THE FUTURE OF CRUISING
IN ASIA & AUSTRALASIA

JAPAN CRUISE MARKET CHALLENGE

Potential for Japan Cruise Market to develop new cruise markets

■ Location — Kanazawa Port and Cruise ship calls

Otaru
Vladivostok
Akita
Kanazawa
Sakai
Kobe
Tokyo
Dailian
Tianjin New Port
Ulsan
Busan
Qingdao
Shanghai
1,000 km
Keelung
2,000 km
Hong Kong
3,000 km

Trend of Cruise ship calls

国土交通省 MLIT

- Foreign pax who visited Japan by cruise ship in 2015 was approx. 1.1 million— 2.7 times as many as the previous year.
- Foreign cruise liners made 965 calls in Japan— 1.5 times as many as the previous year and the most ever recorded. The total number of calls made by foreign and domestic cruise liners was 1,452, also the most ever recorded.
- The Japanese government's goal of welcoming 1 million foreign cruise travelers to the country was achieved 5 years ahead of their projections.
- Next goal is 5 million foreign cruise travelers to the country by 2020, the Japanese government said.

Foreign visitors to Japan by cruise

Cruise liners' calls in Japan

Preliminary estimates for 2016 Foreign cruise travelers to visit Japan : **199.2 million** , Cruise liners calls in Japan : **2,018**

Current status of cruise calls in Japan

Prospects for the passenger volume around the world

国土交通省 MLIT

●Pax volume is rapidly increasing around the world. It has doubled in 10 years (10.3mil in 2000 → 21.1mil in 2010), and is expected to keep increasing.

●Asia's pax volume is expected to increase quickly due to its rapid economic growth. Asia's pax volume, including India, is forecasted to exceed 3.8mil in 2020.

Pax volume by source market (million)

出典：2014年海事レポート（国土交通省）より港湾局作成

Asia

Asia's pax volume including India is forecasted to exceed **3.8mil** in 2020.
Reference: ACTA

Chinese Government expects its pax volume to exceed 4.5mil in 2020

Cruise Population of Japanese (million)

Japan's domestic cruise market development

Why is it slow? (Reference: JTBWEB survey 2014)

◆ <u>Attitudes toward cruises among Japanese</u>

Positive: luxurious, elegant, dream travel to try someday

Negative: expensive, elderly people's thing, boring

◆ <u>Ratio of those who want to take a cruise</u>

People in their 20's and under: 83%, 30's: 74%, 40's: 70%, 50's: 71%, 60's: 70%, 70's and over: 64%

➡ **About 70% at all ages want to take a cruise**

◆ <u>Reasons why they haven't taken a cruise</u>

Unable to take days off: 27%, Expensive: 25%, No opportunity: 14%, Concern about sea sickness: 14%, Seems boring: 6%, Don't have proper attire: 6%

➡ **Developing short and inexpensive cruises targeting family travelers is the key**

Galapagos-ized Japan market

—Untapped for 30 years —

・No new Japanese ships built, and stuck in the old stereotypical cruise model !!

Launch of regular Sea of Japan cruise in 2016

5 nights, 6 days — Itinerary

Kanazawa ～Sakaiminato～Busan～Hakata～Maizuru～ Kanazawa

※Japan's first inter-port system — Kanazawa, Hakata, Maizuru to be embarkation ports

Efforts to attract cruise travelers

1. Port cooperation to provide better service Japan / Korea 5-port network meetings (Launched in 2015)
2. Promotion of Rail & Cruise by Hokuriku Shinkansen Bullet Train Joint product development with travel agents

Ship name：**Costa Victoria**
Gross Tonnage：75,166 ton
Passengers：1,928 Crew：800
Length：252.91m Width：32.15m

(1 room, 2 adults —USD 590 / person, children free of charge)

Expansion of regular Sea of Japan cruise in 2017

Ship name : **Costa NeoRomantica**
56,769GT Passengers : 1,572

Potential for cooperation between Japan/China/Korea ports to develop new cruise markets

Itinerary 1 **From Shanghai** to Korea / Kyushu Cruise
Itinerary 2 **From Tenjin** to Korea / Kyushu Cruise
Itinerary 3 **From Japan and Korea** Sea of Japan Cruise

or Hokuriku Shinkansen bullet train