



**Cruise Supply and Demand ~
Trends and Prospects in Asian Deployment, Capacity and Markets,
particularly China**

游轮供需
亚洲部署、产能和市场的趋势与前景，特别聚焦中国

Ted Blamey
Principal



Outline ~ Cruise Trends and Prospects in Asia

	TOPIC
A	Framing the discussion: 讨论框架 : Overview; driving forces; China's 2017 shift
B	Cruising's growth and development in Asia pre- and post-C19: 疫情前后邮轮业在亚洲的成长和发展 : Deployment & capacity; destination calls; source markets
C	Immediate Outlook 2023 to 2025: 2023 年至 2025 年近期展望 : Influences; ports rebuilding; internationals returning; Asian lines active
D	The "China Effect" "中国效应"

A. Framing the discussion 讨论框架

1. Overview:

RECOVERY 复苏

- ✓ **East Asia** is the last significant region globally for cruising to recover
- ✓ **Southeast Asia** has been building well, principally out of Singapore
- ✓ While **South Asia** is seeing its first real boost based on home-grown cruise operation (*Cordelia Cruises*)

PROSPECTS 前景

- ✓ **East Asia** is poised to re-assert its past prominence
- ✓ Promising growth in **Southeast** and **South Asia**



2. Driving Forces 驱动力来源： 供应和需求

Two interdependent elements of cruise tourism

- * Demand (source markets) is driven by supply (deployment & capacity)
- * There is no supply without viable demand
- * Essential to distinguish them.



a) Source markets = Demand 客源市场 = 需求

Example: 3.74 million Asian residents cruised anywhere in the world in 2019

b) Capacity = Supply 1 (*opportunities to take cruises*) 邮轮容量 = 供应 1

Example: 79 ships cruising in Asia; 1,786 Asia-Asia cruises; 9,032 cruise days in 2019

c) Calls = Supply 2 (*where cruises go*) 港口停靠 = 供给 2

Example Mainland China: 68 transit calls + 687 turnarounds + 54 overnights in 2019 generating 2,015k passenger destination days.

- * Asia deployment, capacity and port calls measured annually (by us at CHART) and published in CLIA's *Asia Deployment and Capacity Report*

CLIA 的亚洲部署和容量报告

3. The 2017 restriction that diverted the Chinese cruise industry

2017年的限制措施改变了中国的邮轮业

- ★ Ships departing China's ports have limited destination options 目的地选择受限
 - ✓ Chinese cruisers strongly favour cruises of 2 to 5 nights, and round-trip
 - ✓ Cabotage prevents international ships calling along the coast, so China destinations are not available. Chinese Taipei needs special permits.
 - ✓ So the only practical ports of call are in South Korea and on Japan's west coast
 - Previously, Korea's Jeju Island had most transits in all Asia (477 planned in 2017), Busan fourth (197)
 - Japan's Fukuoka second (297) and Nagasaki third (247)
- ★ In March 2017 China's central government imposed a ban on group travel to South Korea
 - ✓ Itinerary options shrunk dramatically, ships were offering very similar routes
 - ✓ Demand began to retreat, passengers dropped



B. Cruising's Growth & Development in Asia pre- and post- C-19

1. Asia deployment and capacity 亚洲部署和容量

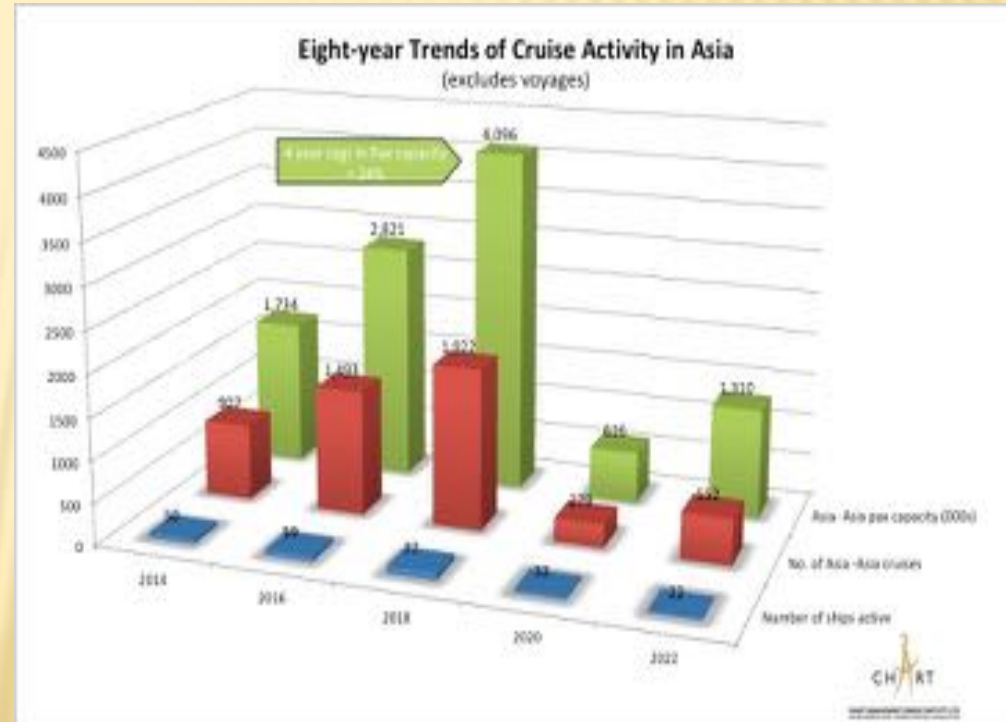
- > Pandemic severely affected deployment, especially in East Asia
 - * Covid 19 regulations, protocols & restrictions made deployment uncertain, risky
 - * Travellers reluctant to take risks and/or deal with health & visa requirements
 - * Most international cruise lines withdrew
 - ✓ Princess, Costa, NCL, MSC halted Asian operations
 - ✓ Only RCI cruised ex Singapore
 - * Asia's own cruise operators weakened
 - ✓ Genting's Dream and Star served multiple SE and East Asia markets but closed 2020
 - ✓ Japan's 3 ships - (Nippon Maru, Asuka II, Pacific Venus) - cruised only Japan
 - ✓ Mainland China down to CM/Viking. Adora yet to be launched. Astro-Ocean idle. Bohai, Diamond, etc. disappeared

➤ All Asia capacity trends past 8-years 过去 8 年所有亚洲容量趋势

- ★ Remarkable growth from 2014 to 2018
 - ✓ from 50 to 77 **ships 船只** in Asia
 - ✓ No. of Asia-Asia **cruises 游轮** doubled
 - ✓ Asia-Asia **passenger capacity 载客量** up 136% (CAGR +24%)

- ★ Huge drop in 2020 (most cruise activity in first two months only)

- ★ Good recovery last year 2022
 - ✓ No. of **cruises 游轮** still 40% below 2014
 - ✓ **Pax. Capacity 载客量** down only 24% on 2014



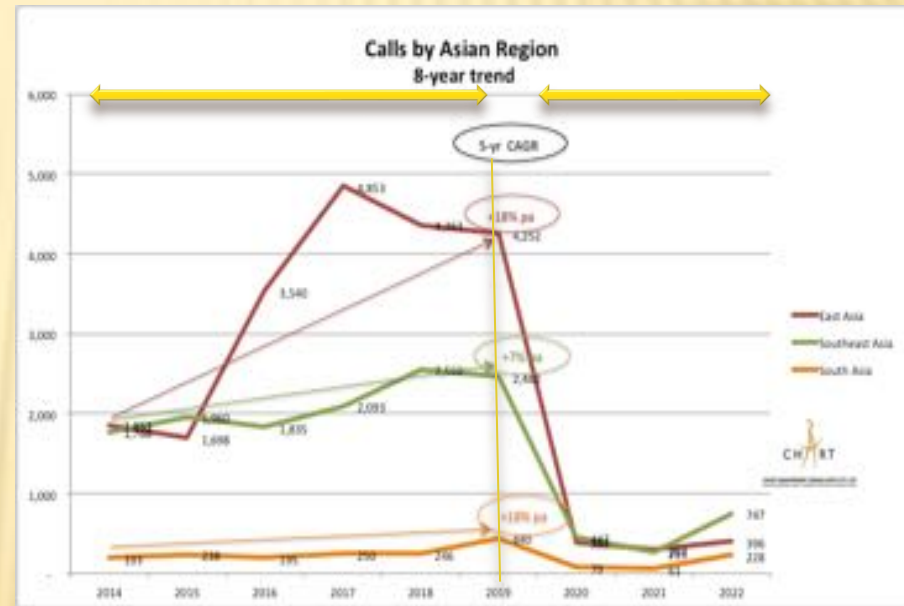
2. Destinations - Cruise calls in Asia 目的地 - 亚洲邮轮靠港

> By Region – trends reveal

- * Consistent steady growth to 2019
 - ✓ **East Asia** cagr 18%, with 60% of all Asia calls
 - ✓ **Southeast Asia** cagr 7%, generating 34% calls
 - ✓ **South Asia** cagr also 18%, but just 6% calls
- * since the 2020 trough
 - ✓ **SE** and **South Asia** recovered well
 - ✓ But **East Asia** yet to do so

So the balance changed – in 2022

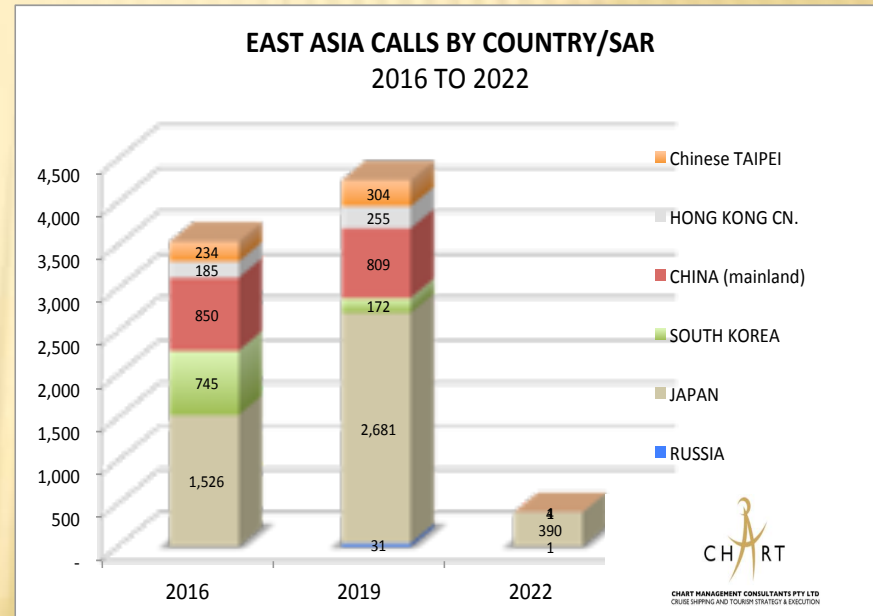
 - ✓ **Southeast Asia** up to 55% of Asia calls
 - ✓ **South Asia** to 17% of all calls



➤ By Country/Region - share of East Asia reflects 按国家/地区 - 东亚所占份额反映了

- * The lack of activity in 2022
 - ✓ Especially absence of Mainland China 中国大陆 (over 1,000 calls in 2017 and 2018)
 - ✓ No calls in South Korea 韩国 (over 700 up to 2017)
 - ✓ Only 1 call to Chinese Taipei 台湾 (typically over 300 to 2019)
 - ✓ Only 4 in HKC 香港 (typically over 250 in 2019)

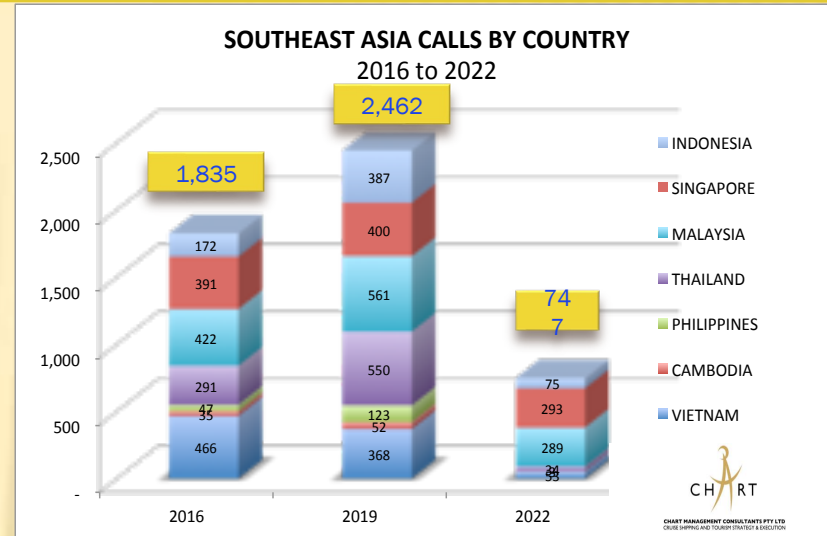
- * Japan 日本 the only country with real cruise activity
 - ✓ Yokohama had the most calls in East Asia (66 turnarounds 周转)
 - ✓ Followed by Kobe (38 turnarounds 周转)
 - ✓ 72 Japanese ports had transit calls 过境靠岸, but only four had 10 or more.



➤ Southeast Asia 6-year trends

东南亚6年趋势

- ★ Calls by Country 2016 to 2022 reflects 2016 年至 2022 年各国船只靠岸情况反映了
 - ✓ A wide spread across the many countries of SE Asia before the pandemic
 - ✓ The strong position of Singapore and West Malaysian ports thereafter
 - ✓ Yet 2022 still well below call volumes of the past
 - 59% below 2016
 - 70% below 2019
 - ★ Calls by type last year reflects 去年靠岸情况的类型划分反映了
 - ✓ Singapore's dominance as the home port for the region (279 turnarounds)
 - ✓ Malaysia's favoured position as ports of call for those cruises (283 transits in Port Klang and Penang)
- Then transit calls Indonesia, Vietnam, Philippines.

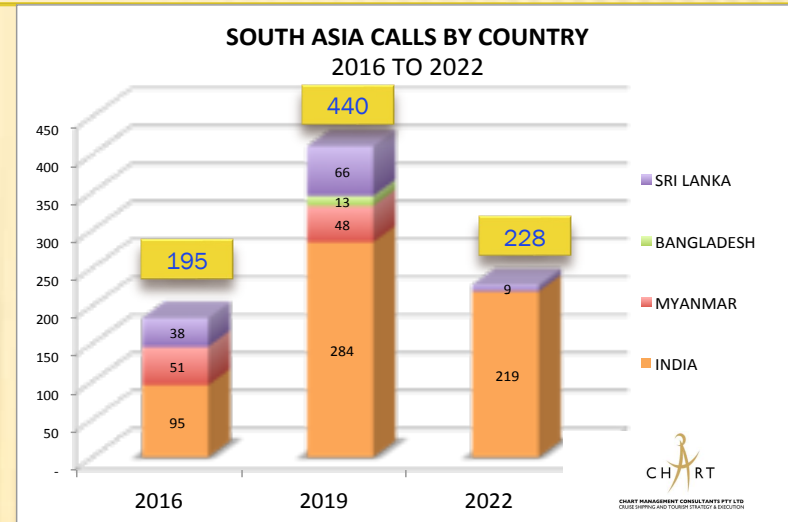


CALLS IN SOUTHEAST ASIA 2022 BY TYPE

PORT	Transit	Turn-around	Over-night	ALL	%
SINGAPORE	5	279	9	293	39.2%
MALAYSIA	287	1	1	289	38.7%
INDONESIA	61	6	8	75	10.0%
VIETNAM	27	9	17	53	7.1%
THAILAND	26	3	5	34	4.6%
CAMBODIA	2	-	1	3	0.4%
SOUTHEAST ASIA	408	298	41	747	100%

> South Asia 6-year trends 南亚 6 年趋势

- * Calls by Country 2016 to 2022 reflects 2016 年至 2022 年各国船只靠岸情况反映了
 - ✓ The limited activity in India and the region until 2019
 - ✓ A lot more calls after the start of home-grown cruising (first Jalesh Cruises, then Cordelia Cruises)
 - ✓ Strong recovery in 2022
 - While 48% behind 2019
 - Calls are 17% up on 2016
- * Calls by type last year reflects 去年靠岸情况的类型划分反映了
 - ✓ Year-round cruising, 8 months home-ported Mumbai and 4 months from Chennai.
 - ✓ 108 transit calls at other ports in India and 7 in Sri Lanka
 - ✓ Calls to Myanmar, Bangladesh are yet to recover



PORT	Transit	Turn-around	Over-night	TOTAL
Mumbai	2	77	3	82
Other India	45	-	-	45
Mormugao / Goa	38	-	-	38
Chennai	-	31	-	31
Cochin	20	-	-	20
Mangalore	2	-	-	2
Diu	1	-	-	1
INDIA	108	108	3	219
Colombo	4	-	2	6
Hambantota	2	-	-	2
Trincomalee	1	-	-	1
SRI LANKA	7	-	2	9
SOUTH ASIA	115	108	5	228

CHART Management Consultants

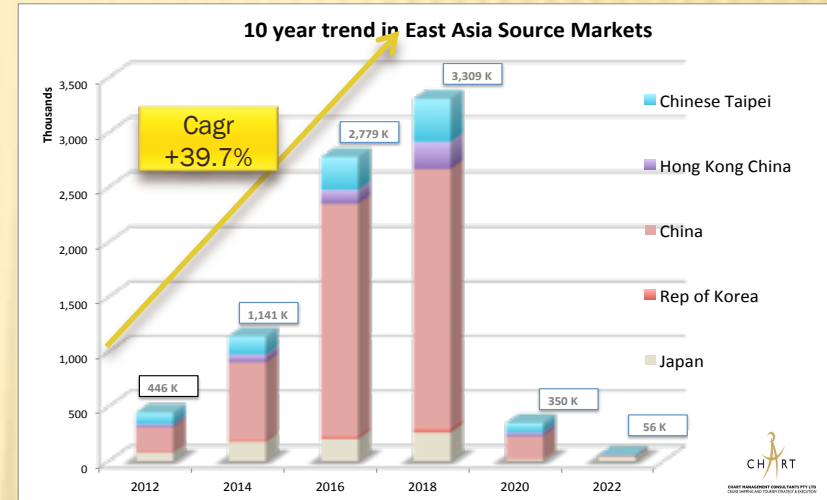
3. Source markets – East Asia 客源市场 – 东亚 (from CLIA passenger reports)

★ The 5 East Asia markets grew fast to 2018

- ✓ Combined cagr 40%
- ✓ Mainland China 中国大陆 alone
 - posted cagr 49% moving to 68% of East Asia total
 - became world's second largest reaching 2.4 m pax
 - saw a modest decline (14%) in 2019
- ✓ Chinese Taipei 中华台北 posted cagr 24.2% reaching 391K pax
- ✓ Japan 日本 21.6%, 266K pax
- ✓ Hong Kong 香港 45.3% cagr, 250K pax
- ✓ South Korea 韩国 21.3%, 45K pax

★ Last year, 2022, very low demand

- ✓ 16% of the passengers of 2020
- ✓ Only Japan 日本 grew vs. 2020, dominating the East Asia total (42.3K)
- ✓ Mainland China 中国 accounted for only 3.5%



FROM ...	2012	2014	2016	2018	2019	2020	2022	10-year trend
Japan	82,232	179,289	207,300	266,200	296,450	18,676	42,250	
Sth Korea	13,973	21,041	32,030	44,440	48,700	6,477	5,907	
China (mainland)	216,700	703,351	2,112,900	2,357,400	1,919,000	205,493	1,945	
Hong Kong	26,511	72,126	127,300	249,600	191,300	36,059	4,382	
Taiwan	106,487	165,030	299,300	391,200	389,440	82,751	1,209	
ALL North Asia	445,904	1,140,836	2,778,830	3,308,840	2,844,890	349,457	55,693	
1-year % growth		51.1%	73.7%	0.5%	-14.0%	-87.7%	-84.1%	
TOTAL ASIA SOURCES	774,531	1,553,290	3,359,074	4,236,000	3,738,000	497,446	791,147	
1-year % growth		28.9%	67.7%	4.7%	-11.8%	-86.7%	59.0%	

CHART Management Consultants from CLIA reports

Source markets – SE and South Asia (from CLIA reports) 客源市场 – 东南亚和南亚

★ Steady growth through to 2018 (though not nearly as fast as East Asia)

✓ The 6 Southeast Asia markets 东南亚六大市场 showed combined cagr of 16.8%

- **Singapore** the main source of the region
- and 3rd largest in all Asia (373K pax in 2018)

✓ **India's** growth impressive, from a low base

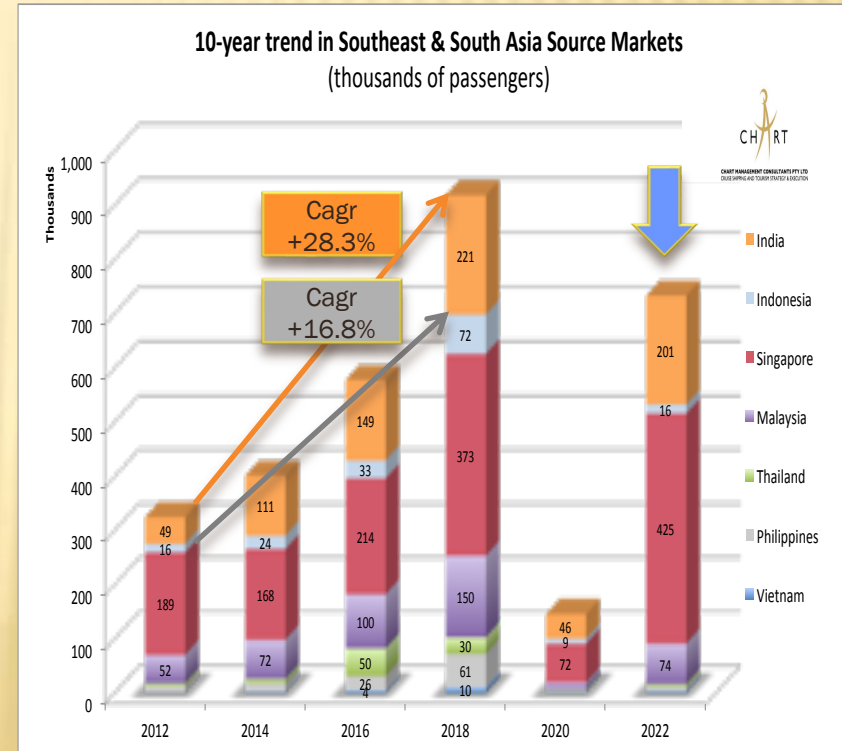
印度的增长令人印象深刻

- cagr 28.3%
- reached 221K pax in 2018, 313K in 2019

★ Last year, 2022, strong demand recovery

2022年需求强劲复苏

- ✓ **Singapore** hit 425.3K pax, highest ever
- ✓ **India** 201.2K, similar to 2018 but 36% below the 2019 peak



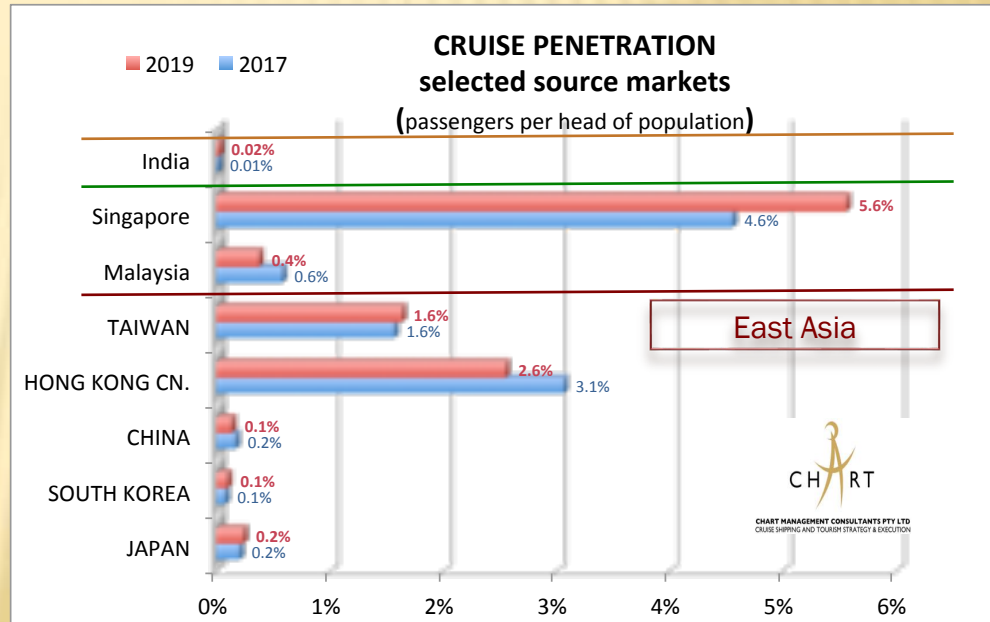
- ★ Despite their size, few Asian source markets show high penetration of cruise, 虽然规模庞大，但少有亚洲客源市场在邮轮领域有达到高渗透率 even in 2017:

East Asia peak levels: 东亚

- ✓ Mainland China (0.17%), Korea (0.09%) and India (0.02%) very low
- ✓ Chinese Taipei (1.64%) and Hong Kong China (3.07%), are exceptions

SE and South Asia 东南亚和南亚 at opposite ends of the spectrum

- ✓ Singapore 5.6% in 2019, in 2022 7.2% =no.1 globally
- ✓ India very low at 0.02% at its 2019 peak



C. Immediate Outlook ~ 2023 to 2025 近期展望

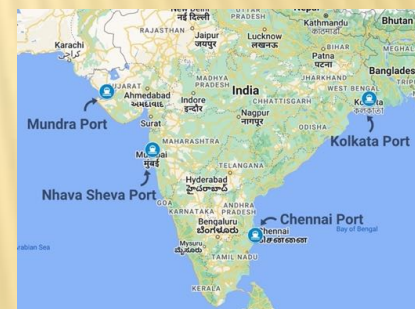
1. China profoundly influences East Asian deployment

中国深刻影响东亚部署

- ✓ Gradual reopening of mainland China to international travel as pandemic issues fade
随着疫情问题消减，中国大陆逐渐重新开放国际旅行
- ✓ Then, this August, lifting ban on group travel to 78 more countries, including Republic of Korea and Japan 今年八月出国旅行团禁令解除
- ✓ Will result in attracting big international ships to return to home-porting in China
将吸引大型国际邮轮回到中国设立母港
- ✓ And new deployment by the upscale and luxury lines 高档和豪华邮轮公司新的部署
- ✓ And thus generating:
中国码头恢复活跃+国际航线过境靠港+韩国港口大幅提振+中国客源市场的重新增长
 - Activity returning to the many cruise terminals in China and HKG with multiple turnarounds
 - Transit calls by internationals throughout the region
 - A big boost to Jeju, Busan and other South Korea ports
 - Re-growth of the China source market.

Influences on deployment in Southeast and South Asia 东南亚、南亚部署的影响

- ★ Singapore's continued impact as the major SE Asia homeport
新加坡做为东南亚主要母港的持续影响
 - ✓ Driving transits along the west coast of Malaysia
 - ✓ And some to Thailand
 - ✓ Securing seasonal and year-round turnarounds across international brands and different segments
- ★ Success in building Indian deployment and source market
构建印度部署和来源市场方面的成功
- ★ Upscale ships returning on Asia-Asia cruises and long voyages:
高档船舶回归
 - ✓ Bringing additional transit calls on open-jaw itineraries
 - ✓ Plus some turnarounds in major Asian ports



2. The East Asia ports are rebuilding business 港口已经在重建业务

* Hong Kong China (Ocean Terminal and Kai Tak)

Strong and quick comeback especially at Kai Tak

- ✓ Silversea, TUI & Hapag-Lloyd first internationals January '23
- ✓ International ships resumed berthing and homeporting
 - Ships from 7 different lines in March alone
 - With multiple ships and lines following



* Shanghai International Cruise Terminal (North Bund)

- ✓ CMViking's *Zhao Shang Yi Dun* operating 14-night cruises to Japan & Korea ports from June



* Wusongkou, Baoshan District

- ✓ *Blue Dream Star* cruising to Japan on occasional 4-night cruises from August 2023
- ✓ RCI's *Spectrum* begins April 2024 on 4/5-night sailings to Japan

Xiamen, Tianjin & Qingdao to homeport smaller local ships



3. The mainstream internationals gradually returning 主流国际公司逐渐回归

After withdrawing fully from East Asia as far back as early 2019, especially impacting China from March 2020, 2023 and '24 are showing a gradual re-deployment by the majors, such as:

Resorts World Cruises 名胜世界邮轮 2022 (and ongoing)

* 2022:

Began ex Singapore with Genting Dream

- ✓ Added dual homeporting in Kuala Lumpur (Port Klang)
- ✓ Year-round deployment

* 2023- 2024:

- ✓ Genting Dream year-round deployment continues
- ✓ *RW One* (former Explorer Dream)
 - first to resume year-round homeporting ex HKG
 - with dual turnaround at Kaohsiung from April
 - operating from HKG to Sanya and Okinawa (alternately) from September.



Royal Caribbean Group 皇家加勒比

- * 2022/23: active ex Singapore
 - ✓ *Quantum of the Seas* (4,180 pax) up to April '22
 - ✓ *Spectrum of the Seas* (4,905 pax) year-round ex Singapore from April
 - 3, 4 and 5-nights calling Port Klang, Penang & Phuket
 - Four 12-night cruises to Japan July 2023
- * 2024
 - ✓ *Spectrum* to redeploy from Singapore to China April 2024
 - 4- and 5-night cruises ex Shanghai to Japan
 - Plus 8 sailings ex HKG Dec 2024 to Japan and Viet Nam
 - ✓ *Anthem of the Seas* (4,180 pax) to deploy ex Singapore in 2024 for first time in Asia, adding
 - 8-nights to Bali
 - 10-nights Viet Nam & Thailand
 - ✓ *Celebrity Solstice* and *Millennium* will also sail Asia
Offering overnight stays, new departure ports and new ports of call in Singapore, Vietnam, Malaysia, Thailand, Indonesia, India.



MSC Cruises 地中海邮轮 2024 will have two ships in China

- * *Bellissima* expanding to cruise from Shenzhen and Shanghai to Japan, April to September
- * *Splendida* to be added from Shenzhen that winter

Disney

- * 2022: acquired Genting's unfinished Global Dream will reconfigure to 6,000 pax
- * 2025: will enter service, homeporting Singapore for 5 years

Crystal

- * 2025: Symphony will cruise Cambodia, Viet Nam, Thailand, Indonesia, Philippines, Brunei

Others seasonal homeporting ex Singapore in next 3 to 4 years including TUI, Marella, Silversea



4. The upscale and luxury internationals are committing new capacity

高端和豪华国际邮轮公司正在致力于新增容量

- ✓ Bringing high-spending guests from global markets to the region
- ✓ and attracting the top end of the local markets
- ✓ Generating calls at smaller ports
- ✓ Building economic benefits to host communities.

* Examples of lines returning, adding capacity

- Silversea's *Whisper* (392), *Muse* (596)
- Oceania's *Riviera* (1200 pax)
- Seabourn's *Encore* (600)
- Regent Seven Seas' *Explorer* (750), *Navigator* (490), *Voyager* (708)
- Ponant's *Le Jacques-Cartier* (184), *Le Soleal* (264)
- Crystal's *Symphony* (606) and *Serenity* (740)
- Azamara's *Journey* (690)

* New Hotel/Yacht type ships to come ?

- Ritz Carlton Yacht Collection
- Four Seasons
- Aman Resorts
- Belmond



5. The Chinese Lines/ Ships are becoming active

China's Adora cruises (CSSC/Carnival JV) 爱达邮轮
(International flag)

- ★ Operating former *Costa Mediterranea* (2,100 pax)
 - ✓ from Tianjin, begun 4th Quarter 2023
 - ✓ on short international cruises
- ★ *Costa Atlantica* transferred to the JV July 2020 but is idle
- ★ First newbuild *Adora Magic City* (5,246 pax, 133,500gt)
 - ✓ To commence cruising ex Shanghai January 1, 2024
 - ✓ Carrying Chinese passengers on 4- and 5-night cruises to Japan and South Korea
- ★ Second newbuild in design & construction (4,280 pax)
- ★ Subsidiary, CSSC Cruise Technology Development
 - ✓ Announced new 80,000gt cruise ship design in Dec. 2022
 - ✓ to be upscale: higher space & crew per passenger ratio; 85% balconies

中国航线/船舶日趋活跃



CMG/Viking JV



- ★ Took over the former 5-star Viking Sun as the *Zhao Shang Yi Dun*
 - ✓ 47,800 gt, 900 pax
 - ✓ Registered under Chinese flag in Shenzhen
- ★ Resumed cruising June 18 2023 (after limited domestic operations in 2022)
 - ✓ Nine departures ex Shanghai from July to Oct ' 23
 - ✓ Typical cruise a 14-night Japan Loop, 9 ports
- ★ Viking plans 10 more ocean newbuilds by 2030
 “Some will go to China” (Tor Hagen, Viking Chairman)



Blue Dream Cruises



蓝梦邮轮
Blue Dream Cruises

- ★ Purchased 2001-built Blue Dream Star in 2020
 - ✓ fka ""Glory Sea" of Diamond Cruises and "Celestyal Odyssey"
 - ✓ 25,000 gt, maximum capacity 1,053 pax
- ★ Cruises published from October '23
 - ✓ October/November: 3 from Xiamen round-trip to Subic, Naha; 1 one-way to Shanghai via Jeju
 - ✓ From December through March round-trip ex Shanghai Wusongkou on 3, 4 & 5-night cruises to Hakata, Busan, Nagasaki, Jeju, Naha.



Astro Ocean Cruise 星旅远洋游轮

- ★ Registered in Hong Kong
 - ✓ domestic operating base in Xiamen
 - ✓ China Travel Service one of the investors
- ★ Ship “*Piano Land*”
 - former P&O Oriana. 69,153 gt, 1800 pax, built 1995
- ★ Began Autumn 2019
 - ✓ Suspended when COVID hit
 - ✓ So far, no scheduled sailings



MS Dream 东方梦想号

- ★ Former Sea Princess (77,500 gt) & MS Charming
 - ✓ was sold to Sanya’s “Forsee Cruises” in 2020
 - ✓ Remained idle due to pandemic, anchored off Xiamen
- ★ Sold to new Chinese owner
 - ✓ Tianjin Orient International Cruise Co. Ltd
 - ✓ Now named MS Dream.
 - ✓ To operate from Tianjin to Korea



6. The Japanese operators are expanding 日本运营商

Mitsui O.S.K

- * Operating Nippon Maru from Japan since 1990 (552 pax)
- * Purchased former *Seabourn Odyssey* March '23 (458 pax)
 - ✓ To enter MOL service December 2024 as *Mitsui Ocean Fuji*
 - ✓ Will enable more international destinations and international guests
 - ✓ World cruise in April 2025
- * Ordered two newbuilds
 - ✓ 600 pax, 35,000 gt each, \$710m investment
 - ✓ Expected 2027
 - ✓ Plans to expand beyond the Japan source market
 - ✓ and to attract more inbound cruise tourists.

NYK

- * Operating Asuka II, built 1990 (940 pax)
- * Announced Asuka III for delivery 2025
 - ✓ 744-pax, 51,950 gt, LNG-powered



7. India is emerging due important deployment in South Asia 印度正在崛起

Cordelia Cruises *Empress* (1,607 pax) 科迪莉亚游轮皇后号

- * Building deployment over 3 years
 - ✓ In 2021 - 29 sailings over 95 days, capacity for 54,000 pax
 - ✓ In 2022 - 103 cruises, capacity for 193,000 passengers
 - ✓ In 2023 - similar deployment.
- * Specifically for the Indian market
 - ✓ Homeporting Mumbai Jan-May, Chennai Jun-Sep, Mumbai Oct-Dec.
 - ✓ Cruising typically 2-, 3-, 4- nights
 - ✓ Calls include: Cochin, Goa, Lakshadweep, Colombo, Galle, Trincomalee,

Costa Serena (3,780 pax) 歌诗达赛琳娜号邮轮

- ✓ 23 sailings from India November 2023 to January 2024
- ✓ 2- to 5-days
- ✓ Covering Mumbai, Cochin, Goa & Lakshadweep Islands

(The ship then on a “Pilot charter” with Hwajing ex Port Klang on 2-night round-trips to Penang and 3-night to Phuket).



D. “The China Effect” “中国效应”

★ As goes China, so goes East Asia 中国影响着整个东亚
(last cruise region in the world to recover from 2020 set-backs).

✓ Hard to justify extended deployment in East Asia unless:

- robust demand from mainland China
- few restrictions on destinations for ships ex China’s homeports
- few restrictions on Chinese citizens to travel internationally
- China’s homeports open and ship operations smooth.

✓ Mainland China has shown in the past that

- it can be a huge source market
- It has many fine turnaround ports
- demand (market) responds strongly to supply (deployment).

✓ And, from August, the Covid restrictions are finished !

✓ So, the **Effect** will be to restore cruise tourism, port usage, economic benefits, guest satisfaction and prosperity throughout East Asia.



The future – both for China and all Asia - is again very promising!

未来，对中国和整个东亚而言，都再次充满希望

E. Summary

Cruise Supply and Demand ~ Trends and Prospects in Asian Deployment, Capacity and Markets, particularly China

亚洲部署、容量和市场的趋势和前景

We covered:

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C	Immediate Outlook 2023 to 2025: Influences; ports rebuilding; internationals returning; Asian lines active
D	The "China Effect"



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