



Cruise Baltic

Market Review 2018

March 2018

Introduction

Cruise Baltic is a network of 10 countries with 29 cruise destinations in the Baltic Sea.

Three additional destinations (St. Petersburg, Kiel and Riga) have been included in the analysis to achieve a full view of the entire region.

The purpose of this report is to present an updated view of the developments in the cruise sector in the Baltic Sea Region, including data on guests, calls and turnarounds.

The information presented in this report is based on a collection of data among ports in the Baltic Sea Region as of February 2018. The report presents the actual developments until 2017 and the expected numbers for 2018.



Summary

In 2017, the cruise business in the Baltic Sea experienced an increase in the number of guests visiting the region, amounting to a total number of 5,054,849 pax. This is the highest number ever. The region also experienced positive growth rates within calls and turnarounds (since 2016).

In 2017:

- The total number of guests has increased by 16.6%
- The total number of calls has increased by 15.4%
- The total number of turnarounds has increased by 3.9%

Estimates for 2018 are overall positive, predicting an increase in number of guests and calls. Turnarounds will decrease slightly.

In 2018:

- The total number of guests will increase by 8.4%
- The total number of calls will increase by 6.4%
- The total number of turnarounds will decrease by -2.1%

In 2018, the region expects guest numbers to have increased by 1.2 million since 2016 to almost 5.5 million guests.

Cruise Guests

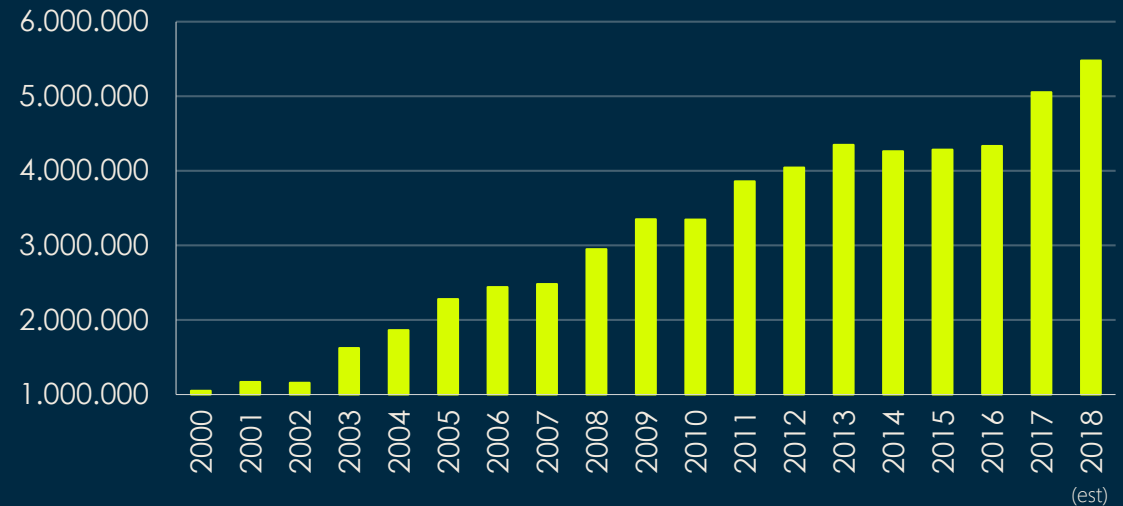
The number of cruise guests visiting the Cruise Baltic destinations in 2017 increased by 16.6% compared to number of guests in 2016.

From 2000-2017 the number of guests increased by an average annual rate of 9.7% per year (from 1.1 mill. in 2000 to 5 mill. in 2017).

Expected number of guests in 2018 is increasing (8%) compared to 2017 with an increase of 423,045 pax.

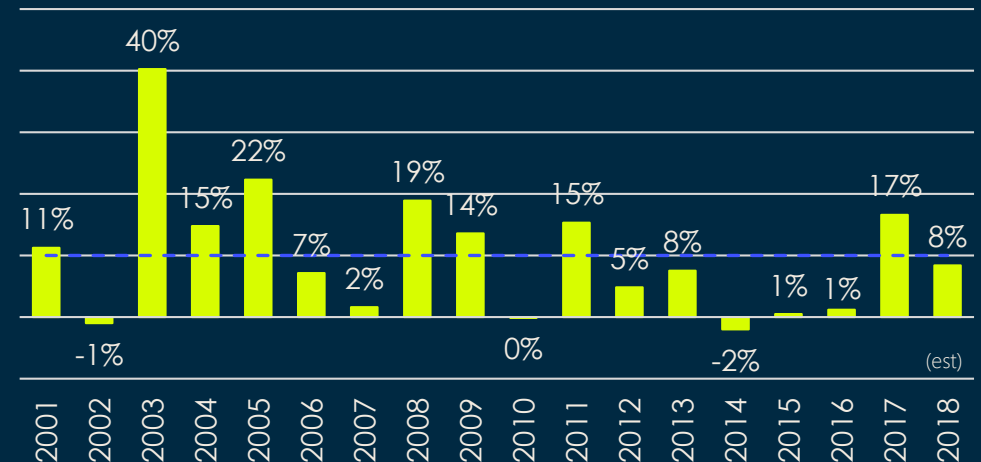
The number of guests has increased with 1,2 million from 2016 to 2018.

NUMBER OF GUESTS



ANNUAL GROWTH RATE IN NUMBER OF GUESTS

Average annual growth rate: 9.7 pct. p.a.



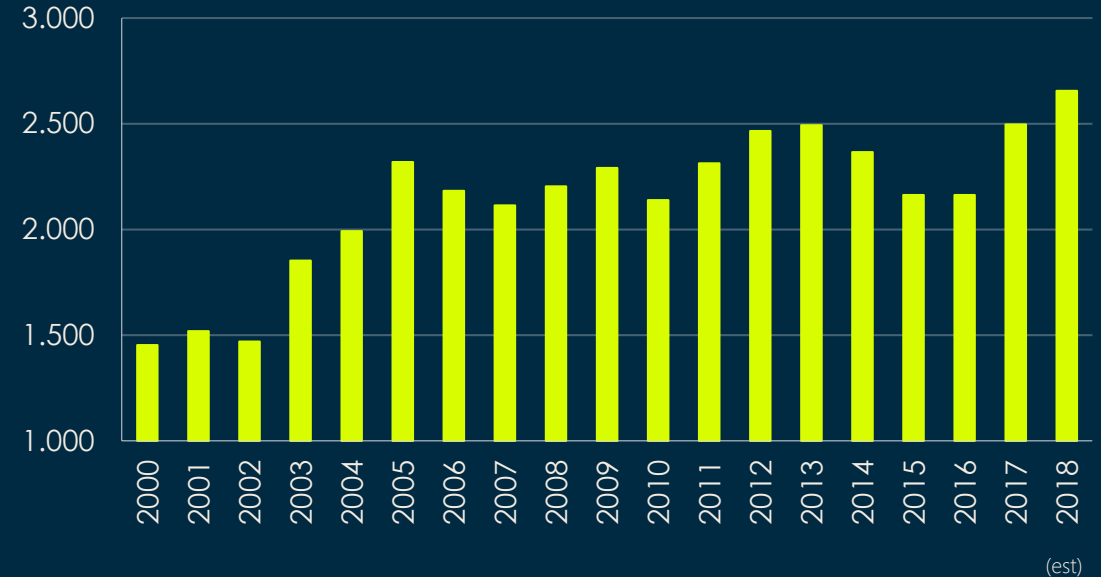
Calls

The number of calls increased and ended on 2,497 calls in total in 2017.

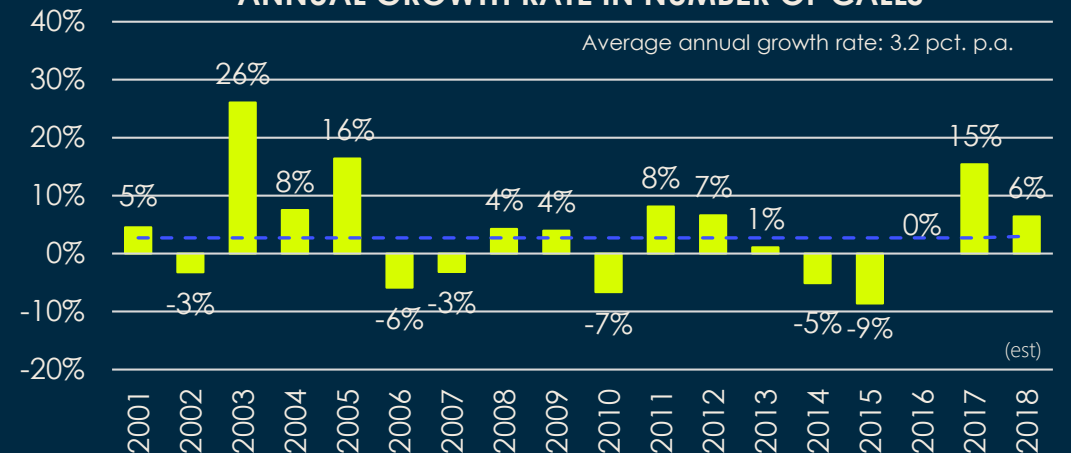
From 2000-2017 the number of calls increased by an average annual rate of 3.2% per year (from 1,453 in 2000 to 2,497 in 2017).

The Cruise Baltic ports anticipate an increase of 6.4% in the total number of calls and expect 2,656 calls in 2018.

NUMBER OF CALLS



ANNUAL GROWTH RATE IN NUMBER OF CALLS



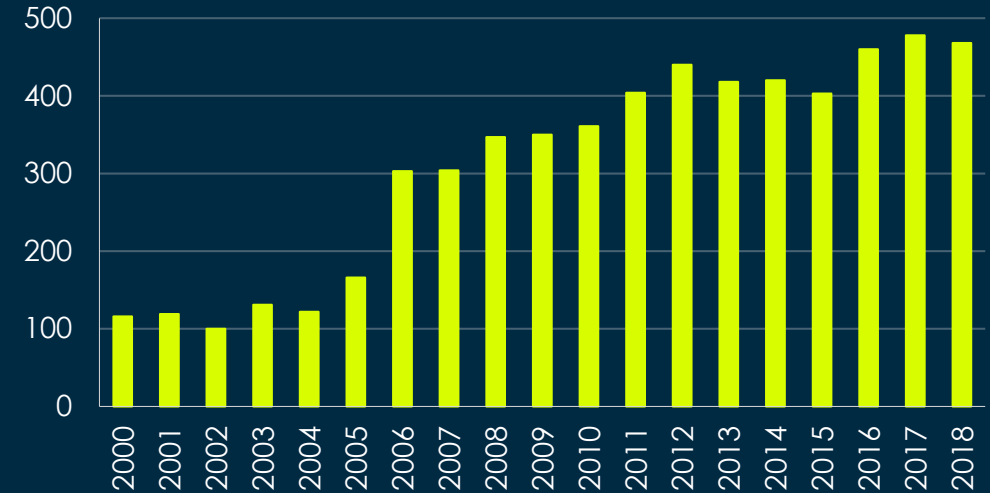
Turnarounds

The number of turnarounds increased by 3.9% from 2016 to 2017, from a total of 460 to 478 turnarounds.

A slight decrease of -2.1% is expected in 2018 (from 478 in 2017 to an estimated 468 in 2018).

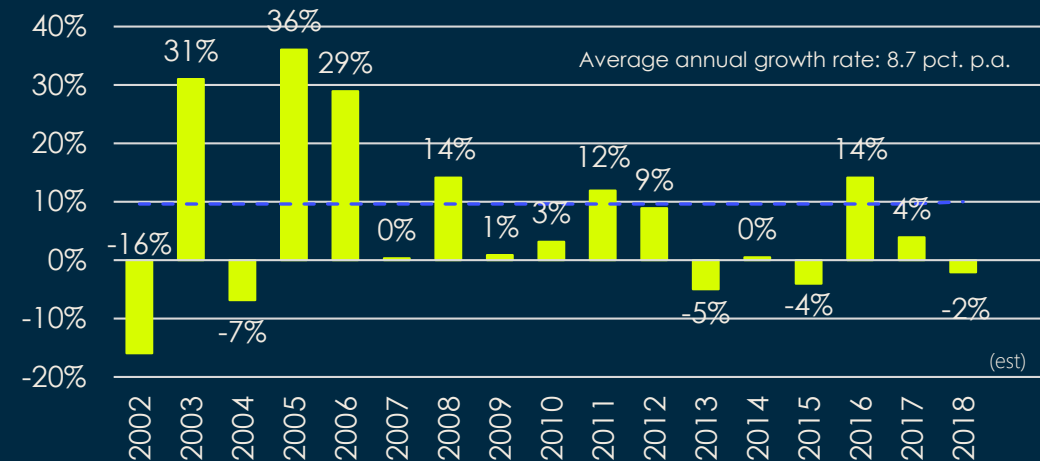
From 2000-2017 the number of turnarounds increased by an average annual rate of 8.7% per year (from 116 in 2000 to 478 in 2017).

NUMBER OF TURNAROUNDS



(est)

ANNUAL GROWTH RATE IN NUMBER OF TURNAROUNDS



Average annual growth rate: 8.7 pct. p.a.

(est)

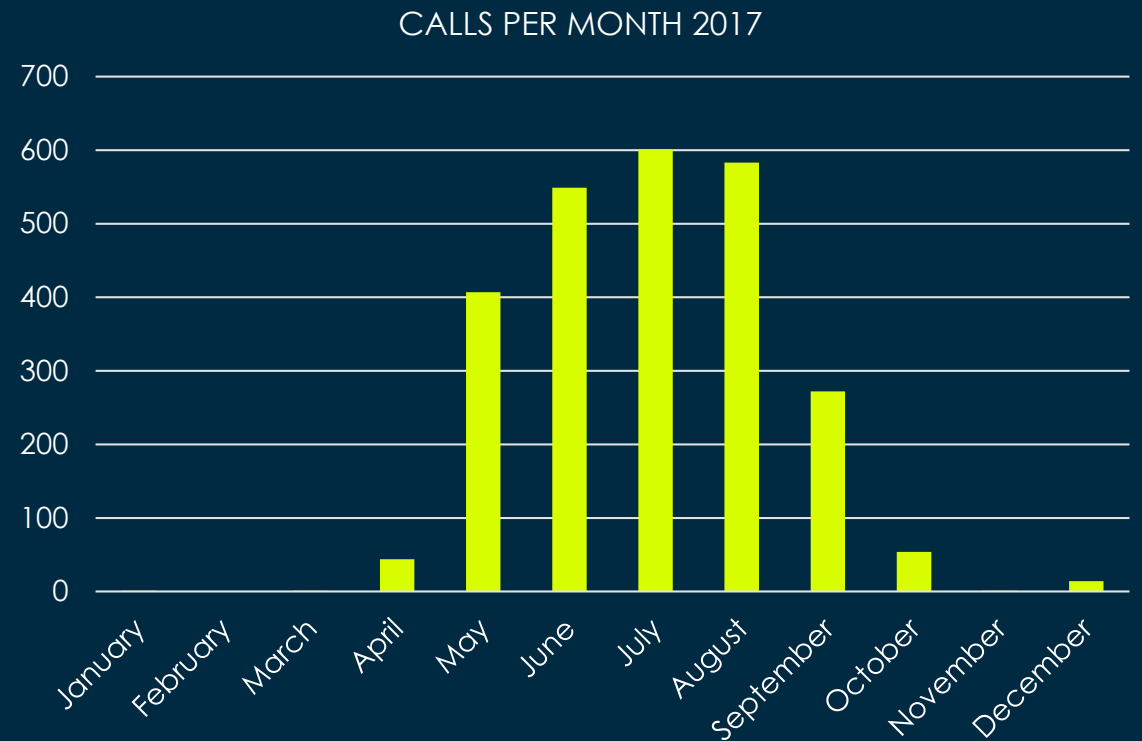
Number of Calls per Month 2017

For the first time, Cruise Baltic is including the number of calls per month. The purpose is to identify changes in monthly calls.

July was the busiest cruise month in 2017 closely followed by August. June was also busy with more than 400 cruise calls in the Baltic Sea region.

Despite small numbers in some months, the Baltic ports had cruise calls in every month throughout the year, except for February.

The so-called 'Christmas Calls' during the month of December reach 14 in total.



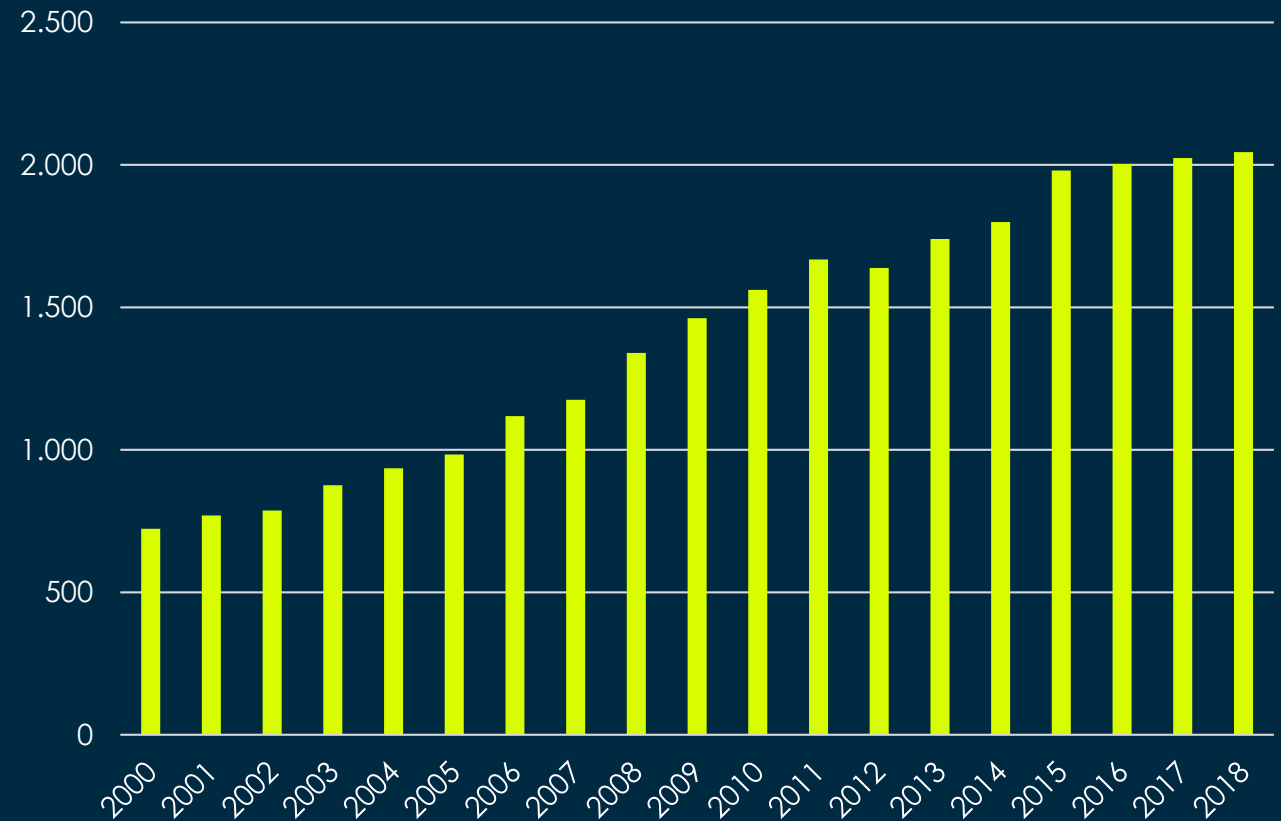
Number of guests per Call

The number of guests per Call continues to increase.

In 2017, the average number of guests per Call was 2,024 increasing to 2,045 in 2018.

In the period from 2007 to 2017, the average number of cruise guests per Call has increased from 1,176 to 2,024, an increase of 72.1%.

Since 2000, the number has increased with 1,301 guests per cruise Call.



Number of overnights 2017

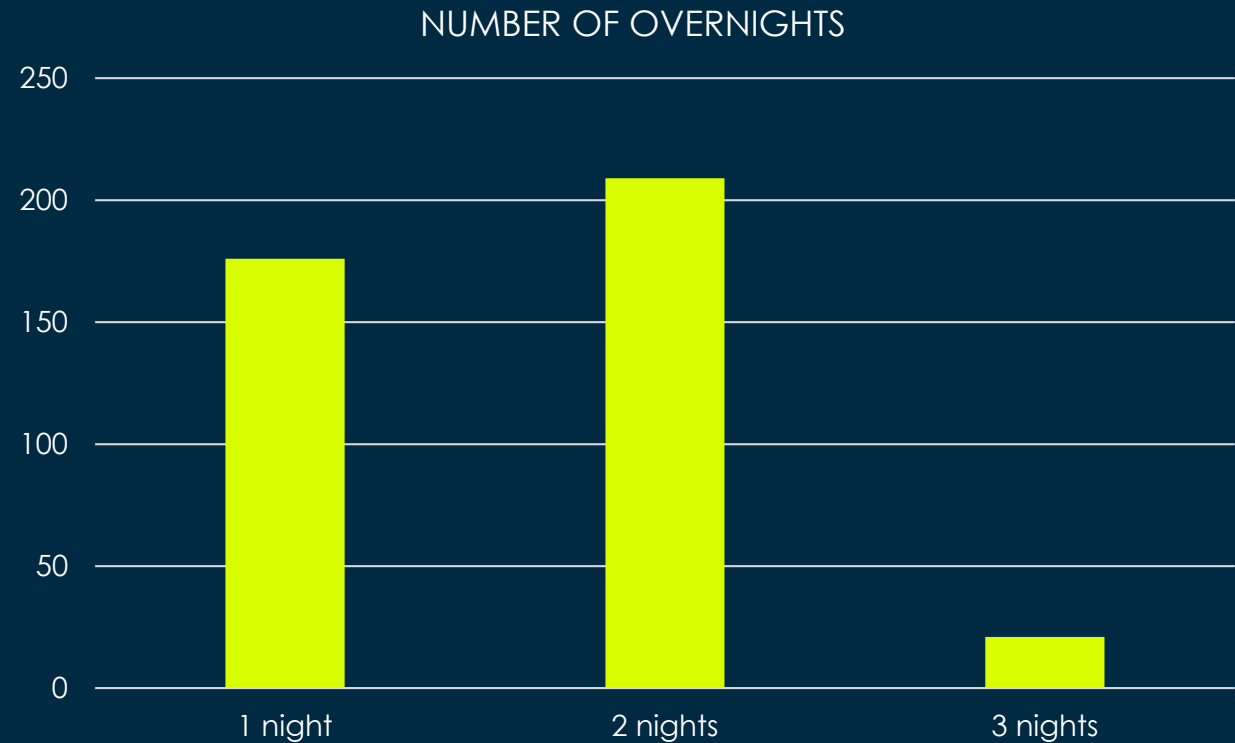
Also for the first time, the number of overnight cruise stays in the Baltic Sea has been monitored.

The purpose of monitoring this is to identify possible new trends for overnight stays in Baltic ports.

Surprisingly, the number of 2-night stays exceeds the number of 1-night stays in port.

The number of 1-overnight port stay was 176 in 2017, and the number of 2-nights stays were 209.

11 different Baltic ports had at least one overnight stay, 5 ports had 2-night stays and 3 ports had 3-night stays.



Cruise Baltic Segments

Small (0-24 calls)	Mariehamn (19), Lübeck-Travemünde (14), Fredericia (8), Turku (7), Kalundborg (6), Elsinore (6), Karlskrona (6), Arendal (5), Helsingborg (5), Saaremaa (5), Kotka (4), Kalmar (1) Kemi (0), Malmö (0)
Medium (25-49 calls)	Gothenburg (41), Aarhus (36), Aalborg (35), Skagen (31), Rønne (26)
Large (50-199 calls)	Rostock (190), Kiel (143), Oslo (101), Riga (85), Kristiansand (52), Gdansk (64), Klaipeda (63), Visby (59)
X-Large (200+ calls)	Copenhagen (325), St. Petersburg (319), Tallinn (311), Helsinki (266), Stockholm (264)

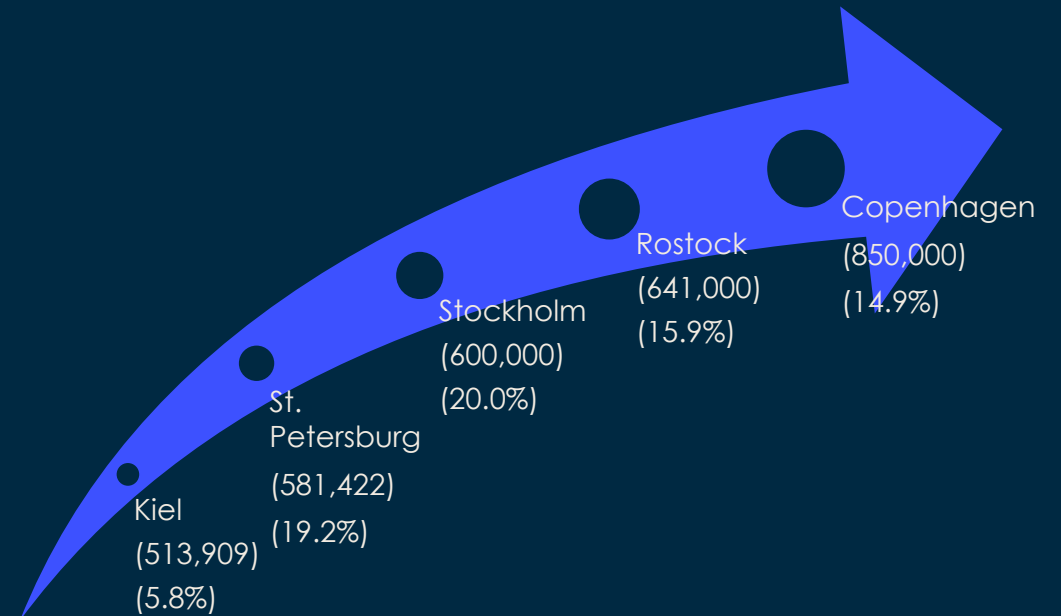
The above is based on 2017 calls. Compared to 2016, Aalborg, Skagen, and Rønne moved from the small to the medium ports. Gdansk and Visby moved from being 'medium' to 'large' ports.

Top 5: Amount of guests in 2017

Copenhagen is the largest port in terms of cruise guests, and it has experienced a 14,9 % increase in guests in 2017 compared to 2016.

Stockholm has had the highest growth rate of 20% growing from 500,000 guests in 2016 to 600,000 guests in 2017. All the top-5 ports in the Baltic Sea experienced a double-digit growth in terms of number of guests, except for Kiel.

Expectations for 2018 are very positive, all top-5 are expecting an all-time high in terms of number of guests. Copenhagen will remain the largest port in the Baltic Sea with 875,000 guests.

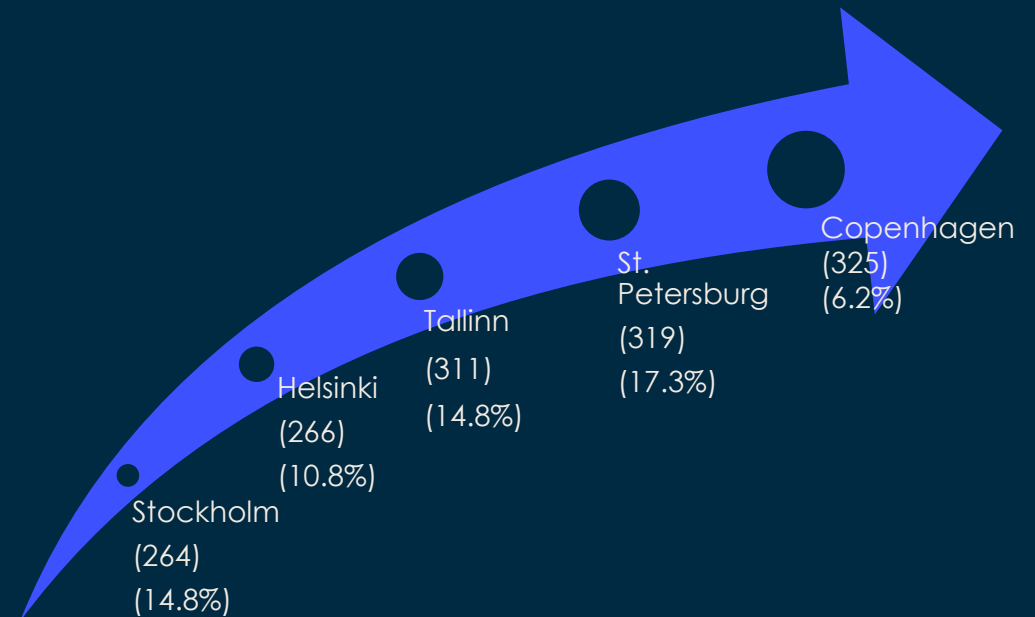


Top 5: Calls in 2017

In 2017, the number of calls increased in all the Top-5 ports. While Copenhagen remains the largest port, when it comes to number of calls, St. Petersburg has experienced the largest increase by 17.3%. Tallinn and Stockholm both increase with almost 15% to 311 respectively 264 calls.

While Stockholm is expected to maintain status quo in 2018, the four other ports in Top-5 are expected to increase in number of calls. Copenhagen by 3.9%, St. Petersburg by 6.6%, Tallinn by 10% and Helsinki by 4.9%

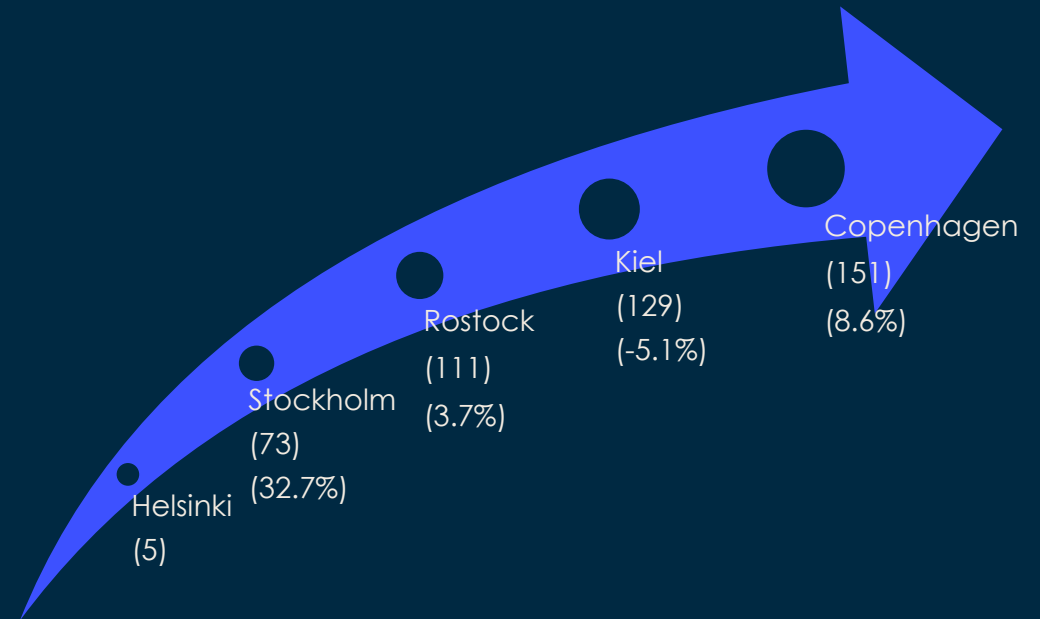
The Top-5 ports amount to 1,485 calls out of the total 2,497 calls in 2017, accounting for 59.5% of the total number of calls in the region. In 2016, the corresponding number was 67.8%



Top 5: Turnarounds in 2017

Four out of the Top-5 turnaround ports are the same as in 2014, 2015, 2016 and 2017. Kiel has experienced a decrease of -5.1% in the number of turnarounds, but the rest of the Top-5 ports have all experienced an increase. Copenhagen experienced an increase of 8.6%, Rostock by 3.7% and Stockholm by an impressive 32.7%.

Expectations for 2018 see a small increase for Copenhagen (2.0%), and a large increase for Kiel (11.6%). Both Stockholm (-22.0%) and Rostock (-1.0%) are expected to decrease, while Helsinki is not expected to have turnaround calls at all.



The Large Ports

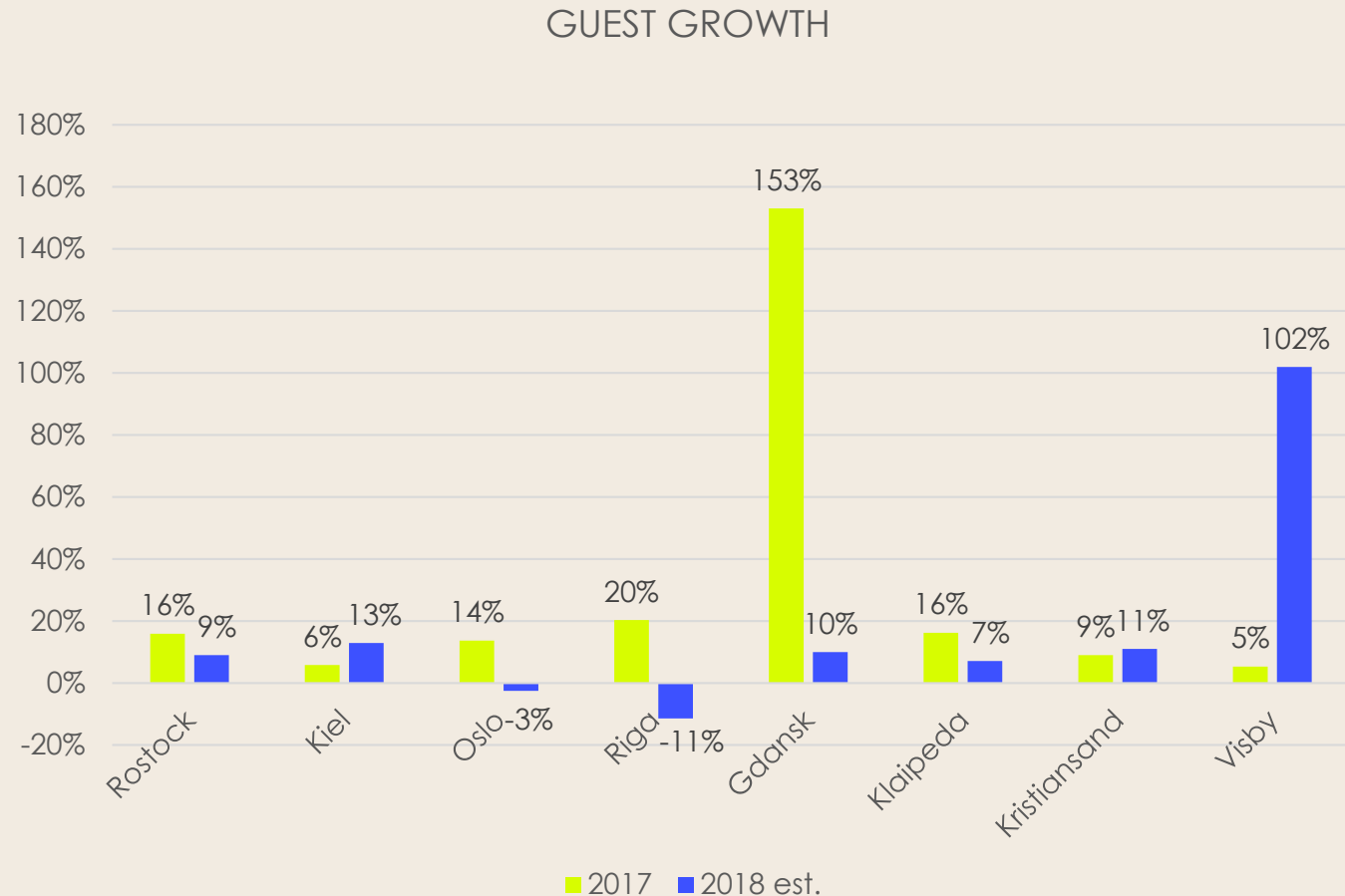
(50-199 Calls)

The Large Ports consists of Rostock (190), Kiel (143), Oslo (101), Riga (85), Gdansk (64), Klaipeda (63), Visby (59) and Kristiansand (52). Gdansk is for the first time among the large ports with twice as many cruise calls in 2017 vs. 2016.

This segment grew in guest numbers 4.3% in 2017, and is expected to further increase in 2018 by 11.4%. Only two (Riga and Oslo) of the 7 large ports are expected to decrease in 2018 in guest numbers.

Between them, the destinations had 757 calls in 2017 and will increase by 7.4% in 2018 to 813 calls.

Rostock, Kiel and Gdansk had turnarounds in 2017, respectively 111, 129 and 1. In 2018, Rostock (110), Kiel (144), and Oslo (2) will have turnarounds.



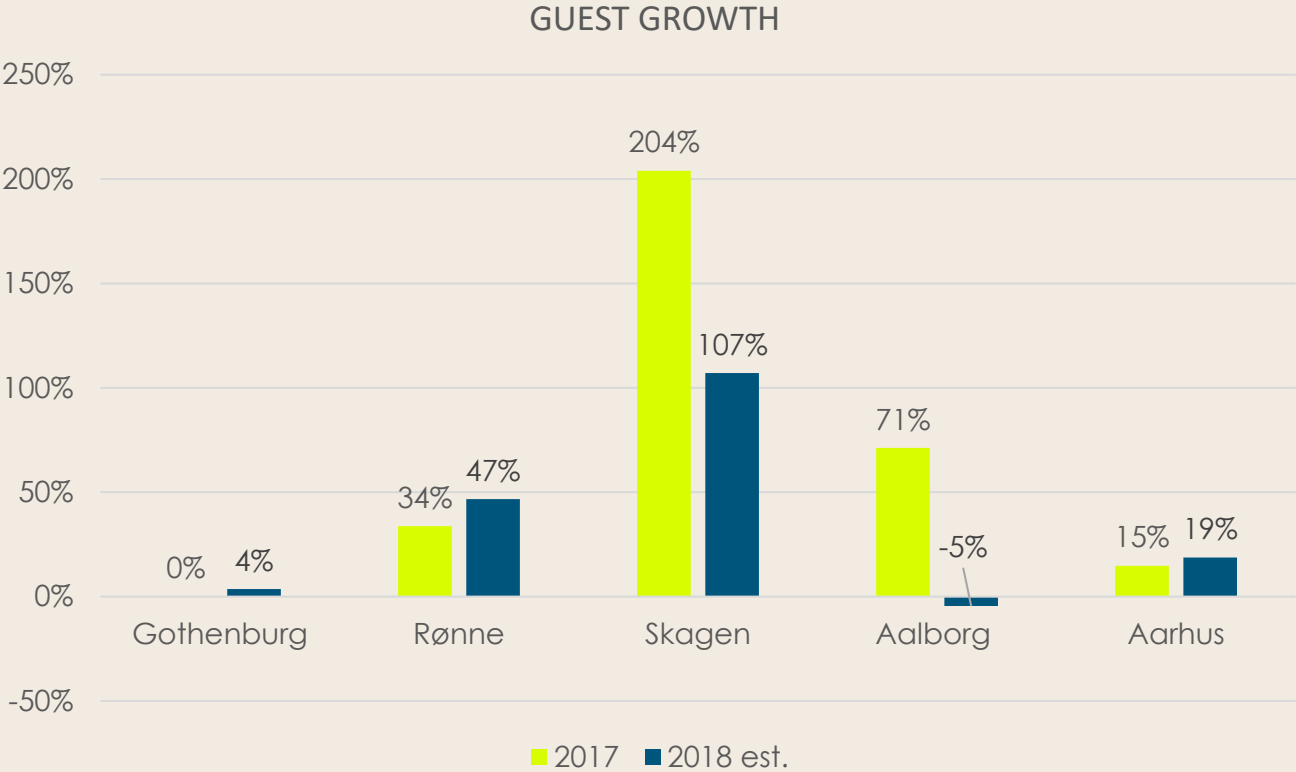
The Medium Ports

(25-49 Calls)

The medium segment consists of Gothenburg (41), Aarhus (36), Aalborg (35), Skagen (31) and Rønne (26).

The segment increased in guest numbers by 29.4% in 2017 and is expected to increase another 26% in 2018. The medium-sized ports experience a significant increase in number of passengers.

Between them, the destinations had 169 calls in 2017 and will increase with 18.9% in 2018 to 201 calls.



The Small Ports

(0-24 Calls)

The small ports consists of Mariehamn (19), Lübeck-Travemünde (14), Fredericia (8), Turku (7), Karlskrona (6), Elsinore (6), Kalundborg (6) Helsingborg (5), Arendal (5), Saaremaa (5), Kotka (4), Kalmar (1), Kemi (0), Malmö (0)

Overall the passenger figures in the small segment increased by 22.3% in 2017.

Passenger numbers for 2018 overall is expected to grow by 7.4%. The segment had 86 calls in 2017 which was a 16.2% increase from 2016. Calls are expected to decrease in 2018 by 7% to 80 calls.

Kotka received its first calls in several years (4).

STRONG GROWTH IN 2017 ≈100%

Karlskrona (300% 1,600 to 4,800)
Kalundborg (1015% 706 to 7.850)
Elsinore (300% 1,040 to 3,124)
Saaremaa (108% 720 to 1,500)
Kotka (NA 0 to 8,600)

GROWTH IN 2017

Mariehamn (58,3% 7.513 to 11.890)
Fredericia (79,4% 6.746 to 12.099)

DECREASE IN 2017

Malmö (-100% 1,600 to 0)
Arendal (-25.5% 3,200 to 2,384)
Kemi (-100% 812 to 0)
Turku (-23.7% 4,325 to 3,300)
Helsingborg (-52.9 14,000 to 6,600)
Kalmar (-67.3% 1,528 to 500)
Lübeck-Travemünde (-15.4% 15,374 to 13,000)

Definitions and Terminology

What is a cruise?

A Cruise is a voyage of at least 60 hours by a seagoing vessel, mainly for pleasure. No cargo/rolling stock will be transported but only passengers with tickets that should include accommodation and all meals. The Cruise voyage must include at least two visiting ports apart from the starting and ending port. This definition is based on Cruise Europe's definition.

Number of passengers

Counted according to Cruise Europe's definition, i.e. turnaround passengers count double and stopovers count single.

Terminology

When a ship enters a port, it "calls". The number of calls in a port is hence the number of ships visiting that port. A call is called a turnaround*, if the passengers leave the ship at the port and new passengers board the ship.

A cruise tourist is a person buying a cruise trip. A cruise includes visits to several cities/ports; each time the tourist is counted as a passenger in that city/port (a passenger visit). If the cruise tourist stays on the ship for 7 nights and visits 5 cities/ports, he or she is counted as 1 tourist, but as a passenger 5 times with 7 bed-days (on board the ship).

In this report we look at passengers and port visits.

**Turnarounds also include part-turnarounds. A call is defined as a part-turnaround if at least 25%, but not all of the passengers leave the ship and new passengers board.*

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