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TEXAS ECONOMIC IMPACT FROM CRUISE BUSINESS GROWS 96% of Total Attributed to Cruise Business at the Port of Galveston

Of the total \$631 million, cruise lines and their passengers and crew cruising from the Port of Galveston spent approximately \$605 million on direct purchases in Texas, generating over 9,000 jobs state-wide 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.

“Cruise operations at the Port of Galveston have shown amazing, rapid growth,” stated Steven M. Cernak, Port Director. “We were ranked 18th in the world as a premier cruise port in 2002 and know our ranking for 2003 will be as solid. . We know that the cruise growth and development has been a significant contributor to the robust economy of Texas and has been a significant catalyst in the current development activity in the City of Galveston. We are particularly proud to be a part of this industry and look forward to continued success as we continue to expand our cruise operations.”

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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