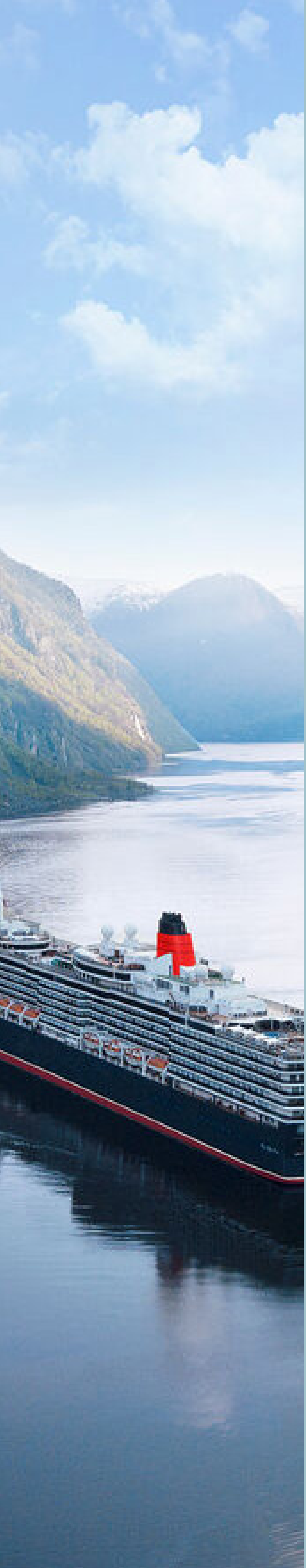


More than the trip of a lifetime

Measuring the social and economic impact of Carnival's cruise operations in the UK

June 2025

About Carnival Corporation & plc

Carnival Corporation & plc is the largest global cruise company with a portfolio of world-class cruise brands. Together these brands comprise a fleet of 90+ ships visiting over 800 ports worldwide. Our talented and diverse workforce of over 160,000 team members from 150 countries served nearly 12.5 million guests in 2023 – accounting for nearly half of the overall global cruise market.

Carnival UK is part of Carnival Corporation & plc and the operating company for P&O Cruises and Cunard in the UK. We are the UK's largest cruise operator and take enormous pride in creating unforgettable holiday happiness by bringing to life two of the most iconic brands from Britain's rich seafaring heritage. With our portfolio of world-class cruise brands enduring links to maritime and UK headquarters in Southampton, we help to make cruise a significant contributor to the UK economy.

About WPI Economics

We are an economics, data insights, policy and impact consultancy, but one that is a little different to many others. We draw on backgrounds in government and the private and charitable sectors to produce work designed to make a difference. We do not do research for research's sake. We are committed to ensuring that everything we do has an impact - which is part of the reason why we recently became a verified B Corporation.

AIDA Cruises is the market leader in the German-speaking cruise market. Home of the smile, AIDA Cruises is the epitome of a premium-quality, relaxing cruise and operates one of the world's most state-of-the-art fleets.

Carnival Cruise Line, also known as America's Cruise Line, is a leader in contemporary cruising and operates a fleet of ships designed to provide fun and memorable vacation experiences at a great value.

Costa Cruises is the Italian cruise company par excellence, with over 75 years of history. Costa ships offer a daily experience of pleasure, discovering wonderful destinations through unique experiences, both on board and ashore.

Cunard is the epitome of British refinement for travellers who relish luxury ocean travel. From its unique White Star Service to world-class entertainment and gourmet dining, Cunard's iconic fleet of Queens are perfect for guests who wish to relax, explore, and indulge in style at sea.

Holland America Line's premium fleet of spacious, elegant, mid-sized ships feature sophisticated five-star dining, extensive entertainment and activities, innovative culinary enrichment programs and compelling worldwide itineraries.

P&O Cruises is Britain's favourite cruise line with a fleet of ships combining genuine service and a sense of occasion and attention to detail, ensuring passengers have a holiday of a lifetime, every time.

Princess Cruises is the world's leading international cruise line and tour company operating a fleet of modern cruise ships, renowned for its innovative design and wide array of choices in dining, entertainment and amenities.

Seabourn provides ultra-luxury cruising vacations in a unique, small-ship style that focuses on genuine, intuitive service, all-suite accommodations, superb cuisine and unique experiences in destinations worldwide.

Contents

Research context

WPI | ECONOMICS

Carnival UK is part of Carnival Corporation & plc, the biggest travel and leisure company in the world. In the UK, it is perhaps better known by its brands – P&O Cruises and Cunard. However, Carnival Corporation & plc ("Carnival") also proudly features a portfolio of six other world-class cruise lines, with a fleet of more than 90 ships sailing globally. The report encompasses all these brands that call to the UK and the positive impact they have on a range of UK visit destinations, as well as uniquely exploring the turnaround and future tourism value generated by bringing international guests to the UK on its cruises. Over the course of 2024, **Carnival made 700 calls to the UK.**

WPI Economics was appointed to get under the surface of Carnival's operations and identify the areas where its business activities generate impact for the economy, society, and the environment. WPI Economics was asked to independently assess these impacts to establish its existing range of economic benefits, so that these can be tracked as they grow. Given the nature of the business, these benefits are felt not only in Southampton - where Carnival UK has its headquarters - but also in the wider UK economy.

Understanding the organisation's wider sustainability commitments is also a critical part of providing an evidence base that will support Carnival to work with its stakeholders in the UK to inform future decision-making. While this report centres on the UK, it also provides a blueprint which can extend in future to wider destinations.

This research establishes a framework for assessing impact in a meaningful way for stakeholders by exploring the links between Carnival's operations in the UK and the future potential for local, regional and UK-wide economic growth. By establishing clear indicators for measuring Carnival's impact, the report also identifies several ways in which the wider industry can work with the Government to accelerate some of its ambitions: supporting cruises from UK ports, attracting more visitors to the UK and working towards next zero.

With this in mind, Carnival UK is keen to collaborate closely with its stakeholders including the Government to support future growth in a way that is sustainable.

"As this report demonstrates, Carnival's UK based and global portfolio of brands make a significant impact to the economy. I believe it is crucial for policymakers to recognise the value that cruise provides and the potential for this to grow sustainably in the years ahead."

Paul Ludlow
President, Carnival UK
and P&O Cruises

Executive summary

This research highlights the considerable benefits that flow from Carnival Corporation & plc's global portfolio of brands that call to the UK, including those operated by Carnival UK (CUK) from its base in Southampton.

CUK - home to P&O Cruises and Cunard - is the largest private sector employer in the city: its operations support the arts locally, bring visitors into the city, contribute to a thriving artisan supply chain and – by being predictable customers of the port – support the potential for further investment in decarbonisation. Cruise travel is not just the holiday of a lifetime; it is a sector of the UK that has the potential to drive growth.

With this wider potential in mind, this report also explores the impact of Carnival Corporation & plc in the UK, capturing the economic benefits of its global brands, which also turnaround in UK ports and make visits to destinations across the UK. Beyond the excitement and adventure associated with cruises, there are a host of benefits that flow to the local, regional, and national economy. This WPI Economics report was commissioned to explore these impacts in more detail, creating an impact framework to quantify the economic and social benefit these operations bring to the UK, as well as setting out ongoing plans to support decarbonisation.

As you would expect, cruise operations are large and complex. However, several thematic areas arose consistently throughout both our research and discussions with sector experts. These can be split into the following themes: **people benefits; turnaround and destination impacts; tourism benefits; maritime sector impacts;** and **wider economic impacts.**

A summary of these benefits is on the next page, and set out in detail in section three.

Overview of the key findings:

£1.9m

On average, a CUK turnaround in Southampton benefits the economy to the tune of nearly £1.9m.

£2.5m

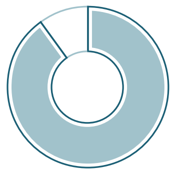
This turnaround figure rises to £2.5m for larger ships.

£505m

On an annualised basis, ship turnarounds in the UK by CUK and Carnival Corporation generate £505m in benefits.

£351m

CUK generates an estimated £351m in direct Gross Value Added (GVA). To put that into context, regionally (South East) the wider sector (not including CUK) generates £386m GVA and **3,750** FTE jobs.



90%

CUK spends 90% of its **£200m** hotel goods costs in the UK domestic supply chain every year.

1,900

Almost **1,900** people are employed by Carnival Corporation in the UK, with 1,650 (FTE) based in Southampton.

£147m

£147m of future tourism value is created every year by return visitors who have previously taken a Carnival cruise that calls in the UK.

£3m

CUK has wider community impacts, including **£3m** raised for The King's Trust since 2007 and reached £1m raised for the Teenage Cancer Trust in 2025.

£112m

P&O Cruises, Cunard, Carnival Cruise Line, Holland America Line, Princess and Seabourn together pay over **£112m** to travel agents around the UK, supporting their continued high street presence.

Turnaround, employment and travel agent totals are based on 2024 data. GVA draws on 2022 sectoral estimates from the Office of National Statistics. Charitable donations use the current total to 2025.

Background

Boarding from Southampton, thousands of excited passengers arrive for the holiday of a lifetime. Taking a cruise is not just about the destinations, it is also about the other worldliness of a small town on water.

The cruise sector facilitates vital tourism in the UK – with demand growing year-on-year, aside from the challenging pandemic years. It is a major economic contributor and part of the sea and coastal passenger water transport sector, which encompassed 6,500 full-time equivalent (FTE) jobs in the UK in 2022.[1] The sector has an important part to play in supporting services-led growth[ii] and has significant additional place-based impacts in the local economies where cruise companies operate. The areas around ports rank quite highly in deprivation indexes,[iii] with Liverpool ranked 4th in the latest index (2019 data) and Southampton 55th. The sector plays a role in the regeneration of these areas with the opportunities and economic benefits it contributes to local communities.

The wider economic role of cruises is underlined by the economic impact of each ship's[iv] turnaround in a city - when returning guests disembark and new guests join a ship. This report gives new and unique estimates for the value of a turnaround in Southampton, future tourism and agency commissions. These sizeable figures underline the boost that growth in this sector can bring to localised economies and beyond. Previous research has also found that cruise passengers tend to be higher-spending visitors than the average UK tourist.[v] While many cruise destinations are further afield, in 2024, Cunard launched its newest ship, Queen Anne, from Southampton, which went on to call at Greenock, Belfast, Cork and Liverpool on its inaugural British Isles Festival voyage – with each location receiving an economic boost.

As the employment statistics above indicate, cruise companies are significant employers, with significantly higher retention rates than other hospitality-focused industries. Recent research from the Cruise Lines International Association (CLIA) reported that employee retention rates are upwards of 80 percent.[vi] CLIA also notes that with the modern cruise industry now more than 60 years old, it is not uncommon to see second and third generations of families working on cruise ships.[vii] Cruise ships are also playing a part in diversifying the workforce at sea: 94% of women seafarers work in the industry.[viii] Taken together, these elements contribute to feelings of civic pride: many cruise 'home ports' aspire to become 'company towns' where almost everyone is in some way connected to the sector.

Teresa Machan, writing in the Daily Telegraph said:

> "Sailing from its home port of Southampton, P&O Cruises flies the flag for British cruising with wallet-friendly holidays tailored to UK tastes."

CUK, headquartered in Southampton and as the city's largest private sector employer, plays an important part in this picture. The company's operations together with Carnival's global portfolio of brands, have a significant impact for the UK and in Southampton. WPI Economics was commissioned to conduct this research to explore exactly what that impact looks like today and to assess the potential for growth into the future. Southampton is the first port in the UK to be shore-power enabled, which is an important step on the road to decarbonisation for the sector and there is a desire to add more connection points to support sustainable growth. This report also highlights the ways in which the wider cruise sector in general, benefit the local, regional, and national economy, from intangible elements such as 'Britain's brand' to concrete economic impacts from every turnaround, underlining why investment remains so important.

[1] Elements of cruise activities are also picked up in the freight sector, which employs a further 4,486 people.

CASE STUDY

Working with local suppliers: Atlantic Marine Interiors

There is almost always work that needs doing on a turnaround day - when returning guests disembark and new guests join a ship - to ensure the guest experience is maintained to an exceptionally high level. Ranging from activities as simple as changing LED lighting in the theatre, to installing new carpets across the ship, and continued improvements for assisted passengers. This long-term relationship means that CUK can rely on them to work to their high standards and operational requirements. The specific needs of the passenger-orientated cruise sector for aesthetically pleasing spaces with high accommodation and facility quality standards means cruise industry demand is a key driver for this sector.

Chris Head (Managing Director of Atlantic Marine Interiors) said: "The continued presence of CUK in Southampton supports and promotes the activities of local suppliers. The continuity of business has enabled supply chain partners such as ourselves to fully understand and to grow with the Carnival brand by providing a long-term, steady flow of demand, enabling us to invest into future activity and our own local trades persons, manufacturers and suppliers."

2. Understanding Carnival's impact in the UK

Approach to the research

Carnival UK, which operates P&O Cruises and Cunard, is headquartered in Southampton, alongside a number of other Carnival Corporation & plc's global brands such as Carnival Cruise Line, Princess Cruises and Holland & America Line who also home port in the UK - with 1,900 people employed in the UK.[ix] Some benefits of cruises are more intangible – excitement, happiness, adventure - but others, such as the impacts on the local and national economy, are more measurable. This report was commissioned to explore those aspects in detail, creating an impact framework to look at the economic and social benefit the operations bring to the UK, as well as actions in progress to support decarbonisation.

As you would expect, cruise operations are complex, have significant supply chains and a wide range of economic and social impacts. This report breaks this down into different areas of impact, from local and national tourism through to port activities and a significant domestic supply chain. It updates previous direct GVA and employment figures for the sea and coastal passenger transport sector UK-wide as well as within Southampton, bringing in CUK's direct contribution itself.[x] It explores the impact of turnaround spend in Southampton and looks at cruise visit impacts in Dover, Liverpool, Edinburgh, Greenock, Invergordon and Belfast. It also draws out case studies where the cruise sector and Carnival UK specifically are supporting the arts, from commissioning new musicals through to featuring UK artists and artisan chocolate makers on its ships.

Carnival's impact[2] has been shaped by in-depth research, stakeholder interviews within the sector (spanning those working in operations, HR, finance, refit, marketing, shore excursions, sustainability, procurement and more), as well as conversations with trade associations and local council representatives, including Southampton City Council and Liverpool City Council. These discussions have been crucial in helping to shape a broader picture of where the impacts occur and to identify the data that will accurately quantify their scale.

[2] Carnival in the UK together with its UK based operating company for P&O Cruises and Cunard

Drawing out thematic areas of impact

Overall benefits of Carnival in the UK

Turnaround and destination impacts
e.g. value of a turnaround in Southampton

Wider economic impacts
e.g in the supply chain

Maritime sector impacts
e.g. port services

Tourism benefits
e.g. to the wider UK

People benefits
e.g. jobs, skills development

Several thematic areas arose consistently throughout our research and discussions with sector experts. Some benefits are felt directly in Southampton, such as Head Office employment and the value of a turnaround in Southampton, while tourism and supply chain benefits extend into the wider region and across the UK. There are also more individual benefits not measured here, such as a boost to the wellbeing of passengers from travel - particularly for those where accessibility is a key consideration.

Taking each of these benefit categories in turn, throughout the research and engagement programme we heard examples of how the career paths available in the cruise sector underpin the 80% industry retention rate noted earlier in the report. This is an important component of the people benefits. The immediate localised impact on the hospitality sector is notable, extending to restaurants, hotels, and retailers, which starts to build a picture of the turnaround and destination benefits supported by each cruise. Wider tourism benefits include guests who stay on to explore other areas of the country, as well as the benefits that flow to other businesses, such as travel agents who are dependent on cruise customers. From a maritime perspective, the interdependence between the cruise sector and local ports was clear in our research. While cargo is a larger proportion of port revenue, cruise demand is predictable and forecastable over time, acting as an important anchor tenant as well as creating port activities which do not serve the cargo sector, such as baggage handling. Looking at the wider impacts, some supply chain relationships are decades old, such as those between CUK and local hauliers. Other relationships are newer and more unexpected, such as the role CUK plays in supporting the arts by funding its performing arts academy, which has been operating in Southampton since 2013 as a rehearsal and training venue for P&O Cruises and Cunard, attracting thousands of singers, dancers, and entertainers to the city.

Another area that emerged in this WPI Economics research was the wider societal impacts that flow from supporting charities, partnerships, and spending on the arts.

CASE STUDY

Working with The King's Trust

Cunard has been in partnership with The King's Trust (previously known as The Prince's Trust) since December 2007, when in the presence of the then HRH The Prince of Wales (now King Charles III), the then HRH The Duchess of Cornwall (now Queen Camilla) named the newest addition to the Cunard fleet, Queen Victoria. This marked the start of Cunard's journey to support The King's Trust, helping as many young people as possible to realise their potential.

As a Platinum Patron, Cunard is part of a group of the most dedicated supporters, enabling change on a large scale alongside some of the world's leading companies, charitable foundations and philanthropists. Thanks to the continuous generosity of guests, crew and friends, Cunard has raised over **£3 million** that enables the delivery of much-needed programmes and support tools to inspire thousands of young people to build their confidence and start a career.

As well as fundraising, Cunard works with local teams to deliver employability workshops both on board its ships and on land at its Head Office in Southampton, to help equip young people with the skills and confidence needed to get into employment and learn about the travel industry. By the end 2024, Cunard had hosted four workshops as well as participating in the "Get into... programmes", which includes delivering a two-week course on "Get into... Customer Services."

Cunard engages with internal employees to raise the profile of The King's Trust and encourage participation in a number of fundraising challenges, including the annual "Palace to Palace" bike ride organised by The King's Trust, and the entrepreneurial challenge "Million Makers" where a team of volunteers get together over a six-month period to raise a minimum of **£10,000**. Collectively, the "Million Makers" raise over **£2m** per year. Cunard also donates a number of voyages per year that are auctioned at high-profile fundraising King's Trusts events, as well as hosting events on board its fleet.

More examples of impacts we heard from employees are illustrated by their quotes below:

People benefits

"... the career path and training opportunities all contribute to solid support for many employees in Southampton."

"Employment, including both head office and the contact centre, is the biggest benefit Carnival UK provides to the local area."

"We are a significant employer in Southampton, not just through direct employment but also through supporting the local hospitality sector."

Hospitality and local transport

"Guests boarding and leaving ships spend money on hotels, taxis and parking, contributing to the revitalisation of the local area."

"For turnaround ports like Southampton, local hospitality, parking and taxis were the biggest onshore spend."

"Crew members also contribute to local retail demand by resupplying toiletries etc. when on shore leave."

Local and national tourism

"International guests often extend their stays, contributing to the national economy through additional tourism spend."

"We are the biggest player at getting tourists into Southampton."

"Cruises represent a significant revenue stream for travel agents locally and across the country."

Maritime benefits

"Demand from cruise ships supports the development of shore power in port."

"The cruise sector supports a wide range of jobs, from ground handlers and operations to terminal security, many of which are dependent on the presence of the cruise industry."

"While cargo is a larger part of port revenue, the cruise sector still plays an important role, with about 10% of revenue coming from this sector."

Wider supply chain

"We are moving towards more ethical sourcing, including for proteins and in projects to reuse plastic pallets."

"CUK provides significant support for the arts in the local area, with the academy supporting performers and by providing a development kitchen."

"Photography partners are based in Cornwall, art partners in Lichfield, and retail partner is in Bristol – Carnival UK supports a supply chain across the country."

Across our interviews, we heard the importance of Carnival's presence in the UK, supporting ports to invest in sustainable energy solutions and into onshore power supplies (OPS) for cruise ships. As one internal interviewee told us:

> "Long-term, stable demand provided by cruises, with significant foresight of that demand, allows for safe and predictable returns on investments such as shore power connectivity, or sustainable [energy]."

The sector's path towards decarbonisation requires co-investment with a range of partners, including government, to support the continued adoption of sustainable infrastructure and technologies. It is already the case that several ships have been fitted with shore power, which both supports decarbonisation plans and investment in ship refit, which can run into the millions.

Creating a framework

By focusing on these thematic impacts, we were able to create a framework for monetising these impacts so that they could be quantified into key metrics. To support that process, we have:

1. Uniquely calculated the benefits of Carnival's UK turnarounds;
2. Estimated direct GVA for the cruise sector in Southampton, the region, and the UK;
3. Estimated employment figures for Southampton, the region, and the UK;
4. Uniquely calculated the future tourism value of international cruise guests;
5. Calculated the benefits of Carnival's visits to select destinations across the UK;
6. Modelled the increase in earnings benefits brought about by the Cadetship Apprenticeship Programme; and
7. Calculated the annual tourism benefits to the wider UK.

The next section illustrates these benefits to Southampton, the wider South East and the UK as a whole.

3. Local, regional and national impacts

Benefits of a turnaround[3] in Southampton

£1.9m

On average, a CUK turnaround in Southampton benefits the economy to the tune of nearly £1.9m.

£2.5m

This turnaround figure rises to £2.5m for larger ships.

£505m

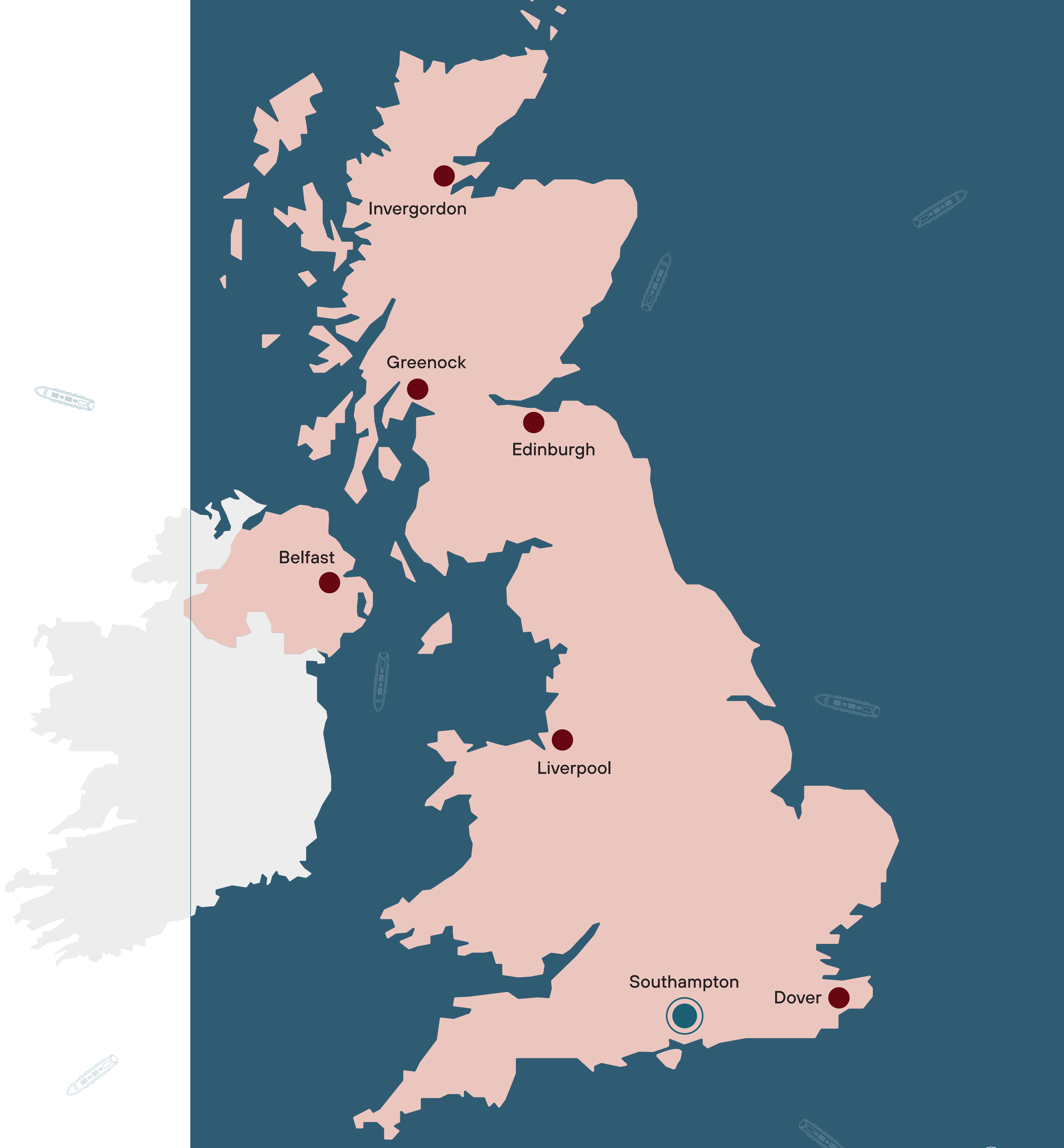
across all ship sizes and brands, the annualised turnaround figure is £505 million.

CUK and Carnival Corporation in the UK generate visit impacts of

£54m

This is the annualised spend visitors make in key destinations including Southampton, Dover, Edinburgh, Invergordon, Greenock, Belfast and Liverpool. This spend averages at £280,000 per UK destination visit. Of the total, £28m is spent in Scotland.

[3] A turnaround refers to when returning guests disembark and new guests join a ship.



People and GVA benefits

1,900

Almost **1,900** people are employed by Carnival Corporation in the UK, with 1,650 (FTE) based in Southampton.

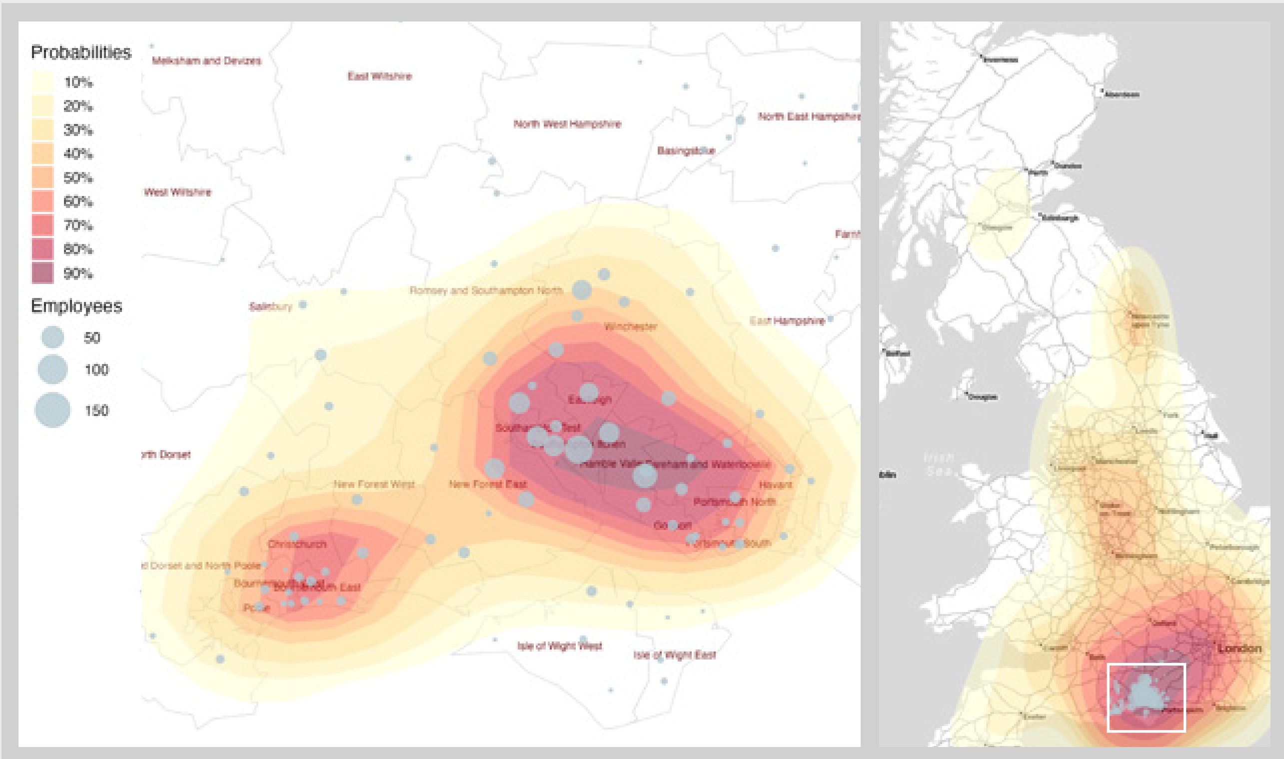
£6.16m

The benefits of a typical CUK cadetship cohort is an earnings premium of £6.16m on aggregate for participants.

£351m

CUK generates an estimated £351m in direct Gross Value Added (GVA). To put that into context, that is nearly half of what the wider sector (not including CUK) generates in the south east (£386m GVA and **3,750** jobs).

UK Employee Heatmap



Carnival UK employees are drawn from the local area and beyond, with the biggest concentration in around our Headquarters in Southampton, but stretching as far as Derbyshire and North Yorkshire.

UK tourism benefits:

£147m

£147m of future tourism value is created every year by international visitors who have previously taken a cruise that calls in the UK from one of Carnival's portfolio of brands.

Charitable giving:

£1m

CUK reached over £1m collected for the Teenage Cancer Trust in 2025.

£3m

CUK has raised almost £3m for The King's Trust since 2007.

£112m

P&O Cruises, Cunard, Carnival Cruise Line, Holland America Line, Princess and Seabourn together pay over **£112m** to travel agents around the UK, supporting their continued high street presence.

Supply chain benefits:

90%

CUK spends **90% of its £200m** hotel goods costs in the domestic supply chain every year.

CUK also spends hundreds of millions of pounds on technical goods and refits using a mixture of domestic and non-domestic suppliers.

£37m

Total annual spend on port services by Carnival in the UK.

Seafarers:

2,000

CUK's operations also provide opportunities for nearly 2,000 seafarers based in the UK.

Wider impacts:

- CUK continues to engage with Southampton's port for investment into sustainability solutions such as **port electrification**.
- By guaranteeing a steady flow of tourist demand, Carnival's brands in the UK also underpin investment by the local hospitality and retail industry into new business, and expansion of existing activities.

What's behind those numbers:

The full methodology is set out in section six, but a summary of how the numbers are calculated is set out below.

Gross Value Added (GVA)[4]

We developed a model which draws on sectoral GVA estimates for the UK and its regions, obtained from the Office for National Statistics (ONS) for 2022. This is supplemented by the Annual Business Survey for 2022, giving more detailed sectoral contributions which feed into the calculations.

Employment:

Employment data was sourced from the ONS Business Register and Employment Survey and Northern Ireland Statistics and Research Agency for 2022, and has been converted into Full-Time Equivalent (FTE) terms.

Turnaround:

We split ships out by size (small, medium, and large), and identified for each size category:

1. The average spend on port services per turnaround
2. The average fuel spend per turnaround
3. The average value of the domestic supply chain spend on goods being loaded onto the boat per turnaround
4. The average passenger spend per turnaround, which was split into overnight and day turnaround spending.[xi]
   - Overnight spending was calculated for all those domestic passengers travelling from more than three hours away, and all international passengers, with day spending calculated for all other passengers.

These elements of turnaround value were summed together to give a total turnaround value per small, medium, and large ship in Southampton. For the combined turnaround figure for CUK and Carnival Corporation in the UK, we also include turnarounds in Dover. For each size category, we follow the same steps as those set out above. For the combined data, the average turnaround figure is £1.8m rather than £1.9m for CUK alone, given the larger proportion of smaller ships in the combined data set.

Destinations:

For the seven destinations considered (Southampton, Dover, Edinburgh, Invergordon, Greenock, Belfast and Liverpool) we looked at each ship size category at the spend on port services per visit and added it to the passenger spend per visit. The passenger spend per visit was determined through an estimate of 66%[xii] of visitors leaving cruise ships per visit on average, and the average spend of a day visit.

Tourism:

We determined the average proportion of international passengers per ship size and calculated the annual number of international passengers from this. Six in 10 of international cruise passengers are expected to return to visit the country after their cruise.[xiii] This data covers all of Carnival's cruise brands that call in the UK.

We used an average length of stay for international visitors[xiv] combined with the average daily spend of an overnight stay to get the average value of an international visit. This was then applied to the proportion of international passengers expected to return at some point in the future for a visit to give a total future tourism benefit created annually by each ship size category.

[4] Gross Value Added (GVA) measures the contribution to the economy of an individual producer, industry or sector.

CASE STUDY

Unlocking High Street Growth and Value through Cruise: the Hays Travel Story

Cruise holidays have emerged as a vital growth engine for Hays Travel and its Independence Group (IG) members, playing a central role in strengthening local high street presence, business growth, supporting job creation and creating accessible value-packed holidays for families, across the UK.

Fuelling the High Street through Cruise

For IG members, cruise isn't just a niche—it's a springboard. A standout example is Mel's Travel in Ferryhill, a business that began as a homeworking operation and has grown through cruise sales. By building a strong reputation for cruise expertise and offering excellent service, Mel's Travel was able to open a high street store. Continued momentum led to the launch of a second branch, cementing their role as a local employer and valued presence on the high street.

Delivering Exceptional Family Value

Cruise holidays offer families an all-inclusive, secure, and increasingly affordable way to travel – often with multi-generational appeal. Through exclusive offerings like Hays Travel's Caribbean charter programme, families can enjoy exceptional value and ease of access. Not only do these charters reduce the need for London-based travel, they also inject economic activity into regional hubs – from flight operations and ground handling jobs to pre-travel accommodation and parking services. The ripple effect is clear: families get a seamless, cost-effective holiday experience, and regional economies benefit from sustained tourism-linked revenue.

Championing Local Access and Regional Growth

Hays Travel's exclusive charters to the Caribbean serve as a microcosm of what cruise can achieve. By connecting regional airports to cruise experiences, these initiatives promote inclusive tourism. They make cruising more accessible, particularly to customers outside major urban centres, while simultaneously boosting local economic resilience – a goal perfectly aligned with Carnival UK's wider mission to support national and regional growth. Cruise is far more than a holiday – it's a driver of community investment, job creation, and accessible travel.

CASE STUDY

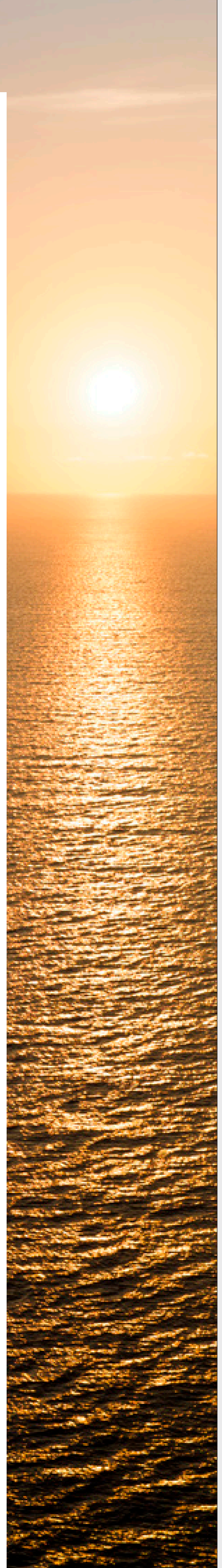
Spotlight on Bolsover Cruise Club

Bolsover Cruise Club (BCC) has been in business for the last 50 years and credits much of its success to the buoyancy and popularity of the cruise industry. For example, throughout 2024, around 79% of overall bookings were made by repeat bookers.

BCC is a dedicated cruise agency, which means cruise is of 100% importance to its business. Everything else it sells - for example, flights, transfers, accommodation, transfers, tours, parking and other extras - are all bolted on to cruise holidays.

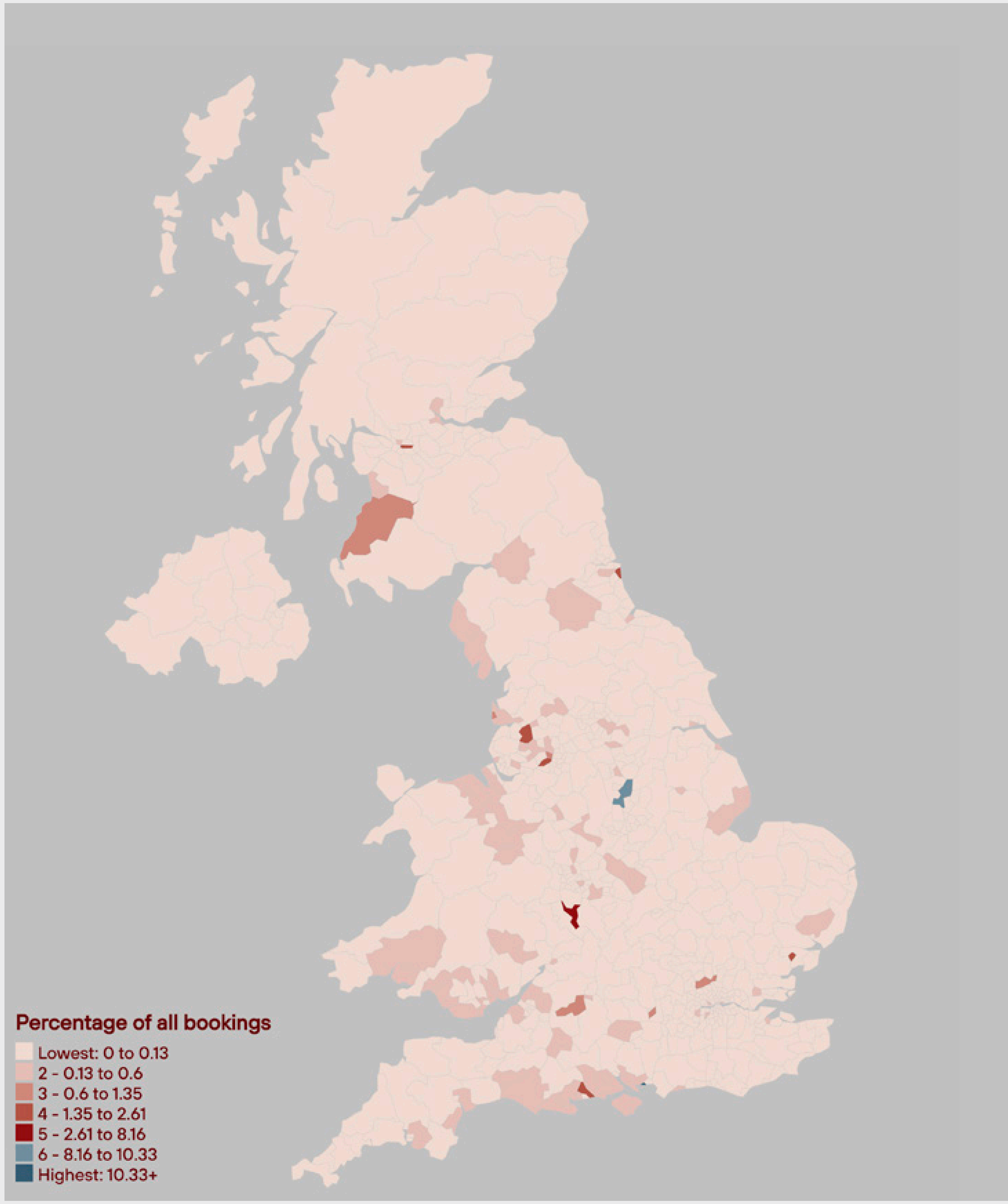
The business' growth plans are rooted within the growth and growing popularity of the cruise industry. Its plans focus on the future of cruise and attracting new cruise customers to this way of holidaying. Whilst there are a large number of loyal cruise passengers, multi-generational cruising is growing in popularity, along with those who have cruised with family whilst young and are now coming into an age where they would now choose to book for themselves.

With this in mind, BCC is investing heavily over the next few years into its online presence and booking tools to ensure it is catering to a newer generation of bookers. Alongside this focus, it plans to continue to service existing loyal cruisers with the same level of customer service and expertise that has cemented its position. Its success is also important for the local community: BCC currently employs just over 150 people – 40 of which are located within five miles of its Derbyshire office.



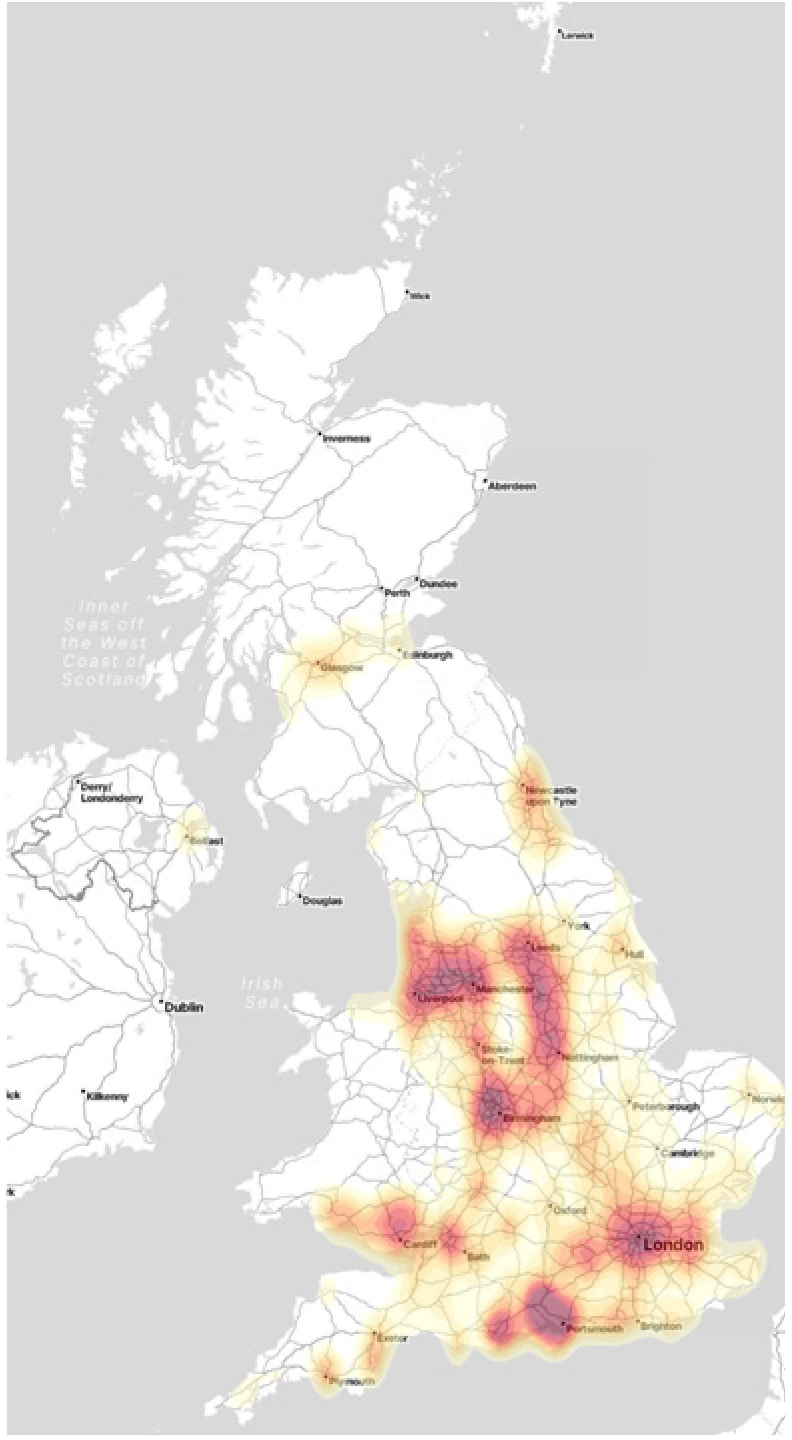
Travel Agency Bookings Heatmap

At least one Carnival cruise booking is made via a travel agency in every local authority in the UK, with £112m generated in travel agent fees.



All UK Bookings Heatmap

This heat map shows where the combination of online and offline bookings is most concentrated around the country.



Probabilities

- 10%
- 20%
- 30%
- 40%
- 50%
- 60%
- 70%
- 80%
- 90%

4. Going further

This research highlights the considerable benefits to the local, regional, and national economy that flow from Carnival UK as the operating company for P&O Cruises and Cunard and Carnival's wider portfolio of cruise lines that call in the UK. Given demand for cruises is growing, this is expected to grow in the years ahead. Cruise operators have a vital role to play in their local area, which goes beyond direct economic benefit. As we have drawn out, CUK's support for the arts locally, bring visitors into the city, contribute to a thriving artisan supply chain and – by being predictable customers of the port – support the potential for further investment in decarbonisation.

Investment in skills – and in increasing the diversity of seafarers – is also an area where Carnival and other cruise companies have a vital role to play into the future. As noted at the outset, 94% of female seafarers work in the cruise sector. Further investment in cadetships and wider apprenticeships has the potential to pay a real dividend for the local area, for the diversity of the future workforce and for CUK itself.

Over time, it will be possible to capture more data to fully evaluate the company's impact, including on the wellbeing benefits to passengers and by providing accessible holidays for all ages. Cruise passengers' average age is falling, which means some spending patterns will change as customers do. Demand for different entertainment and products in the future may also support a further diversification of the supply chain and additional local investment.

The future is bright for cruising – and it is important to recognise and support the contribution this sector is making to tourism in the UK as we continue on the path to a growth economy based on existing British strengths.

Supporting this growth industry

Cruise has a role to play in supporting the wider UK growth agenda. To ensure that it can meet its potential while continuing to decarbonise, it is vital the sector is recognised as driving a significant tourism benefit to the country, as well as creating long-term, sustainable employment and training opportunities.

There are a number of ways in which the cruise industry can work with the Government to accelerate some of these ambitions, which divide into **two categories: supporting cruises from UK ports and attracting more visitors to the UK.**

Supporting cruises from UK ports

The cruise industry is pursuing net zero cruising by 2050 and is investing substantially into the development of new energy solutions to reduce emissions. This growing industry is making a significant economic impact and to ensure this can continue alongside decarbonisation, it urgently needs policy certainty to secure greater investment in port infrastructure, including shore power.

Turning to the skills that underpin growth and sustainability, it is important that Skills England helps to ensure that skills provision can meet demand from sectors like cruise and wider maritime. This includes ensuring the new growth and skills levy can support a stronger local and regional talent pipeline of technically skilled engineers, naval architects and ship (re)builders, as well crew and shore staff.

Attracting more visitors to the UK

Supporting cruise tourism, and wider UK tourism, has an important part to play in the growth agenda. It will be essential to work together to continue to build the perception of the UK as an attractive place to visit, as this underpins the future of this growing sector and many others too.

This in turn is underpinned by a smooth border experience – at airports (for those who fly in) and ports themselves – as this helps to both encourage visitors to return, and to share their positive experiences far and wide, further boosting UK tourism. Ensuring e-gates work effectively, that Border Force is well staffed and entry requirements remain stable and understood is critical to achieve this.

Areas for future exploration

Carnival UK, operating company for P&O Cruises and Cunard, has four **home ports** in total – **Southampton, Malta, Tenerife** and **Barbados** – which leads to considerable impact both within and beyond the UK. One of the areas CUK plans to explore in more detail in the future is the impacts of those ports outside the UK.

CASE STUDY

Destinations: Homeporting in Malta

This future work can build on research already undertaken in Malta to capture the impact of P&O Cruises 'homeporting' operations on the local hospitality industry.

P&O Cruises operates a six-month fly-cruise homeporting[xv] operation in Malta between the first week of April until mid-October every year. The cruise ship Azura, which calls at Malta for 29 weeks of the year, can accommodate 3,500 passengers and 1,200 crew. Valletta (the capital of Malta) is its home port for the start and finish of each cruise.

In addition to guests, crew members join and disembark from Valletta with the joining crew arriving the day before the ship departs to rest, staying in a 3 or 4 star hotel and being transported from the airport, hotel or ship. Crew changes in Valletta have a positive effect on the local economy and on hospitality in particular. For example, in 2022, the local team estimates that around **€188,000** was being spent on accommodation as well as **€120,000** spent on around 1,000 transfers. This is on top of the direct contribution made via taxes, port fees and in the supply chain.

Sustainability

Carnival UK, and its parent company Carnival Corporation & plc, are taking action to reduce their impact on the environment and to invest in communities and people to deliver positive change. We've included some highlights across the three areas of environment, partnering with destinations and communities and investing in people below.

Focused on the environment

Climate Action

1. Reducing Emissions

Carnival UK (CUK) has a duty of care to the environment. That's why it has made climate action its no.1 sustainability priority and has a commitment to achieve 20% greenhouse gas intensity reduction by 2026*. CUK is doing this through committed actions that include optimising its fleet, investing in energy and itinerary efficiency, and exploring new technology and fuels.

*relative to 2019 baseline

2. Shore Power

As noted earlier in this report, CUK is committed to more energy-efficient cruising and is equipping its ships with shore power, a technology that allows it to plug into the electric grid while in port and switch off its engines. This cuts greenhouse gas emissions and reduces air and noise pollution in ports.

Circular Economy

3. Single Use Plastic

CUK is working hard to radically address its plastic use. As part of this, it has made a commitment to reduce single-use plastics on board by 50%*. CUK is achieving this by removing non-essential plastic items and by reducing unnecessary packaging.

*relative to a 2018 baseline.

4. Food Waste

CUK is exploring smart solutions to help minimise food waste without impacting its offering to guests. CUK's crew monitors uneaten food regularly to find ways to improve and is seeing good progress already. CUK has surpassed its interim goal with 42% food waste reduction per person and its ambition is to reduce food waste by 50% per person by 2030*.

*relative to a 2019 baseline

5. Water Use

CUK produces over 80% of the water it uses on board. It also has water treatment systems and water-saving technology installed on its ships to help it conserve this precious resource. These water saving technologies include flow restrictors and aeration devices, which evens the flow of water coming out of taps.

Partnering with destinations and communities

Sustainable Tourism

6. Community Engagement

CUK has a long and rich history with many of the destinations it sails to, listening and collaborating with them to share cultures, promote travel, and develop good practices. For many, tourism is the lifeblood of the community. CUK partners with destinations to ensure their cruises bring shared social and financial value while protecting the local culture, history, and natural environment.

7. Responsible Sourcing

CUK has a global supply base and strong relationships with suppliers in the destinations that it visits. It is working with them, to ensure that the food served meets animal welfare standards and responsible food commitments. CUK is also working to procure more local produce, seeking product that has been responsibly, and sustainably produced.

Biodiversity & Conservation

8. Nature Partnerships

Without the oceans, CUK wouldn't exist, so protecting them and marine life is non-negotiable. CUK is taking responsibility to minimise its impact by building partnerships with experts and investing in programmes to support biodiversity and conservation, such as respecting and protecting whales and dolphins through their work with ORCA.

Investing in people

Health & Wellbeing

9. Physical & Mental Health

Sustainability means looking after people, now and in the future. For their people - ship and shore - CUK has built well-being programmes to support their physical and mental health, encouraging healthy, balanced lifestyles. There are new and improved gyms on board and they have invested in Wi-Fi in crew cabins and an enhanced internet service, to make it easy for crew to keep in touch with family and friends.

Inclusion & Belonging

10. One Diverse Team

CUK is proud that its team is made up of people from over 100 different countries. Creating an inclusive working and living environment is important to the business. CUK supports a range of religious festivals and sources various foods to cater to different cultures. It respects and values all backgrounds and is working to expand diversity and inclusion across every rank and department.

More information can be found at carnivalsustainability.com

Carnival Corporation & plc sustainability reporting may include claims related to greenhouse gas emissions reductions, goals, initiatives, accomplishments, and progress reports. Supporting data for such greenhouse gas emissions claims, including data verification information, is published in their Sustainability Reports on carnivalsustainability.com on an annual basis.

Methodology

People and GVA benefits

National and regional GVA statistics

To produce GVA and employment estimates for the Standard Industrial Classification (SIC) codes relevant to the cruise industry (50.1: Sea and coastal passenger water transport and 50.2: Sea and coastal freight water transport), we draw on ONS datasets which report the national and regional GVA for different industries. We source the 2022 statistics for the UK's water transport sector (SIC code 50),[5] and apportion this regionally based on separate regional estimates from 2021.[6]

Given that these datasets do not report more granular GVA estimates for the 50.1 and 50.2 codes, we use a separate dataset to generate a proxy which can split the water transport GVA into its constituents.[7] (The method followed here, where alternative approximate GVA statistics are used to break down national accounts data, is the same method used to produce DCMS sectoral estimates). In 2022, the proportion of wider water transport GVA attributable to 50.1 is proxied as 23%, whilst the percentage is much higher for 50.2 at 74%. The same proportions are applied across the regional data, too.

National, regional, and local employment

The number of jobs encompassed by the 50.1 and 50.2 sectors has been sourced from the Business Register and Employment Survey (BRES) (combining separate Great Britain and Northern Ireland publications of this), with statistics directly available for the national, regional, and local authority levels. All full and part-time employee figures are converted to a full time equivalent (FTE) value, assuming two part-time employees equate to one full-time employee.

Southampton and Carnival GVA

Whilst BRES reports jobs figures for Southampton's 50.1 and 50.2 sectors, the missing piece of the picture is the GVA for this geography. We have generated this figure by multiplying the ratio of GVA-employment for the UK as a whole in these sectors, to the Southampton FTE jobs. The same approach is taken to estimate the GVA associated with Carnival and its total UK employment of 1,899 FTE employees, where we apply the GVA-FTE ratio for the 50.1 sector to this total to generate the value added.

Cadetship earnings premium

Carnival runs a successful Cadetship programme which allows trainees to gain Level 5 and 6 Apprenticeship qualifications. Economic literature demonstrates how these qualifications are associated with earnings premiums and lifetime benefits for the individuals who obtain them.[8]

We have used evidence produced by Barclays and the Centre for Economics and Business Research (CEBR),[9] who estimate the net earnings premium for a Level 4 qualification.

[5]ONS (2024) GDP output approach – low-level aggregates
[6]ONS (2024) Regional gross value added (balanced by industry: all ITL regions)
[7]ONS (2024) Non-financial business economy, UK: Sections A to S
[8]DfE (2014) The economic value of key intermediate qualifications: estimating the returns and lifetime productivity gains to GCSEs, A levels and apprenticeships
[9]European Centre for the Development of Vocational Training (2017) United Kingdom lifetime earnings: apprentices gaining on graduates
[10]DfE (2021) Measuring the Net Present Value of Further Education in England 2018/19

To our knowledge, monetisation figures for Levels 5 and 6 are not readily available. Given a study which indicates wage uplifts are the same for Level 4 and 5 apprenticeships,[10] we take the Level 4 premium as the best indication of the premium associated with the cadetship activities, although this is likely to act as a lower bound. After adjusting for inflation, the earnings premium which we apply for each qualification achieved is £150,277.

Carnival UK has 60 apprentice starts each year – we adjust this cohort size for 80% being UK-based, and for a qualification completion rate of 85%. Subsequently, we apply the £150,277 figure to 41 successful completions in each annual cohort, to produce a total premium of £6.16 million.

Turnaround and Destination benefits

Turnaround

We wanted to understand turnaround figures in the context of different ship sizes – and so categorised ships by size – small, medium and large, based on reported turnaround guest volume averages for 2024. For each size category we collated:

- The average spend on port services per turnaround – we took the annual port services total per ship size category, and divided by the number of turnarounds in that category per year
- The average fuel spend per turnaround – we took the annual fuel spend across all ships and divided by the number of turnarounds across all ships
- The average value of the domestic supply chain spend on goods being loaded onto the boat per turnaround – the annual spend on maintenance and hotel supply chain goods purchased from UK suppliers, divided by the total number of turnarounds.
- The average passenger spend per turnaround, which was split into overnight and day turnaround spending.
- We used the International Passenger Survey to calculate a UK wide average daily tourism spend, with and without hospitality.[xvi]
- Overnight spending was calculated for all those domestic passengers travelling from more than three hours away, and all international passengers, with day spending calculated for all other passengers – the sum of the two gives total passenger spend per turnaround.

This data includes all Carnival brands which turnaround in the UK, namely Carnival UK brands (P&O and Cunard), Carnival Cruise Line, Princess and Seabourn. Each of these brands provided their own data and individual turnaround values were calculated per brand, and we have reported the average figures. The elements described above were summed together for each brand to give the total turnaround figures per ship. We also provided the annual totals for those turnaround figures, as well as the average value across ship sizes and across brands.

Destinations

We looked at the value created by a visit at a range of UK destinations (Liverpool, Belfast, Southampton, Invergordon, Greenock, Edinburgh, Dover). Similarly to the turnover calculations, for each brand we collated:

- Average spend on port services per visit – we took the annual port services total and divided by the number of turnarounds per year
- Passenger spend per visit – we used individual brand estimates of the proportion of passengers leaving cruise ships at destinations to determine the average number of passenger spending money in retail and tourism venues per visit

per brand. This was then multiplied by the average daily tourism spend (without hospitality).

This data includes all Carnival brands which visit UK destinations, namely Carnival UK brands (P&O and Cunard), AIDA, COSTA, Carnival Cruise Line, Holland America, Seabourn and Princess. Each of these brands provided their own data and individual destination values were calculated per brand, and we have reported the average and total figures. These elements were added together to give the total visit value per ship. We also provided the annual totals for these figures, and the average value across all brands.

Tourism

Value of future tourism from return visits

It has been found that 6 in 10 international cruise passengers are expected to return to visit the destination country in the future after travelling on a cruise there[xvii]. We used this data point to calculate a value of future tourism benefit from these return visitors. To calculate this, we collated:

- The average number of international passengers expected to return for a tourism visit at some point in the future, per brand, per year – we took the average proportion of international passengers per brand to calculate the annual number of international passengers travelling on each ship with each brand, which was then multiplied by the proportion expected to return (60%).
- The average value of an international visit – we took the average length of stay for international visitors and multiplied this by the average daily spend on an overnight stay (both from the International Passenger Survey).

To arrive at the final number we multiplied the average value of an international visit by the average number of international passengers expected to return for a tourism visit for each brand. We then summed the figure across brands, giving a total future tourism benefit from returning tourists created annually by each brand and across brands.[xviii]

The CUK cruise visit impacts in each location are:

Annual destination / transit port value (£000s GBP)

	Liverpool	Belfast	Greenock	Invergordon
	291	226	277	228
	437		456	376
	388	319	369	318

Annual destination / transit port value (£000s GBP)

	Liverpool	Belfast	Greenock	Invergordon
	874		913	753
	388	319	737	318
	388	319	737	318

Endnotes

[i] There is some expected miscoding of cruise companies between SIC codes 50.1 (sea and coastal passenger water transport) and 50.2 (sea and coastal freight water transport). 50.1 is the better descriptor for the sector, so we have used that here, but also provided separate estimates for 50.2 and for Carnival UK's direct GVA contribution.

[ii] See the Resolution Foundation at https://economy2030.resolutionfoundation.org/reports/stagnation-nation/ accessed on 25/09/24

[iii] See the English Indices of Deprivation 2019 at https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019 accessed on 25/09/24

[iv] We categorised CUK ships by size – small, medium and large, based on reported turnaround guest volume averages.

[v] See ABP news release at https://www.abports.co.uk/news-and-media/latest-news/2023/1bn-generated-for-the-city-of-southampton-by-record-cruise-year/ accessed on 25/09/24

[vi] See CLIA 'An Ocean of Opportunities' report at https://europe.cruising.org/wp-content/uploads/2024/05/CLIA-AN-OCEAN-OF-OPPORTUNITIES_FINAL.pdf accessed on 25/09/24

[vii] Ibid

[viii] Ibid

[ix] FTE refers to Full Time Equivalent of 1,899 employees – the total number on payroll is 2008.

[x] See earlier note on the expected miscoding of some companies within 50.1 and 50.2.

[xi] International Passenger Survey 2023, ONS at https://www.visitbritain.org/research-insights/inbound-visits-and-spend-annual-uk, accessed at 10/09/24

[xii] Travel Agent CENTRAL, March 2017, "Stats: 34.5% of Cruise Travelers Stay on the Ship in Port", accessed at https://www.travelagentcentral.com/cruises/wave-season-survey-shows-passenger-s-safety-concerns-and-disinterest-destinations on 20/09/24

[xiii] CLIA (Cruise Lines International Association), 2023, "State of the Cruise Industry", available here accessed at 14/10/2023

[xiv] International Passenger Survey 2023, ONS at https://www.visitbritain.org/research-insights/inbound-visits-and-spend-annual-uk, accessed at 10/09/24

[xv] A home port in this context is the port where a cruise ship begins and ends its itinerary.

[xvi] International Passenger Survey 2023, ONS at https://www.visitbritain.org/research-insights/inbound-visits-and-spend-annual-uk, accessed at 10/09/24

[xvii] CLIA (Cruise Lines International Association), May 2024, "State of the Cruise Industry Report", available here accessed at 22/04/25

[xviii] International Passenger Survey 2023, ONS at https://www.visitbritain.org/research-insights/inbound-visits-and spend-annual-uk, accessed at 10/09/24


AIDAprima
AIDA

wpieconomics.com
info@wpieconomics.com
@wpi_economics
/wpi-economics.com

WPI Economics Limited, registered address Suite 301 Stanmore Business and Innovation Centre, Howard Road, Stanmore, Middlesex HA7 1FW.