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Development and Formation of the CRUISE Framework in Hong Kong and Shanghai

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Introduction

Cruise is defined as “any fare paying voyage for leisure onboard a vessel whose primary purpose is the accommodation of guests and not freight normally to visit a variety of destinations rather than to operate on a set route” (Wild et al., 2000). In other words, cruise mainly performs an unexpected and fantastic cruising experience via visiting various destinations with changeable routes. The cruise industry has been arisen from North America and Europe since the late 1960s. Because of Asian region has unique features of diverse cultures, exotic experiences, and attractive cruising destination, a number of western cruisers considered Asian region as “a desirable destination” to experience in a cruise travel. In this way, some Asian countries like Mainland China, Hong Kong, Japan, South Korea, Vietnam, Singapore, and Taiwan are striving towards upgrading cruise terminal facilities or establishing a new cruise terminal to serve mega cruise ships. Indeed, Hong Kong and Shanghai have

set up two cruise terminals to develop homeport cities in the 21st centuries. The Ocean Terminal and Kai Tak Cruise Terminal mainly serve for cruise ships in Hong Kong while Shanghai Port International Cruise Terminal and Shanghai Wusongkou Cruise Port Terminal currently provide service for cruise ships in Shanghai. Surprisingly, Kai Tak Cruise Terminal and Shanghai Wusongkou Cruise Port Terminal are newly established cruise terminals to improve service quality and increase capacity to cruisers and cruise lines. Both cruise terminals are now facing under-capacity problem due to the poor site selection process. Thus, addressing port location feature is the crucial elements of enhancing a sustainable cruise tourism.

Literature Review

In the past research studies, cruise research papers have been inclined towards tourism area. Only 55 academic articles have investigated the cruise

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industry in the maritime transport research papers. Concerning about cruise terminals or cruise ports, passenger handling capacity, onshore cruise tourism products, surrounding hotel facilities, accessibility of the port, tourist facilities, local public transportation, connection to the airport or flight services, security, safety, and human capital are significant cruise port planning factors. In general, the location of cruise ports influence the cruise port characteristics, cruisers' satisfaction and ports of call.

Cruise Terminals in Mainland China

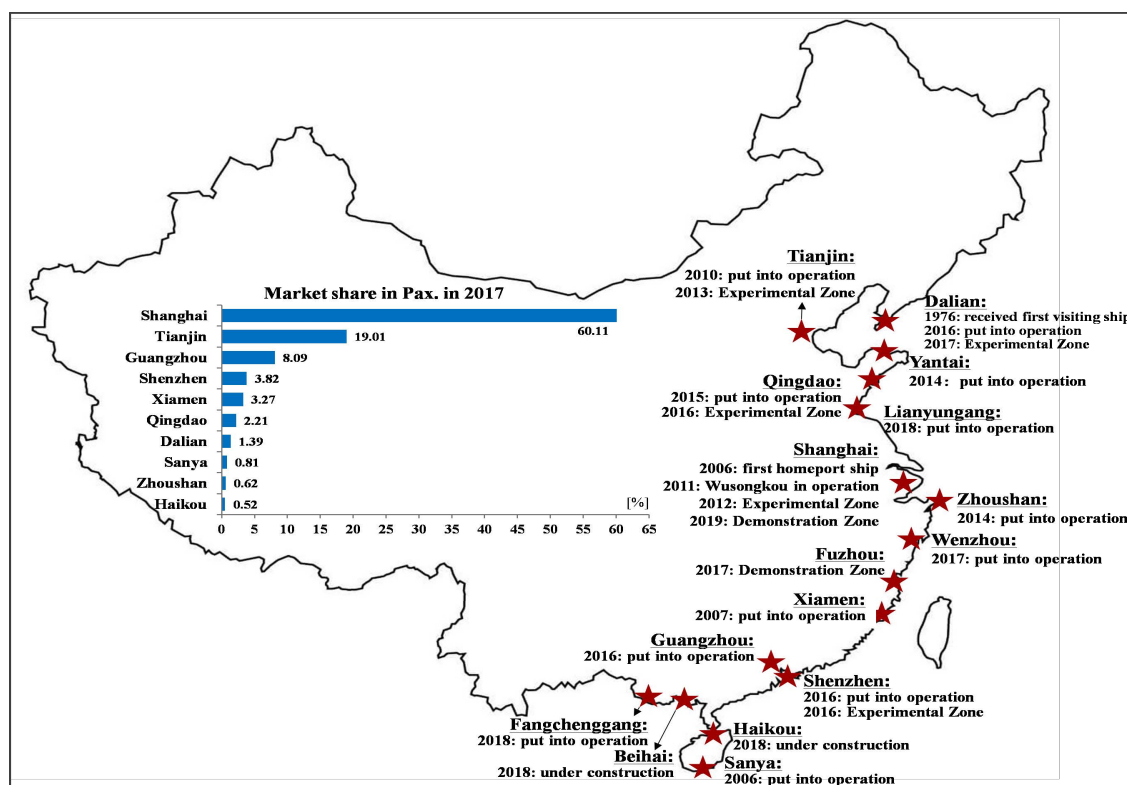
China has only developed cruise industry just over a decade. The first homeport cruise ship, Costa Allegra was deployed in Shanghai Port International Cruise Terminal in 2006. This provides a symbol that

Chinese cruise industry development has been arisen. Although China cruise industry is at the introductory stage, there are 17 cruise ports have well been established along the coastline including Tianjin, Dalian, Weihai, Qingdao, Yantai, Weihai, Shanghai, Linyungang, Wenzhou, Zhoushan, Guangzhou, Xiamen, Haikou, Shengzhen, Beihai, Sanya, Fangchenggang, and Fuzhou (under construction). The overview of cruise terminals in Mainland China is shown in Figure 1.

A CRUISE Framework

A CRUISE framework is further developed from the Porter's diamond framework. To this end, the proposed CRUISE framework integrates external environment and locational characteristics

Figure 1: Overview of Cruise Terminals in Mainland China (Sun et al., 2019)

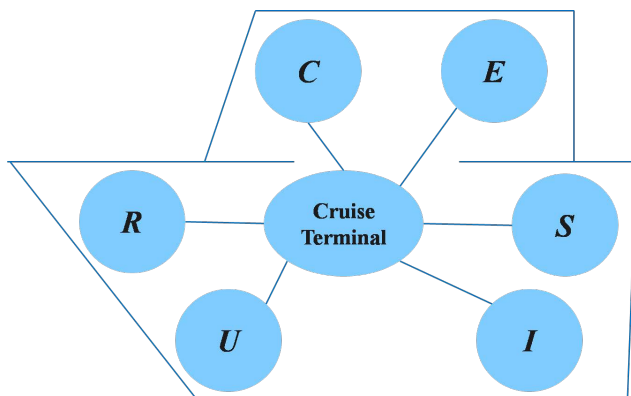


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of cruise terminals to improve sustainable development in the cruise industry. In general, the CRUISE framework includes the six key elements to demonstrate a cruise terminal operation. The CRUISE framework can be explained as C refers to connectivity. Connectivity concerns about the location of cruise terminal should be proximity to the city center and accessed conveniently. R refers to regional competitiveness. Regional competitiveness is suggested by attracting investment via public, private and foreign capital, fostering technological advancement, and producing innovation environments by human capital. U refers to utilization. The utilization is determined by institutional and natural seasonality. I refers to infrastructure. The cruise terminal infrastructure like pier width, pier length, and terminal space can accommodate the large size of vessel and frequent cruise ship schedules. S refers to security. The security covers cruise port security construction, security plan, and customs control. E refers to environmental management. The environmental management mainly focus on the cruise terminals adopt the building's energy conservation measures. A CRUISE framework is provided in Figure 2.

Within the CRUISE framework, it expects that different industry practitioners, government bodies, policymakers, associations, cruise lines, and cruise terminal operators collaborate with each other.

Figure 2: A Cruise Framework (Sun et al., 2019)



Some typical collaborations can be considered like roundtable discussion, conference, seminar, workshop, to name but a few. The sustainable competitive advantages and first mover advantage will be demonstrated in the forthcoming years.

According to the CRUISE framework, we compare four cruise terminals, namely The Ocean Terminal and Kai Tak Cruise Terminal in Hong Kong and Shanghai Port International Cruise Terminal and Shanghai Wusongkou Cruise Port Terminal in Shanghai. The comparison between four cruise terminals in Table 1. Through the comparison, we can compare similar items quickly and investigate a series of significant attributes easily among four cruise terminals.

Discussion and Conclusion

The poor site selection process clearly reflects the government ignoring the predilection and rationality of the cruise industry. Eventually, Hong Kong and Shanghai cruise terminals encounter with the main common problems including poor connectivity, an inadequate infrastructure support, low capacity utilization, a lack of regional competitiveness, an insufficient new cruise tourism product, and most of cruise lines are not willing to set up the headquarter or regional office in that city. Establishing a sustainable home port in both Hong Kong and Shanghai is reserved in the future.

As a home port, we expect that the cruise lines and cruisers would stay longer to boost up cruise tourism. Thus, the related and supporting cruise tourism pertaining to tourism, hospitality, logistics, exhibition, repair and maintenance, and entertainment are crucial.

In the recent decades, developing an environmental city to ease the climate change problem. E-transport system, waste management, and a shore power system are the possible ways to maintain green marine environment. Although, a shore power

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system becomes a popular tool to support cruise port operations. Nevertheless, a lack of clear guidelines and mechanisms to implement a monitoring system for effective measuring green indicator as well as, cruise vessels required to be changed to fit with the power equipment specification pose the challenges of establishing a green cruise port in the forthcoming years.

Clearly, Shanghai cruise ports still face a security problem. In order to enhance a security level, we suggest that cruise port operators provide regular staff training consists of cruise ship exercises and drills, design security plans, carry out cruise ship security alert system linking with land-based authorities of maritime piracy, terrorist attacks, and possible hijackings, to name but a few.

Remark

The full manuscript can be accessed to Xiaodong Sun, Tsz Leung Yip, and Yui-yip Lau (2019), Location Characteristics of Cruise Terminals in China: A Lesson from Hong Kong and Shanghai, *Sustainability*, 11, 5056-5070

References

Sun, X., Yip, T.L. and Lau, Y.Y. (2019), Location Characteristics of Cruise Terminals in China: A Lesson from Hong Kong and Shanghai, *Sustainability*, 11, 5056-5070

Wild, P., Dearing, J. (2000), Development of and prospects for cruise shipping in Europe, *Maritime Policy & Management*, 27, 315-333.

Table 1: Comparison of CRUISE Framework Elements of Shanghai and Hong Kong Cruise Terminals

CRUISE Framework Elements	Hong Kong		Shanghai	
	Ocean Terminal	Kai Tak	Shanghai Port	Wusongkou
Connectivity	+++	-	+++	-
Regional Competitiveness	+++	+	+++	+
Utilization	+++	+	+++	+
Infrastructure	+	+	+++	+
Security	+++	+++	+	+
Environmental Management	+	+++	+	+

Remarks: Excellent refers to “+++”; Moderate refers to “+”; and Poor refers to “-”

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Mr. Lau is now working at Division of Business and Hospitality Management, College of Professional and Continuing Education, The Hong Kong Polytechnic University. Until now, he has published more than 180 research papers in international journals and professional magazines, contributed 7 book chapters, 2 books presented numerous papers in international conferences. He has also secured over HK\$6.8 million research grants. His research interests are supply chain management, health logistics, cruise, ferry, climate change, regional studies, higher education and training.