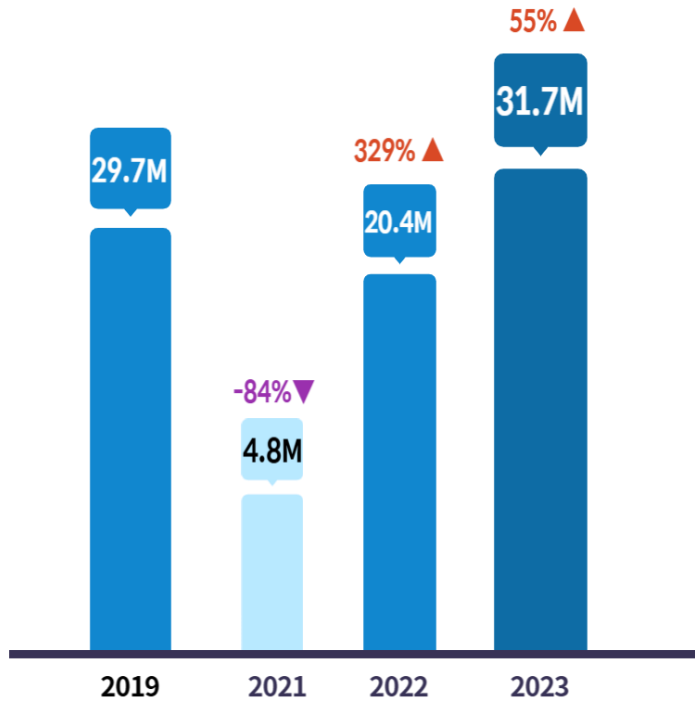


2024 Asia Cruise Trends and Strategies for Developing Domestic Coastal Cruises

Presentation by: Ilsun Choi, Korea Maritime Institute

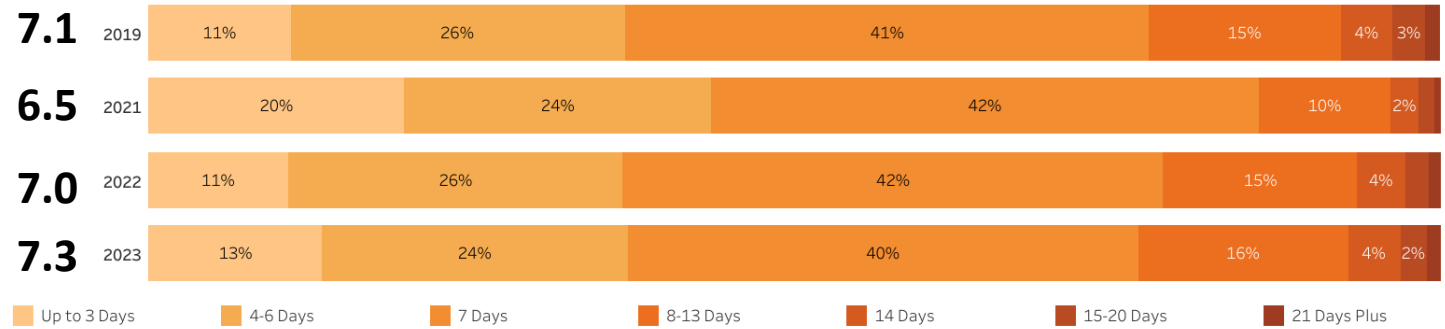
[Post-Pandemic Cruise Market Recovery]



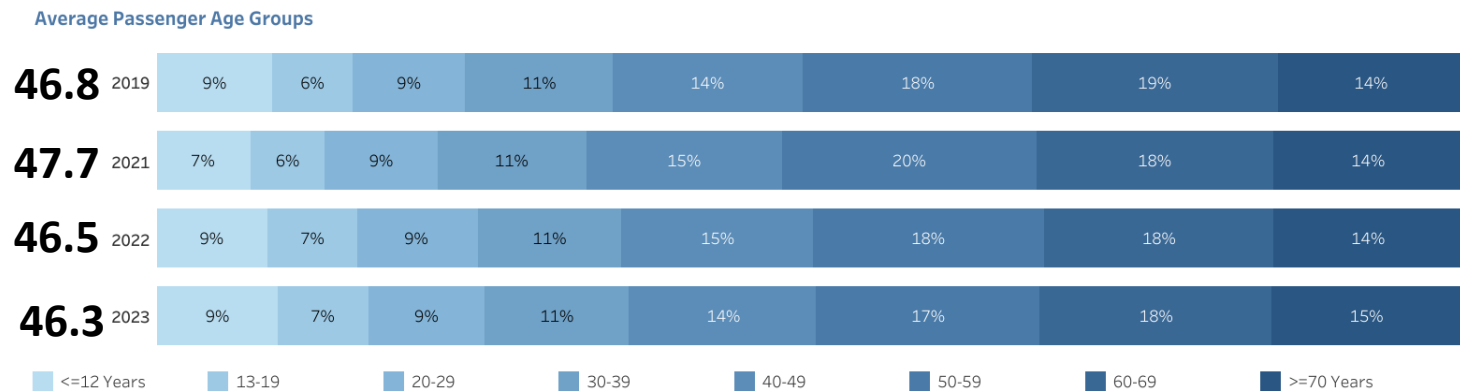
Global Passenger Volume

In 2023, it surpassed 2019 levels by 7%

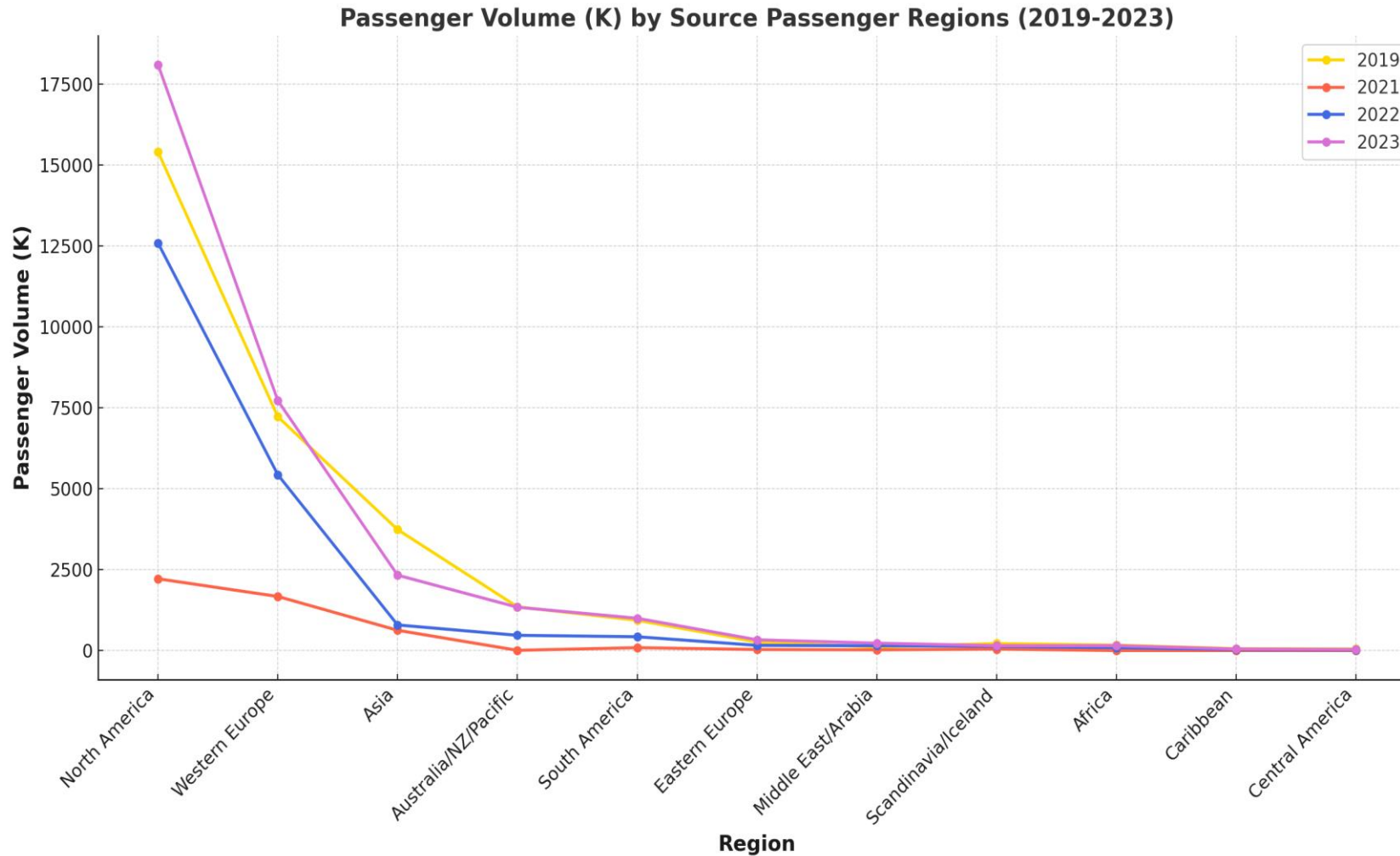
Average Duration, In Days



Average Passenger Age Groups



[Post-Pandemic Cruise Market Recovery]



- **North America, Western Europe: Highest volumes, strong recovery in 2022-2023**

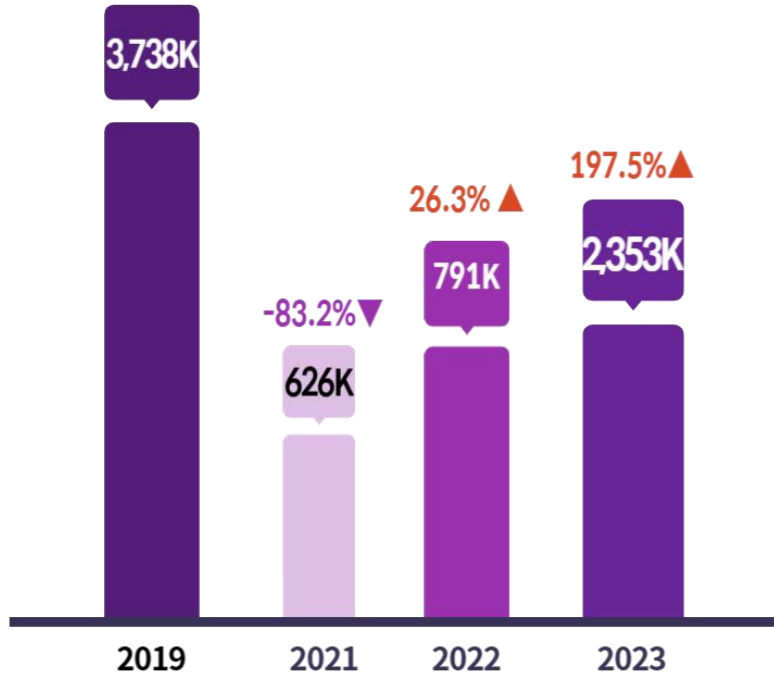
*The U.S. remains the top source market, with 16.9 million passengers, accounting for 53.3% of the global total

- **Asia, Australia/NZ/ Pacific : Notable recovery, especially in 2023**

* Asia did not surpass its 2019 record in 2023

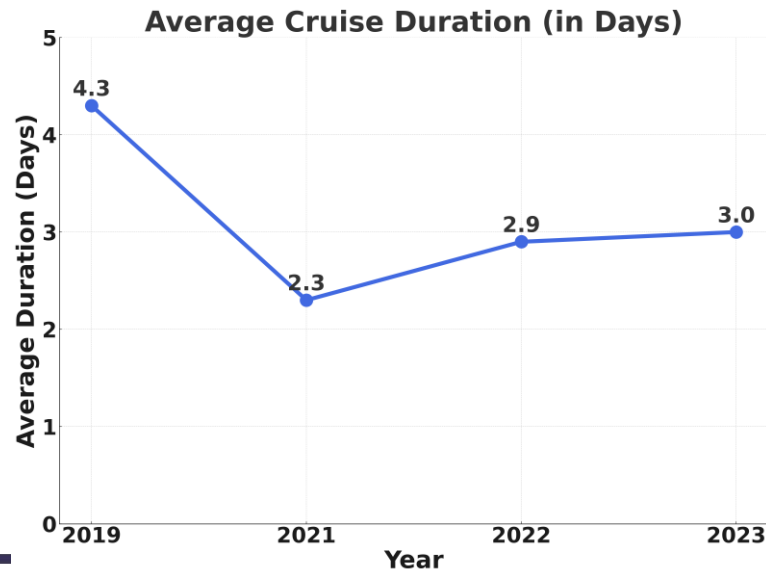
[Asia Cruise Market Trends]

Attractions and Growth Factors of the Asia Cruise Market



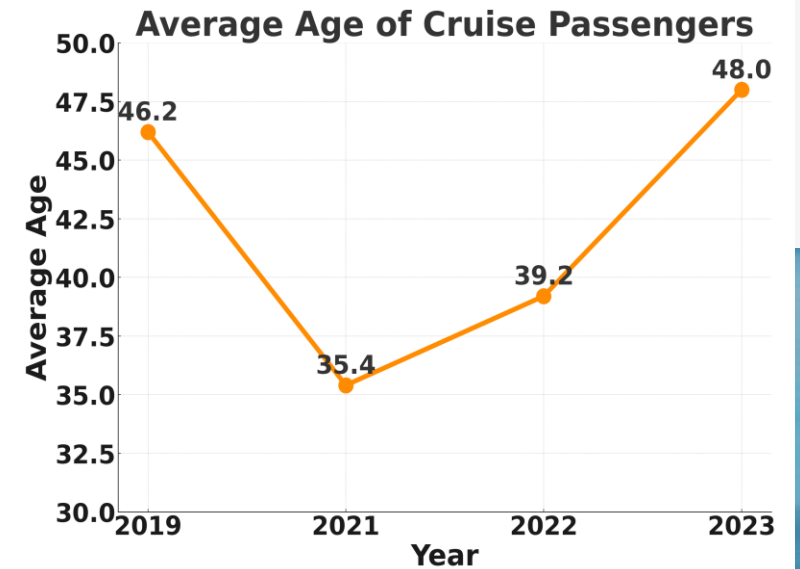
Asian Market Passenger Volume

In 2023, Asia's cruise passengers decreased by approximately 37.1% compared to 2019



Average Cruise Duration(in Days)

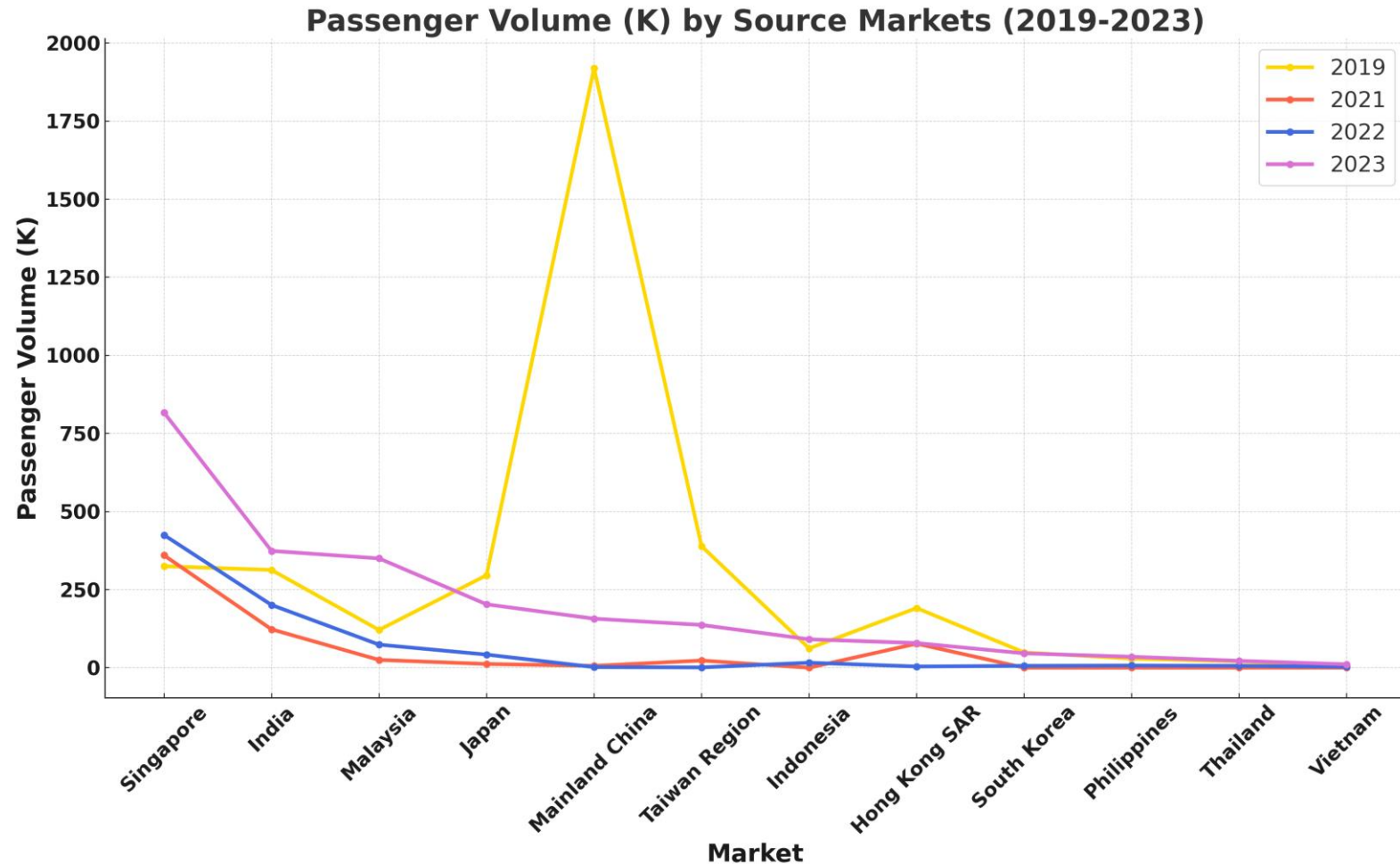
The cruise duration in 2023 is still shorter compared to 2019



Average Age of Cruise Passengers

The average cruise age notably decreased in 2021 and 2022

Attractions and Growth Factors of the Asia Cruise Market



• Mainland China:

Dominated in 2019 with the highest passenger volume but saw a sharp decline in 2021 and 2022, with partial recovery by 2023

• Singapore, India, Malaysia:

Significant growth in passenger volumes by 2023, with **Singapore nearly doubling its 2019 numbers.**

• Japan, Taiwan Region, Hong Kong SAR:

Notable recovery in 2023 after significant declines in 2021, showing signs of bouncing back.

[Asia Cruise Market Trends]

Attractions and Growth Factors of the Asia Cruise Market

Average Age and Cruise Length by Destination / Trade Route, 2023



• Shorter Cruises:

Asian cruise tourists tend to take shorter cruises, with the "Rest of Asia" region showing an average cruise length of around 2 days

• Younger Demographic:

The average age of cruise passengers in Asia is relatively young, clustered around the mid-40s, compared to other regions with older demographics

[Asia Cruise Market Trends]

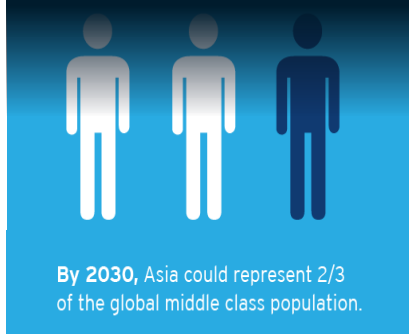
Attractions and Growth Factors of the Asia Cruise Market

Geographic and Cultural Diversity



The rich cultural tapestry, with its unique traditions, cuisines, and festivals, creates unforgettable experiences for cruise passengers

Increasing Middle-Class



The rapid growth of the middle-class population in Asia, particularly in China and India, is fueling the demand for leisure activities

Modern Infrastructure Development



Asia is investing heavily in modern port facilities, making it easier for cruise ships to dock and for passengers to embark on their journeys

Proximity to Emerging Markets



Asia's strategic location near emerging markets in Southeast Asia provides cruise lines with opportunities to tap into new and growing customer bases

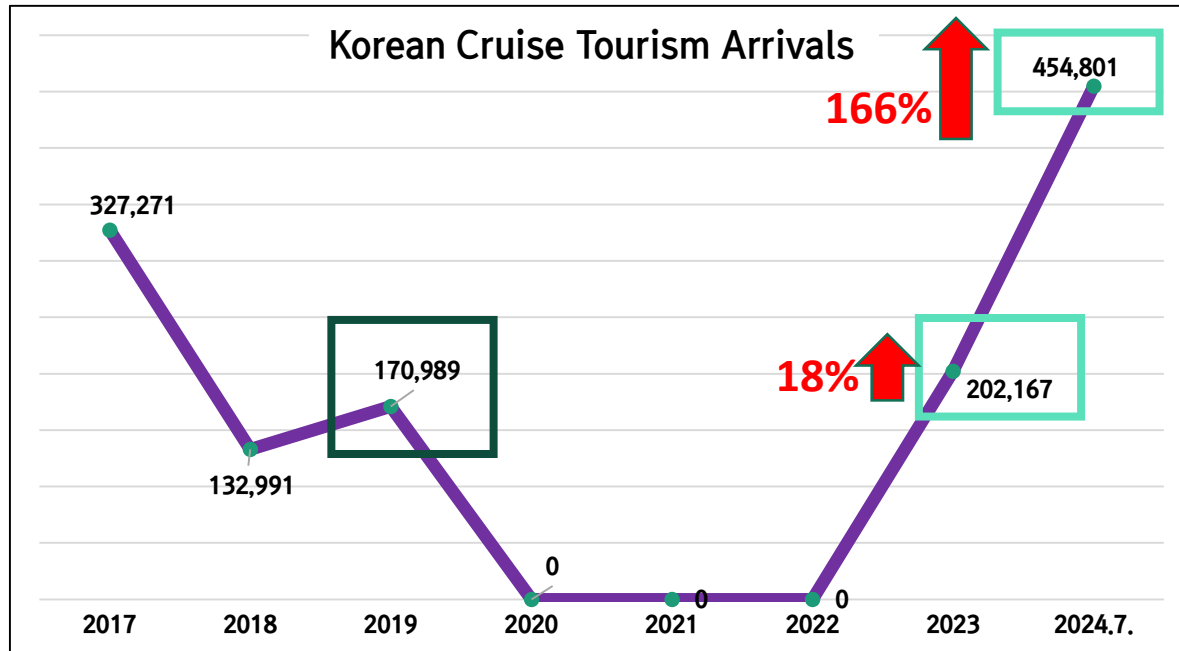
Government Support and Investment



Government initiatives across Asia are actively promoting cruise tourism, providing incentives and investing in infrastructure to support the industry's growth

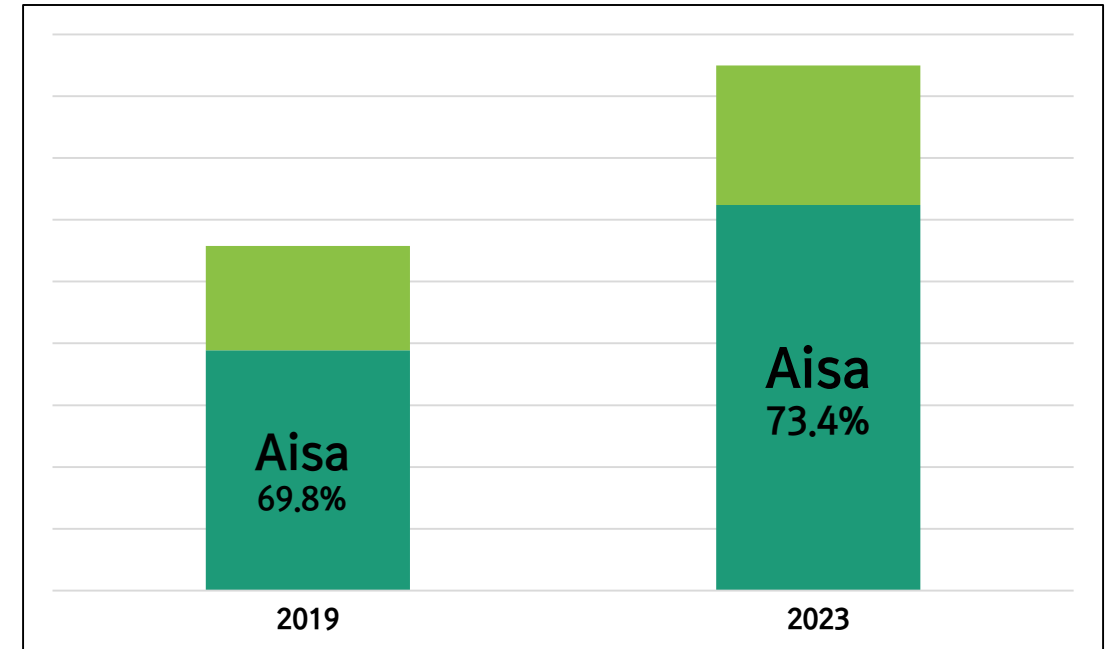
[Current Status of the South Korean Cruise Market]

Resumption of Cruise Arrivals in South Korea



*excluding seafarers

South Korea's cruise arrivals have fully recovered to pre-pandemic levels and are continuing to rise

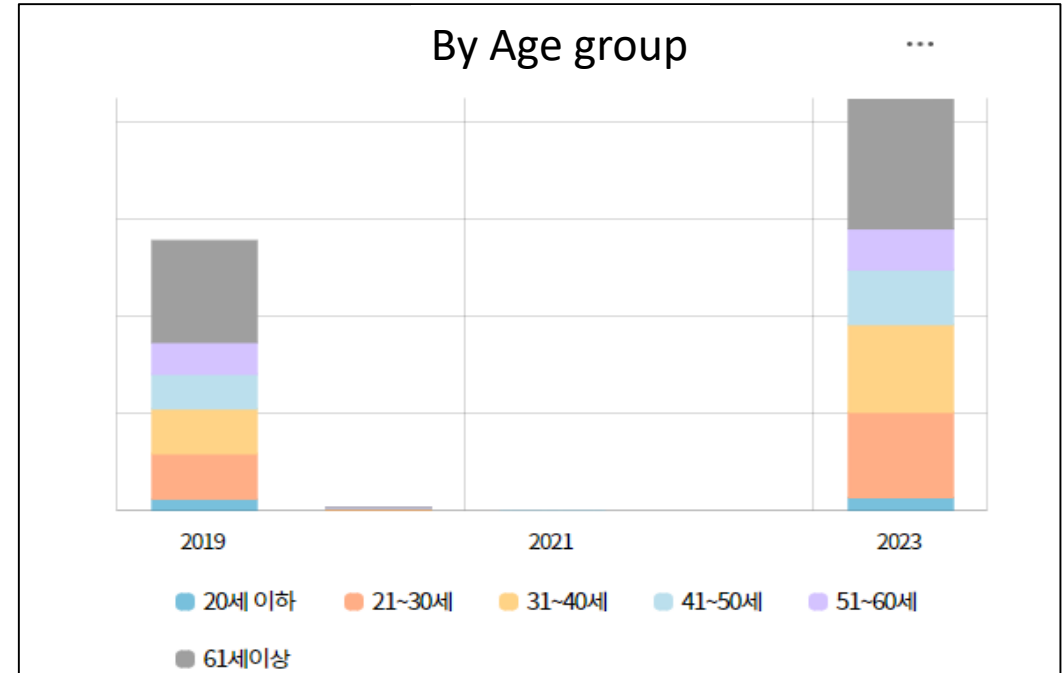
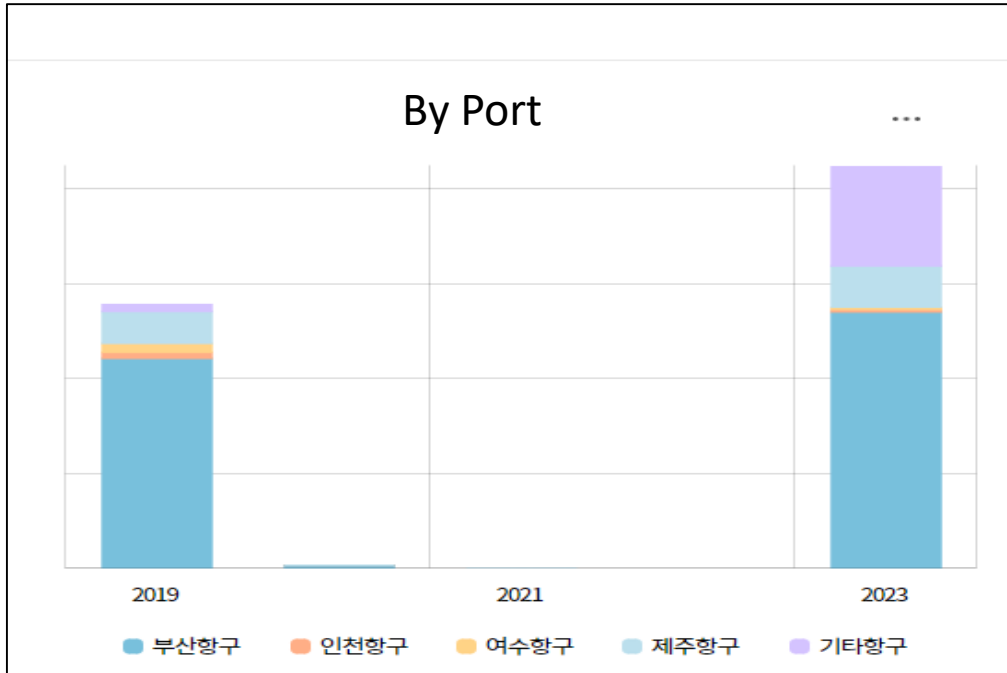


The majority of cruise tourists to South Korea are from the Asian continent

[Current Status of the South Korean Cruise Market]

Resumption of Cruise Arrivals in South Korea

Comparison between pre- and post-COVID periods



The proportion of tourists visiting other ports, including Seogwipo, is increasing.

A significant number of MZ generation travelers are participating in South Korea's cruise tourism

[Trends in the Domestic Charter Cruise Market]

Growth of the Charter Cruise Market

〈Comparison of Outbound Cruise Tourist Numbers Between South Korea and Other Countries〉

	GDP per Capita Rank	Population (Million)	GDP per Capita (USD)	Cruise Tourists (2018, Ten Thousand People)	Cruise Tourists (2019, Ten Thousand People)	Port Departures (2019)
South Korea	27	51.83	31,430	3.9	4.4	14
Taiwan	35	23.69	24,830	37.4	39.1	220
Malaysia	63	32.04	11,140	18.8	15.0	51
Hong Kong	13	7.43	50,200	23.0	25.0	71
Singapore	8	5.79	63,990	26.7	37.3	306

In an era of over \$30,000 per capita income, interest and demand for various activities conducted at sea are on the rise.

Despite South Korea's strong economy and large population, its outbound cruise tourism figures are relatively low compared to other countries in the region

[Trends in the Domestic Charter Cruise Market]

Growth of the Charter Cruise Market



2023
16,000

2024
30,000(e)

Surge in domestic cruise tourism driven by experience programs and charter cruises



12월 24일(화) | 크리스마스 "볼타는 트롯맨"

포항출발 홋카이도 일본크루즈 6일

포항 - 항해 - 오타루 - 하코다테 - 항해 - 부산



일본, 대만 그리고 홍콩의 밤과 낮을 모두 즐긴다!
** 1월 6일 단 1회 특별한 일정 **



2월 3일 부산 출발

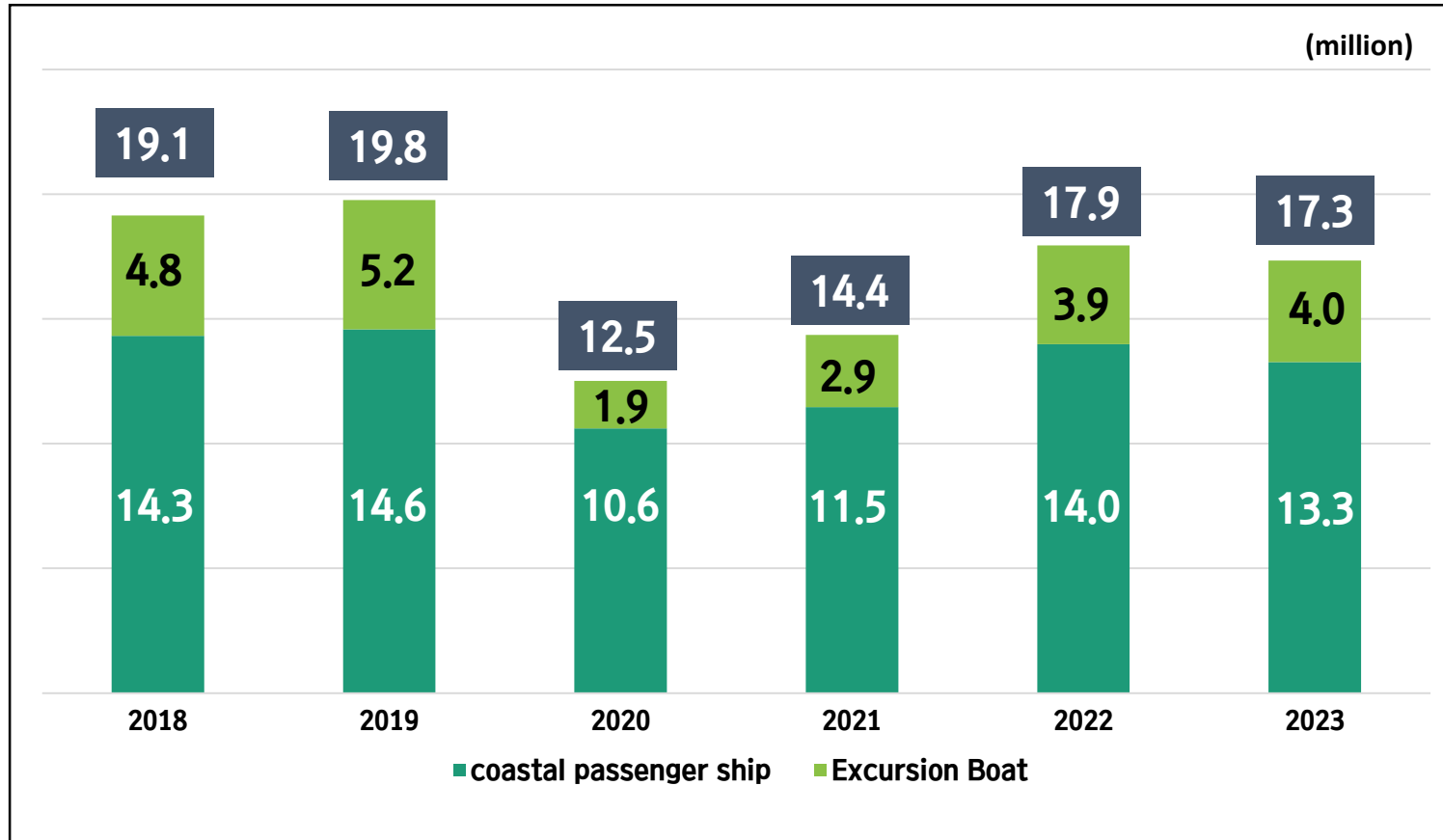
한국 · 일본 6박 7일

세계 3대 축제 샹투로 눈축제로 떠나는

일본 홋카이도 크루즈

[The Need for Developing Domestic Coastal Cruises]

Current Status of Coastal Ferry and Passenger Boat Usage



Approximately 20 million tourists use domestic coastal passenger ships and excursion boats annually, indicating a high potential for tourism demand through maritime transportation

[The Need for Developing Domestic Coastal Cruises]


Government Policies Related to Coastal Cruises

발간등록번호
11-1371000-001265-01

권역별 보고서

남부권 광역관광 개발계획

2023.07



**Ministry of Culture, Sports
and Tourism**

남해안 해양레저관광벨트 조성 중장기 추진 전략(안)

2024.

**Ministry of Oceans and
Fisheries**



(Promotion Plan) Through **pilot projects**, **verify the business feasibility** in terms of operators (vessels), ports of call, products, and profitability, to promote the private sector's involvement in coastal cruise business.

[Current Status of the South Korean Cruise Market]

Government Policies Related to Coastal Cruises

비전 크루즈관광을 통한 지역관광·연안경제 활성화

목표

방한 크루즈 관광객	크루즈 관광 소비
'23년 27만 명 → '27년 100만 명	'23년 753억 원 → '27년 2,791억 원

추진전략 및 세부 추진과제

<p>전략1</p> <p>편하게 즐기는 크루즈 항만·관광 인프라 확충</p>	<p>1 신규 기항인프라 개발</p> <p>2 기존 기항인프라 개선</p>
<p>전략2</p> <p>매력적인 크루즈 기항지 관광상품 고도화</p>	<p>1 기항지 중심 관광활동 확대</p> <p>2 Fly&Cruise·연안크루즈 등 시장 저변 확장</p>
<p>전략3</p> <p>더 많이 누리는 크루즈 유치 확대 및 홍보 강화</p>	<p>1 공동 유치 활동 강화</p> <p>2 국내외 통합 홍보 확대</p>
<p>전략4</p> <p>쉽게 접하는 크루즈 산업친화적 제도 개선</p>	<p>1 산업 지원체계 강화</p> <p>2 유관기관 협력 강화</p>

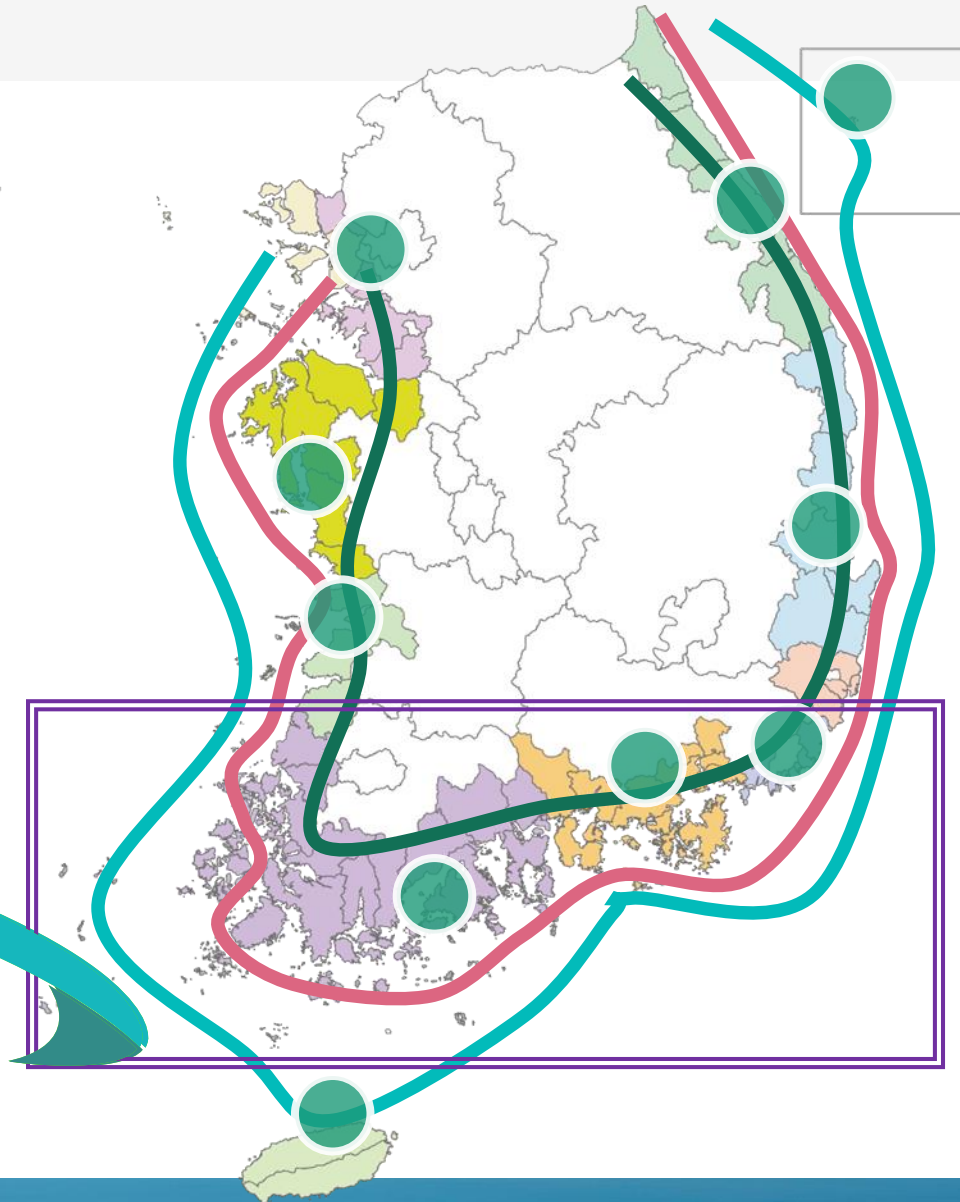
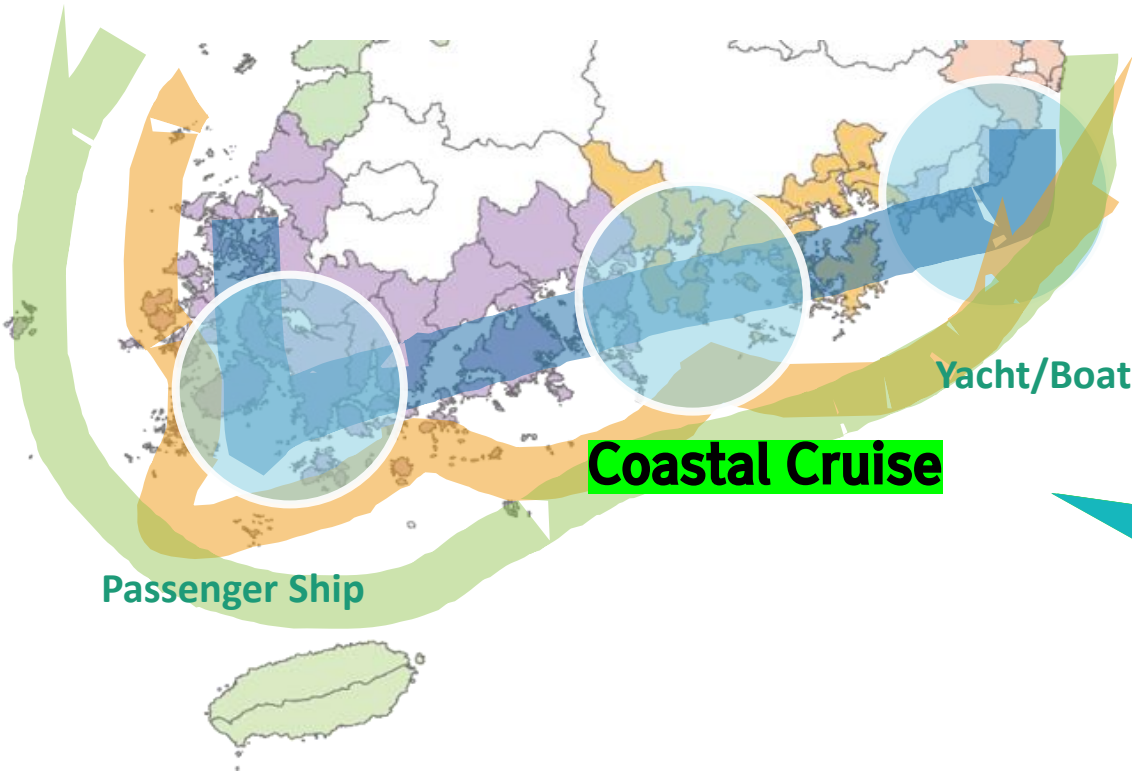
The Ministry of Oceans and Fisheries and the Ministry of Culture, Sports and Tourism jointly announced **strategies to revitalize cruise tourism**('24. 6.)

- **Strategy 1: Expanding Cruise Port and Tourism Infrastructure for Easy Access**
 - Develop new port infrastructure.
 - Improve existing port infrastructure.
- **Strategy 2: Enhancing Attractive Cruise Destination Tourism Products**
 - Expand port-centered tourism activities.
 - Diversify markets such as Fly & Cruise and **coastal cruises**.
- **Strategy 3: Strengthening Promotion and Increasing Cruise Traffic**
 - Strengthen joint attraction activities.
 - Expand promotion targeting the domestic and international markets.
- **Strategy 4: Improving Industry-Friendly Systems for Easy Cruise Access**
 - Strengthen industry support systems.
 - Strengthen cooperation with related organizations.

[Government Strategies for Developing Coastal Cruises]

Triple K-Ocean Route

One Ocean, One Namhae;an



[Government Strategies for Developing Coastal Cruises]

Triple K-Ocean Route(South Coast Coastal Cruise)



〈Major Tourist Destinations and Courses〉

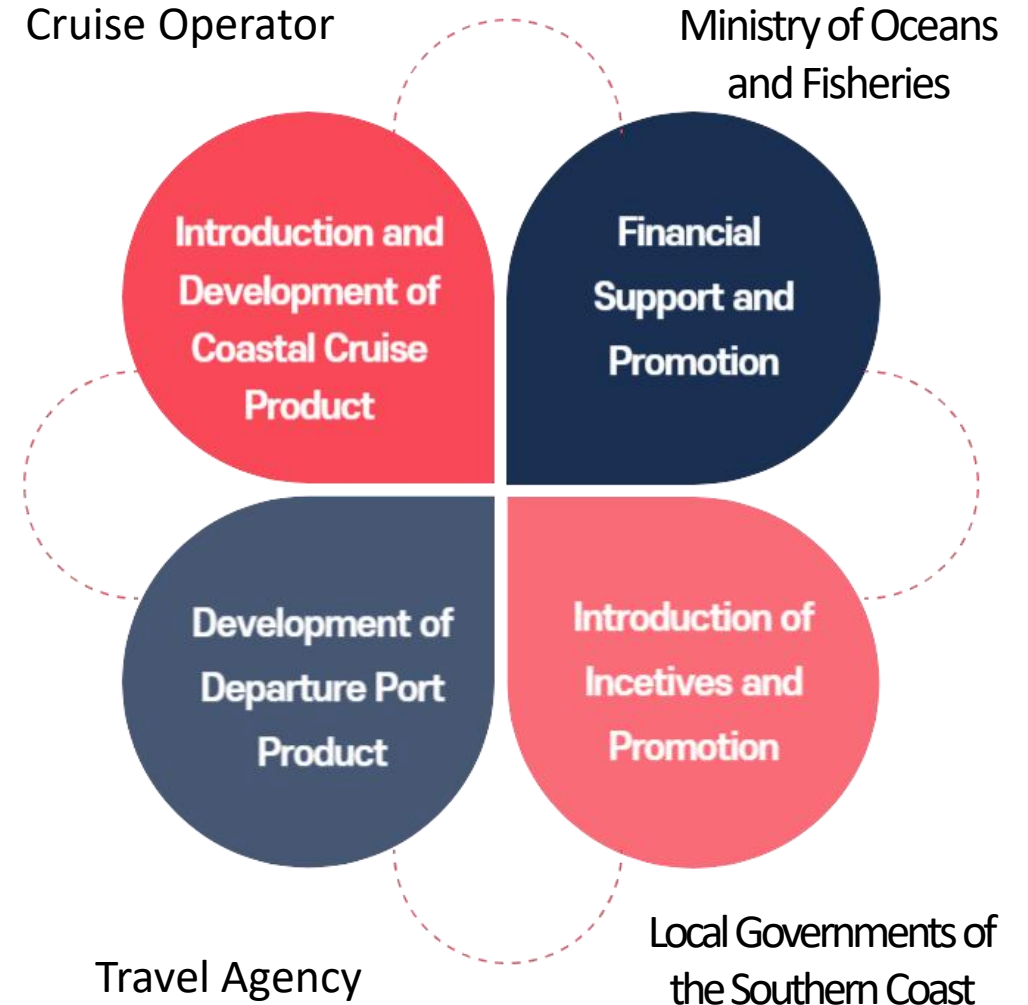
Region	Major Tourist Courses
Busan	Haeundae, Gwangalli, Songdo, Dadaepo, Songjeong Beach, Marine Cable Car, Oryukdo, Busan Marine Museum, BIFF Square & Yongdusan Park, International Market & Jagalchi Market
Tongyeong Geoje	Tongyeong - Tongyeong Cable Car, Yi Sun-shin Park, Skyline Luge, Dongpirang Mural Village Geoje - Haegeumgang, Windy Hill & Shinseondae, Oedo Botania, Mongdol Beach
Yeosu	Odongdo, Geumodo Bireong-gil, Hyangiram, Yeosu Marine Cable Car, Yi Sun-shin Bridge
Wando	Wando Marine Relics, Cheongsando Slow Road, Cheonghaejin Fort, Sinjimyeongsasimni Beach, Smart Healing Center
Mokpo	Mokpo Marine Cable Car, Gatbawi, Dancing Sea Fountain, Oealdo Island

[Government Strategies for Developing Coastal Cruises]

Triple K-Ocean Route(South Coast Coastal Cruise)

Operation of Theme-Based Cruise Products

Development of cruise products incorporating regional festivals, such as the Southern Coast Spring Flower, Fireworks, and Sunset Cruises, is necessary

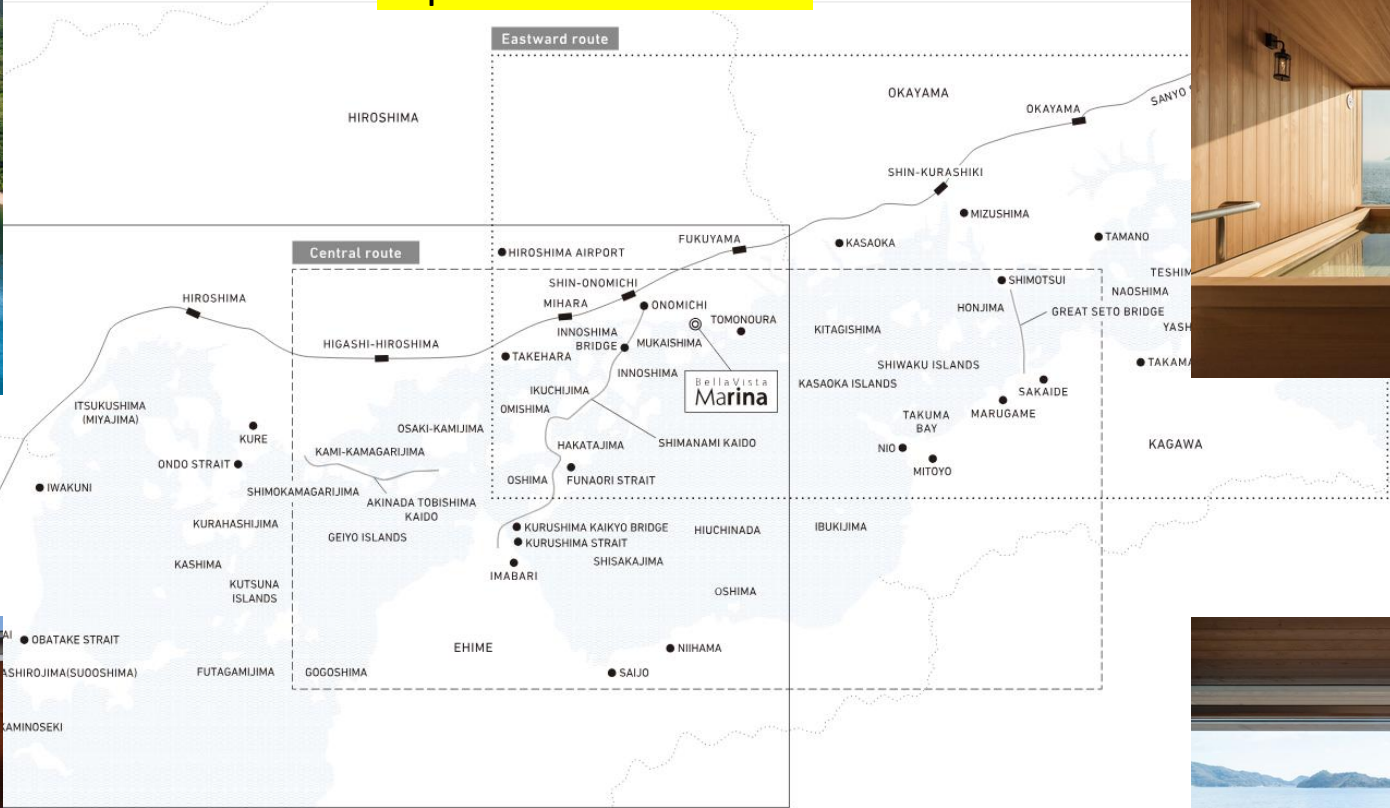


[Government Strategies for Developing Coastal Cruises]

Triple K-Ocean Route(South Coast Coastal Cruise)



Japan's Coastal Cruise



A cruise ship built in 2016 departs from Onomichi Port in Hiroshima and offers trips within the Seto Inland Sea



Long-Term Strategy for Coastal Cruise Activation

Securing Infrastructure	<ul style="list-style-type: none">✓ Ships: Expansion and operation of national cruise ships, securing foreign charter cruise ships.✓ Ports: Securing infrastructure that allows docking.
Financial Support	<ul style="list-style-type: none">✓ Central and local government operational subsidy support: Promotional activities such as ticket discounts, support programs (e.g., supporters), and discounts at major linked tourist attractions.
Institutional Support	<ul style="list-style-type: none">✓ Adjustment of the duty-free fuel system, adjustment of the duty-free rate for ship supplies, cooperation with existing passenger ship operators.✓ Resolving cabotage issues for foreign chartered cruise ships.

Step1. Operation of a pilot coastal cruise project along the southern coast

Step2. Securing coastal cruise ships and preparing expansion plans

Step3. Promotion of a hub for the cruise shipbuilding industry



THANK YOU