

# A Study on the Current Situation of the Development of Shanghai Visiting Port in China

Zhaofeng Zhu<sup>1, a</sup>, Ming Yin<sup>2, b</sup>

<sup>1</sup>School of transportation, Shanghai Maritime University, Shanghai 200120, China;

<sup>2</sup>Shanghai International Shipping Institute, Shanghai 200120, China.

<sup>a</sup>416573812@qq.com, <sup>b</sup>yinm@shmtu.edu.cn

## Abstract

With the continuous expansion of China's cruise market, the proportion of the cruise economy in the national economy is rising, and China's cruise tourism has ushered in the spring. Among them, Shanghai is China's economic center, and the development of the cruise economy industry has also attracted the people's attention. Therefore, this paper studies the current situation of Shanghai visiting port, and puts forward the corresponding countermeasures and suggestions for these problems.

## Keywords

Shanghai, cruise economy, visiting ports, status.

## 1. The Basic Status of the Development of Shanghai International Cruise Port

In recent years, with the steady development of China's economy and society and the improvement of people's living standards, the cruise tourism market has shown a sustained and rapid development trend. Cruise transportation is becoming a new growth point for China's waterway transportation. Among them, coastal cruise ports are developing most rapidly, and each coastal area port cities are in full swing in the construction of cruise ports. From 2010 to 2018, China's cruise ports received 5,502 ships/times in total. Among them, there are 4512 home port cruise ships and 990 visiting port cruise ships; the total number of inbound and outbound tourists in the home port is 19,346,200, and the number of inbound and outbound tourists in the port is 2,102,000.

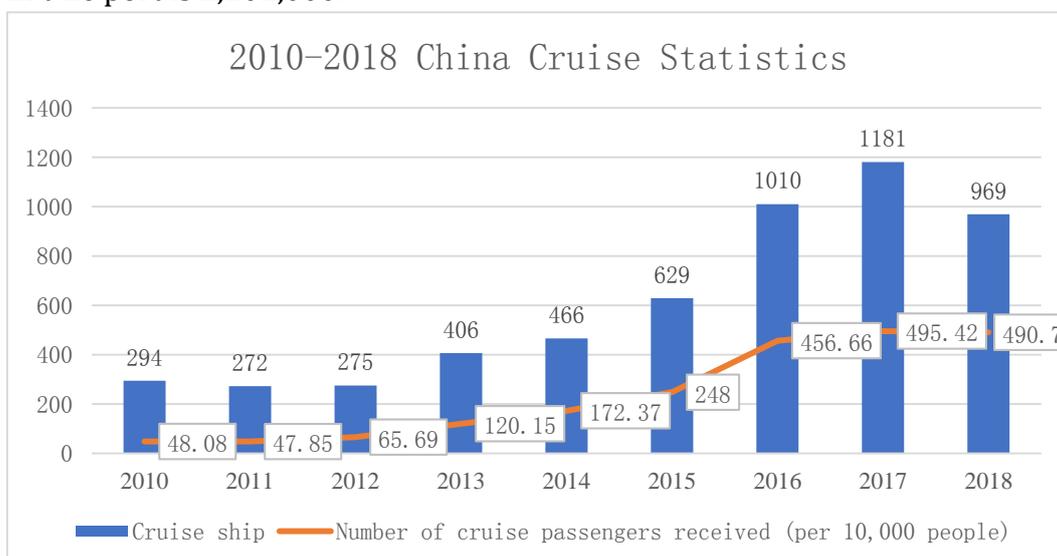


Figure 1. 2010-2018 China Cruise Chart

As the first choice for the development of the international cruise port of Shanghai cruise, Shanghai international passenger transport center (hereinafter referred to as the "national customer center") is located in the port cruise city scenic area of the national 4A class scenic spot. It is located in the central area of Shanghai with the Bund Pujiang and Pudong Lujiazui as the three pillars. With China's strong support for the development of cruise economy, the operation and development of the cruise terminal in Shanghai National Passenger Center, it is also progressing steadily. Shanghai and the state have given good cruise economic development policies and convenient inbound tourism development policies to vigorously support the development of the cruise industry [1].

From the perspective of the infrastructure construction of the National Passenger Center, by the end of 2018, there are three large cruise berths and 15 landscape cruise berths along the river in the National Passenger Center. The total area of the wharf area is 5330 square meters, with a design capacity of 880000 people / year.

From the perspective of cruise operation of the National Passenger Center, according to the announced Asian regional shipping schedule plan of relevant cruise companies, from September 2018 to mid December 2021, the number of high-end and luxury cruise ships in Shanghai only accounted for about 10% of the Asian voyage.

**Table 1.** The berthing of cruise ships at the National Guest Center in 2018

Ship Nmae	Number of passengers	Ship times	Nature
Seven Seas Navigator	708	1	Visiting port
WORLD ODYSSEY	600	2	Visiting port
Amati	600	1	Visiting port
NAUTICA	684	1	Visiting port
Viking Sun	930	1	Visiting port
Columbus	1817	1	Visiting port
STAR LEGEND	208	2	Visiting port
Volendam	1440	2	Visiting port
Silver Shadow	388	4	Visiting port
Seabourn Sojourn	1000	1	Visiting port
Carnival Splendor	1300	2	Home port
Viking Orion	930	2	Visiting port
ms Amsterdam	1380	1	Visiting port
Costa Neoromantica	1800	2	Home port

According to the data of visiting port affiliation over the years, most of the visiting port cruises come from Carnival group, and the rest come from Norwegian cruises, Royal Caribbean International, Silversea cruises, Hapag Lloyd cruises, The World, Crystal cruises, MSC cruises, Windstar cruises, Viking cruises, Peace Boat and Venus cruises.

In 2018, the National Passenger Center received 28 cruise ships berthing at the visiting port, a year-on-year decrease of 39%, and received 37200 tourists, a year-on-year decrease of 40%. Among them, 19 were transferred at the visiting port, with a total number of 23600 passengers, a year-on-year decrease of 17%; 9 were transferred at the home port, with a total number of 13,600 passengers, a year-on-year decrease of 52%.

**Table 2.** Berthing and ships of visiting port in 2017-2019

	Number of cruise companies	Number of ships	Number of voyages	Number of ships below 70,000 gross tonnage	Ship voyages below 70,000 gross tonnage	Proportion
2017	17	22	33	11	26	78.79%
2018	16	21	30	12	20	66.67%
2019 (planning)	22	24	31	18	20	64.52%

Different from the current home port cruise, the cruise ships berthing in Shanghai haven't changed significantly in terms of ship type and ship characteristics for many years. Among them, Silversea cruise line and Holland America Cruises line are typical representatives. Most of the cruise lines in the visiting port have formed a fixed route mode, which has been relatively stable in terms of product publicity and shore service [2]. From the perspective of 2019 plan, some new cruise companies and more cruise ships join the visiting port queue, which is a positive signal for Shanghai.

Different from the current home port cruise, the cruise ships berthing in Shanghai haven't changed significantly in terms of ship type and ship characteristics for many years. Among them, Yin Hai cruise line and Lotus cruise line are typical representatives. Most of the cruise lines in the visiting port have formed a fixed route mode, which has been relatively stable in terms of product publicity and shore service. From the perspective of 2019 plan, some new cruise companies and more cruise ships join the visiting port queue, which is a positive signal for Shanghai.

**Table 3.** Data of visiting cruise ship companies and cruise ships mainly relying on Shanghai in the past three years

Cruise group	Cruise company	Ship Name	Voyage	Total
Carnival	Holland America	AMSTERDAM	3	38
		VOLENDAM	6	
		MS WESTERDAM	6	
	AIDA Cruises	AIDAABELLA	2	
		DAWN PRINCESS	1	
	Princess Cruises	GOLDEN PRINCESS	1	
		CORAL PRINCESS	1	
		SAPPHIRE PRINCESS	1	
		MAJESTIC PRINCESS	1	
	Costa Cruises	COSTA NEOROMANTIC	3	
		COSTA SERENA	2	
	P&O Cruises	ARCADIA	2	
		PACIFIC JEWEL	1	
	Cunard Line	QUEEN MARY 2	3	
		QUEEN ELIZABETH	2	
		SEABOURN SOJOURN	3	
	Semester at Sea	WORLD ODYSSEY	5	
	Azmara Club Cruises	AZAMARA QUEST	1	
Royal Caribbean International	Celebrity Cruises	CELEBRITY MILLENNIUM	3	
		SILVER WHISPER	1	
	Silversea Cruises	SILVER SHADOW	6	
		SILVER MUSE	2	

In recent years, from the perspective of relevant policies to promote the development of cruise economy, Chinese government departments at all levels have been committed to promoting the development of cruise industry, especially focusing on the development of cruise inbound tourism. In terms of policy planning, national leaders and relevant departments have issued a series of policies and regulations related to the cruise industry to promote the healthy and sustainable development of the cruise industry, providing guidance from the port, infrastructure and visa preferences for inbound tourists. It can be said that China's cruise line is in the period of policy dividend.

## **2. Main Problems in the Development of Shanghai International Cruise Port**

### **2.1. Insufficient Publicity as A Cruise Tourism Destination**

To further build the port of visit, the market attraction is particularly important. At present, although the cruise visiting port of China Guest center has a high reputation in the domestic cruise industry, for many foreign cruise companies the reputation is very low, and they don't know the international visiting port or even the place at all. So for the outsiders, how do we package the North Bund for international publicity (including with cruise companies and tourists); for the insiders, commercial attraction is a prerequisite for the construction of cruise terminals. At present, the North Bund has some unique location advantages. We should make good use of these advantages to attract both foreign tourists and domestic tourists. This is not only the building of Shanghai cruise port brand, but also the building of China's cruise brand image.

### **2.2. Insufficient integration and development with Shanghai Urban Tourism**

As China's economic, financial, trade, shipping and technological innovation center, Shanghai not only has a strong economic strength, but also has some rich tourism resources. The national guest center is located in Hongkou District with key cultural and tourism resources, such as the tielan bridge, the excellent historical building protection area in the mouth of Suzhou River, xiahaimiao, Moses hall, etc. In order to build a first-class international visiting port, tourism resources, as the most core part of the visiting port, it must be combined with the visiting port to realize the economic benefits of "1 + 1 > 2" and create a cruise tourism of "local first, world top quality".

### **2.3. No linkage with Ports in Japan, South Korea and Southeast Asia**

On the one hand, for many years, in the cruise market of Northeast Asia, there are few cruise ships with Japan and South Korea as their home ports, and the ports of Japan and South Korea have not yet formed linkage with Shanghai port. In recent years, even though Princess Cruise and Costa cruise have set up their home port routes in Japan, no ships have taken Chinese ports as their visiting ports. Therefore, Chinese port cities including Shanghai are unable to enjoy the bonus of inbound cruise tourists in Northeast Asia.

On the other hand, there are very few middle and high-end and luxury cruise companies in the Asian region to visit Shanghai port. They are generally based on global routes and seasonal regional layout, and are the main source of cruise ships for overseas visiting ports. According to the published Asian regional shipping schedule of relevant cruise companies, from September 2018 to mid December 2021, the number of high-end and luxury cruise ships connecting to Shanghai only accounted for about 10% of the number of Asian flights, and most of the visiting ports chose to connect to cruise terminals such as Hong Kong and Singapore [4].

**Table 4.** Cruise lines' stops in Asia

Cruise company	Asian operating hours	Asian voyage	Stopping at Shanghai Port	Stopping at Hongkong Port	Stopping at Singapore	Proportion of cruise ships to Shanghai Port
Silver Cruises	2018.09-2020.05	64	7	29	34	12%
Seabourn Cruises	2018.11-2019.12	30	2	10	14	6%
Crystal Cruises	2019.04-2021.12	26	3	12	16	11%
Holland America Cruises	2018.09-2020.05	67	29	36	23	43%

As important cruise ports in Asia, Hong Kong and Singapore have natural and unique geographical advantages. Its distance from the main cruise ports in Asia is within 3 days, which brings great convenience for cruise companies to design routes. Therefore, most international cruise companies choose Hong Kong and Singapore as the hub ports of cruise lines, which are the midway ports of many Asian tours, as well as the starting and ending points of most Asian routes [3].

Among the Asian routes of most visiting cruise lines, only a few are connected to Shanghai port. According to the investigation, foreign cruise ships need to declare to the Ministry of transport in advance for the implementation of multi-point connecting routes in China, and the application flow procedure is complicated, which needs to be submitted to the Ministry of transport after pre approval by the local transportation authorities, and each port involved in the routes also needs to declare. The materials required for application need to be submitted repeatedly, and the validity period of some certification certificates is short, so they cannot be prepared in advance. To a certain extent, the approval problem has limited the layout of multi-port connection of cruise ships in the visiting port, which further affects the route selection of cruise companies.

#### 2.4. Port Operation Is Relatively Complicated

There are not many arrivals in the center all year round, but the visa operation process is very complicated. At present, the transit visa free policies include: 24-hour transit visa free, 144 hour transit visa free, 15 day cruise visa free (ship in and ship out). However, the workload of the staff in the process of handling transit procedures for tourists is huge. The general process is to collect passports, passport classification (according to the above types of transit policies), and collect passenger passport information. The work flow is simple, but the number of passengers is often as high as thousands of people, which generally requires several days and nights of work. On the other hand, it takes a lot of time for the staff of the National Passenger Center and the foreign cruise ship staff to communicate the domestic visa free policy process. One reason is the uncertainty of passenger itinerary: Generally speaking, the cruise tickets of the global route will be purchased one year in advance, and some passengers may change their travel plans during the cruise voyage. Another important reason is the policy timeliness in the following.

The entry fingerprint entry is also very inconvenient for most of the older tourists who arrive at the national guest center, and they usually queue up for several hours. These uncertain factors will increase the workload in the visa process and greatly affect the efficiency of visa work.

## 2.5. Lack of Consistency and Effective Convergence of Relevant Policies

Although the number of foreign cruise ships visiting in a year is not very many at present, due to the formulation and arrangement of international cruise lines will be two to three years in advance, and due to the timeliness of some policies, when foreign cruise ships arrive at the port, there may be some new policies in China, which are very unfriendly to the incoming cruise ships, and they may not have enough due to the change of policies. We are prepared to deal with these policies which lack consistency and effective convergence.

In October 2009, the Ministry of transport issued the notice on the special permission of foreign cruise ships to carry out multi-point connection business in China, which made it clear that foreign cruise ships can carry out multi-point connection business in China with the approval of special case [5]. Since then, Shanghai National Passenger Center has enjoyed this policy in 2010. It has chartered ships to operate "Shanghai Xiamen Taiwan" and "Shanghai Zhoushan Okinawa" voyages, but later in the development process of the cruise industry, it has no end. The problem of multi-point affiliation is due to the fact that there is no linkage between the border inspection policies of the whole country. For example, the same policies may cause inconsistencies in the operation of different regions. However, it is very difficult to break through the border inspection policies in the country.

At present, the vast majority of cruise ships on the Chinese market are foreign ships. According to the law, these cruise ships cannot operate between domestic ports. Multi point connection can further release the potential of cruise market, but whether it can be opened as soon as possible is still unknown.

## 2.6. Small Number of Transfer Operations in the Call Port

The transfer of visiting port is a routine operation of cruise hub port, which often appears on the long route of regional opening, which can bring double inbound tourists. For example, the "IDA Beira" cruise ship berths in Shanghai port, cruise passengers leave the ship in Shanghai and take other means of transportation to leave the country, and a new group of tourists take other means of transportation to enter the country and embark on the cruise journey in Shanghai. In 2017, Hong Kong received 109 transfers of cruise ships. In 2017, there were only two port transfers in Shanghai, and there is still a big gap between Shanghai and other ports in terms of the number of port transfers.

## 3. Suggestions on the Market Development of Shanghai Cruise Visiting Port

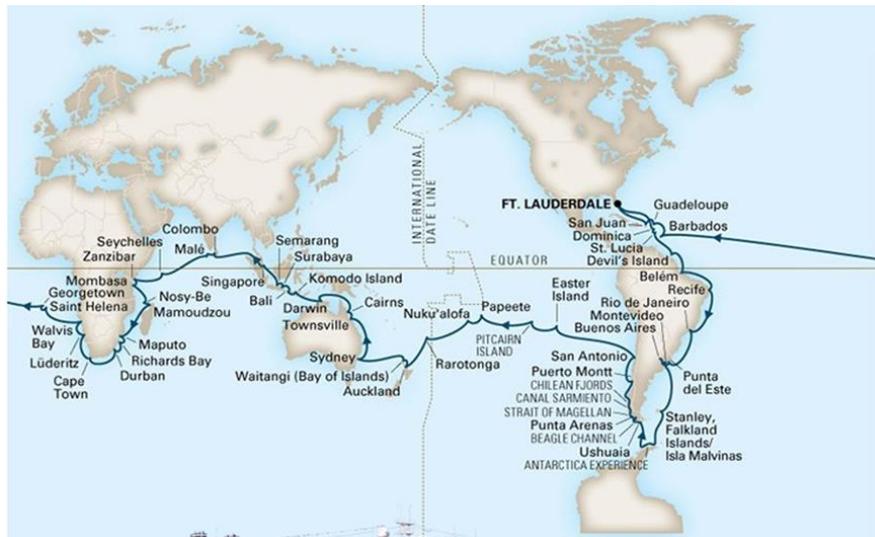
### 3.1 Strengthen the Promotion of Overseas Cruise Market

In order to further develop Shanghai International Cruise Port, we must strengthen the connection with the overseas cruise tourism market while improving its popularity in China. On the one hand, we should communicate with overseas tourism agencies strategically and cooperate closely with tourism e-commerce websites to vigorously promote domestic tourism in Shanghai as a cruise port; on the other hand, Shanghai International Cruise Port should pay close attention to all kinds of activities held by the World Cruise Association at all times, send personnel to visit and learn from the world of first-class cruise port. On the other hand, the experience of development and construction can carry out publicity and promotion for Shanghai cruise visiting port in activities to increase its popularity and exposure.

### 3.2 Actively Develop and Cultivate New Routes

At present, due to the limitation of Shanghai International Cruise Port's own conditions (Shanghai Yangpu Bridge clearance height limitation) [6], only the cruise lines with a load capacity of less than 70000 tons can be passed, so there are certain limitations in the

development of cruise lines. However, according to the research on the cruise lines of major cruise brands, there are still some cruise lines with a capacity of less than 70000 tons that have not entered the Shanghai cruise visiting port on the global route layout, such as the global route of Dutch American cruise company in the figure below.



**Figure 2.** Global routes of Holland America lines

### 3.3 Improve the Transportation Supporting System Around the Cruise Terminal

Improve the transportation system and guide sign system around the cruise terminal to provide convenient landing transportation services for foreign cruise tourists; through seamless connection with subway, bus, taxi, sightseeing bus and water transportation, let tourists freely choose various travel modes and realize fast and slow travel.

### References

- [1] Tang Guozhi. Development and bottleneck of Shanghai cruise industry [J]. China port, Vol.10(2018) No. 10.p.15-20.
- [2] Silvia Sanz Blas. Elena Carvajal-Trujillo. Cruise passengers' experiences in a Mediterranean port of call. The case study of Valencia, Ocean & Coastal Management, Vol.102 (2014) p.307-316.
- [3] Liu Junjie. Analysis of the development of Shanghai cruise industry under the background of "one belt and one road" [J]. China's collective economy, Vol. 20(2019).p. 17-19.
- [4] Jiang Rui, Sheng Fangqing, Li Shanying. Policy analysis and Research on the development of China's cruise home port [J]. Tourism overview (the second half of the month), Vol.09(2019) p.155-157.
- [5] Jamie M. Chena, James F. Petrickd, Alexis Papatthanassise, Xinjian Li. A meta-analysis of the direct economic impacts of cruise tourism on port communities. Tourism Management Perspectives, Vol.31(2019) p.209-218.
- [6] Yang Yukun. Research on the development of Shanghai cruise tourism industry [J]. Market weekly (Theoretical Research), Vol.09(2016) p.54-56.