This session discussed how cruise shipping can be a force for local development, including how ports and cities can extract local economic value from cruise shipping, and how negative effects can be limited.

Cruise shipping can create local economic value, but much depends on local circumstances. For example, there is a difference between ports of call and turn-around ports, where cruise passengers start or end their cruise trip. According to Roberto Perocchio, director of Venice Passenger Terminal, Venice is a good example of a place where economic value is created through cruise tourism, not only because of spending of cruise passengers, but also because of the wider economic benefits that it generates, in terms of tourism, logistics, ship repair and shipbuilding. At the same time there is trade off between spending on board and spending in the local destinations: cruise lines will attempt to extract most of the cruise spending, so ports and destinations need strategies to increase local spending by cruise passengers.

Cruise lines also have a wider corporate responsibility, which in some cases led to programmes that benefit local communities; e.g. Australia’s Foreign Office has recently signed a Memorandum of Understanding with Carnival Corporation in an effort to stimulate local economic development in Vanuatu.

Cruise shipping provides revenues and jobs for local communities but they also require peak logistics that need to be managed in a sustainable way. Cruise ships have low drafts compared to other ships so they are often more able to call at old city terminals that are not deep enough for commercial ships anymore. So cruise shipping can justify the renewal of urban water fronts and can justify other investments, in transportation for instance which can ease congestion at the same time. From an environmental perspective there can be issues: cruise ships often need to dock as close as possible to the city centre and this generates issues with air emissions and other environmental effects.

Cruise shipping can have impacts on local congestion. This is often the case because cruise terminals are located close to city centres. This requires solutions. Carla Salvado, president of MedCruise, identified three solutions: investment in an outer port or pier outside of the core of the city, use of the port next door, or a transparent and public berthing policy, creating some kind of an appointment system that reduces congestion. Lon Kishiyama, international director of the US Maritime Administration, in that respect pointed to the port tunnel in Miami, created with the support of the federal government to ease urban congestion.
One of the characteristics of the cruise industry is its concentrated nature: the largest three cruise companies dominate the market, e.g. they account for 96% of the cruise passenger numbers in Boston. This has both advantages and disadvantages. These cruise companies have huge leverage over cruise ports, and make or break them, according to Michael Vanderbeek, chair of the Cruise Committee of the American Association of Port Authorities (AAPA). Cruise ships are mobile assets and infrastructure for cruise at ports is not mobile and requires large investments, so cruise ports need to be careful and optimise existing infrastructure before launching big new investment projects. An advantage of the concentration of the cruise market is that there is a clear differentiation between brands within the companies, e.g. different brands for different age groups, which could help ports to benefit from different demographic groups.

Ship size in cruise shipping has grown significantly over the last decades. It is not clear if this trend will continue. Michael Vanderbeek believes that there will be more differentiated cruise offers that could result in a re-emergence of smaller cruise ships.

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Speaker

Lon Kishiyama
Director, Office of International Activities
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Lon Kishiyama is responsible for the Maritime Administration’s participation in international activities concerned with marine transportation. His office routinely works with foreign economic and political entities in facilitating decisions that may affect U.S. marine transportation interests, including multilateral and bilateral activities. In conjunction with the United States Trade Representative and other government agencies, Kishiyama’s office also frequently partners with the U.S. teams negotiating Free Trade Agreements with other countries. He previously served as the Acting Director and Deputy Director of the Office of Policy and Plans at the Maritime Administration.
Roberto Perocchio has been Managing Director of Venezia Terminal Passeggeri (Venice Passenger Terminal), Italy, since 2005. He also manages three companies specialised in the management of marinas and tourist villages, such as Marina del Cavallino, and is currently President of ASSOMARINAS. Prior to this, he was President of Venice Yacht Pier between 2008 and 2012. Between 2010 and 2011, Perocchio was Director of EU Relations/Adriatic Sea of MEDCRUISE.

Carla Salvado is Cruise and Marketing Manager at the Barcelona Port Authority, Spain. Previously, she was Secretary General of MedCruise (the Association for Mediterranean Cruise Ports) for three years, and is currently President of the Association. Prior to this, Salvado worked for six years as Marketing Director for Odisea 2000, a management company for the Port of Barcelona’s retail centre. Salvado studied Economics and Business Management at the Pompeu Fabra University.

Michael Vanderbeek is Chair of the Cruise Committee of the American Association of Port Authorities (AAPA) and Deputy Port Director for the Massachusetts Port Authority (Massport). Prior to joining Massport, Vanderbeek served as Director of Business Development for the world’s second busiest cruise port – South Florida’s Port Everglades. He also previously served as Manager of Strategic Planning for the second busiest container port in North America – the Port of Long Beach. Vanderbeek is an active member of the OECD Port Cities Working Group as well as the AAPA Maritime Economic Development Committee and has presented at numerous maritime and urban planning conferences including Seatrade Global (Cruise Shipping Miami).
Moderator

Anthony May
Emeritus Professor of Transport Engineering
Institute for Transport Studies
University of Leeds

Anthony May is Emeritus Professor of Transport Engineering at the University of Leeds. He has been Director of the Institute for Transport Studies and Pro-Vice Chancellor. May was awarded the Order of the British Empire (OBE) for services to transport engineering in 2004 and was elected as a fellow of the Royal Academy of Engineering in 1995. From 1985 to 2001, he combined research and teaching at Leeds with consulting as Director of Transport Policy for MVA Ltd. From 1967 to 1977 he was responsible, with the Greater London Council, for policy on highways, traffic management and land use planning.