



For Immediate Release

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CRUISE LINES CONTRIBUTE TO TEXAS' ECONOMIC HEALTH Cruising from the Port of Galveston Dominates \$934 Million Economic Impact as 84% is Attributed to Galveston Operations Texas Ranks 5th in Benefits in the Nation

Galveston, Texas...September 1, 2006...Cruise lines and their passengers and crew spent over \$934 million on direct purchases in Texas in 2005, an increase of 32 percent over last year. These expenditures generated 15,800 jobs paying \$713 million in income in 2005, 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 84% of the cruise statistics are attributed to the Port of Galveston as expanding cruise operations in Texas homeports fueled the economic impact of the industry. In 2005, over 532,000 cruise passengers embarked from the Port of Galveston.

Galveston's growth in economic benefits of over \$784 million supported 13,272 cruise industry jobs in Texas that paid over \$599 million in wages based on Galveston statistics. Approximately 46% of the industry's direct expenditures were based in tourism-related businesses such as travel agencies, airlines, hotels, restaurants and ground transportation providers.

"Since the beginning of cruise operations in September 2000, the Port of Galveston has been working to improve and enhance our cruise facilities and to increase the number of visitors that the Port attracts to Galveston Island," stated Steven M. Cernak, Galveston Port Director. "In April, we celebrated our two millionth cruise passenger since the beginning of year-round operations. Our growth has been phenomenal. Recently released world cruise port rankings, based on passenger volume, place Galveston as the eleventh cruise port in the world and fourth in the Continental United States and our numbers continue to grow. That's quite an accomplishment for a mid-sized port up against the likes of cruise-giants Miami, Port Everglades and Port Canaveral."

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 \$32.4 billion to the U.S. economy in 2005, an increase of nearly 8% over 2004, contributing to the economy of every state in the nation. In the annual study by BREA, the cruise industry supported more than 330,000 jobs nationwide and paid a total of \$13.5 billion in wages and salaries to Americans in 2005.

Cruise lines, their passengers and crew were responsible for a total of \$16.2 billion in direct spending on U.S. goods and services last year - \$1.5 billion, or 10%, more than in 2004. The industry's direct expenditures supported nearly 143,000 jobs and paid \$5.2 billion in wages and salaries, an increase of 5.6 % and 8.1% respectively. BREA noted that while growth in embarkations was not as robust in 2005, global spending on a per passenger basis rose from \$1,553 in 2004 to \$1,667 in 2005, up 7.3 %.

"Last year was challenging due to weather disruptions and fewer new ships delivered," said ICCL President Michael Crye. "Through those challenges, however, the cruise industry remained a robust economic resource in 2005, benefiting the U.S. economy with \$32.4 billion - \$4 billion more in goods, services and wages than it spent in 2004."

The \$16.2 billion in direct purchases for goods and services for cruise operations by the North American cruise industry benefited the economies of all 50 states. Economic impacts were concentrated in 10 states that accounted for 77% of the total U.S. impacts: Florida, California, New York, Alaska, Texas, Georgia, Washington, Hawaii, Massachusetts and Illinois.

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 180-year old Port of Galveston is a major contributor to the robust Galveston-Houston area, contributing \$834 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 Royal Caribbean and Princess Cruises, offering approximately 253 cruises in 2006.

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