

The 2nd Fukuoka Cruise Conference Report

Hakata Port & Harbor Bureau held the 2nd Fukuoka Cruise Conference at Fukuoka International Congress Center on Monday, November 30, 2015. The executives of major cruise lines bringing cruise ships to Asia attended the conference, outlined their expansion strategies in the Asian cruise market and clarify challenges Japan faces in the rapidly-growing cruise industry.



From left: Kyohei Sakita, Nichinan City, Trey Hickey, Princess Cruises, Michael Ungerer, Carnival Asia, Zinan Liu, Royal Caribbean International, Soichiro Takashima, Fukuoka City, Buhdy Bok, Costa Cruises, Hernan Zini, SkySea Cruises, David Goh, Cruise Lines International Association

The conference had some 260 attendees from travel agencies and port authorities of all over Japan as well as cruise lines.

In the beginning of the conference, the Mayor of Fukuoka City talked about the current status of Fukuoka City (Hakata Port) and challenges in welcoming cruise ships. Mayor Takashima explained how the city has tackled with the issues and the need of extensive collaboration in order to enhance the satisfaction level of the cruise industry and push up the city to the next stage.

Next, Mr. Hiroyuki Geshi, Deputy Director-General for Engineering Affairs, Minister's Secretariat, MLIT and Mr. Koji Tanaka, Chairman of Kyushu Cruise Promotion Conference gave greeting messages on behalf of honorable guests. Mr. Geshi said, 'The Japanese

Government has almost achieved our target to increase the number of foreigners visiting Japan to one million a year with the rapid growth of foreigners coming to our country by cruise ship.' and 'The government intends to work mainly on how to promote the cruise industry and how to offer better service to guests by solving big challenges that ports and cities have faced in welcoming cruise ships one by one.'. Mr. Tanaka commented, 'In 2015, we will have the record number of foreign cruise ship calls to Kyushu, substantially surpassed the number of 2014.' and 'On the other hand, the increase of ship calls has caused challenges such as the shortage of buses and the traffic congestion. To solve these issues, it is necessary to cooperate with related parties.'

Keynote speech 'Prospect for Asian Cruise Market'

The keynote speech was given by Dr. Zinan Liu, President of China and North Asia Pacific region, Royal Caribbean International, who also serves as Chairman of CLIA North Asia and titled 'Prospect for Asian Cruise Market'. Dr. Liu said, 'The Chinese cruise market is expected to expand to 4 to 5 million by 2020 that is the largest growth rate in the world.', 'Japan is a very popular and crucial destination but its infrastructure development is far behind South Korea and China.', 'Fukuoka will be the most congested port in the world in 2 years if it does not develop a new infrastructure.', 'When you invest in infrastructure, you can't see the effect of the investment at the development stage. The effect is spread to multiple fields from the primary industry to the secondary industry, and to the tertiary industry. The effect is not limited to the benefit to the economy in a narrow sense.', 'As one option, it is possible for cruise lines to consider investment in infrastructure in Japan.' and 'Cruise lines take seriously the traffic congestion issue caused by cruise ship calls and want to cooperate to solve it.'

Panel discussion 'Extensive Collaboration and Product Development for Shore Excursion'

At the panel discussion, Ms. Chie Hoashi, Executive Vice President, INOUT Co., Ltd. as a coordinator, representatives from 6 cruise lines, 1 land operator and 2 destination ports as panelists discussed on 'Extensive Collaboration and Product Development for Shore Excursion'. (*Please refer to the conference program for the detailed information on speakers.)

The panelists from cruise lines outlined each strategy: '(Costa Cruises) In 2016, Costa Victoria will offer turnaround cruises to/from Japan. To explore guests who are new to cruising, these cruises will have no at-sea day. We will also introduce an inter-porting system that enables guests to embark and disembark at any four ports out of five ports.', '(Royal Caribbean International) As the market matures, we hope to create cruise products sailing for more days and to further areas.', '(Princess Cruises) Diamond Princess homeports Yokohama and Kobe and offer cruises that match the characteristic four seasons of Japan. During summer, the season of typhoons, we try to avoid suffering from typhoons by using Yokohama and Kobe in shifts.', '(SkySea Cruises) Most of our current products are chartered cruises targeting at Chinese passengers. We are considering fly & cruises and turnaround cruises in Japan for the future.

The panelists from destination ports in Japan commented about how they welcome cruise passengers and tackle with challenges: '(Nichinan City) The council on extensive tourism promotion was established by 10 cities and towns in Miyazaki Prefecture. We set up a booth at a pier and sell local products. To cover the shortage of the Wi-Fi environment, we are offering a service called 'Free Human Wi-Fi' that officers of our city walk around tourist spots with backpacks carrying the Wi-Fi equipments.' '(Nichinan City) We are preparing tourist programs no other areas have. These programs offer guests opportunities to experience attractiveness of agriculture, forest therapy and ocean.', '(Fukuoka City) We have multiple cruise ship calls arrived at the same time and their tour buses have caused the traffic congestion. We need to diversify time and destinations for shore excursions. It is also necessary to create a new excursion without tour buses.' and '(Fukuoka City) We hope to realize a system that prevents the traffic congestion in Fukuoka City and can be applied to other regions.'

The representative of the land operator talked about the current situation of the shore excursions and measures against the challenges: '(CITS) Our Chinese guests are satisfied with the shore excursions in Japan while some told us that they hoped to have more free time or time to do sightseeing.', 'We have more repeaters who hope to have a new purpose for visit. So the tour product itself must be revised.' and 'Tours that guests can freely use their time or private tours of smaller groups would perfectly suit the nationality of Chinese and also can bring a positive effect on the issues like the traffic congestion and the standardized tour itinerary.'

Other opinions include: 'We need to optimize the structure that tourists give a feedback to land operators, and land operators report that feedback to port authorities that control the situation.', 'We need to focus on how to provide tourists multiple choices at destination ports so that guests can choose their favorite plan and enjoy it.' and 'The product development must be done not only by the local authority but in collaboration with related parties such as land operators, tourist sites and commercial facilities.'

Special lecture 'Japanese Cruise Market Expansion'

Lastly, Ms. Eiko Kijima, Special Advisor, Carnival Japan gave a special lecture on 'Japanese Cruise Market Expansion'. Ms. Kijima ended the conference by proposing suggestions to grow the Japanese market: 'It was in 1996 that Asuka II took its first world cruise that was truly a big impact to the Japanese cruise market. This cruise, however, created an image of cruising as being long and taking 100 days, and being expensive and costing 18 million yen.', ' Three stimuli are needed to expand and develop the Japanese market. The first stimulus is a new cruise ship built by Japanese cruise lines. The second is a turnaround cruises to/from Japan conducted by foreign cruise lines. The third is a call by large cruise ships to/from China. I also hope that the infrastructure development and deregulation will be done quickly' and 'In developing both the hard and soft infrastructures, the public sector and the private sector are further required to cooperate each other.'

[Reference: Program Opening at 14:00, Closing at 17:30]

14:00-14:05 Photo session (Introduction of guests)

14:05-14:15 Welcome speech by the host

'Fukuoka CRUISE NEXT – Promote the cruise industry to the next stage'

Mr. Soichiro Takashima, Mayor of Fukuoka City

14:15-14:25 Greeting message from honorable guests

Mr. Hiroyuki Geshi, Deputy Director-General for Engineering Affairs,
Minister's Secretariat, MLIT

Mr. Koji Tanaka, Chairman, Kyushu Cruise Promotion Conference

14:25-14:55 Keynote speech 'Prospect for Asian Cruise Market'

Dr. Zinan Liu, Chairman of CLIA North Asia

15:10-16:40 Panel discussion 'Extensive Collaboration and Product Development for Shore Excursion'
<Coordinator>

Ms. Chie Hoashi, Executive Vice President, INOUT Co., Ltd.

<Panelist>

Dr. Zinan Liu, Chairman of CLIA North Asia / President of China and North Asia Pacific region,
Royal Caribbean International

Mr. Jianfeng Tong, Deputy General Manager, Port Operation & Product Management,
Royal Caribbean International

Mr. Tim Wang, Senior Operation Manager, Costa Cruises

Mr. Yusuke Itokawa, Country Manager, Costa Cruises (Japan)

Mr. Trey Hickey, Vice President International Sales & Marketing, Princess Cruises & Carnival

Mr. Hernan Zini, COO, Shanghai SkySea Cruise Travel Co., Ltd.

Mr. Wei Zhao, General Manager, Fukuoka Sales Office, CITS Japan Co., Ltd.

Mr. Kyohei Sakita, Mayor of Nichinan City

Mr. Junichiro Nakashima, Chief Executive, Port & Harbor Bureau, Fukuoka City

17:00-17:30 Special lecture 'Japanese Cruise Market Expansion'

Ms. Eiko Kijima, Special Advisor, Carnival Japan

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