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Contents

Message from the Board	1 & 2
Economic Impact Study	1 & 4
Success, Port by Port	3
Cruise BC Board of Directors	4
Update on Activities	4
Cruise BC Contact Information	4



Economic Impact Study Released

The North West Cruiseship Association, Vancouver Port Authority and St. Lawrence Cruise Association recently joined forces to produce: *The Contribution of the International Cruise Industry to the Canadian Economy in 2003*. Showing significant increases since the last study (undertaken in 2000), the economic impact study showed that British Columbia represents **73% of total cruise passenger arrivals** in Canada. Vancouver represents the majority of cruise activity in Canada with 61% of total cruise passenger arrivals in Canada.

British Columbia accounted for over two-thirds of the national impacts in industry output. In terms of what this means for the provincial and national economies, BC's cruise industry injects **\$1.2 billion annually**, generating over 10,000 jobs.

Highlights from the study, include:

- British Columbia accounts for \$660 million of the \$965 million in direct spending in Canada by the cruise lines, their passengers and their crew.
- Over 6,000 full- and part-time jobs, paying \$197 million, are generated as a direct result of the cruise industry in BC. Total employment when analyzing indirect impact increases to 10,400 with wages and salaries totalling \$374 million.
- Nationally, an average of almost \$127 was spent per passenger visit, generating \$151.6 million. BC's average passenger expenditure exceeded this by \$12 for an

continued on page 2...

Message from the Board

Over the past two years, the Cruise BC Initiative has grown from a concept to a fully-established, official association recognized as the leader in developing the cruise industry market here in British Columbia.

During this process, the partners of the Cruise BC Association have come to recognize the significance of presenting a united group to cruise line representatives. The cooperation and team work that have become key characteristics of the Cruise BC Team have produced amazing results in terms of increasing awareness for destinations within British Columbia that can accommodate cruise ships in Canada's Northwest Passage.

From our first discussions, the intent of Cruise BC has been three-fold:

- **Building Demand / Marketing** – To position and market British Columbia as a premier cruise destination in the world.
- **Enhancing Supply / Communications** – To enhance and build upon the current infrastructure to be able to realize the full economic benefits of building a BC-based world-class cruise industry.
- **Leadership / Advocacy** – To be a strong and active advocate for the development of a BC-based cruise industry.

These intentions have now been formalized in our rolling three-year business plan and with our goals clearly stated, we are now well on our way to implementing an action plan that addresses each component of our vision. For example:

- **With the goal of building demand**, we plan to continue our presence at the Seatrade Cruiseship Convention in Miami; joint sales calls targetting key cruise line representatives; and co-op marketing initiatives to leverage the resources of a variety of partners, including the cruise lines and destination marketing organizations.

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Message from the Board (Cont'd)

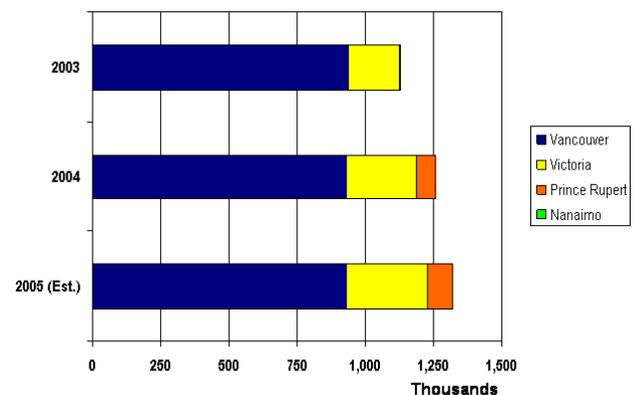
- **With the goal of enhancing supply** and increasing the number of cruise ship calls on the coast, we are developing a detailed destination profile of British Columbia that expands on information in the original Ports Profiler; organizing annual workshops in local communities as well as making presentations at forums where attendees will benefit from research undertaken on behalf of Cruise BC.
- **With the goal of providing leadership** for the cruise industry in BC, we will develop an Economic Impact/Benchmarking Prediction Model that can be used to determine yearly estimates of passenger, crew and line spending as well as jobs and taxes generated; developing site inspection tours; a pilot project to show the viability and attractiveness of BC itineraries; and a program to supplement our Cruise Capacity-Building Handbook.

This is only a sampling of the activities that Cruise BC plans to undertake over the next three years. Needless to say, our goals are ambitious and will take a great amount of teamwork and commitment to accomplish. But, based on past cooperation and participation of all stakeholders, we are confident that our approach to increasing the cruise industry in BC is a holistic one that will succeed.

With the dedication of its partners and the enthusiasm of BC's stakeholders in general toward the cruise industry, we are confident of the continued growth of the industry and benefit for the entire province. I encourage all those with a vested interest to participate in our vision.

Economic Impact Study Released (Cont'd)

- average of \$139 per passenger for a total spending of \$109.1 million. BC's higher average was attributed to a higher percentage of passengers generating overnight stays and longer visits.
- BC's average spending by crew was also higher than the national average — \$120.79 compared to \$106.60, generating over \$38 million.



Passenger Growth: Consistent growth of cruise activity in BC is expected for the 2005 season. Longer-term forecasts indicate even greater increases as Port Alberni, Nanaimo and Campbell River intensify marketing and awareness campaigns.



Cruise BC identifies early successes.

An important part of Cruise BC has been the increased level of tracking cruise activity in each destination. At a recent Cruise BC board meeting, port representatives provided an overview of the 2004 cruise season and expectations for 2005. As a result of Cruise BC's ability to provide support, guidance and **leveraged opportunities** for increasing awareness with the cruise lines, growth of the cruise industry is quickly spreading throughout the province.

Vancouver – While Vancouver's passenger capacity had declined after 20 years of growth, final numbers for the 2004 season showed that the trend was slowing and would be reversed by 2005 with expectations for slight increases. Vancouver's port accommodated 286 sailings with total revenue passengers at 930,000.

Victoria – The 2004 cruise season for Victoria was the **most successful so far** with 139 sailings carrying 262,000 passengers – a 40% increase over 2003. The Greater Victoria Harbour Authority has begun work on a long-term plan that will provide a vision for future development of the harbour. The plan is expected to be ready for distribution in 2005 and will provide an overview of development through to 2010.

Prince Rupert – Prince Rupert Port Authority reported a **breakthrough year for 2004** with 35 ships now visiting. Representative Shaun Stevenson reported that, with 30% capacity of shore excursions used in 2004, growth in 2005 would be quickly realized by almost 100,000 passengers. "The cruise industry is basically re-inventing the economy of Prince Rupert and has been a major catalyst for the community," said Stevenson.

Nanaimo – As Nanaimo undertakes a feasibility study to look at modifying berths to accommodate larger ships, there was a slight increase in 2004 with passenger numbers surpassing the 1,000 mark. Doug Peterson, Nanaimo Port Authority spokesperson, reported that "Nanaimo has undertaken solid promotion of the port in 2004 starting with Seatrade and continuing with personal visits to cruise line representatives in Los Angeles and Seattle. **Cruise BC has been able to increase awareness** of BC ports and it was very evident through our discussions with the lines that knowledge of what BC has to offer is being viewed very favourably."

Port Alberni – David McCormick and Linda Kelsall, Port Alberni's representatives on the Cruise BC board, noted that Port Alberni was following Prince Rupert's format of changing their economy from resource-based to tourism. He noted that the World Residence visit in 2003 provided a catalyst that is positioning Port Alberni as a destination within its own right. David has seen an increase in interest being expressed from cruise line representatives. "It's just a matter of time before Port Alberni begins accepting the larger ships on a regular basis."

Campbell River – Campbell River's attraction for cruise ships is now well recognized with Celebrity ships expecting to berth five ships in the 2005 season. The main activity in Campbell River during the 2004 season was refining the development plan for the docks. Lise Steele, Campbell River's representative, noted that the revisions over the past few months have identified a site with improved access, easier construction variables and greater opportunities for community involvement. As Campbell River's Port-of-Call Committee undertakes to complete the construction in time for the 2005 season, Steele was enthusiastic that the new venue would far surpass expectations of the lines.

Cruise BC Activities

Since our last newsletter this past spring, Cruise BC has been busy! The following list will give you an idea of the kind of activities we've been pursuing over 2004 – we invite you to call any of our directors or the administration office for more information.

- **March, 2004:** Cruise BC launch at the Seatrade Convention in Miami
- **May, 2004:** Final Communications and Marketing Plans produced.
- **May, 2004:** Cruise BC's Community Capacity Building Handbook is finalized.
- **June, 2004:** Cruise BC representatives organize a joint sales trip to Miami, Los Angeles and Seattle to visit key cruise line representatives.
- **July, 2004:** Cruise BC holds its first official board meeting. Priorities for the business plan are identified, by-laws and constitution are approved.
- **August, 2004:** Cruise BC Policy Manual is drafted to accompany by-laws and constitution.
- **September, 2004:** Directors are officially recognized – first Cruise BC executive established with Greg Wirtz, Vancouver Port Authority, sworn in as President; Michael Cormier, Greater Victoria Harbour Authority, is elected to the Vice President position; and Shaun Stevenson, Prince Rupert Port Authority, is elected as Secretary/Treasurer.
- **October, 2004:** Business plan is finalized and operational plan developed. Plans for Seatrade 2005 get underway!
- **November, 2004:** Production of third newsletter and additional collateral material.
- **December, 2004:** Cruise BC will be represented at the 21st Annual Leisure Travel Conference and Cruise-a-thon in Fort Lauderdale, Florida.
- **February, 2005:** Presentation planned for Council of Tourism Associations Annual Tourism Industry Conference.

Building our Image Bank...

Part of Cruise BC's mandate is to illustrate the beautiful, superNatural features of British Columbia to a diverse audience, including cruise lines and potential cruise passengers. To do this, **we need your help** – send us your photos that show the best of BC – from destinations along the coast and on the water to interesting shots that show the diversity of the tourism product we have to offer.

All formats are acceptable. Contact Jane Mclvor at the Cruise BC administration office (604-633-9022) or e-mail: cruisebc@mcivor-communications.com for further information.



Cruise BC Association – Board of Directors

President: Greg Wirtz, Vancouver Port Authority

Vice President: Michael Cormier, Greater Victoria Harbour Authority

Secretary/Treasurer: Shaun Stevenson, Prince Rupert Port Authority

Directors-at-large:

Dayna Miller, Tourism Vancouver

John Sanderson, Greater Victoria Harbour Authority

Bruce Wishart, Tourism Prince Rupert

Linda Kelsall, Port Alberni Port Authority

David McCormick, Alberni Valley Cruise Ship Society

Lynn Phillips, Campbell River Port-of-Call

Lise Steele, Campbell River Port-of-Call

Doug Peterson, Nanaimo Port Authority

Jerry Pink, Tourism Nanaimo

Norman Lee, Ministry of Small Business and Economic Development

Raymond Chan, Tourism BC

Helen Glavinic, Western Economic Diversification Canada

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