

# Beyond Gateway Ports – Navigating New Destinations

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# The Nautical Challenges for Regional Destinations

- Background
- Introduction, brands and current thinking
- Destination drivers
- Nautical and other considerations
- The need for infrastructure
- Regional plans
- Global trends



# Background

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- Master Mariner with P&O Princess
- Moved ashore into port management in the early nineties holding various marine, operational and commercial roles
- Joined Carnival UK in 2011

# The Carnival Group







# Britannia, a modern classic



**BRITANNIA**



# THE LATEST, GREATEST HOLIDAY EXPERIENCE



CARNIVAL UK





# BRITANNIA FACTS

OVERALL SIZE: 1,082 ft

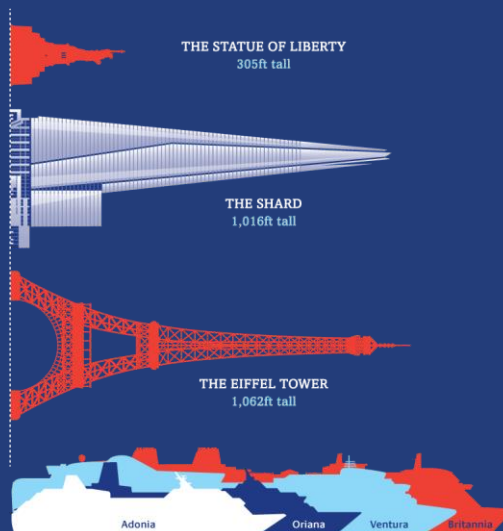
WHICH IS LONGER THAN...



10 BLUE WHALES  
100ft long



4½ AIRBUS A380s  
239ft long



3,600 PASSENGERS



1,400 CREW



4 SWIMMING POOLS

13 BARS  
13 RESTAURANTS AND CAFES



15 PASSENGER DECKS

£1M

ART COLLECTION ON BOARD



HER ENGINE GENERATES 62,400kW OF POWER

WHICH IS EQUAL TO...



x70 CHALLENGER TANKS (890kW)



x84 BUGATTI VEYRONS (736kW)





# Deployment Drivers

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- Itinerary Efficiency
  - Fuel costs and speed
  - Port costs and density
  - Shorex and onboard revenue
  - Net yields
- Insight, Segmentation, Reasons to Cruise and Innovation
  - Destinations
  - Innovation
  - Festivals & Events
  - Food Experiences
  - New Ports
  - Explorer ships
  - Source markets

# New Port Considerations

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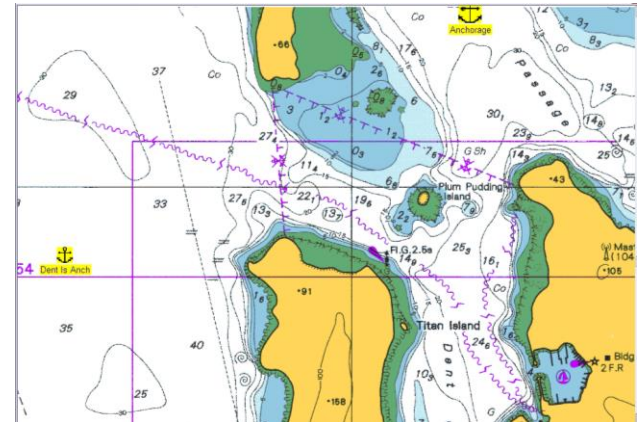
- Accessibility and nautical considerations
- Availability of port services
- Suitability of Infrastructure
- Shore excursions appeal and capacity
- Political climate
- Source market appeal





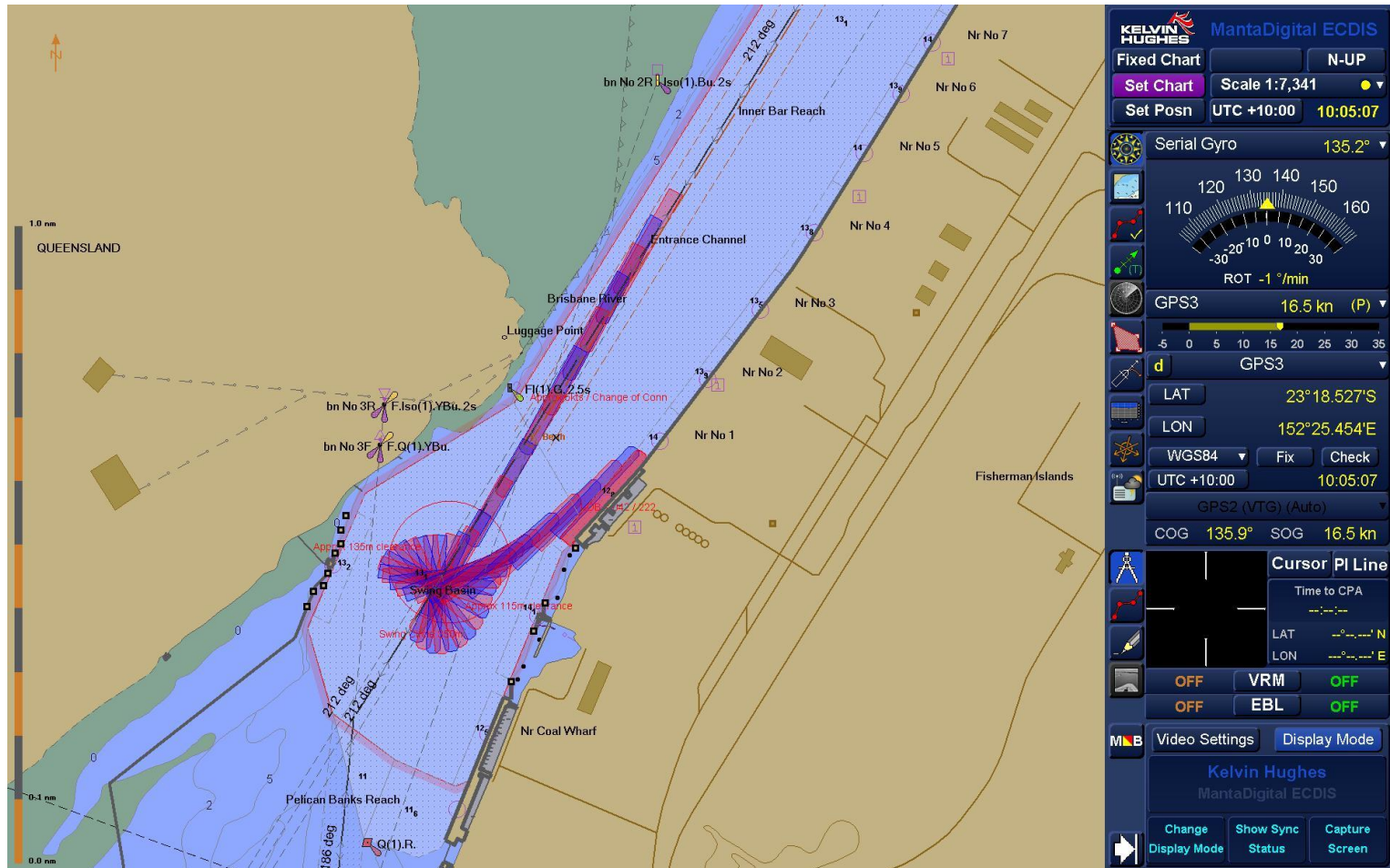
# Nautical considerations

- Access
  - Channel width and depth– Navigational challenges
  - Survey quality
  - Pilotage
  - Air draft
- Berth or Anchorage
  - Berth length, alignment and fendering
  - Mooring arrangements
  - Swinging area
  - Environmental conditions and exposure
  - Tug availability
  - Simulation
  - Depth and shelter of anchorage
  - Length of tender run and tender berths
- Local dialogue
  - Port Authority
  - Harbour Master and Pilots





# Simulation



# Availability of Port Services

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- 'Competitive' dock labour for mooring, stores and luggage handling
- Waste and Grey Water disposal
- Fresh Water supply and pumping rate
- Shorepower?
- Local provisions and logistics
- Taxis and shuttle busses

# Port Infrastructure

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# Port Infrastructure

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- Transit or Homeport aspiration
- Clean pier/berth with good access for tour busses
  - Length, width and depth
- Easy access to town centre for Independent passengers
  - Pedestrian and taxis access, parking and traffic flows
- Cruise terminal or berth provision required – who pays?
- Other considerations
  - Connectivity to local road network, rail and bus network
  - Proximity to airport and length of transfer
  - Airport capacity, stands and gates

# Infrastructure – a key Issue in Australia

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- Does the port have the space?
- What is marine what is land?
- How complex is the planning process and what is the cost?
- Who pays
  - The Port?
  - Concessions?
  - The cruise lines?
  - Partnerships?
  - The tourism industry?



# Cruise Lines Investment

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## Cruise Ship Orderbook 2014 - 2017

Year	Number of ships	Lower berths	Cost US \$ millions
2014	6	18,025	3,945
2015	7	18,867	4,350
2016	11	28,500	7,130
2017	7	23,244	4,415
Total	31	88,636	20,848

Source: Cruise Industry News August 2014

# Options?

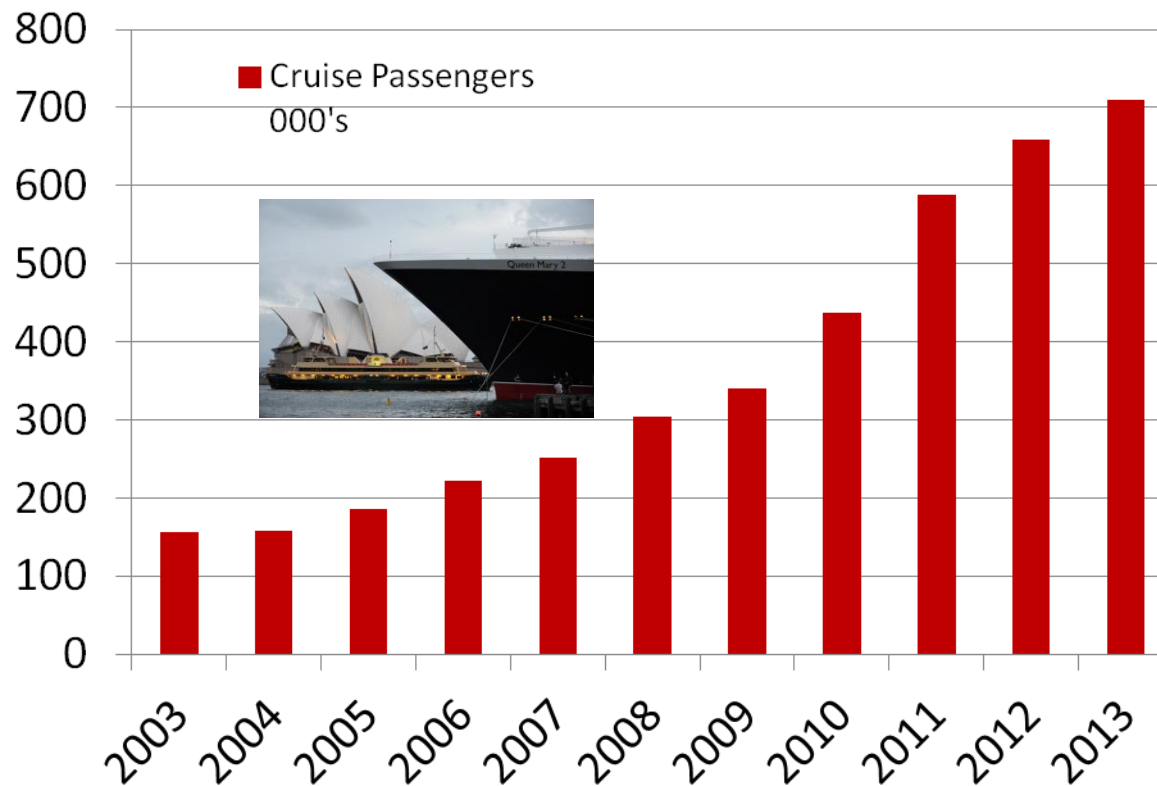
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- As an industry we have large investment plans in new tonnage but many business challenges to overcome
- Australian ports are among the most expensive already
- Regional net financial yields fluctuate
- Cruise Lines have mobile assets
- Ports, particularly where private or a concession can't be expected to invest without a viable return
- The wider Economic benefit has to be the key ?



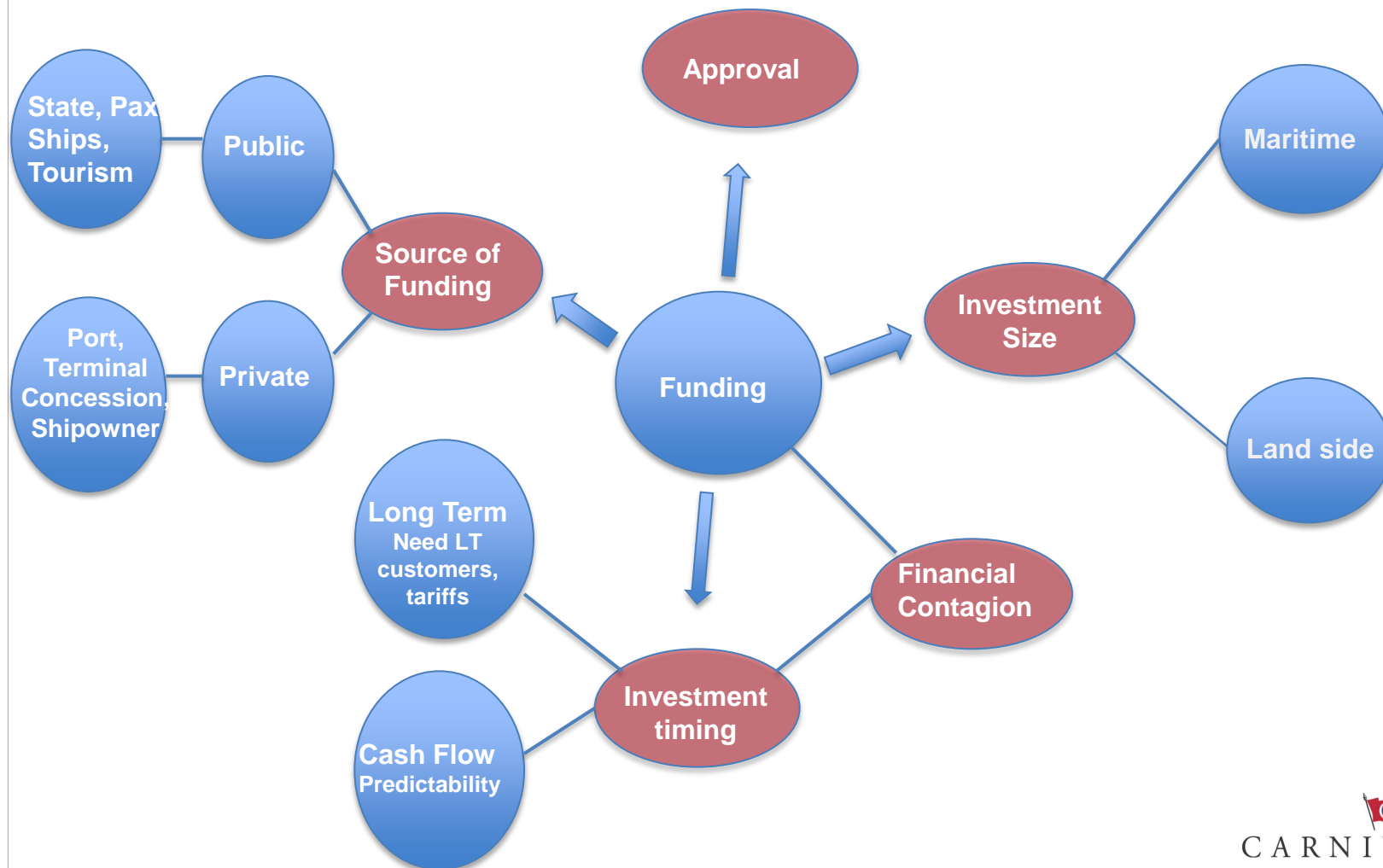
# Australian Cruise Growth 2003 – 2013

The economic contribution of the cruise sector was A\$830m in 200-11 and expected to grow to over A\$3.2b by 2020



Sources: ICCA Annual market and Deloitte Access Economic Reports 2012

# Funding Challenges for Port Infrastructure



# Examples

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- Southampton
  - Private port pays financed by long term customer commitment in return for a preferential use facility
- Sydney
  - State owned port pays funded through steep increase in passenger charges
- Barcelona
  - Cruise line secures a concession and funds a preferential use terminal
- Partnerships and JV's
- Cruise line direct development funding mainly reserved for secure high volume, home port or iconic destination



# Emerging Regional destinations

## Ports of the St Lawrence example



# Gaspesie – St Lawrence

The 'Rolls Royce' of a tender pontoons!



# Saguenay – St Lawrence

A new pier and tender pontoons



# Carnival UK Deployment

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- P&O Cruises
  - Summer ex UK and Mediterranean fly
  - Winter Caribbean Fly and segmented World cruises
- Cunard
  - Summer ex UK, Mediterranean fly and Transatlantic
  - Winter segmented world and exotic cruises
  - Australian, New Zealand and Japanese loops
  - International brand with increased focus on Asian, Japanese , Australian and New Zealand sourcing

# Global Trends

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- Cruise fleet growing faster than port capacity
- Port congestion at iconic ports offering opportunities for less well known destinations, anchorages....
- Increasing fuel and port costs swinging the needle towards 'the ship' as destination.
- Growing focus on regulation; environmental, emissions, safety..
- Market penetration gives us huge potential and confidence for further growth – the challenge is for ports to keep pace





# Australian challenge

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- A region in high demand with congestion at gateway ports
- An enormous coastline with many 'undiscovered' gems?
- 350m pier or just a tender berth?
- Ports or Private companies understandably need a viable return on any investment – it is unrealistic to see this coming from raised charges alone
- A strategic view is needed on the wider economic benefits of cruise tourism

Regional Government or Tourism Bodies need to consider investment in infrastructure funding a necessary 'pump primer' to grow the longer term economic benefits

Thank You...

