

Largest cruise economy now setting sail

China's travel industry, shipbuilders to launch marine-based tourism

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If a friend from abroad was to suddenly show up in China as a tourist, the question "When did you land?" is likely to come up. But, if tourism firms' plans come to fruition, the alternative question "Hey, when did you make landfall?" might become just as common.

More and more tourists are expected to reach China by cruise liners from now on. And, as wanderlust grips Chinese middle-class travelers flush with rising disposable incomes and bitten by the consumption upgrade bug, the domestic tourism industry is expected to see a rapid growth of cruises, market insiders said.

According to the Cruise Lines International Association, by 2025, the number of Chinese travelers who will have experienced cruise trips is expected to reach 8 to 10 million.

That would mark a surge from about 2.5 million Chinese travelers, or less than 2 percent of China's outbound global travelers, who took cruise trips last year.

An estimated 300 million Chinese consumers will be able to afford cruise trips in the near future.

"In the next 10 to 20 years, the number of Chinese who take cruise trips annually is expected to surpass that of the United States. Growth in the world's cruise market is expected to come from China," said Zheng Weihang, executive vice-president and secretary-general of the China Cruise & Yacht Industry Association.

"As the industry continues to grow and develop in the region, China is widely expected to eventually become the largest cruise market in the world."

Small wonder, moves are afoot at both government and corporate levels to harness all that potential.

Spanning the modernization and upgrades of ports, to home-built ships, purchase of ocean liners, multimodal transport mechanisms, and longer duration visa-free visits to certain Chinese mainland areas in the neighborhood of ports, the big-ticket measures will seek to monetize multibillion-dollar opportunities.

Michael Thamm, CEO of Costa Group and Carnival Asia, spoke after

parent Carnival Corp, the world's largest leisure travel company, announced a 40:60 joint venture with China State Shipbuilding Corp or CSSC in November.

"We are here in China not only to operate ships, but to build the whole ecosystem, including shipbuilding, supply chain, port development, distribution, and destinations. We would like to contribute to building a cruise economy in China, putting into full play the multiplier economic effect," he said.

Meanwhile, Shanghai plans to build the Wusongkou International Cruise Terminal, an integrated complex complete with duty-free shops comparable to those at its international airport.

And the products sold at the port's boutiques and in nearby areas will be upgraded. The idea is to boost coordinated growth of leisure cruises and city tourism, according to the local government.

The planned terminal will in itself be a potential tourist attraction, much better than the current port in Shanghai, where a solitary duty-free shop covers less than 500 square meters, and sells mainly cigarettes and liquor. For today's outbound and inbound cruise tourists, that would simply not suffice.

Shanghai's local government therefore said in a statement issued in October that the planned terminal will house large-size duty-free stores that would stock top-end goods.

A campaign to spread awareness about China's various visa-free visit policies is also on the anvil. Unlike airline passengers, many foreign cruise travelers are not aware of China's 144-hour visa-free transit policy.

International travelers from 53 countries can enter the Chinese mainland through the ports in East China's Shanghai, Jiangsu province and Zhejiang province.

Publicity for visa-free policies can attract more inbound foreign tourists to enter China by cruises, the Shanghai government said in its statement.

South China's island province Hainan has also started a pilot run of its 15-day visa-free policy for tourist groups who take cruises and enter the country from ports in Hainan.

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