



3rd POSIDONIA SEA TOURISM FORUM

Remaining steadfast to its commitment to support growth and development of Sea Tourism in the East Mediterranean, the 3rd Posidonia Sea Tourism Forum welcomed more than 700 stakeholders from the global cruising and yachting sectors for a two-day conference and exhibition that took place in the Megaron Athens International Conference Centre on 26th and 27th May, 2015. A range of issues pertaining to the current challenges and future potential of the major sea tourism sectors were discussed by international and local experts and senior sector executives. Also, delegates and exhibitors had a unique chance to network with cruise line executives in the B2B sessions, as well as on the exhibition floor. Once again, the event received strong support from the Greek Government with Alternate Ministers for Tourism and Maritime Affairs Elena Kountoura and Theodore Dritsas both attending.



Cruising in the spotlight



Alternate Minister for Maritime Affairs Theodore Dritsas announced during the Forum that a National Coordination Committee for Cruising Affairs in Greece will be launched in a few days during a crucial juncture for the country's economy. "This committee will play a vital role towards the improvement of infrastructure and regulatory framework which are required in order to help us upgrade our sea tourism product", Mr. Dritsas informed stakeholders from the global cruising and yachting sectors.



On her part **Alternate Minister for Tourism Elena Kountoura** stated "We are aiming at prolonging the tourism season in Greece and the cruise sector is a key pillar of our national tourism strategy". "According to various industry sources, the signs for 2015 are very positive as a few of Greece's ports are amongst the most popular in Europe amongst international cruise operators", she added. Some important cruising highlights came from **CLIA Europe Chairman, Pierfrancesco Vago** where he stressed the economic importance and success of the Cruise Industry in Europe and emphasized that Greece, Europe's third most popular destination, had a big hand in this success.



"Direct cruise industry spending in Greece stands at about 570 million euro, more than a third of which goes on wages for 11,000 Greek jobs. This means Greece is Europe's seventh biggest beneficiary of direct cruise industry spending." He added "as a source market, Greece is resurgent, growing by 10% between 2013 and 2014." Vago acknowledged Greece's economic achievements, but he cautioned that "while future growth can be achieved in this country, it is far from guaranteed". In order to achieve the full potential of cruising, the industry needs an operating environment that is competitive, stable, and efficient. This is due to the fact that today, there are serious hurdles, which, if ignored, risk leaving that potential forever locked up."



According to the CLIA Europe Chairman, there are five major hurdles on which progress needs to be made to ensure the European Cruise Industry continues to generate growth and jobs. These can be summarised as follows:

1. Improving port infrastructure and connections to the hinterland, helping the regional economy and enhancing the experiences on offer;
2. A transparent and publicly available berth allocation system, ensuring safe operation and enjoyable passenger experiences;
3. Avoiding sudden, ambush increases in sightseeing fees, leading to unforeseen costs for the Cruise Industry;
4. Encouraging homeporting in Greece through a stable operating environment, which would benefit significantly the national economy;
5. Simplify Visa issuance for third-country visitors, helping Europe to remain the number one tourist destination.

Pierfrancesco Vago welcomed efforts to tackle the hurdles he identified, saying that “the Greek Government took a very important step towards solving some of these issues by announcing the creation of a new cruise coordinating body. This has been a key demand of CLIA Europe to the Greek authorities.” He concluded on a positive note, “... by its nature, Greece is better placed than most to capitalise on the cruise industry’s enormous potential to create growth and jobs.”



Echoing the CLIA Europe Chairman’s sentiments, **Kyriakos Anastassiadis, CEO of Celestyal Cruises** and member of CLIA Europe’s Executive Committee, stressed the importance of long-term stakeholder involvement, saying that “the cruise industry is totally committed to finding a way forward and will continue to work with all stakeholders in a constructive and determined way to boost the cruise industry and generate work and wealth in Greece and throughout Europe.”



Larry Pimentel, President and CEO of Azamara Club Cruises, shared interesting findings and insights of

a Boston Consulting Group study on the evolution of luxury as a driver for affluent consumer choice. He also stressed “Geopolitical issues unfortunately play a part in cruise bookings and the present situation in the East Med is having an impact, even over the longer term.”



Edie Rodriguez, President and CEO of Crystal Cruises stretched the importance of compelling story telling by harnessing the power of the internet to cost effectively promote this region’s competitive advantages to big audiences in big cruise feeder markets such as North America.



Andreas Andreadis, President of the Greek Tourism Confederation (SETE), highlighted the importance of tourism for the Greek economy: “In 2014 tourism contributed Euro 14bn to local businesses across Greece but a possible Grexit will be the death of Greek tourism and that is why we are asking the Greek Prime Minister to find a solution within the Eurozone. For 2015 we believe that we will welcome 25mn arrivals despite a recent drop but this number hinges on achieving an agreement with our creditors within the Eurozone. We hope to achieve Euro 19bn in tourism receipts by 2021 but this requires 3.3bn in annual investments that will help tourism increase its annual GDP contribution by 9%.”

“Tourism is Greece and Greece is tourism,” said **Michel Nestour, Vice President, Global Port and Destination Development – EUROMED of Carnival Corporation & PLC**, the world’s largest group of cruise companies. “Greece has failed to leverage its natural beauty and ideal location because it lacks in basic infrastructure not just at



its few ports but also in road transportation as well as flight connections with key feeder markets which are necessary in order to attract the big cruise liners,” said Mr. Nestour.



Adam Sharp, Head of Port Operations & Guest Port Services EMEA at Royal Caribbean Cruises Ltd, concurred: “The single biggest issue holding back cruising in Greece is not enough flights coming from the leading source market of the US. With an average of 1.7 daily flights between Athens International Airport and New York’s JFK and with 50% of its passengers coming from the US this is a major problem for Royal Caribbean, he remarked.



Sharp noted only 10 to 15 Greek cruise ports provide immigration processing, making them accessible to ships coming from Turkish ports, ‘which is why there is congestion in certain Greek destinations as we are all seeking out the same ports of call.’ Identifying new sectors for growth in the region, the 3rd Posidonia Sea Tourism Forum also held for the first time in Greece a well attended **Cruise Ship F&B Supply Workshop**. The workshop offered a unique opportunity for Greek and regional producers to interact with international experts in this field and learn more about the practices of this specialized service industry. The goal of the workshop was to open up new export opportunities in a market that has grown rapidly in Europe, constantly creating new demand for a very wide range of products. The Forum’s delegates got a good taste of the quality local products, as the Iliia Chamber of Commerce offered a variety of local produce (wine, cheese, fruits) during the delegate lunches.





Yachting Paradise Lost



Equally productive were the sessions dedicated to the yachting industry where a “Paradise Lost” message came through to describe Greece’s performance in this sector compared to its true potential. Over half of the global charter fleet is harboured in Mediterranean waters and out of that, 6.2% is based in Greece according to **Jonathan Beckett, CEO of Burgess Yachts**, one of the speakers in the session ‘Drivers and obstacles affecting growth of yachting sector in Greece’ during Posidonia Sea Tourism Forum 2015. Yet, despite this high percentage, Greece finds it increasingly difficult to satisfy the notoriously demanding top end of the

luxury sea tourism market due to a number of reasons that include the lack of suitable yachts designed to meet the evolving requirements of the high net worth individuals who love the country’s natural and cultural attractions but loath the lack of infrastructure and legislative frameworks to help them enjoy its allure. “Only 58 out of Europe’s 1,074 charter yachts above 24 metres are Greek flagged which means that high end customers have very little choice of available vessels to choose from,” said Beckett who added that Greece needs to allow yachts with foreign flags to conduct business in Greek waters or risk staying on the sidelines of the industry for years to come.

“Superyachts need annual maintenance worth Euro 7mn and as long as Greek marinas cannot support this type of vessel, this income will continue to evade the local market,” said Beckett. But it seems that the Greek government is taking measures to help fill its coffers with much needed revenue from yachting tourists by passing a law in 2014, which according to **George Vernicos, Secretary General of the Greek Tourism Federation**, is “far more positive for growth with a more lax framework across different facets of the operational spectrum.” He went on to say that Greece’s European Union membership puts the country at a disadvantage compared to its direct competitors who operate in an environment which enjoys a different, more favourable tax regime. “That’s why”, he continued, “Greece must take the initiative for a pan European growth strategy in the yachting sector, which today accounts for 200,000 jobs, turnover of Euro 23bn and some 4,500 marinas scattered across the continent’s shoreline.” Of those marinas, a mere 30 operate in Greece when Croatia has 103. As **Antonis Stelliatis, President of the Hellenic Professional Yacht Owners Association**, said: “Up until 2008, yachting activities in Greece contributed annually 3,8% of the total 18% which the tourism industry used to contribute to the country’s GDP, however after that, the percentage has been in constant decline.”

Major Deal Inked During PSTF 2015

The reputation of Posidonia Sea Tourism Forum has been steadily growing each year since its inaugural edition in 2011 and the event today is considered a major milestone in the biennial calendar of the global cruise and yacht sectors. This was evident on May 26th when CLIA Europe, the association representing the Euro 40bn cruise industry in Europe and MedCruise, the association of cruise ports in the Mediterranean and its adjoining seas, signed a strategic partnership agreement during the 3rd edition of the sea tourism event in Athens. The importance of this deal is highly significant for the industry as the two bodies formed a partnership to collaborate, sponsor and support the advancement of a European travel agent training programme designed to promote the desirability of cruise holidays.

Carla Salvadó, President of MedCruise, said: “This strategic agreement marks an important milestone in MedCruise relationship with CLIA Europe. I am delighted that our associations will collaborate in training travel agents and giving them the right tools to attract even more people to cruising in the Med and beyond. The partnership shows that in the port community as well as in the cruise industry we never lose sight of the fact



that our success is directly tied to the travel agent community. **Pierfrancesco Vago, CLIA Europe’s Chairman**, said: “the travel agent community play and will continue to play an essential role in the cruise industry’s supply chain, bringing our fantastic product closer to the end customer. We see agents as a vital link between travelers and cruise lines. They are our leading

advocates when it comes to communicating the thrill of a cruise vacation. This agreement will see the expansion of CLIA’s travel agent training programme to one key European market, but it will not be the last one. I am glad that, in taking this step, CLIA Europe and MedCruise will continue to engage with and invest in a sector of fundamental importance to our industry.”



Potential For Greco-Sino Sea Tourism Reciprocal Cooperation Huge

Delegates of the 3rd Posidonia Sea Tourism Forum had the opportunity to attend the inaugural China-Greece Tourism Cooperation Seminar & Investment Promotion for the Cruise and Yacht Industries of Hainan Province, an upcoming Chinese tourism destination.

Organised by the Embassy of the People's Republic of China in the Hellenic Republic and the People's Government of Hainan Province, the seminar brought together a large business delegation from Hainan with decision makers from the Greek and International yachting and cruise industries in search of mutually beneficial potential cooperation and joined projects. Addressing the audience, H.E. Zou Xiaoli, Ambassador of the People's Republic of China in the Hellenic Republic said: "The way of travel for Chinese people is changing from sightseeing and shopping to leisure and holiday-making and the only sure thing is that sea tourism will become a new favourite for the Chinese," he said adding that the visa issue is yet another barrier that needs to be addressed.

"With its numerous islands, the combination of beautiful natural sceneries of profound history and culture, its unique geographical location, the pleasant climate, food and



warm-hearted people, Greece will surely attract more and more Chinese people. The Aegean sea in particular is a charming and romantic destination for the Chinese," he added. Representing the Greek government, Minister Kountoura stressed the importance of tourism for the country's eco-

nomical development saying that more efforts must be made to attract more Chinese tourists as the Chinese market is currently underrepresented in Greece barely attracting just 100,000 of the annual 100mn outbound Chinese tourist trips annually.

Business done on the Exhibition floor



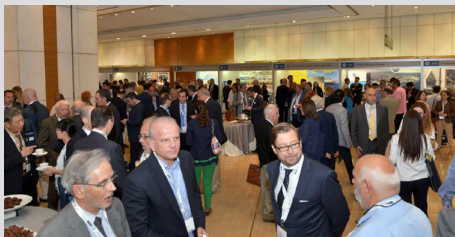
The busy exhibition floor gave destinations the opportunity to meet with cruise executives and industry representatives resulting in many new destinations to be included in future itineraries. The need to develop new potential homeports and port of call infrastructure in the region is crucial, as it will facilitate regional growth with additional European capacity



coming online in 2015 for TUI, Costa and P&O Cruises as well as the European deployment of mega ships such as Anthem of the

Seas, Allure of the Seas and Norwegian Epic. The positive news continues for 2016 and 2017 with new capacity from AIDA and MSC Cruises scheduled to join the Europe-based fleet.

Aslı Gündoğdu Aksungur, Culture and Tourism Attaché, Turkish Embassy in Athens, commented on the fruitful participation of the Turkish pavilion: "The Posidonia



Sea Tourism Forum 2015 was a really effective and fruitful event as we met with some very interesting delegates from all over the world in a short span of two days in one compact venue. The participation was of a very high quality and level in terms of private sector professionals. Our aim was to make contacts with relevant stakeholders and to promote our destinations. This was our first presence with a national pavilion and we plan to come again in two years' time, hoping to

bring with us even more Turkish participants."

But the busy exhibition floor also created new business opportunities and reinforced old partnerships for service providers and suppliers to the cruise industry, who met with old and new clients and engaged with cruise executives and CLIA Europe representatives to discuss latest developments and new challenges for the industry in the region.

Andreas Stylianopoulos, President & CEO, Navigator Travel & Tourist Services, commented: This event has managed to quickly establish itself as the region's undisputed leading platform for global sea tourism professionals.



Navigator and RCCL have been supporting this forum since its inception because we feel it adds great value to our own efforts of promoting cruising in Greece as a preferred holidaying option for travelers from around the world."

