

FLORIDA TAXWATCH

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Florida is the World's Port of Call

Florida residents are keenly aware that tourism is an important economic engine providing power to the state economy, and several Florida TaxWatch publications provide economic data supporting this observation.¹ Tourism is one of the top providers of jobs for Floridians and a serves as a major source of tax revenue for the state.

Notably, tourism is one of the few sectors that created jobs during the most recent recession in Florida. One segment of the tourism sector, the cruise industry, is uniquely suited to take advantage of Florida's natural attributes. No other state or nation can boast the number of cruise lines, port proximity advantages, and welcoming culture that Florida offers.

Florida's Cruise Ports

Seven Florida seaports (see map, p. 3) handle passenger movements by cruise ship, ferry, or day-cruise vessels.

Passengers that use Florida's ports travel most frequently to the Bahamas, the Caribbean, and Central America. While not the most popular destinations, several South American and Transatlantic options are also available from Florida's ports. Recently, there has been a significant increase in one-day cruise passengers to destinations such as the Bahamas, especially from ports Canaveral, Everglades, Miami, and Palm Beach.

PortMiami, Port Everglades, and Port Canaveral, the Sunshine State's three most-visited cruise ports, are also the world's most visited cruise terminals.² The most visited of those, PortMiami, is currently home to eight cruise ships that collectively made 767 calls (a stop to pick up or discharge passengers or cargo, or to undergo repairs) in FY2012-13.³



¹ See Florida TaxWatch Research Area: Tourism online. Available at <http://floridatxwatch.org/researchareas/tourism>

² Florida Seaport Transportation and Economic Development Council. "The Five-year Florida Seaport Mission Plan." May 2014.

³ Ibid.

Port Canaveral is home to seven year-round cruise ships at its seven cruise terminals, while Port Everglades is home to 12 cruise lines and has more home port cruise ships than any other port in the world.

The Economic Impact of the Cruise Industry in Florida

Florida welcomes more cruise passengers than any other state in the nation. Florida accounted for 62 percent of all U.S. cruise embarkations and welcomed an estimated 9.46 million cruise passengers and crew members in 2013.⁴ Many of these passengers are high-spenders; in fact, more than 60 percent of cruise travelers had a household income above \$60,000,⁵ with daily expenditures averaging \$264.58 per passenger in Miami alone, and studies have shown that cruise passengers tend to stay in Florida some days before and/or after their cruise.⁶

One industry report estimated that passengers and crew members helped generate 140,408 Florida jobs in 2013, and were responsible for approximately \$7.33 billion in direct spending (a 4.8 percent increase from 2012), which represented 37 percent of all cruise industry direct expenditures generated in the U.S.⁷

Direct Cruise Industry Expenditures in Top Five States (2013)⁸

STATE	DIRECT CRUISE INDUSTRY EXPENDITURES
Florida	\$ 7.33 billion
California	\$ 1.86 billion
Texas	\$ 1.26 billion
New York	\$ 1.26 billion
Alaska	\$ 0.99 billion
Remaining 45 states	\$ 7.39 billion
U.S. Total	\$ 20.10 billion

Businesses that benefit most from cruise activity in Florida include airlines, hotels, restaurants, and travel agencies, while other business segments were also found to reap benefits, including food processors, electrical and nonelectrical machinery manufacturers, and advertising agencies.⁹

There are also several cruise line corporate offices based in Florida, including Carnival Corporation and plc, Royal Caribbean Cruises, Ltd., and Norwegian Cruise Line. In fact, more than half of U.S.-based cruise line employment is headquartered in Florida, employing more than 16,000 workers.¹⁰

4 Cruise Lines International Association. "The Contribution of the North American Cruise Industry to the U.S. Economy in 2013." September 2014.

5 Ibid.

6 Florida TaxWatch. "Investing in Tourism: Analyzing the Economic Impact of Expanding Florida Tourism." January 2013.

7 See footnote 4

8 Ibid.

9 Ibid.

10 Ibid.

Further, the cruise industry's premier global event, *Cruise Shipping Miami*, brings thousands of cruise leaders to Florida from around the world annually.

The most recent conference took place in March 2015, attracting approximately 11,000 attendees,¹¹ and more than 800 exhibitors from 127 countries.¹²

The conference will take place in Fort Lauderdale next year, due to renovations in the Miami Beach Convention Center.

The Future of the Florida Cruise Industry

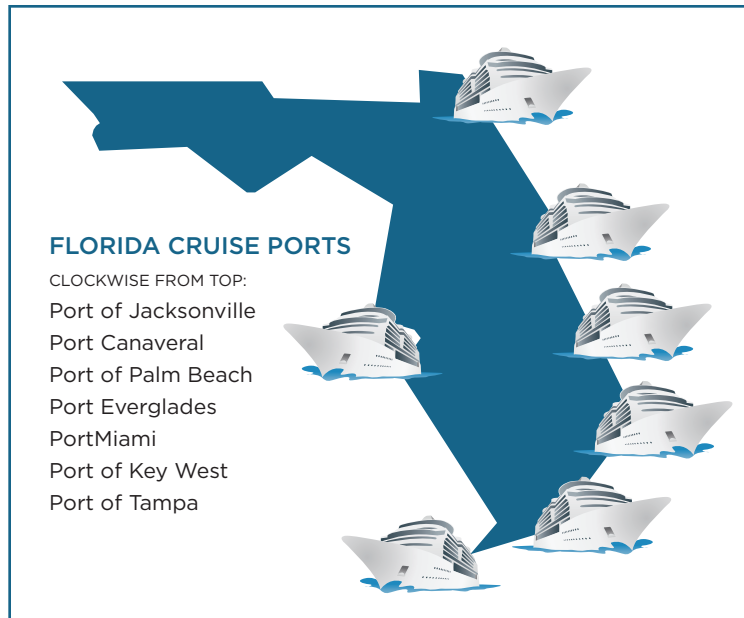
The cruise industry shows no signs of winding down, and most Florida cruise ports are expected to increase their cruise passengers by FY2016-17. Port Canaveral in particular is expected to become the most visited cruise port (surpassing PortMiami), according to a 2014 Florida Seaport Transportation and Economic Development Council report.¹³

As announced at Cruise Shipping Miami 2015, trips to Cuba are on the horizon, as soon as general tourism is allowed.¹⁴ In addition, cruise lines will aim to attract more passengers from Asia, as a new industry report shows that Asia is experiencing double-digit growth in cruise ships, passengers, and ports.¹⁵

Conclusion

Florida's seven cruise ports welcomed more than nine million visitors in 2013, creating more than 140,000 Florida jobs and generating \$7.3 billion in direct spending. In addition, more than half of U.S.-based cruise line employment, and the cruise industry's major global event, *Cruise Shipping Miami*, call Florida home. Cruise activity in Florida is expected to continue growing in the coming years, as most seaports are expected to increase their passengers by FY2016-17.

While traditional destinations are expected to continue to be in demand, Cuba will become a popular destination, and Asia will offer growth opportunities. With careful stewardship of its tourism industry, and the cruise component therein, Florida can remain the world's port of call for many years to come.



11 Travel Pulse. "Cuba and China Dominate the Conversation at Cruise Shipping Miami." March 17, 2015.

12 South Florida Business Journal. "5 things we learned at Cruise Shipping Miami 2015." March 16, 2015.

13 Florida Seaport Transportation and Economic Development Council. "The Five-year Florida Seaport Mission Plan." May 2014.

14 Sun Sentinel. "Cruise Line Leaders have sights on Cuba." March 17, 2015.

15 Travel Agent Central. "CLIA Releases Asia Cruise Trends Study at Cruise Shipping Miami." March 18, 2015.

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