2nd UNWTO Conference on Destination Management in the Mediterranean
“QUALITY: THE KEY DRIVER FOR SUCCESS IN THE MEDITERRANEAN DESTINATIONS”

Budva, Montenegro, 22-24 June 2015

SESSION 3 Cruise and Maritime Tourism: Challenges and Opportunities

Cruise and maritime tourism in the Med:
there is still space to improve the benefits
for the involved destinations

Francesco di Cesare
Are we facing maritime tourism as a whole phenomenon and not as just a sum of many factors?

Each maritime tourism component (cruise, ferry, nautic, ...) has different peculiarities but also common elements
Maritime tourism intensity in the Adriatic regions
(combination of cruise, ferry, sail & yacht tourism)

ADRIATIC AT A GLANCE
more than 20 cruise ports
+4.6 million passenger movements
more than 40 ferry ports
over 17 million passengers
more than 320 structures
for boat tourism
around 80,000 moorings

Source: AdriaticSeaTourism Report 2015
- strong industry which sees many players working together in associations (as CLIA and Medcruise)

- After decades of growth in the Med in terms of passenger movements it experienced a drop in 2014 due to redeployment. Now it is back to rise.

- Around 30mln movements in Med ports (+100 cruise ports).

Cruisers in the world (1994-2014)

Source: Italian Cruise Watch, 2014
MARITIME TOURISM SECTORS OVERVIEW (2/3)

- Difficulties for national-owned companies (with some monopolistic situations to their end) facing intense activity of private ones.
- More than 450 ferry operators in the world (Europe and Japan as the most ferry intense areas)
- High dependance on bunker costs (decreased during this season)
- Strong low cost airlines competition.

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2011</th>
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<tbody>
<tr>
<td>EU-27</td>
<td>210,574</td>
<td>192,702</td>
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<tr>
<td>Other Med</td>
<td>3,378</td>
<td>3,677</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>213,951</strong>*</td>
<td><strong>196,379</strong>*</td>
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Med traffic volumes (2013)

228mln* passengers
*counting only embarks

Source: Shippax, 2013
- 4,500 marinas (+500,000 berths) estimated in Europe with 217 super yacht marinas in the Mediterranean (the most attractive region in the world).

- the Mediterranean Sea attracts 70% of the world charter activity.

- A sector that suffered a strong fiscal crunch in some European countries and which is still suffering a crisis in internal demand with more foreigner purchasers of boats.
could we refer to growth just in terms of traffic movements?
MANY INDEXES OF GROWTH TO BE CONSIDERED

+ JOBS

+ SUPPLIERS ENGAGEMENT

LOCAL SOCIO-ECONOMIC CONDITIONS

BOATS & YACHTS

+ TRAFFIC

SHIP CALLS IN PORTS

SHIPS, FERRIES, BOATS & PAX MOVEMENTS

+ PASSENGER MOVEMENTS IN PORTS & MARINAS

+ SHORE INVESTMENTS (w/ sustainability)

benefits’ distribution vs. concentration

+ SHORE INVOLVEMENT (pre-post & excursions)
MARITIME TOURISM AS GVA ACTIVATOR

MARITIME COASTAL TOURISM IN EUROPE
GROSS ADDED VALUE (2011)

- Cruise tourism (direct/indirect and induced):
  - Direct/indirect: 14.5 bln€
  - Jobs: 303,000 jobs

- Yachting and Marinas (direct/indirect):
  - Direct: 38.7 bln€
  - Jobs: 372,000 jobs

- Coastal tourism (only direct):
  - Direct: 130 bln€
  - Jobs: 2,5mln jobs

- Total:
  - Value: 183 bln€
  - Jobs: 746,000 jobs

Source: European Boating Industry, Contribution to the EU Tourism Policy - Sustainable Coastal and Maritime Tourism, 2013

MARINA INDUSTRY IN EUROPE

- Total capital amount. Value in Europe (taking everything into account, from the berths to the supporting facilities)
  - Value: 60 bln€


CRUISE ADRIATIC CASE

- Risposte Turismo estimated 0.5 bln of direct expenses for cruises only in Adriatic that could rise to 2.9 bln€ in the Med considering Adriatic share of traffic (18%)

NAUTIC INDUSTRY IN EUROPE

- Boating, marinas and water sports represent over 155,000 direct jobs, generating 13 bln€ in revenues annually

Source: European Boating Industry, Contribution to the EU Tourism Policy - Sustainable Coastal and Maritime Tourism, 2013
Many players involved

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The most involved ones

- Shipping Companies
- Passenger terminals
- Port operators
- National governments
- Marinas
- Tour operators & AdV
- Destinations
- Charter companies
THE MED HAS MANY FACTORS TO LEVERAGE IN THE MARITIME GLOBAL COMPETITION
large variety of options to skip kinds of instability (geopolitical, air connections, weather, ..)

a key element for each maritime tourism component
Eterogeneity of destinations/ports & shore experiences that works from tourists coming from the sea
A lot of attention on the maritime sector, industry investments, and a desire shared by many stakeholders to draw a development path
THESE AND FURTHER COMPETITIVE ADVANTAGES OF MED DESTINATIONS ALLOW TO ATTRACT LOTS OF MARITIME TOURISM TRAFFICS

TOURISM DESTINATIONS ARE ALREADY GETTING SOME BENEFITS

BUT THEY COULD DO MORE FOR ACQUIRE MORE
DO MORE TO GET MORE (1/3)

Destinations must speak & discuss with maritime stakeholders
being active and pro-active, understanding the private needs while setting local public needs, and not just thinking to taxes to raise

Destinations must cooperate in order to get higher global results

In sectors in which itineraries are at the base of the tourist experience, a multi-destinations approach is needed not only for the demand but also for the offer
DO MORE TO GET MORE (2/3)

Understand the business and get ready
each sector has its rules and know how:
it’s necessary to invest in education in order to have
operators with the right skills

More quality and creativity in the local offer
There is an higher potentiality to promote the destination
trough maritime tourists: they can come back for a different
experience and/or activate a word of mouth.
To do that it’s important to positively impress them with variety
and accuracy in what is offered
DO MORE TO GET MORE (3/3)

A proactive approach is needed

Destinations couldn’t expect ships and boats to berth when shops and the whole city are open. Local operators have to adapt their working hours to the “rhythms” of the cruise and maritime demand. More time tourists spend on land, more money the destination gets.

Higher benefits come with stronger commitment

Are destinations dedicating attention and priority to these sectors? It’s not an inevitable choice but we must be aware that benefits don’t come without tangible and intangible investments.
SESSION 3

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dicesare@risposteturismo.it

Francesco di Cesare

Risposte Turismo