PRESS RELEASE

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THE CRUISE INDUSTRY AND VENICE – FACTS AND PROSPECTS

Economic impact, quality tourism, environmental responsibility, alternative route. The cruise industry lets facts talk.

Venice, 21 September 2017 - Today, Cruise Lines International Association (CLIA), held a press conference in Venice, Italy, to present the industry local facts and prospects on behalf of its members.

1. Homeport Venice. The economic impact
The cruise industry employs nearly 4,300 people and provides business for 200 companies in and around Venice. Ships arriving in Venice generate a total of € 436.6 million annually at a national level, in terms of direct expenditure by passengers, companies and crews. Of this total, € 283.6 million are spent in Venice and in its territory and € 153 million are spent across Italy. Ships arriving in Venice also generate up to €170 million for related sectors (see “L’Impatto economico della Crocieristica a Venezia” ["The economic impact of the cruise industry in Venice"], by Professors Dosi, Musu, Rizzi and Zanette), accounting for 3.26% of the Municipality's GDP (4.1% of the workforce) and 0.96% of the Province's GDP (1.19% of the workforce).

2. The industry’s environmental responsibility
The cruise industry is not simply good for the city's economy, but it is also focused on environmental best practices and sustainability to safeguard the natural resources and the cultural heritage of destinations like Venice for generations to come. Cruise lines are seriously committed in Venice, as they are everywhere else in the world, to
preserving the beauty of the destination and its natural environment, which are both the right thing to do and an indispensable resource for the vitality and prosperity of the industry itself. CLIA member cruise companies voluntarily entered into the Blue Flag Agreement in Venice and have invested more than $1 billion in clean technologies with a view to improving environmental performances and further reduce the impact of emissions. This is part of an ongoing process that continuously lowers the impact of existing and every new ship.

These are the facts as reported in the latest study published by the Veneto Region’s Agency for the Environment – ARPAV. The study showed that vessel traffic generates 18% of fine particles, ferries and ships amounted to 12% and local traffic produced 14% of fine particles. More specifically, cruise ships were found accountable for 8% of emissions output during summer months, while the overall impact dropped to 2% in winter. It should also be pointed out that the highest level of fine particles was detected during winter when the cruise season is over. The monitoring sensors positioned closest to where cruise ships pass through the Giudecca Canal (Sacca Fisola) recorded very high levels especially from February 15 to 24, 2017 with a pollution peak on 31 December 2016. From May to October, when the cruise season is in full swing, not one single irregularity was reported in the PM10 particulate detection, as shown in the 2014 Air Quality Annual Report published by the Municipality of Venice.
ENVIRONMENTAL RESPONSIBILITY - THE CRUISE INDUSTRY

Since 2016, every cruise ship has been equipped with a fuel-efficient engine.

Recently, cruise companies have gone through a renewal of a large part of their fleets, thus implementing filtration units through the so-called scrubbers. As of today, over 100 ships are equipped with these systems. The installation of gas cleaning systems has made it possible in recent years to cut down by more than 90% on the emission of pollutants, such as sulphur dioxide, nitrogen oxide and Co2.

Every single major group is investing in new sustainable propulsion technologies for new-generation hips, with a focus on Liquefied Natural Gas, LNG.

An example of the industry’s commitment is the implementation of the world’s most advanced strategies as to the recycling, reducing and reusing of waste:

- Waste recycling on board is 60% higher per passenger than an individual on land.
- Every year 80,000 tons of paper, plastic, aluminum and glass are the end-result of the recycling strategy adopted on board cruise ships.
- LED lights are used on ships and they last 25 times longer than a normal light bulb and use 80% less energy. Moreover, cruise companies employ special hull coatings that can reduce fuel consumption by 5%.

It is a commitment to environmental responsibility that has grown stronger in Venice following the voluntary signing of the ten-year emission limitation Blue Flag agreement. The Agreement establishes that shipping companies must use green fuels whose sulphur content should never exceed a 0.1% threshold both at berth and when crossing the Lagoon.

The Agreement is far stricter than today’s IMO provisions (the limit will fall to 0.5% by 2020)
Any other statement regarding the environment should be based at least on an identical scientific standard, if it is to be seriously considered.

The cruise industry respects the environment and represents a form of sustainable tourism for the city. The tourist flows generated by cruise passengers are controlled and organized with ample time, with a view not to cause problems to the city or overcrowding it. It is not a touch-and-go kind of tourism and this is due not only to Venice being a homeport, but because the cruise passenger spends more than the average tourist.

3. A proposal for an alternative route

A solution to the questions raised for the passage of cruise ships in Venice has been on the agenda for the past five years. Currently, cruise companies have voluntarily limited the access to the Lagoon to ships over 96,000 tons. They have also limited the overall number of arrivals. As a result, Venice has lost half million of passengers (from 1.8 million in 2013 to 1.4 in 2017). Moreover, in the first six months of this year, passenger arrivals have decreased by 13% (-72-000). This decline of the Venetian homeport has provoked a bad effect in the whole Adriatic Sea, that in 2016 lost 6.5% of its total number of passengers (according to Risposte Turismo). In case all ships above 40,000 tons, all “Big Ships”, were denied access to the Lagoon in the future, the number of passengers in Venice would decrease by 90% from the figures in 2012, with an 85% impact on expenditure on local goods and services (€40 million, down from €283.6 million). Employment would fall by 83% (600 workers, down from today’s 3,660).

CLIA is determined to find an alternative route to the passage of large ships in the Giudecca Canal as soon as possible. Cruise companies have come together today like never before to find a solution. They have simulated access to Venice via the Vittorio
Emanuele III Canal at Marittima, an excellent passenger terminal in Italy and in the world, which remains fundamental.

Three large cruise companies - Royal Caribbean, Carnival-Costa, MSC – and the VTP have made joint simulations with six ships of different sizes in the Netherlands (CSMASRT Center in Almere) and in Denmark (at the Force Technology Institute in Copenhagen) between 29 August and 1 September this year, testing them in a variety of weather conditions, sometimes even adverse. The exercise gave positive and encouraging results, in line with those carried out by the Port Authority, and we now call on the Port Authority and the Harbour Master to complete the other necessary steps of the assessment procedure which are foreseen under Italian law.

CLIA is determined to cooperate with local and national institutions and also to consider potential long-term future options for ships exceeding 96,000 tons.

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About Cruise Lines International Association (CLIA) – One Industry, One Voice Cruise Lines International Association (CLIA) is the world’s largest cruise industry trade association, providing a unified voice and leading authority of the global cruise community. The association has 15 offices globally with representation in North and South America, Europe, Asia and Australasia. CLIA supports policies and practices that foster a safe, secure, healthy and sustainable cruise ship environment for the more than 24 million passengers who cruise annually and is dedicated to promote the cruise travel experience. Members are comprised of the world's most prestigious ocean, river and specialty cruise lines; a highly trained and certified travel agent community; and cruise line suppliers and partners, including ports & destinations, ship development, suppliers and business services. The organization’s mission is to be the unified global organization that helps its members succeed by advocating, educating and promoting for the common interests of the cruise community. For more information, visit www.cruising.org or follow Cruise Lines International Association on CLIA Facebook and Twitter pages.