



IORA-India Cruise Tourism Conference “Spotlight on the Indian Ocean”

Mumbai, India

27-29 February 2020

CONCEPT NOTE

Background

Destinations of the Indian Ocean Region have been forecast to receive 179 million international tourist arrivals in the year 2020, thus recording an annual growth rate of 6.3% over the period 1995-2020¹.

Tourism is a key driver for socio economic progress in IORA. Development of sustainable tourism in the Indian Ocean Rim will support socio economic well-being and development of Member States of IORA. Cruise Tourism, Coastal and Marine Tourism can become important contributors to the economy of Member States for generating employment – both direct and through allied activities and the sustainable socio-economic development of local communities.

How successfully IORA leverages the potential of this sector depends on the ability to develop sustainable and integrated value propositions with due accountability for environmental preservation, restoration and regeneration. Within IORA, tourism flows seamlessly into several priority areas and especially the cross-cutting areas of Women’s Economic Empowerment and Blue Economy.

The IORA Vision*

Fostering tourism and cultural exchanges by:

- Increasing people-to-people interaction to promote regional economic growth
- Encouraging the sustainable development of community-based tourism and eco-tourism
- Promoting cultural heritage and harnessing the economic potential of this heritage, including World Heritage properties and sites
- Cooperating and sharing experiences for the sustainable development of tourism
- Augmenting regional connectivity by encouraging direct flights and shipping services including cruises by encouraging investment in requisite infrastructure.

* Excerpt from Jakarta Concord issued during the First IORA Leaders’ Summit in Jakarta 2017

¹ Tourism 2020 Vision: Volume 1 Africa, The United Nations World Tourism Organization (UNWTO)

Cruise Tourism - The Context

Cruise tourism offers host destinations the opportunity to participate in one of the most dynamic and fastest-growing elements of international tourism, as well as for upgrading existing infrastructure in destinations. Local economic benefits from the arrival of cruise ships can impact a range of onshore businesses, including small retail, catering, transport, ground handling and handicraft enterprises, thereby developing local supply chains creating economic inclusion thereby enabling community development.

Almost a record 27.2 million passengers participated in cruise tourism in 2018³. There has been an increase of 20.5% in demand over the last five years. With the growing middle class, cruising is growing across all segments and budgets. It is important for policymakers and the entire cruise tourism value chain in South-East Asia to prioritize strategies to mitigate environmental impacts, bring social and economic benefit to the host destinations and their communities and to develop awareness of responsible cruise tourism, particularly in cruise passengers. responsible' cruise tourism sector is necessary to ensure sustainable development in host destinations, including opening up greater opportunities for local entrepreneurs

Cruise industry has been one of the most successful hospitality sectors over the past three decades. The industry has seen steady growth, year after year, irrespective of recession, political turmoil or other factors that have influenced the visitor and travel industry. A new generation of cruise consumers are taking to the seas including millennials and Generation X's who are beginning to embrace cruise travel more than ever before. River cruising continues to flourish worldwide with new ships being built and deployed to interesting regions and itineraries worldwide. The demand for expedition cruising is expanding as interactive adventure travel is growing at a record pace.

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It is crucial for Member States to strive towards regional cooperation in tourism, especially to achieve sustainable tourism growth in the region with a focus on Cruise Tourism.

³<https://www.f-cca.com/downloads/2018-Cruise-Industry-Overview-and-Statistics.pdf>

Coastal and Marine Tourism – The Context

Coastal and marine tourism are recognised as a vital Blue Economy sector by IORA countries and in the IORA Action Plan 2017–2021. There are different forms of coastal tourism that service different market segments, each with varying potential for economic inclusion and SME development.

Coastal and marine tourism Maritime and coastal tourism remains one of the fastest growing areas within the tourism industry and it of great significance to IORA Member States. IORA Member States have a huge advantage in this sector due to their vast coastline. It represents an important contributor to the economy of Member States and for generating employment. Yet despite increased awareness of the economic and environmental significance of marine and coastal tourism it is only in recent years that a substantial body of research has emerged.

IORA with its advantage of the coastline would strive for competitive tourism destination for the group; which would encourage tourism capacity-building programmes including community-based tourism for poverty reduction, cultural heritage and eco-tourism.

In order to make the tourism destinations in the Member States competitive, IORA should encourage tourism capacity-building programmes, including community-based tourism for poverty reduction, cultural heritage and eco-tourism. In order to galvanise the potential, it is necessary to have policies for waste management, develop port and coast infrastructure, enable the coastal zone maintenance and improve connectivity for ensuring tourism growth in the region.

The future success of maritime and coastal tourism would contribute to equitable and sustainable Blue economy impacting the livelihoods of the local community which encompasses women and small and medium industries.

Coastal and marine tourism would act as an enabler to allied activities such as wellness and leisure. It can diversify into water-based and specialized areas such as river tourism projects to connect to the hinterland and niche areas such as lighthouse tourism and backwater tourism allowing an integrated value proposition.

Coastal and Marine Tourism in IORA Member States

IORA Member States	
Australia	Australia has played a significant part in the industry's growth, increasing by around 20% year on year for the past 10 years, to reach almost 1.3million annual ocean cruise passengers. The direct economic contribution of cruise tourism in Australia consisted of the A\$2.7 billion in direct expenditures, A\$1.3 billion in value-added and 12,235 FTE jobs paying A\$907 million in employee compensation. The year 2016/17 saw the industry's total national economic contribution in Australia grow by an impressive 15.4% to reach a record A\$5.3 billion. Cruise ship calls at Australian ports generated 1,401 cruise ship visit days, a 19% increase. Combined, passenger and crew visit days increased by 21% to 3.4 million days. Sydney, Brisbane and Melbourne accounted for 65% of total passenger onshore visit days and 90% of the home port passenger onshore visit days.
Bangladesh	Bangladesh made its entry into the international cruise market in 2019 through Silverseas which started new routes in the region. Other than that, Bangladesh also has river tourism industry which caters to riverboats operation on Bangladeshi waters.
Comoros	The continual increase in the number of cruise ship calls highlights the success of the combined efforts of the Vanilla Islands. In 2018, it catered to 46 ships and 56,882 passengers. It actively contributes to tourism industry and promotes Cruise Tourism in the Indian Ocean Region. It also participates actively with organisations such as PMAESA, PIOI, CIOA, COI etc. in building human developments & capacities, facilitating studies, linking Tourism Ministries/Entities – in understanding the Cruise Tourism better and aligning synergies to a solid common marketing platform.
Indonesia	In 2018, it is estimated 465 cruise visit calling Indonesia ports carrying 276,681 passengers. Compared to the previous year, this number has increased by around 31%.
Iran	There has been a growth in tourist influx in Iran through the Caspian Sea. In 2016, 5.24 million tourists visited Iran, but Iranian officials indicate to six million.
Kenya	A new cruise terminal in Mombasa is due to open its doors before the end of the year. The project started in 2016 and represents a total investment of 3.4 million US dollars. Mombasa already receives a few cruise ships every year but numbers remain tiny with less than 5,000 arrivals.
Madagascar	Madagascar has significant cruise potential due to its size, potential multiple ports-of-call and great diversity of attractions accessible from its various ports. These include four major ports, namely Antsiranana (Diego Suarez), Nosy Be20, Toamasina (Tamatave) and Tolagnaro (Fort Dauphin) that receive large cruise ships.

Malaysia	Over the last few years, Malaysia’s cruise tourism industry has been flourishing and there have been encouraging number of cruise ships calling at the various country’s ports. Between January and May 2017, a total of 253 international cruise ships called at the country’s 11 ports indicating an increase of 9.48% compared to the same period in 2016. For the same period, the country received 405,554 cruise passengers compared to 330,473 passengers, signifying an increase of 18.51%.
Maldives	The industry maintains a relatively high bed capacity utilization rate ranging between 59 – 73 percent. Germany and Italy provide about 40 percent of all arrivals. Tourist arrivals to Maldives in 2017 was recorded to be 1,389,542. Moving over to the Indian Ocean, and the rapid growth of new resort development, in 2008, resorts number below 75 now that number is over 100, and the Maldivian Government have just announced another 35 new resorts to be built, developed and open within the next 3-5 years.
Mauritius	In 2019, Abu Dhabi Ports and the Mauritius Ports Authority signed a MoU to help Port Louis in Mauritius in order to boost cruise tourism in the Indian Ocean, particularly from the Arabian Gulf.
Oman	Cruise ships visiting Oman’s port during the year 2018-2019 has reached to 298, showing an increase of 106 compared to the year 2017-2018. While the number of cruise ships that arrived at Sultan Qaboos Port was 147 ships, it was 72 at Khasab port and 79 at Salalah port. The Ministry of Tourism organises several entertainment activities for the tourists arriving on board in cooperation with the local agents. The Ministry also opens up its traditional souqs for the guests so that they can have a first-hand experience of Omani traditions and its traditional industry.
Seychelles	The most relevant ones for Seychelles are the following: sea-sand-and-sun tourism; ecotourism; cultural tourism; marine-based tourism; adventure tourism; conference tourism; and cruise tourism. According to Cruise Lines International Association, global demand for cruising reached an estimated 25.8 million passengers in 2017 and is expected to increase further in 2018 to reach an estimated 27.2 million passengers. A total of 48 ocean cruise ships have been ordered for delivery in the 2017-2019 period and a further 32 in 2020-2026. In terms of sustainable tourism, The Seychelles Sustainable Tourism Label (SSTL) was launched in 2011 as a tourism certification programme. Its main aim is to recognize tourism operators that adopt sustainable practices in their business operations. It is managed by the Tourism Department. The Seychelles Sustainable Development Strategy 2012-202052 contains an action plan for sustainable tourism and notably proposes a series of actions aimed at mainstreaming environment in tourism development.
South Africa	More than 100,000 passengers already cruise annually on MSC Cruises ships, which operate a six-month season to various destinations in the region from Durban. Around 20 cruise ships from two dozen cruise lines make port calls in Cape Town and use

	the city as a turnaround port for their cruises. An increasing number of luxury cruise lines are also using Cape Town as a roundtrip homeport for short South African cruise seasons. It is expected that cruise tourism will attract about 470,000 passengers by 2025.
Sri Lanka	Sri Lanka is considered to be an affordable tourist destination and attracts cruise visitors too. The Sri Lankan Tourism Promotion Bureau also targets niches such as health and wellness tourism.
Thailand	The Tourism Authority of Thailand in 2017, ventured into cruising marketplace in Southeast Asia. In 2016, Thailand ranked 7th in the Top 10 Asian cruise destinations by total calls, receiving nearly 300 calls, as rated by Asia Cruise Trend. According to data from the Cruise Lines International Association, the number of cruise ships in Asia has grown by 12 percent during 2013-2016, while the number of cruises and voyages has grown by 22 percent. As per about 100.000 cruise visitors are recorded per year and major cruise liner companies have shown their interest to use the ports of Thailand as their maritime tourism hub. It is expected that by 2022, new ports in Krabi and Samui should attract more international cruise liners.
UAE	The UAE capital hosted 10.27 million visitors in 2018 with growth across a range of sectors, Abu Dhabi's Department of Culture and Tourism said without providing a comparative figure. More than 350,000 cruise visitors docked at its shores and more than 2.6 million people visited its cultural sites. Abu Dhabi is also home to the region's only dedicated cruise stopover beach on Sir Bani Yas Island in the emirate's Al Dhafra region.
Yemen	Yemen's coastal strip lies along the Arabian Sea and the Red Sea and there are islands and archipelagos which cater to various beach activities.

Contours of the Conference

Considering the vast potential of Cruise Tourism and beach tourism in the member states of IORA, FICCI as the Business Secretariat of IORA, shall organize a **One-day Seminar on "IORA-India Cruise Tourism Conference "Spotlight on the Indian Ocean"**, in partnership with the Ministry of External Affairs, Ministry of Tourism, Ministry of Shipping and IORA Secretariat.

Format

- Day 1: Arrival in Mumbai
- Day 2: Full day conference in Mumbai
- Day 3: Visit to Elephanta Caves
- Day 3: Departure

The aim of this conference would be to sensitize IORA Member States on the potential of Cruise, Coastal and Marine Tourism and the value of building regional linkages. River cruising and backwater tourism would be discussed as well. The seminar would have experts, industry and consumers.

Programme Objectives:

- a) To promote Intra IORA cooperation in Cruise Tourism
- b) To enhance understanding on the use of technology in brand building of cruise, coastal and marine tourism products
- c) Discuss policies and programmes across national levels of government; innovation and accessible finance for enterprise development;
- d) To encourage cruise, coastal and marine tourism as a multiplier to allied economic activities such as wellness and cultural experiences
- e) Engaging local community, women and MSME enhancing coastal livelihoods
- f) To share information, experience and best practices on supply and demand through new-builds and vessel deployment
- g) Explore revenue opportunities on-board and shore-side by developing varieties of shore excursions catering to many demographics and destination-oriented deployment.
- h) Interaction with cruise players attending the Conference of Sea Trade Cruise Forum for cross fertilization of ideas

Envisioned Outcomes

- a) Enhanced understanding on sustainable development in host destinations, including opening up greater opportunities for local entrepreneurs;
- b) Existing beneficiaries, and the potential for future development of cruise tourism and beach tourism given socio-economic and environmental challenges
- c) Sharing of information on dynamic and fast-growing elements of international tourism,
- d) Case studies sharing by Member States on: River cruising, Backwater tourism and Inland waterwaystourism
