

NEWS RELEASE

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CRUISE LINES CONTRIBUTE TO TEXAS' ECONOMIC HEALTH **Cruising from the Port of Galveston Dominates \$631 Million Economic Impact as** **96% is Attributed to Galveston** Texas Ranks 5th in Benefits in the Nation

Galveston, Texas...August 23, 2004...Cruise lines and their passengers and crew spent nearly \$631 million on direct purchases in Texas, generating 9,767 jobs paying \$425 million in income in 2003, reported the International Council of Cruise Lines (ICCL). An annual study by Business Research and Economic Advisors (BREA) ranks Texas fifth in the nation in benefiting from cruise industry activity.

Approximately 96% of cruise statistics are attributed to the Port of Galveston as expanding cruise operations in Texas homeports fueled the economic impact of the industry. In 2003, 377,000 cruise passengers embarked from the Port of Galveston. Houston also experienced growth with 15,000 cruise embarkations in 2003.

"Four years ago, the Port of Galveston was just beginning its evolution into the cruise industry," stated Steven M. Cernak, Galveston Port Director. "In May, we celebrated our one millionth cruise passenger since the beginning of year-round operations in September 2000. Our growth has been phenomenal. In 2002, the Port ranked 18th in the world and ninth in the United States as a premier cruise port and our numbers continue to grow. Passenger statistics grew by 151% in the 2001-2002 cruise season and by another 39% for the 2002-2003 season."

This rise in "drive-to" markets supported 9,767 cruise industry jobs in Texas carrying an average wage of \$43,500. The jobs were concentrated in wholesale and retail trade, accommodations and food services, finance and insurance services, mining services and fabricated metal manufacturing.

"As the cruise industry expands in the state of Texas through the growing ports of Galveston and Houston, so does the job creation and support for local workers," said Governor Rick Perry. "Together, we have created more jobs and supported our local economy while bringing more revenue to the state and local businesses as passengers stay before or after their cruise."

The ICCL report summarizes that cruise industry spending impacts a combination of providers of cruise-related products and services as well as tourist-related businesses.

Among the Texas industries that benefit from cruise line spending are petroleum refining, air transportation, travel agencies, technical services, lodging, food processing, communications and navigation equipment manufacturing, and the manufacturing of engines and power transmission equipment.

According to the ICCL, nationally the cruise industry generated a total U.S. economic impact of \$25.4 billion and over 295,000 jobs in 2003. An estimated 7.1 million cruise embarkations were handled by U.S. ports during 2003, accounting for 72 percent of global embarkations and representing a 9.4 percent increase over 2002.

“The cruise industry’s contribution to the U.S. economy has risen, on average, 12 percent each year for the past three years,” said ICCL President J. Michael Crye. “And that impact is felt in virtually every economic sector, from agriculture to durable goods, transportation, employment and taxes.”

The complete study can be found on the ICCL Web site at www.iccl.org.

The Port of Galveston is Texas’ maritime gateway to the Caribbean, Latin America and South America for everything from commerce to recreation. The 179-year old Port of Galveston is a major contributor to the robust Galveston-Houston area, contributing \$656 million to the Texas economy from cruise and cargo operations.

Galveston is the #1 Gulf of Mexico cruising port. It is home port to two Carnival Cruise Lines’ cruise ships, one Royal Caribbean ship, and seasonal cruise operations by Celebrity Cruises and Princess Cruises, offering approximately 227 cruises annually.

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