Opportunities for passenger and cruise development

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MedCruise

Economic Impacts of the Cruise Industry on Coastal, Insular and River Destinations
Ancient Olympia, 23 May 2015

www.medcruise.com
MedCruise in 2014

- 25.8 million passengers movements
- 13,716 cruise calls
- 20 countries
- 74 port members
- 32 associates

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A long-term growth, that needs to sustain

Evolution
1-year: -7.28%
5-year: +4.69%
10-year: +83.62%
Where should a Med cruise port focus?

I. Maturing vs emerging markets
   • Is Med maturing?
   • Is Asia really emerging?

I. Source markets
   • Potential new ones
   • Limitations of present ones
III. Capacity Issues (blue-side)

Ports in the Med and its adjoining seas that allow berth alongside a quay

Percentage of ports that allows the option to berth alongside a quay for a transit call

*blue = allowed, red = not allowed*
IV. Capacity Issues (landside)
Average Cruise Passengers per Call

Source: MedCruise Statistics 2014
V. Image does matter

- 2,300 tons of water in its swimming pools
- 12,000 plants on board including hundreds of palm trees
VI. Operational Issues

- Shorex activities
- Interporting
- Schengen (rules & implementation)
- Visa issues

VII. Vertical integration of cruise lines:

- Revenues of CL are already high
- Port dues are already low
VIII. Building Successful Experiences

• Do you believe that cities & touristic destinations in the region are aware of the importance of cooperation?

• Do ports cooperate effectively with cities?

• What needs to happen (destination level) to build successful program(s)?
VII. Cruise activities in winter time
Total Cruise Passengers per month
(in .000 / 2014)

Source: MedCruise Statistics 2014
Winter Cruising: A different kind of operation
Average Pax/Call per month (2014)

Source: MedCruise Statistics 2014
## Major challenges for cruise ports

*(top of list)*

(0=Not a challenge, 1=Lowest importance, 5=Highest importance)

<table>
<thead>
<tr>
<th>Port Challenges</th>
<th>Nota an issue (%)</th>
<th>Of highest importance (%)</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship with the cruise lines</td>
<td>11.9</td>
<td>54.2</td>
<td>3.83</td>
</tr>
<tr>
<td>Exploiting the potential of winter cruising</td>
<td>6.7</td>
<td>30</td>
<td>3.35</td>
</tr>
<tr>
<td>Relationship with people and businesses around the ports</td>
<td>5.1</td>
<td>22</td>
<td>3.32</td>
</tr>
<tr>
<td>The relationship with the city of arrival and local authorities</td>
<td>11.7</td>
<td>31.7</td>
<td>3.25</td>
</tr>
<tr>
<td>Bigger cruise ships (in size)</td>
<td>13.6</td>
<td>32.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Security</td>
<td>16.7</td>
<td>40</td>
<td>3.17</td>
</tr>
<tr>
<td>Infrastructure (other than transport) in the port</td>
<td>11.9</td>
<td>37.3</td>
<td>3.15</td>
</tr>
<tr>
<td>Becoming a homeport</td>
<td>15</td>
<td>30</td>
<td>3.12</td>
</tr>
<tr>
<td>Transport infrastructure to and from the port</td>
<td>10.2</td>
<td>27.1</td>
<td>3.12</td>
</tr>
<tr>
<td>Connectivity of the destination with source markets</td>
<td>5.1</td>
<td>15.3</td>
<td>3.1</td>
</tr>
<tr>
<td>The competition with other (neighbouring) cruise ports</td>
<td>5</td>
<td>18.3</td>
<td>3.08</td>
</tr>
<tr>
<td>People with reduced mobility</td>
<td>16.7</td>
<td>28.3</td>
<td>3.03</td>
</tr>
<tr>
<td>The relationship with the travel agents</td>
<td>13.3</td>
<td>25</td>
<td>3.0</td>
</tr>
<tr>
<td>The development of other regions as new cruise destinations</td>
<td>10.7</td>
<td>19.6</td>
<td>3.0</td>
</tr>
<tr>
<td>The mobility to and from the port</td>
<td>15</td>
<td>18.3</td>
<td>2.85</td>
</tr>
</tbody>
</table>

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Strategic partnerships and Direct Investments (%)

- **With other port authorities**: Strategic partnerships 1.7%, Direct investments 40.0%, Not applicable 0%
- **With cruise companies**: Strategic partnerships 8.3%, Direct investments 71.7%, Not applicable 0%
- **With cruise terminal operators**: Strategic partnerships 10.2%, Direct investments 74.6%, Not applicable 0%
- **With tourist organisations**: Strategic partnerships 1.7%, Direct investments 46.7%, Not applicable 0%
- **With organisation representing the destination**: Strategic partnerships 1.7%, Direct investments 42.4%, Not applicable 0%
- **With other stakeholders**: Strategic partnerships 16.9%, Direct investments 47.5%, Not applicable 64.4%
The X-Factor: ‘Working together’
The dynamics of cooperation

Why:
• Resources available to some but not all;
• Cruise lines deploy ships to a ‘region’ *not to a ‘port’*
  – They choose itineraries, including several ports
  – ‘Classic deployment’: 4 ports - 4/7 days cruise

Promote
Generate solutions
Act collectively

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The MedCruise way: Logic of “Collective Action”

• Provide marketing, networking and professional development tools & forums

• Develop & foster good relations and collaboration among cruise ports of the region (and beyond !!!) & liaison with cruise lines!

• Reflect on policy developments

• Reaching the entire port community: cities, cruise-lines, travel agents, passengers, etc...
The MedCruise way: Creating Solutions

- Collaborate on solutions:
  - Operational issues
  - Port Finances
  - Environment
  - Training

- Information sharing
  - Newsletter - a key publication
  - Directories – (hard copies /on line,
  - Press relations
  - Economic studies (statistics reports, benchmarking etc..)
MedCruise tools

• **Reaching together source markets**
  – Classic markets (i.e. Europe, US)
  – New markets (i.e. China; rest of Asia)

• **Professional development courses**

• **Dissemination of good practices**

• **Development of common practices**
  – MedCruise guidelines on berth booking process

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Policy matters of importance to MedCruise

- Emissions
- Global – Climate Change, CO₂
- Local – Health issues SOx, NOx
- Shore-side Electricity
- Sulphur Directive
- Waste management

Packaging
Define a plan for the recovery or re-use of 30%

Bio-waste
Act a plan for the re-use of 90%

Paper
Define a plan for the recovery or re-use of 40%
MedCruise is

- A well-balanced Association serving ports of different sizes, and from diverse regions, countries and cultures

**Scope**

- To balance the ‘maritime’ and the ‘tourism’ dimensions that are part of cruising
Thank you

We are social!  

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