



Cruise Itineraries and Their Implications for Regional Cruise Port Development

Presented for ASEAN Ports & Shipping 2023, Bangkok

Introduction

Who We Are

- Port specialists with consulting work for both public and private sector.
- Significant experience in cruise, recently branching out to Free Zones / Special Economic Zones.

SOLUTIONS

Forecasting, Feasibility & Development

Operations, Management and Oversight

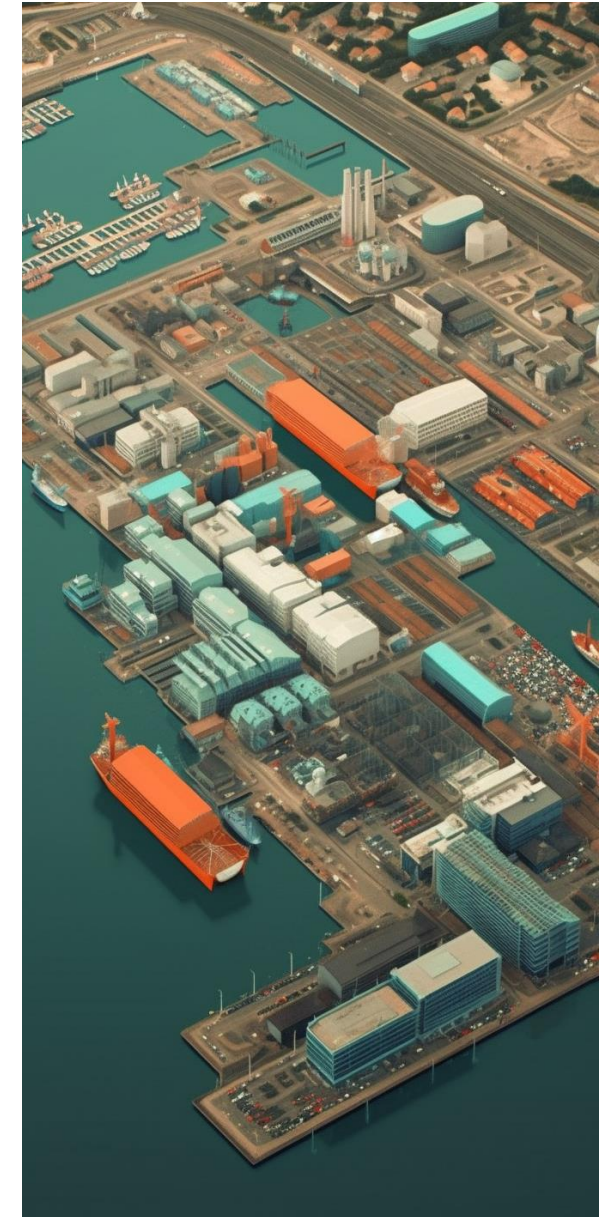
Strategy, Branding & Marketing

SCOPE

Cargo ports (Containerised or otherwise)

Cruise Ports

Industrial Parks / FZ / SEZ



We focus on the Southeast Asian market, with substantial experience in cruise





Understanding the Itinerary

Some Strategies Thought of for Cruise Ports That May Need Closer Scrutiny

“We don’t need to be close to a homeport – we **are** the homeport!”

“It’s OK if we can’t serve the biggest ships, we just serve more of the medium sized ones.”

We don’t need 100+ calls from 4,000 pax ships, we’ll just do 400 calls from 1,000 pax ships.

Port X spent USD150 million and got results, spend as much and we’ll do just as well.*

*Do passengers choose the destination because of how good the port building looks?

Understanding the Itinerary

Cruise Lines Sell Itineraries – What Are They Made Of?

A single cruise itinerary consists of multiple variables that a potential passenger would consider:

- The **ship** itself, its size and amenities.
- The **homeport** – where the cruise starts and ends i.e., turnaround ops. How do you get there? Drive? Fly?
- **Marquee ports** – desirable, high brand recognition destinations that sell the itinerary.
- **Discovery ports** – destinations that the itinerary sells as part of the package.

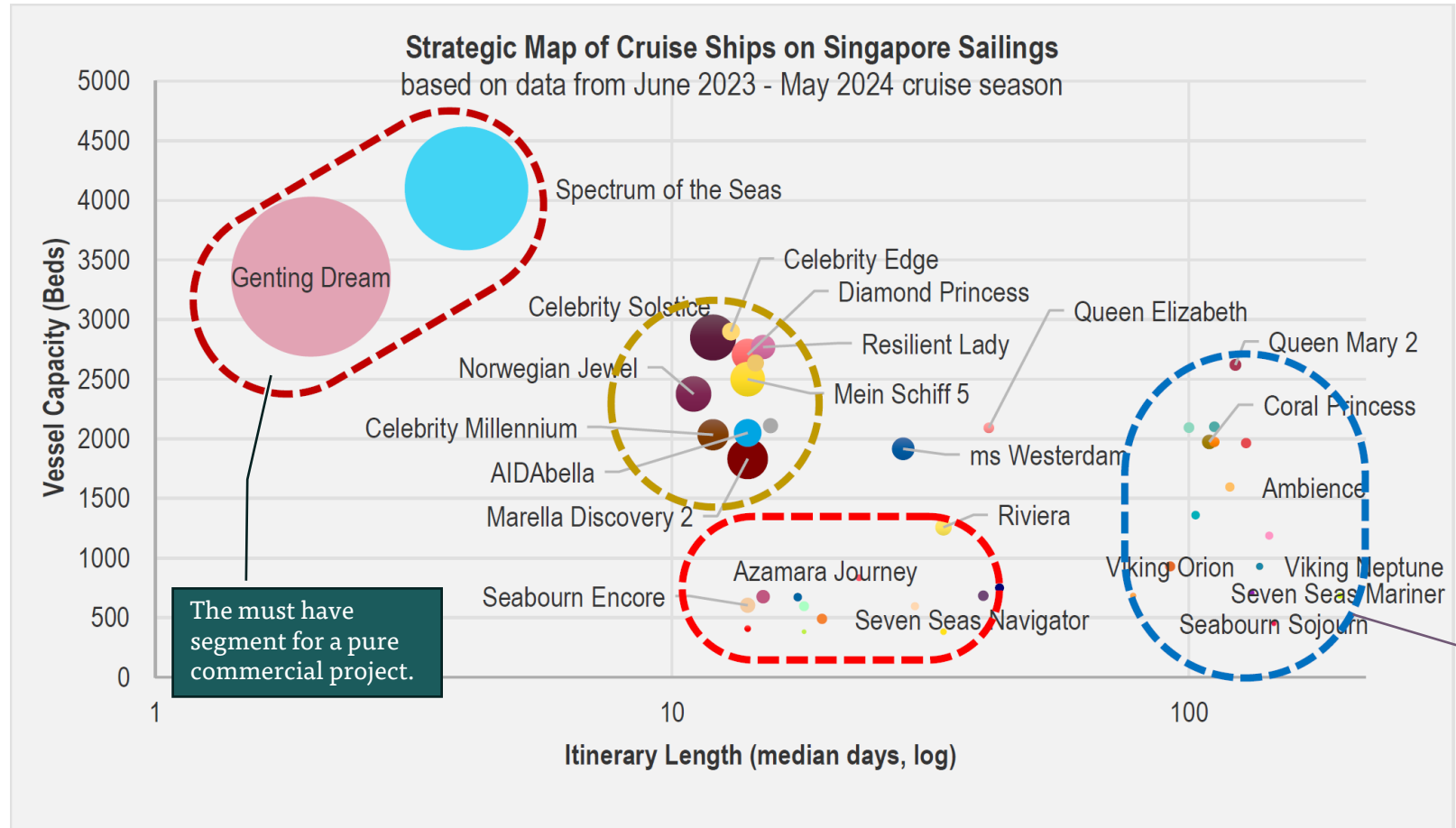


Marella Discovery 2
1832 beds
264m LOA
14 night itinerary

| Date / Time | Port |
|----------------------|---|
| 05 Jan 18:00 | 🇸🇬 🇸🇬 Departing from Singapore 🏠 hotels |
| 06 Jan 08:00 - 18:00 | 🇲🇾 🇲🇾 Klang, Kuala Lumpur, Malaysia Selangor |
| 07 Jan 09:00 - 17:00 | 🇲🇾 🇲🇾 Pulau Penang Island, Georgetown, Malaysia Penang |
| 08 Jan 07:00 - 17:00 | 🇹🇭 🇹🇭 Phuket, Thailand |
| 09 Jan 08:00 - 15:00 | 🇲🇾 🇲🇾 Pulau Langkawi Island, Malaysia Kedah |
| 10 Jan 12:00 - 19:00 | 🇲🇾 🇲🇾 Malacca, Malaysia |
| 11 Jan - 12 Jan | 🇸🇬 🇸🇬 Singapore |
| 14 Jan 07:00 - 18:00 | 🇹🇭 🇹🇭 Laem Chabang, Bangkok, Thailand |
| 16 Jan 06:00 - 18:00 | 🇻🇳 🇻🇳 Saigon, Ho Chi Minh City, Vietnam |
| 19 Jan | 🇸🇬 🇸🇬 Arriving in Singapore 🏠 hotels |



A few key variables for cruise itineraries directly impact cruise volume



Ultimately, the largest ships sail the most and the smallest sail the least.

Segmentation is key in analysing the market!

The must have segment for a pure commercial project.

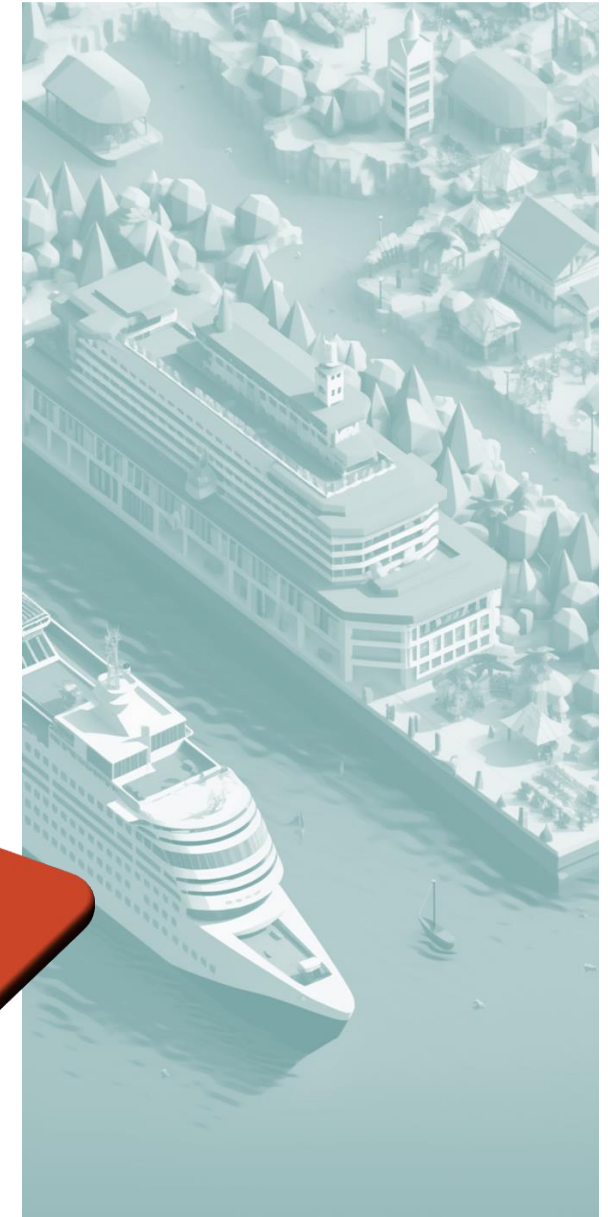
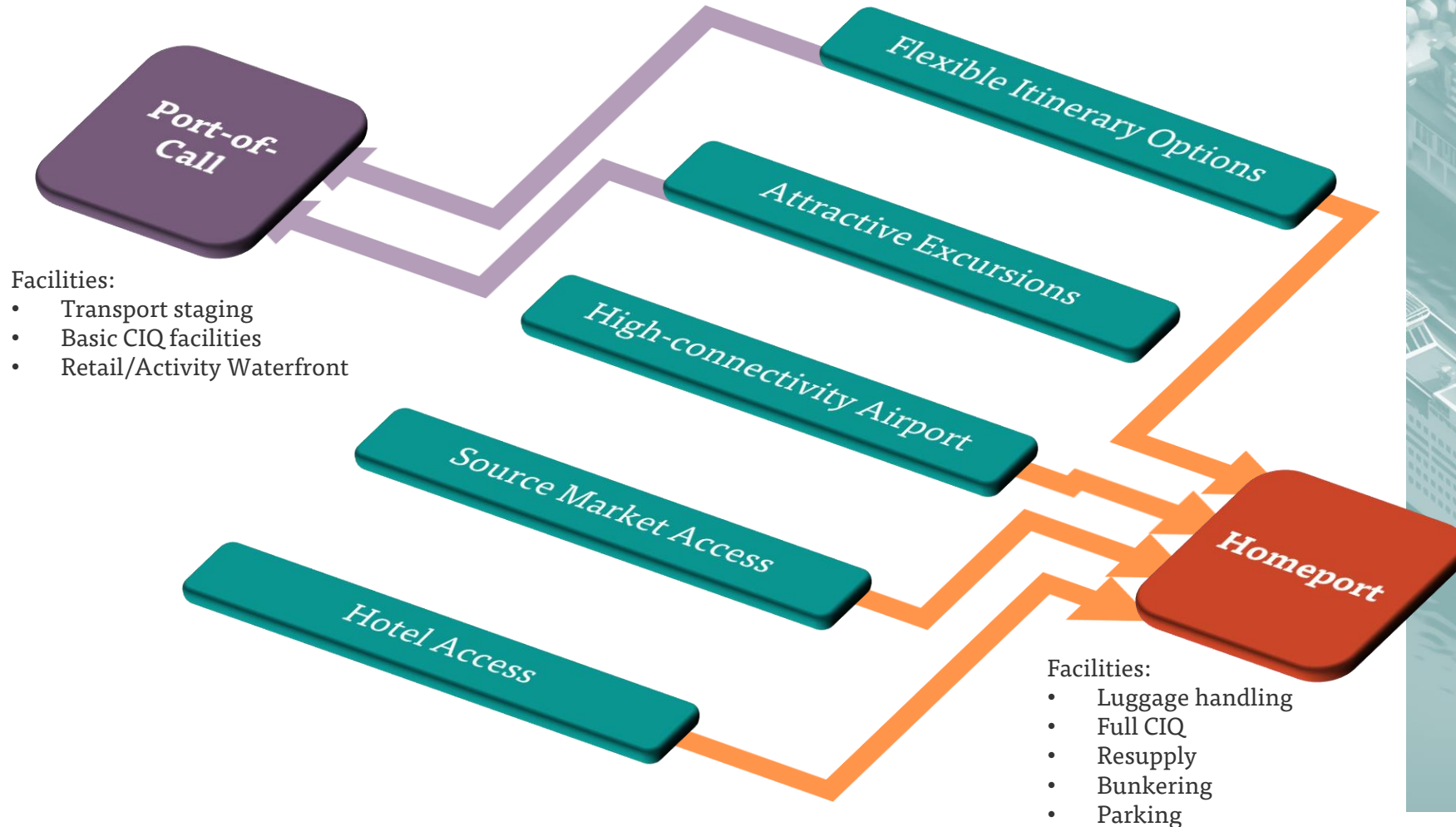
This segment is growing in the number of brands sailing, but this does not translate to more calls per brand for each port.



Considerations for Cruise Port Solutions

Considerations for Cruise Port Solutions

Homeports and Ports-of-Call have differing needs – and capex requirements



Itinerary variables ultimately have implications for what is viable



CRUISE PIER

- Can cater to ships of all sizes
- Can set up inner berths.
- Costly construction - can be difficult to justify from economic viewpoint, let alone commercial.



FLOATING PIER

- Can be less expensive
- No issues with tidal variance.
- May be awkward for larger ships.
- Requires sheltered locations.
- Unlikely to have inner berth.



SEAWALK

- Less expensive (by 50% or more)
- No extra berthing option
- Requires similar conditions to floating piers.



TENDER PORT

- Minimal investment
- Awkward for larger ships
- Not supported for the largest ships. (Still better than not having a facility!)

Environmental sustainability issues are already here



Overtourism

- Biggest talking point for cruise.
- The “bucket list” is a double-edged sword.
- Cruise lines aware and want to work with destinations.
- **Know your capacity.**



$$CII = \frac{\text{Annual CO}_2\text{emissions [g]}}{\text{Gross Tonnage} \times \text{Annual distance traveled [nm]}}$$

Emissions Regulation

- Regulations do help ports – less bunker burned, ships switching to cleaner fuels.
- IMO carbon emission equation hurts cruise, incentivises ships to reduce length of calls to ports.



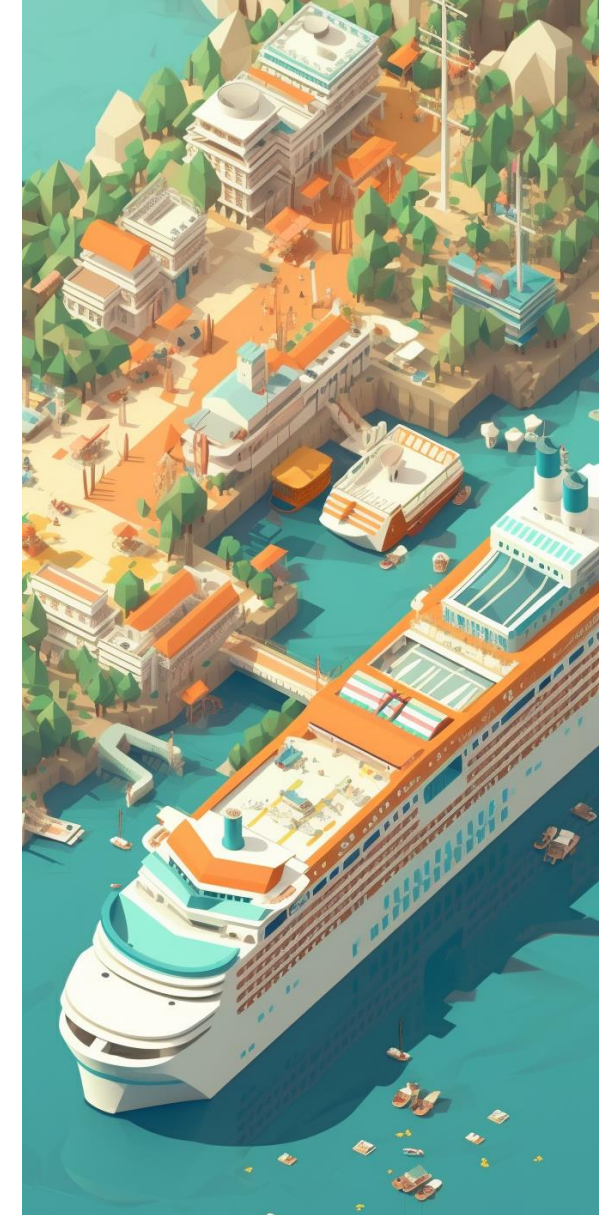
Port Pollution

- Cruise ships are most “in your face” of the global fleets. Takes flak for entire maritime industry.
- Shore power – at what cost? **Look further down the chain.**
- Wastewater management – modern ships have built in systems, but ports can still help.

Conclusion

Building sensibly with contextual knowledge is the way forward for destinations – and collaboration is key for growth

- Understand the cruise market in the region and what itineraries call to the destination when planning cruise facilities.
- Homeports are a different game: more competition, more capex, more risks.
- Most cruise terminals need government or cruise line investment – successful pure private developments are rare.
- Plan for sustainability *now*, but understand what the industry is already doing. Just know what you can handle.





Thank You

Need to know more? Email kamal@nvterminals.com