:

Jen Bastiaanse, Brand Marketing
Hawai'i Tourism Authority



Shannon McKee, President
Access Cruise, Inc.
Hawai'i Tourism Authority Consultant



Denise Clark, Cruise Industry Liaison & Consultant
Denise Clark, LLC
MC&A Cruise Services Consultant



Dre Kalili
Deputy Director for Harbors
Hawai'i Department of Transportation



Renée Limoge Reeve
Vice President, Government Affairs
Cruise Lines International Association





Key Topics

Global & Local State of Industry

Global State of Industry & Trends

Local State of Industry

Cultural Initiatives

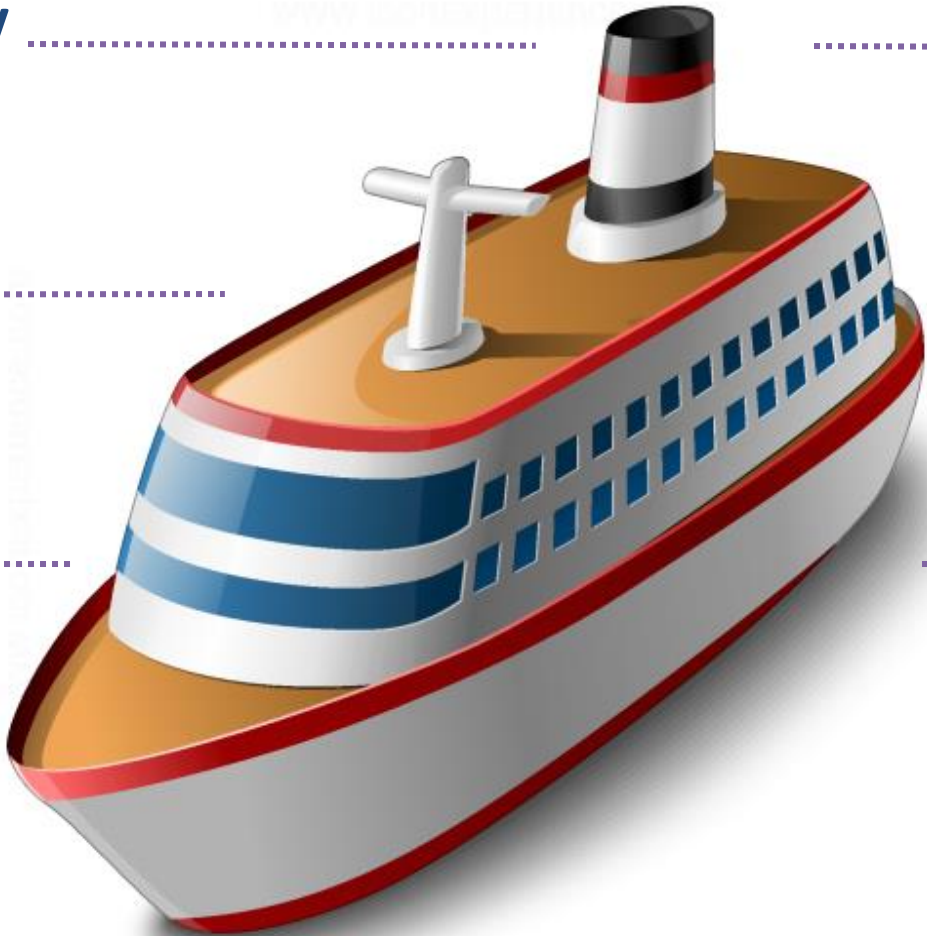
Partnerships

New Local Initiatives

Green Fee

Energy Security & Waste Reduction Plan

Construction Piers 10/11





Balancing of Opportunities & Challenges for Hawai'i's Cruise Future

- **Green Fee**

- Higher costs (fees/taxes) could make Hawai'i less attractive as a cruise destination
 - Beginning on January 1, 2026, and thereafter, Cruise ship operators shall be assessed and pay a tax of 11% under on all gross rental proceeds derived from cruise fares
 - Prorated by the amount of time docked at any port in the State vs. the total number of days of the voyage.
 - Counties may add an additional 3% to this tax.
- The goal of the additional tax revenue is to help offset environmental effects of tourism



- **Legal / Regulatory Pushback**

- The cruise industry is contesting some of the new laws (taxes, fees, limitations) on constitutional or statutory grounds
- These legal challenges could delay or modify implementation



Key Balancing of Opportunities & Challenges for Hawai'i's Cruise Future (continued)

• HDOT Energy Security & Waste Reduction Plan

- Reducing cruise calls, increasing taxes/fees may reduce pressure on environment & contribute to achieving sustainability goals
 - Reduction of cruise calls = Risk of income for local businesses, especially small tour operators, guides, shore excursion providers.
- Alternative fuel use and/or investment in shore power beneficial for all after implementation

• Implementing Infrastructure / Emission Reductions

- To meet CO₂ targets, Hawai'i will need cleaner fuels and possibly shore power infrastructures
- Currently shore power facilities in Hawai'i are not available
- Cleaner marine fuels are needed in Hawai'i





Key Balancing of Opportunities & Challenges for Hawai'i's Cruise Future (continued)

- **Construction at Piers 10/11**

- Traffic Congestion
- Ways to mitigate



- **Community and Cultural Impacts**

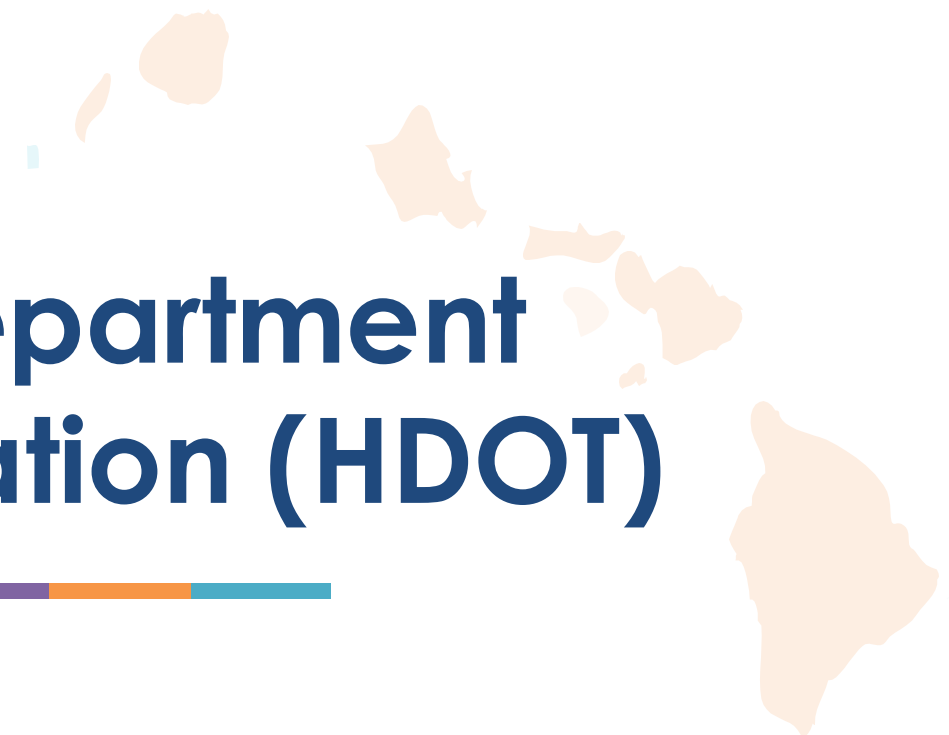
- Environmental impacts, overuse of some ports and areas, and local infrastructure strain are concerns
- Local cultural authenticity and preserving natural/beauty/heritage are expected by both residents and visitors



Visitor Industry Stakeholder Survey

In your professional opinion, how important is the cruise market for Hawai'i?

<u>Not at all Important</u>	<u>Slightly Important</u>	<u>Moderately Important</u>	<u>Important</u>	<u>Very Important</u>	<u>Extremely important</u>	Don't Know	Total
7.63%	11.02%	16.95%	16.10%	16.95%	24.58%	6.78%	118



Hawai'i Department of Transportation (HDOT)



Dre Kalili

Deputy Director of Transportation for Harbors



HDOT Energy Security & Waste Reduction Plan



- In June 2024, 13 Hawai'i youth, Hawai'i's Governor & HDOT announced a historic settlement.
- Affirms youth's rights to a life-sustaining climate and the State's duty to protect public trust resources.
- Formalizes HDOT's commitment to electrify & decarbonize transportation to meet State's climate targets.
- Acknowledges legislature, state & county agencies, industry & the public must all contribute.

OBJECTIVE

Develop and implement a comprehensive, statewide plan to reduce GHG emissions from Hawai'i's transportation sector on a timeline that complies with the following requirements in state law:

- 2030: 50% reduction from 2005 emissions levels
- 2045: Net Negative Emissions (capture more carbon than we emit)

Emissions Reduction

Hawai'i's actions now to reduce emissions in transportation will benefit Hawai'i & the world longterm

Energy Security

Locally-powered transportation for National Security, Economic Prosperity & Island Practicality

Affordability

Planning for a Hawai'i where current & future generations of kama'āina can afford to remain and thrive





HDOT Energy Security & Waste Reduction Plan

- **June 27** – Draft plan published
- **August 31** – Deadline for public comments
 - 29 comments received regarding maritime strategies
 - 12 comments from cruise lines and tourism stakeholders
- **September** – HDOT review of public comments
- **October 15** – Publication of final plan
- **Early 2026** – Start of 1st annual revision

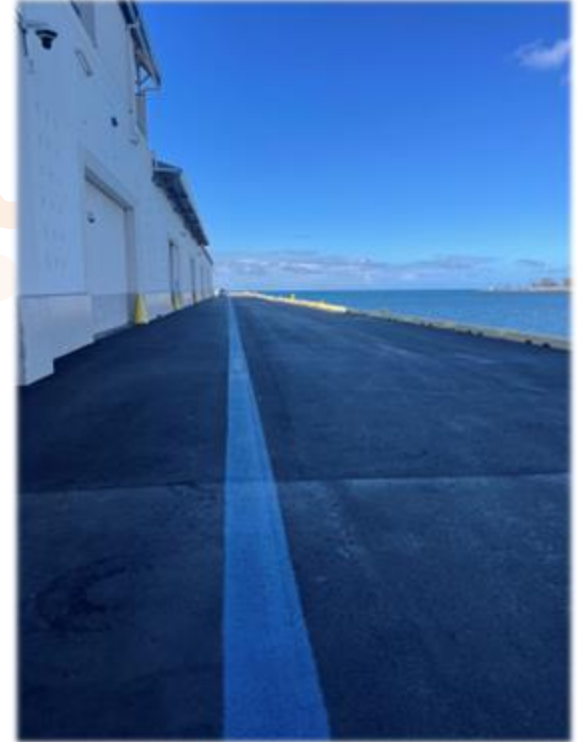




Hawai'i Port Emissions Inventory Baseline Study

To Be Conducted

- **Target Start:** November 2025
- **Funded:** By the EPA
- **Participation:** By All Port Users is Critical
- **Addresses:** Data Gaps in Existing State Inventories
- **Study Will Result In:** Emission Reduction Targets and Strategies



Honolulu Harbor Update (Piers 10/11)



Skyline Guideway Construction is Here!



- **Please:** Notify Cruise Passengers &
- **Please:** Be Patient



CLIA



Renée Limoge Reeve
Vice President, Government Affairs
Cruise Lines International Association



About Cruise Lines International Association

Cruise Lines International Association (CLIA) provides a unified voice for the industry as the leading authority of the global cruise community. Together with its members and partners, CLIA supports:

- Policies and practices that foster a safe, healthy and sustainable cruise operations;
- Tourism strategies that maximize the socio-economic benefits of cruise travel; and
- Environmental technologies, practices, and innovations that support responsible cruise operations



Economic Impact



THE PRESENT AND FUTURE VALUE OF CRUISE TOURISM

2023 U.S. Economic Impact (USD\$)



\$65.4 billion

Total economic impact



290,000

Jobs supported



16.9 million

Source passengers
(oceangoing)



\$25.3 billion

in wages

CRUISE INDUSTRY ECONOMIC IMPACT HAWAII 2023



IN 2023, CRUISE TOURISM GENERATED THE FOLLOWING BENEFITS FOR HAWAII¹



290,824 UNIQUE CRUISE
VISITORS²

1,267,622 PASSENGER MOVEMENTS



\$116 M TAX
REVENUES



\$639 M TOTAL
ECONOMIC
IMPACT



\$371 M GDP



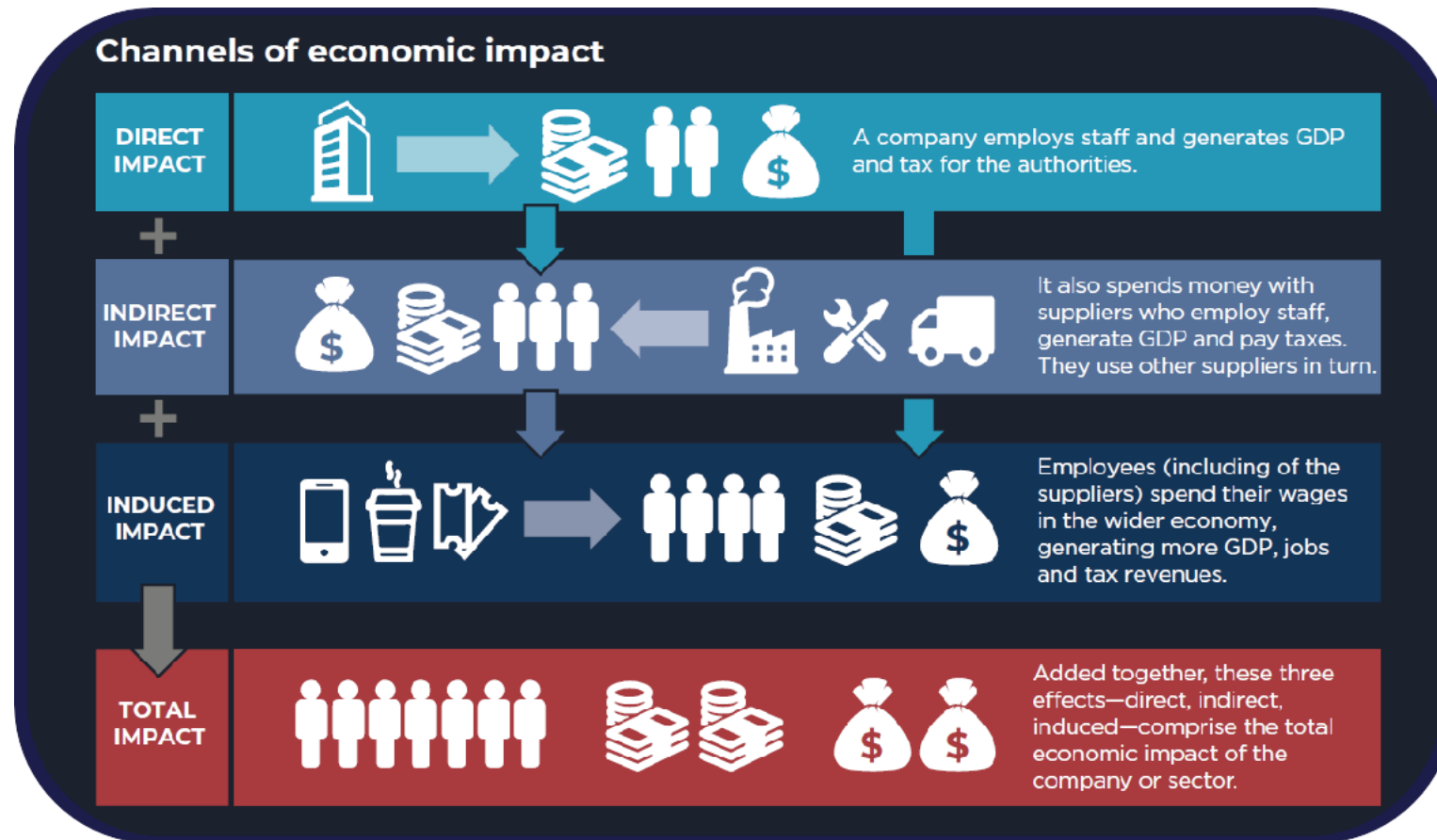
\$216 M WAGES



3,000 JOBS

THE PRESENT AND FUTURE VALUE OF CRUISE TOURISM

More than 75% of jobs supported by cruise activity generated by the industry's onshore activities, particularly at ports.





Cruise lines are pursuing net-zero emissions by 2050

- Reducing emissions at berth and at sea
- Pursuing fuel flexibility, conducting multiple trials
- Making substantial and concrete investments in environmental technologies and practices

THE GLOBAL CRUISE SHIP FLEET

Most ships sailing today and scheduled to sail in the future are small- to mid-size ships

>70%

of ships in the
global fleet are
small- and
mid-size ships



**>70% of cruise ships sailing today and
Scheduled to sail in 2036 are small- and mid-size ships**

**< 30% of cruise ships sailing today and
scheduled to sail in 2036 are large ships**

Ships operating with multi-fuel engines

2018

2025

2036

1 ship

25 ships

>50 ships



Ships that can switch from conventional fuels to zero- and near-zero emission fuels as these new fuels become available

The number of ships that can plug in at port
has doubled since 2018



25%

55 ships
2018

58%

166 ships
2025

85%

273 ships
2036 (F)

Alternative fuels

Fossil LNG

A bridge,
not a destination

Methanol

Promising, but
fossil-based
(green supply scarce)

Green Methanol

Practical
and scalable,
infrastructure

Bio-LNG
& Synthetic
Methane
offer deeper
reductions

Other fuels (but not in the lead)

Hydrogen

Safety &
storage
challenges

Nuclear

Regulatory,
Social
Acceptance,
Capex
Hurdles

Ammonia

Safety risk for
passenger ships

It comes down to three key elements

**The
Fuels**

**The
Fuels**

**The
Fuels**



Environmental Technologies and Practices Report

CLIA's ETP report provides a profile of the CLIA-member ocean-going cruise fleet and highlights the environmental technologies in use by our ocean-going lines which comprise more than 90% of the cruise sector.



cruising.org

#WeAreCruise



2025 Cruise Overview, Local Industry & Partnerships in Hawai'i



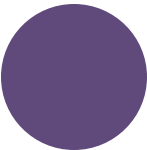
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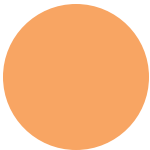
Benefits of Cruise in Hawai'i – Managed Tourism

Cruise Lines traditionally book their itineraries 1 to 3 years in advance allowing Hawai'i to evaluate and manage the cruise capacity well in advance of FIT arrivals.



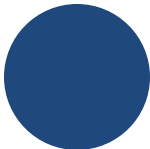
Sampling

Many cruisers are first-timers to Hawai'i. Cruise provides an introduction to Hawai'i through sampling



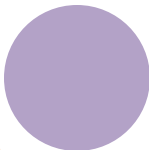
Sustainability

There is natural sustainability built into cruise through the existing infrastructure



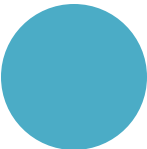
Promotion & Ambassadors

Cruise lines promote Hawai'i and are excellent ambassadors



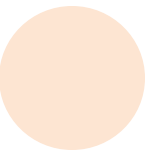
Small Footprint

Traditionally 30-80% of cruise guests take an organized ship tour. Others will arrange for private tours



Primarily Shoulder Season

The high season for the cruise industry in Hawai'i is during spring and fall when tourism is traditionally lower



Education

Cruise lines help educate their guests on the Hawaiian culture and hire locals for onboard programming



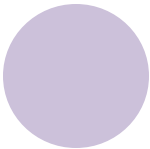
Supports Local Community

Cruise lines support entrepreneurship and hiring local talent from Hawai'i to provide services

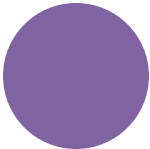


Distribution

Cruise lines distribute guests among the major Hawaiian Islands



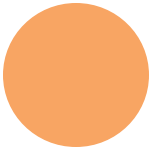
2025 is another record year with bookings at higher prices and increased capacity



90+ brands with 461 ships employ 400,000+ people and will carry an estimated 36+ million passengers in 2025



The largest source market is the US with the largest sailing region being the Caribbean (40% up slightly from 2024)



73 new cruise ships are on order for deliveries through 2036.



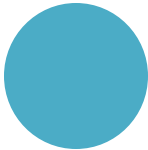
Cruise capacity forecast is expected to grow 10% from 2024 to 2028



The cruise industry expects to see 43.5 million guests sailing by 2033 on 518 vessels



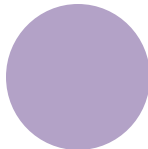
Luxury cruise fleet has more than tripled, growing from just 28 ships in 2010 to 97 ships in 2025



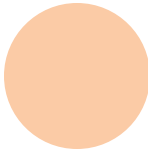
Global capacity for expedition and exploration ships is projected to increase by remarkable 150% from 2019 to 2029.



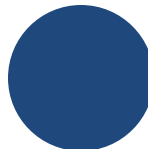
Itineraries are more fuel efficient with ships sailing at slower speeds and on shorter itineraries



Demand for adventure, exploration, and experiential travel.



Carnival Corp., Royal Caribbean Group, MSC Cruises and NCL Holdings have a combined market share of 80%.



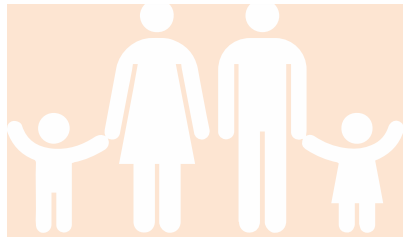
The cruise industry is continuously enhancing itineraries and passenger experiences while exploring new destinations

2025 Global Cruise Industry Statistics:

Sailing on the High Seas



461 Ships



751,068 Cruise Berths
(Anticipated in 2025)

36 million passengers
(maximum capacity)



90+ Cruise Brands
New Brands

- Aroya
- Orient Express
- Four Seasons
- Aman



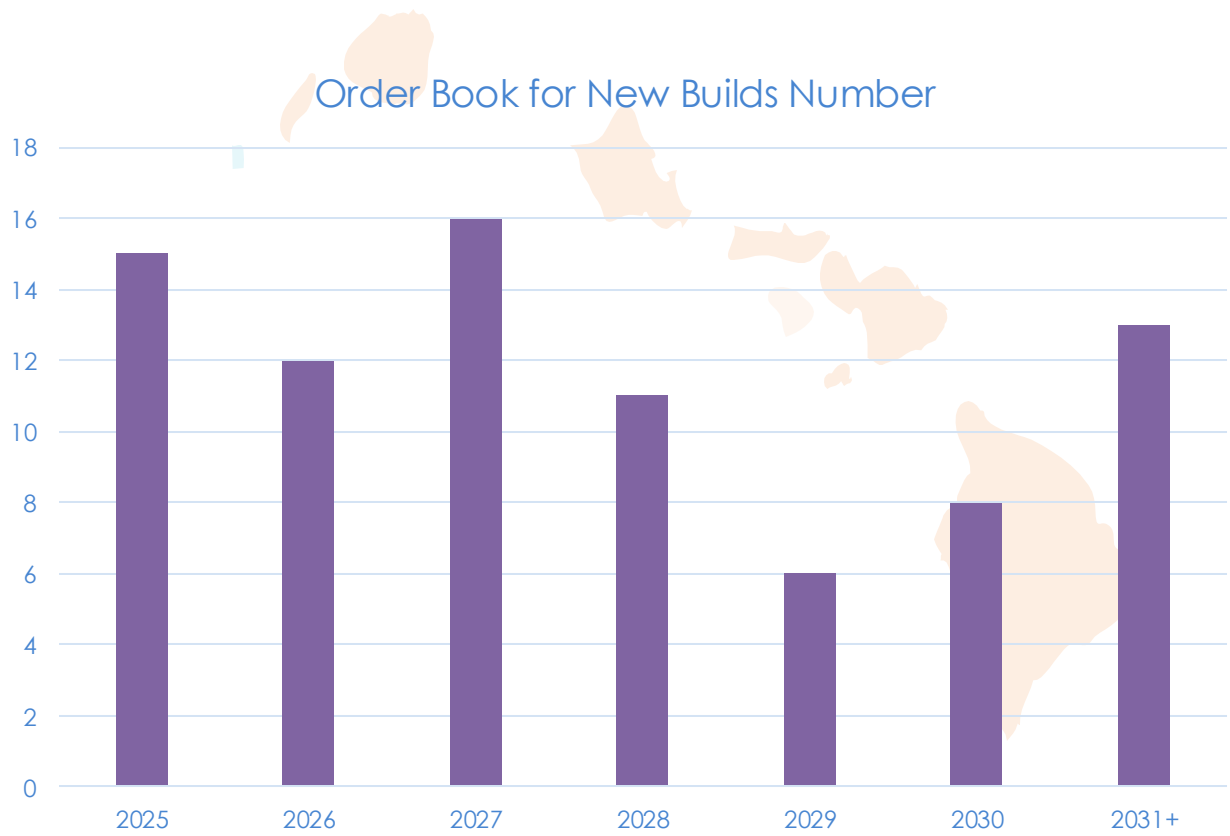
\$65 billion in sales

73 new vessels On Order

- ⦿ 15 Ships for 2025
- ⦿ 12 Ships for 2026
- ⦿ 16 Ships for 2027
- ⦿ 11 Ships for 2028
- ⦿ 6 Ships for 2029
- ⦿ 8 Ships for 2030
- ⦿ 13 Ships 2031+

Total 73 Ships

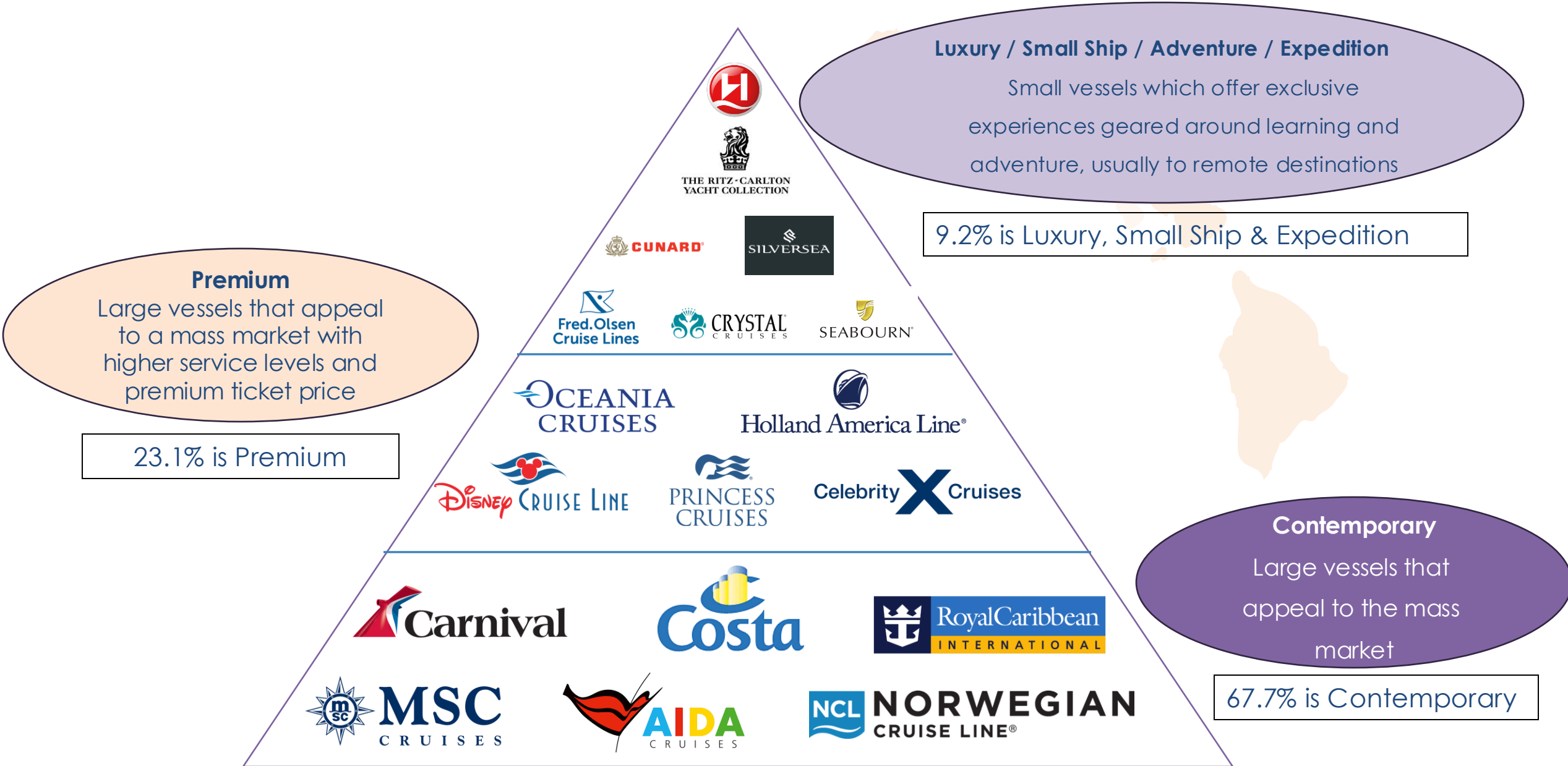
Note: Source Cruise Industry News _ CIN August 2025 Orderbook



- ⦿ NCLH – 15 Ships
- ⦿ Carnival Corp – 8 Ships
- ⦿ Royal Caribbean Group – 8 Ships
- ⦿ MSC Cruises – 9 Ships



Cruise Segmentation



Top 4 Major Cruise Conglomerates



80.1% Capacity is Top 4 Cruise Conglomerates

222 ships

29 million guests

Carnival Corporation 94 Ships 34.4% Market

Carnival Cruise Line	29
Costa	9
Princess	17
AIDA	11
Holland America	11
P & O	7
P & O Australia	0
Cunard	4
Seabourn	6



CARNIVAL
CORPORATION & PLC

Royal Caribbean Group 69 Ships 25.7% Market

Royal Caribbean	29
Celebrity	15
TUI Cruises	8
Hapag Lloyd	5
Silversea Cruises	12



**Royal
Caribbean
Group**

MSC Cruises 25 Ships 12% Market

MSC Cruises	23
Explora Journeys	2



Norwegian Cruise Line Holdings 34 Ships 8% Market

Norwegian Cruise Line	20
Oceania Cruises	8
Regent	6



**NORWEGIAN CRUISE LINE
HOLDINGS LTD.**

Cruise Industry Trends

A background image of a cruise ship deck at night. The deck is illuminated with warm lights, featuring a large swimming pool with two circular hot tubs. Rows of white lounge chairs are arranged on the deck. In the background, the ship's funnel and upper decks are visible against a dark blue sky.

- **New Ports and Destinations**

- Development of new ports to alleviate over-tourism and spread economic benefits.
- Private Cruise Ports

- **Expedition Cruising Growth**

- Increase in cruises to remote and unique locations.

- **Themed Cruises Expansion**

- Growth in niche markets with specific thematic focuses.

- **Technology Integration**

- AI
- Facial Recognition

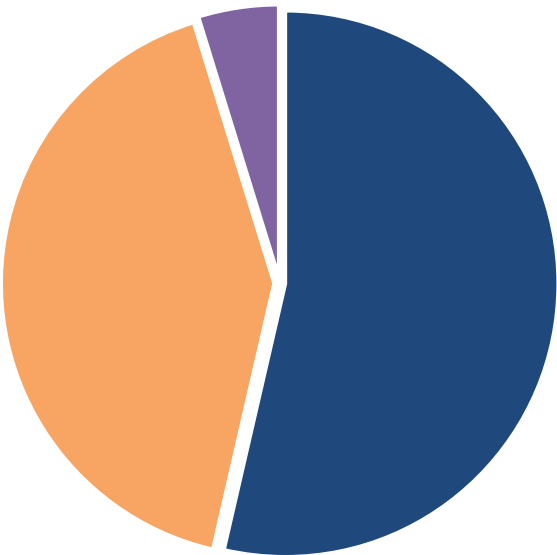
Cruise Industry Trends Cont.

- **Local Experiences**
 - Deeper, culturally immersive experiences
- **Sustainability Initiatives**
 - Emphasis on cleaner technology
 - Energy Efficiency
- **Longer Cruises**
 - 7-night voyages still dominate.
 - Shift toward longer sailings.
 - 10-, 12-night, and even 16-night cruises are rising
- **Changing Demographics**
 - Younger Travelers - More Millennials and Gen Z are cruising
 - New to Cruise – 31% of Cruise Guests have not been on a cruise before





Source of Cruise Brands to Hawai'i



95% of the cruise brands visiting Hawai'i are from North America

U.S. Capacity vs. World Capacity Hawai'i



Market Segment in Hawai'i



Cruise Brands Scheduled 2025



Cruise Brands Scheduled 2026





2025 vs. 2026 Cruise Brands - Honolulu

2025	
Honolulu- Hawai'i	
Cruise Line	Est. PAX 100%
Aida Cruises	5,000
Carnival Cruise Line	25,210
Carnival Plc	5,477
Celebrity Cruises Inc	11,720
Holland America Line NV	28,878
Integrated Cruise Mgmt Pte Ltd	4,544
Magical Cruise Co Ltd	3,600
NCL Bahamas Ltd	120,200
NYK Cruises Co Ltd	600
Oceania Cruises S de RL	4,523
Princess Cruise Lines Ltd	64,787
Royal Caribbean Cruises Ltd	9,810
Seabourn Cruise Line Ltd	2,200
Silversea Cruises Ltd	1,787
TUI Cruises GmbH	544
V Ships Leisure SAM	762
Viking Ocean Cruises Ltd	5,714
Total	295,356

2026	
Honolulu- Hawai'i	
Cruise Line	Est. PAX 100%
Carnival Cruise Line	30,770
Carnival Plc	5,477
Celebrity Cruises Inc	11,720
Crystal Cruises LLC	450
Holland America Line NV	19,606
Integrated Cruise Mgmt Pte Ltd	4,544
Magical Cruise Co Ltd	1,200
MSC Crociere SpA	3,605
NCL Bahamas Ltd	137,545
NYK Cruises Co Ltd	600
Oceania Cruises Ltd	900
Phoenix Reisen GmbH	300
Princess Cruise Lines Ltd	92,862
Regent Seven Seas Cruises Inc	730
Ritz-Carlton Yacht Collection	298
ROW Management Ltd	1,188
Royal Caribbean Cruises Ltd	23,458
Seabourn Cruise Line Ltd	2,310
Silversea Cruises Ltd	1,223
TUI Cruises GmbH	544
Viking Ocean Cruises Ltd	5,714
Total	345,044

Notes:

- **Norwegian** is increasing sailings from Oceania region in 2026 (+17k)
- **Princess Cruises** is back to previous capacity in Hawai'i (+28k)
- **Carnival Cruise Line** is increasing calls to Hawai'i in 2026 (+5k)
- **MSC** has included Hawai'i for the World cruise
- **Royal Caribbean** has an increase in capacity for 2026 (+13k)
- First call from **Ritz Carlton Yachts** scheduled for 2026



2024 – Cruise Ship Visitor Statistics

2024	NUMBER OF TRIPS BY OUT-OF-STATE CRUISE SHIPS	VISITOR ARRIVAL BY OUT-OF-STATE SHIPS	VISITOR ARRIVAL BY AIR 1/	TOTAL NUMBER OF TRIPS	TOTAL ARRIVAL	TOTAL AVERAGE LENGTH OF STAY (DAYS)	TOTAL VISITOR DAYS
JANUARY	14	17,863	9,201	18	27,065	6.38	172,638
FEBRUARY	13	19,838	9,426	17	29,264	6.36	186,029
MARCH	4	12,000	11,993	9	23,993	7.43	178,284
APRIL	15	31,689	11,196	19	42,885	6.18	264,908
MAY	2	5,420	9,437	6	14,856	7.98	118,558
JUNE	0	0	12,554	5	12,554	10.22	128,323
JULY	1	672	10,284	5	10,956	10.40	113,972
AUGUST	0	0	12,229	5	12,229	10.12	123,770
SEPTEMBER	9	18,700	9,165	13	27,865	6.97	194,241
OCTOBER	14	35,616	10,909	18	46,525	5.41	251,881
NOVEMBER	5	8,271	13,189	10	21,460	7.84	168,272
DECEMBER	10	18,055	9,633	14	27,688	7.24	200,324
TOTAL	87	168,123	129,217	139	297,340	7.27	2,101,199

1/ Arrived by Air included visitors who flew to Hawai'i to Board the Pride of America; and visitors who flew into Honolulu to board turnaround trips by out-of-state cruise ships.

- Note:**
- Out-of-State Ships** - Are the international brands
 - Visitor Arrival by Air** - Primarily driven by Pride of America (June, July & August visits are 5/month)
 - Average Length of Stay** - In summer months shows 3-day pre or post stay



2024 Cruise Ship Visitor Statistics

	Visitors	US West	US East	Canada	Oceania	Europe	Other	Hawai'i Residents	Total Passengers
Total Passengers	297,340	84,492	138,489	30,364	16,257	12,276	15,462	2,727	300,067
Type of Accomodation Before or After Cruise (Number of Passengers)									
Hotel	149,912	29,890	83,547	16,367	8,005	4,340	7,763	51	149,963
Hotel only	134,162	24,246	76,752	15,315	7,132	3,837	6,880	51	134,213
Condo	11,114	4,367	3,855	1,529	424	395	544	92	11,206
Condo only	4,093	1,096	1,564	1,081	126	79	147	92	4,185
Timeshare	12,574	4,666	5,726	948	311	354	569	0	12,574
Timeshare Only	5,840	2,060	2,829	559	49	92	251	0	5,840
Cruise only	125,461	47,084	45,988	11,323	7,102	7,360	6,604	2,444	127,905
Bed & Breakfast	2,945	562	1,570	304	104	277	128	0	2,945
Bed & Breakfast only	726	97	425	35	40	79	50	0	726
Friends & relatives	6,424	2,678	2,478	330	292	230	416	3	6,427
Other accomodation	13,008	4,412	5,053	1,272	1,142	582	547	137	13,145
Average Length of Stay (days)									
Total Length of Stay in Hawai'i	7.07	6.29	7.82	6.49	7.12	5.59	7.81	6.53	7.06
LOS in Hawai'i Before Cruise	1.08	0.62	1.38	0.87	1.48	0.87	1.09	0.00	1.07
LOS in Hawai'i During Cruise	5.10	4.66	5.63	4.77	4.34	4.12	5.82	6.53	5.11
LOS in Hawai'i After Cruise	0.89	1.02	0.81	0.85	1.30	0.60	0.90	0.00	0.88
Type of Visitors									
First Timers	129,644	17,186	73,563	13,000	6,811	9,647	9,437		
Repeat Visitors	167,697	67,306	64,926	17,364	9,447	2,629	6,025		
Expenditures									
Total Expenditures (All cruise visitors, in \$million)	636.6	124.1	380.3	50.1	37.7	15.6	28.9		
Per Person Per Day (All cruise visitors, \$)	303.0	233.2	351.4	254.3	325.2	227.5	273.1		
PPPD (On domestic ships, \$)	426.1	400.2	440.0	440.3	408.1	364.4	386.3		
PPPD (On foreign ships, \$)	111.0	94.3	114.0	140.3	112.6	127.0	103.2		



46% of cruise guests are from US East Coast

50% of cruise visitors have a pre or post stay

43% are first-time visitors allowing them to sample the islands

Guest Daily Spend for Pride of America is higher due to pre & post stays

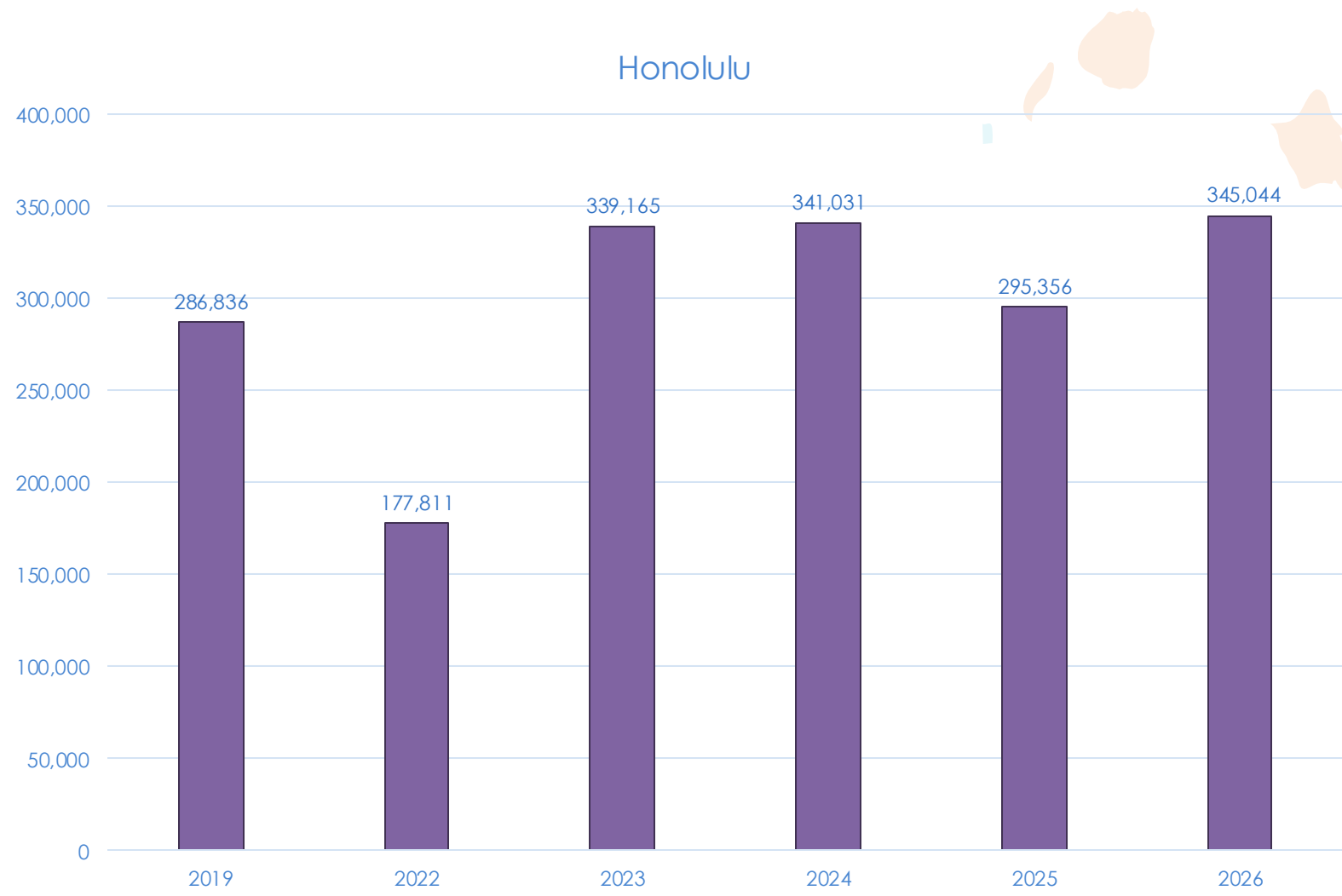
\$636.6m Revenues for 2024



Hawai'i Cruise Updates - Capacity

Port	2019	2022	2023	2024	2025	2026
Hilo	252,986	137,378	256,766	266,834	248,176	273,847
Honolulu	286,836	177,811	339,165	341,031	295,356	345,044
Kona	176,596	104,549	233,340	226,853	182,736	239,233
Kahului	151,724	129,738	160,996	223,529	233,325	274,405
Lahaina	115,420	29,956	85,923	0	0	0
Kaua'i	223,387	133,030	240,061	250,589	250,427	281,494
Maui Total	267,144	159,694	246,919	223,529	233,325	275,028

- Note:
 - Data collected from Hawai'i.PortCall.com is forecasted
 - Data is estimated based on Hawai'i.PortCall.com
 - Cruise capacity recovered to pre-pandemic capacity in 2023



Note:

- HNL cruise calls decline to 2023 levels of 132 calls
 - Partially driven by world cruise cycles
 - Partly driven by Pride of America dry-dock
- 2026 sees a recovery to 144 cruise calls
 - Still deficient -4 to 2024, but with larger vessels it exceeds pax capacity



Hilo Cruise Passengers & Port Calls

Hilo



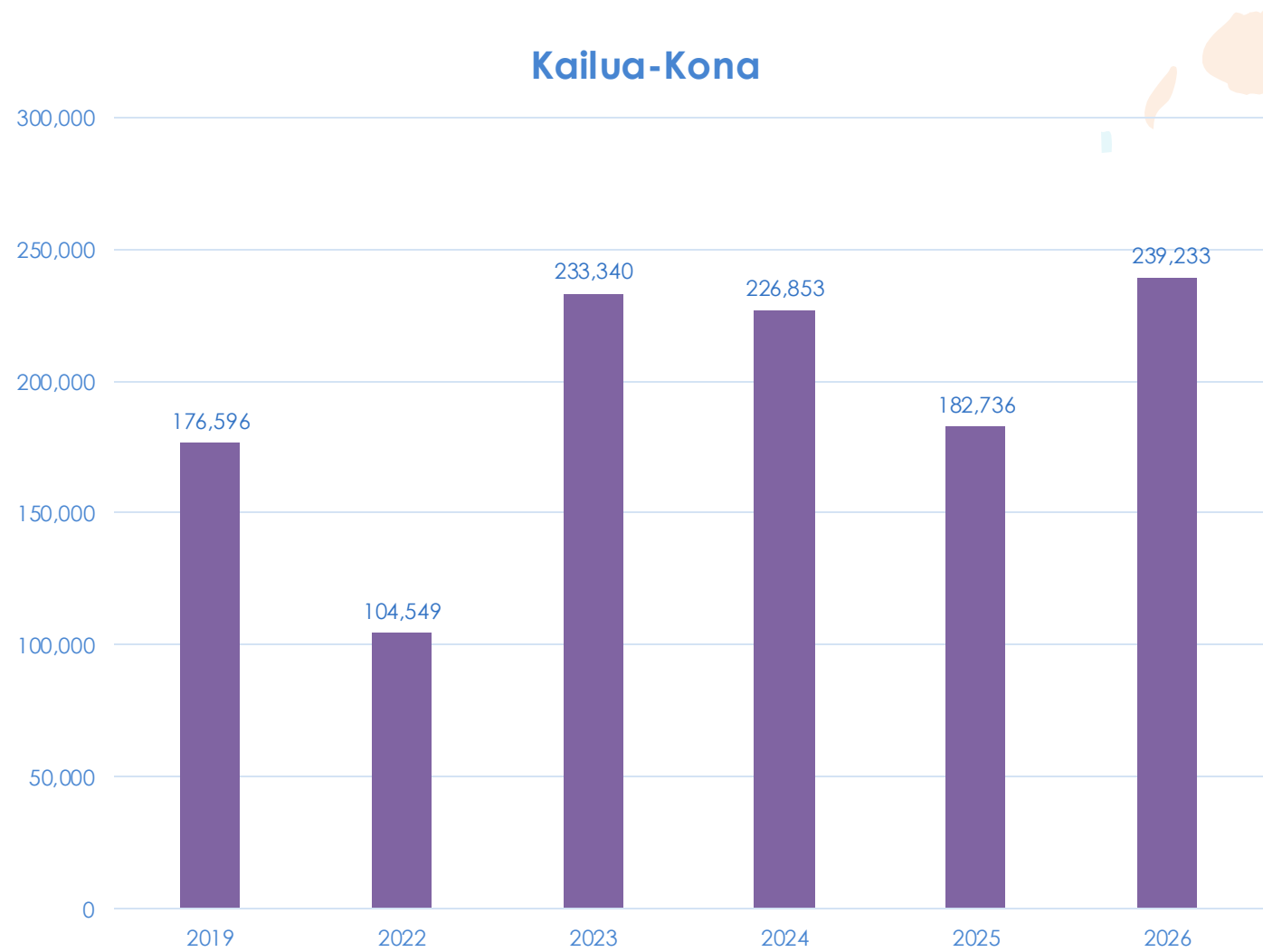
Note:

- Hilo cruise calls decline in 2025 to 109 cruise calls
 - Partially driven by Pride of America dry-dock
- 2026 sees a rebound to 116 exceeding 2024 anticipated forecast



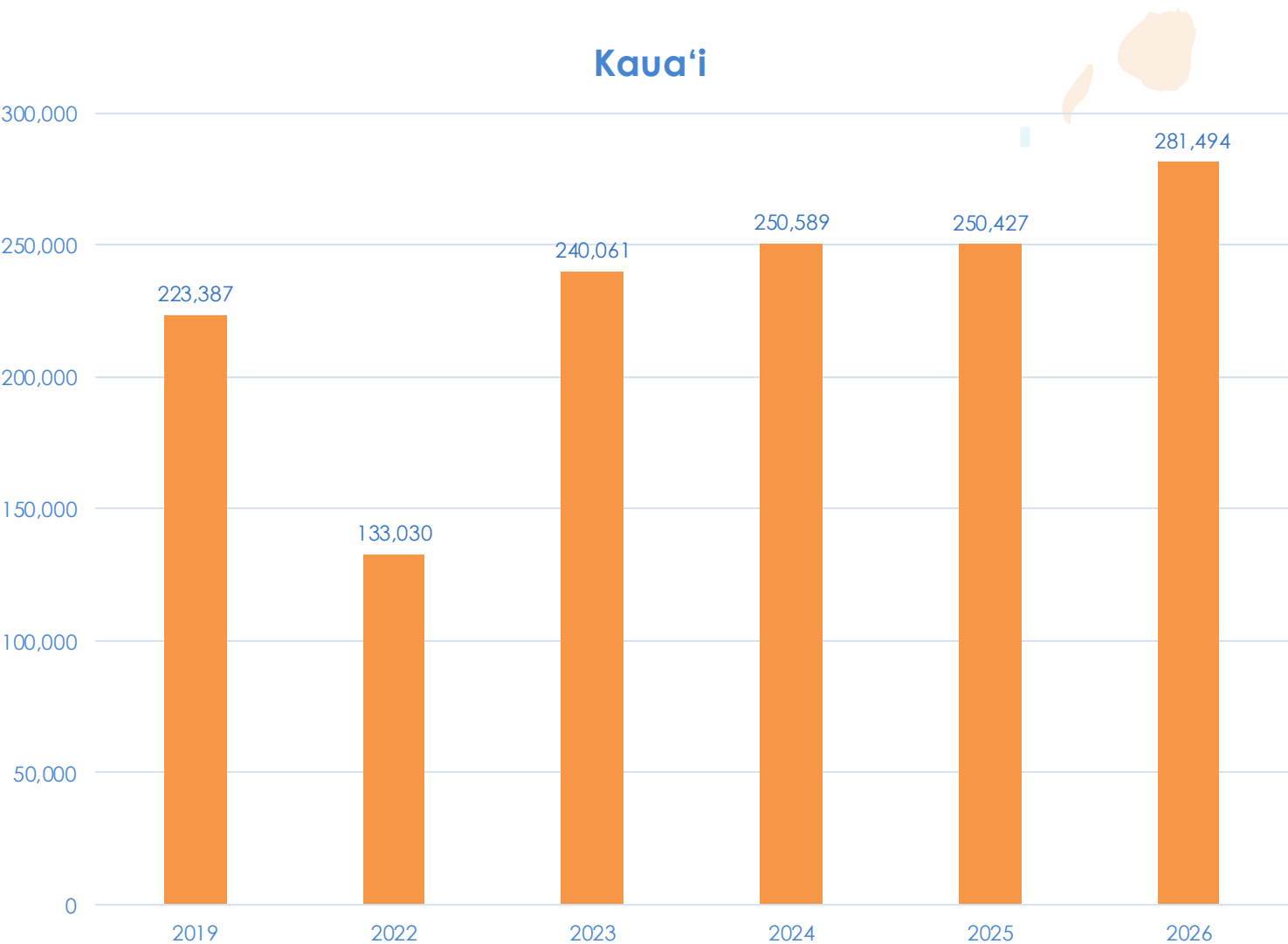
Kailua-Kona Cruise Passengers & Port Calls

Kailua-Kona



Note:

- Kona cruise calls dip to only 81 calls in 2025
 - Partially driven by Pride of America's dry-dock.
- 2026 sees a full recovery to 101 cruise calls exceeding 2023 & 2024



Note:

- Kaua'i calls flat 2024 vs. 2025
- Increases in 2026 driven by 11 additional cruise calls
- Kaua'i is limited in the size of vessels which can dock due to infrastructure limitations



Community Initiatives – Case Study: Maui Ocean Center

Maui Ocean Center Shuttle Service

- Utilized Cruise contacts to launch a new shuttle service to enhance local business engagement and improve guest connectivity to the island.
- Regular communication with onboard teams for updates and operational adjustments.

Environmental Initiatives & Video Content

- Guided MOC into developing a video series highlighting key environmental initiatives.
- Access Cruise leveraged its cruise line connections to utilize the onboard Hawaiian Ambassador and in-cabin TV programming, providing guests with educational content on conservation efforts.





Cultural Training Course – For Onboard Teams

- Cultural Webinar Training Session: September 2024
- Video for cruise ship crew members: In development
- Development of a concise **One-Pager** to provide key cultural insights for onboard teams.
- Provide an engaging **Cultural Training Course outline** to enhance crew interactions and local respect.

One-Pager Highlights:

- ✓ Quick-reference guide on local customs, traditions, and etiquette for crew & guests

Why It Matters:

- ✓ Strengthens guest experience & satisfaction
- ✓ Builds respectful relationships between visitors and locals
- ✓ Empowers staff with cultural awareness & communication skills





In Conclusion



- Review of Upcoming Key Dates
- Interested in Partnership Opportunities?
- Q&A



Mahalo!

