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GOVERNMENT OF INDIA
MINISTRY OF TOURISM

faith
Federation of Associations in Indian Tourism & Hospitality

Incredible India

INDIA TOURISM MART

18th - 20th February
2021

Cruise Tourism

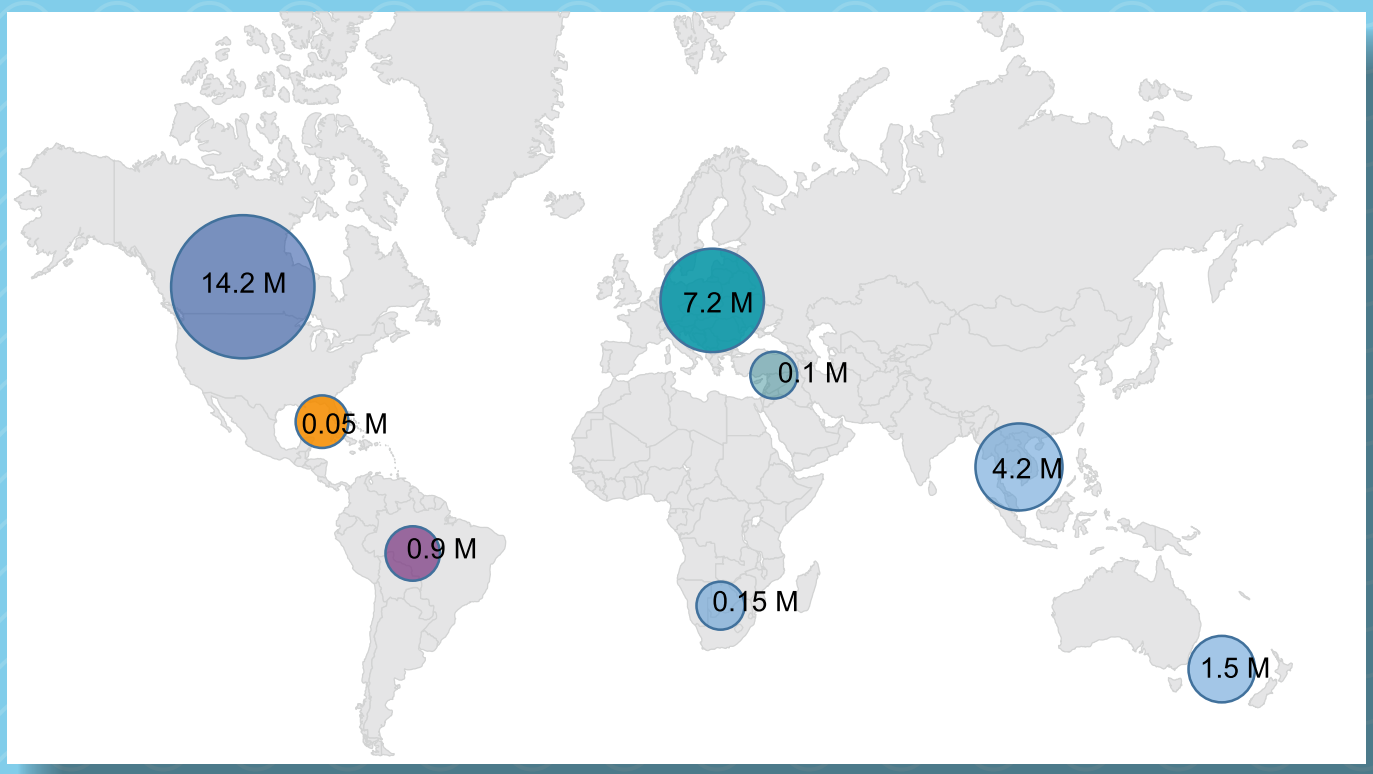
Cruise Tourism

Cruise tourism has been acknowledged as a sector which generates higher revenues and provides avenues for increasing tourist spending. India is positioned in south-pacific international sea route with an impressive coastline of **more than 7500 KM** with numerous incredible destinations. It is a tourism resource which can be exploited to generate and cater to the domestic and international demand.

Cruise tourism has seen tremendous developments worldwide. India has started making some inroads in recent years in capitalizing its cruising potential but still at a marginal position. There are various primers such as growing middle class and increasing global mobility etc. to motivate the development of a home-grown cruise industry.

Global Leaders in Cruise Tourism Segment

Cruise Tourism Hotspots – Millions of Passengers



Source: CLAI – The Global economic contribution of Cruise Tourism - 2017

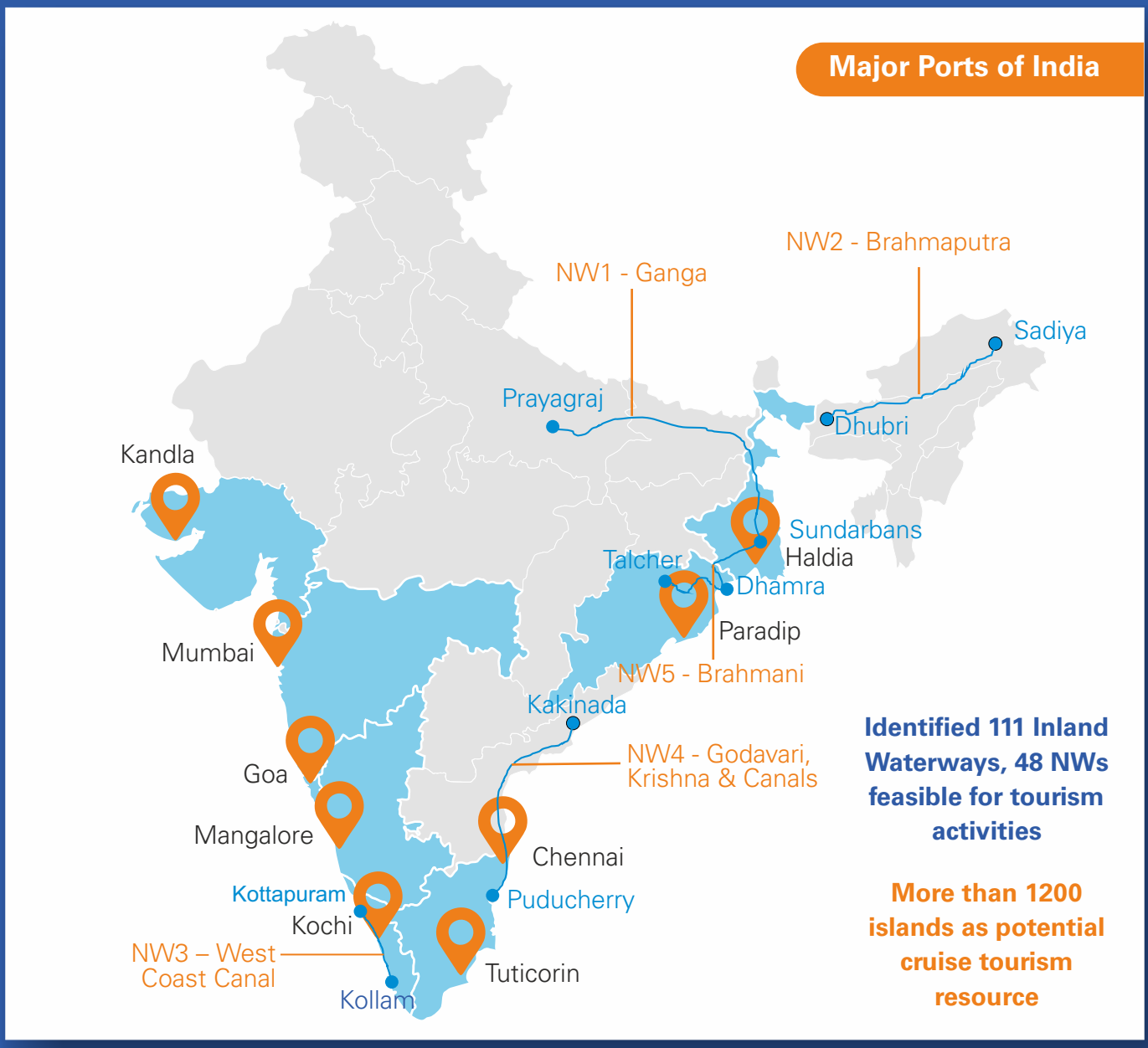
It is a 'supply driven' market with capacity driving the market. If good facilities and infrastructure are provided, that will in turn attract more and more cruise operators to the shores

Industry growth results in positive economic progress in communities around the world. 65% of cruise passengers spend a few extra days at embarkation or debarkation ports.

Vibrant industry with global growth rates (69%) exceeding that of land-based tourism (42%) over the past ten years (2007-17).

THE ESTIMATED TOTAL OUTPUT WORLDWIDE FOR CRUISE TOURISM WAS NEARLY 150 BN USD FOR THE YEAR 2018 WITH A DECADAL GROWTH RATE OF 69%

India Landscape for Cruise Tourism - Baseline



Current Position

01
No. of cruise passengers were about 0.46 million (2019-20)

02
Stands at ~ 1.5 % of Global figures

03
The numbers have more than tripled over last 5 years

04
Represents only 3% of outbound leisure market – tremendous untapped potential

05
Number of ship calls made - 450

Recent Efforts by Government of India

Task Force Formulation

A Task Force was constituted in Nov. 2015 with Secretary (Tourism) as the Chairman and Secretary (Shipping) as the Co-chairman

SoPs for Cruise Vessels

SoPs for operations of Cruise vessels have been revised and operationalized w.e.f. Nov 2017. Monitoring committee overseeing implementation

Reduction in Port Fee & Other Charges

Port charges reduced and all major ports are to charge a uniform single rate. No charges on account of berth hire, port dues, pilotage, Passenger fee etc.

Upgradation in Cruise Facilities

Upgradation of cruise facilities in various ports completed, New Cruise Terminal constructions have begun.

Mumbai Port is leading in handling Cruise Traffic in India, Goa is catching up...

Year	2015-16		2016-17		2017-18		2018-19		2019-20	
Port	No. of ships	No. of pax	No. of ships	No. of Pax	No. of ships	No. of Pax	No. of ships	No. of Pax	No. of ships	No. of Pax
Chennai	4	2450	5	3202	2	1245	5	3685	2	612
Cochin	33	35541	46	57019	42	50117	49	62753	44	67907
Mumbai	40	37820	51	57076	40	56601	106	86757	221	222105
New Mangalore	23	19160	28	30246	22	24153	26	28798	21	23659
Mormugao	29	30867	36	43850	32	43726	102	80515	163	148875
Total	129	125838	166	191393	138	175842	288	262508	451	463158

India Landscape for Cruise Tourism - Potential

	2016	2041
No. of **PASSENGERS**	**0.2** million	**4** million
No. of **SHIP CALLS**	**166**	**955**
PASSENGER / SHIP	**1200**	**4100**
ECONOMIC POTENTIAL	INR **712 Cr.**	INR **35500 Cr.**
EMPLOYMENT POTENTIAL	**5000**	**250000**

Maritime Vision 2030 in draft stage with 27 Action Points to Develop Cruise Tourism

Source: Study by Bermello & Anjali & Partners (Referred by Draft Maritime India Vision: 2030)

Potential development of theme based coastal destinations:

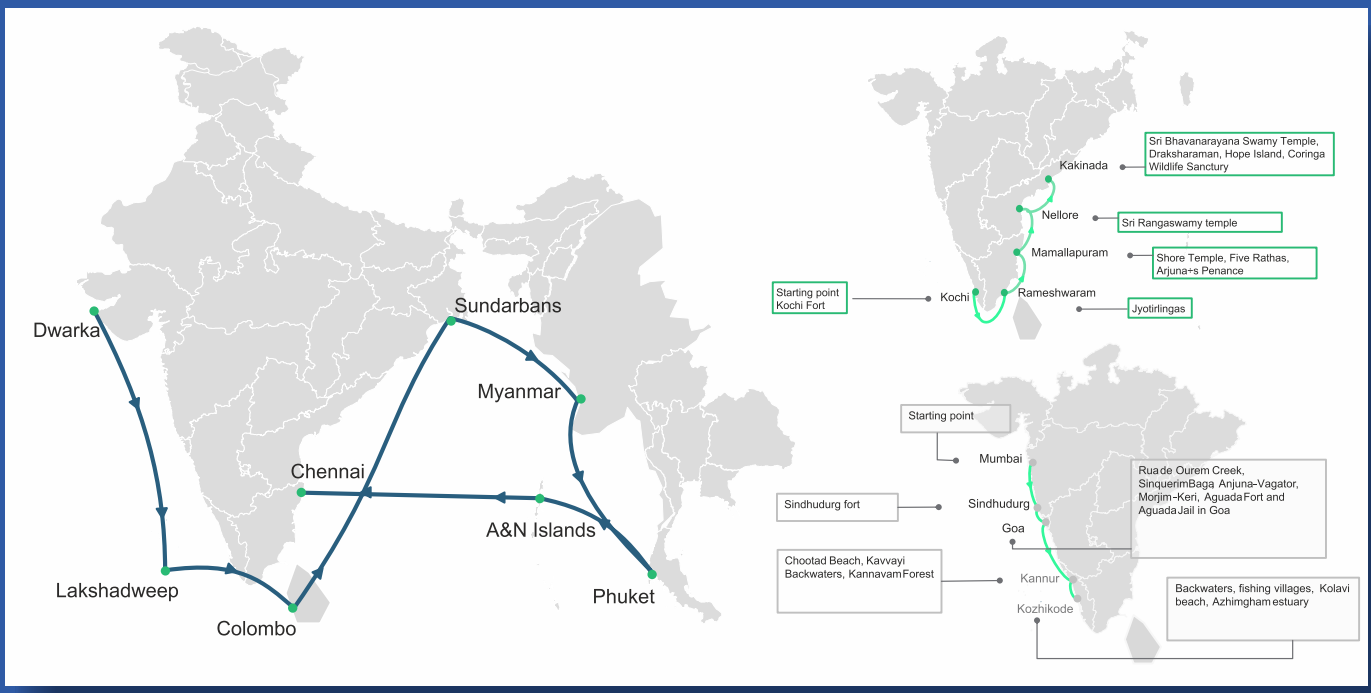
01 History & Culture circuit could be developed on the western coast

02 Kerala's coastline can be harnessed for Ayurvedic wellness and scenic tourism

03 Heritage tourism circuit could be developed on the eastern coast

04 Longer circuit can potentially be explored along Indian and Foreign coast on small-ship cruising

Illustrative Routes



Source: Ministry of Tourism

In addition to above, there exists a high potential for development of ferry services to enhance movement of passengers and promote tourism

“Domestic market will play a critical role in path to recovery. Capturing even 1/5th of the outbound Leisure market will have a significant impact. Focus should be on creating cruise infra to retain Domestic consumers”

Onus to trigger growth lies with the Government...

Ministry of Tourism	Ministry of Shipping	Others
Dedicated cruise action team proposed to manage the sector growth under Apex Body. Team to establish strong governance and overview mechanism for promotion & development of the sector	Cruise terminal and port infra development is carried out at 6 ports	Office of the Director of Lighthouses and Lightships – ongoing development of 13 lighthouses
Development of tourist facilities under coastal tourism circuits in Swadesh Darshan Scheme	Undertaking optimization of procedures as regards assessment and collection of customs duties	IWAI – Development of River cruise policy with standardized SOPs
Development of River cruise policy with standardized SOPs	Preparing 'Maritime India Vision 2030' with prioritized initiatives	Ministry of Finance – Fiscal regulatory policy (GST and custom duties) related issues
Active participation at international forums & marketing campaigns	Dedicated skill development centers to enhance availability of competent talent	Holistic development for island infrastructure and ecosystem across Andaman and Lakshadweep

Bibliography

- Maritime India Vision 2030 – Draft Vision Plan (Sourced From Ministry of Tourism)
- CLAI: The Global Economic Contribution of Cruise Tourism 2017
- CLAI: 2019 Cruise Trends & Industry Outlook
- Action Plan for Development of National Waterways – IWAI

Way forward

Industry Reforms

Cabotage Laws to be relaxed to allow foreign cruise ships to ply Indian water indefinitely

Moderation of custom laws and regulations relating to declaration of inventory and stocks present on-board a cruise ship and sealing it

Liberalization of Indian entertainment and gambling laws for cruise liners – looking at FDI in casinos operated onboard

Capital subsidy for sea / ocean cruises considering the capital-intensive nature of cruise industry

Relaxation of visa regulations, filing of passenger manifest and issuance of SOPs on training of manpower

Retain Outbound Leisure Segment

The enormous market that is going out of the country for leisure calls for measures to encourage businesses to consider Cruise tourism in India

Tax Incentives, GST re-structing etc. should be explored to incentivize the consumers. Removal of 5% of IGST advisable on import of Cruise Ships

Marketing & Promotion

Hosting regional cooperation meets with IORA countries and participate in international cruise conferences held in various parts of the World

Organization of fam tours for key decision makers of cruise line executives, engage with them on one-to-one basis

India - The Cruise Development Hub

Effective use of Coast and Inland water for cruise tourism

Develop cruise terminals at tourism places of Coastal States and islands

Public Private Partnerships in operations and management of terminals

Integrated marketing initiatives to position India as a top Cruise Tourism destination

IMPERATIVE:
Curating an Eco-system around existing cruise infrastructure to tap into existing demand in the sector

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