

The Caribbean of Asia Concept

Roadmap to Becoming the East Asia Cruise Hub Destination

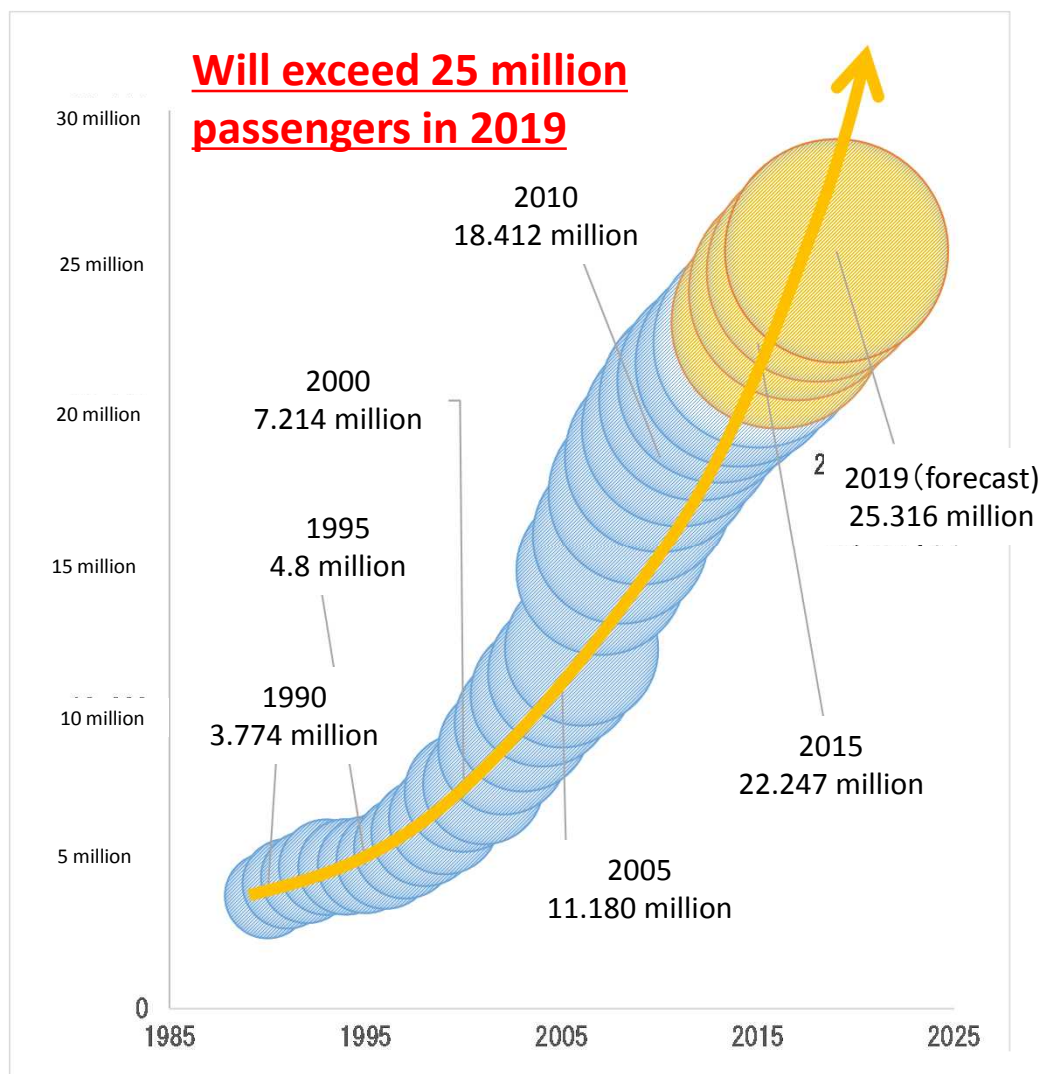


*Okinawa is a place of beautiful nature and
warm-hearted people,
where You can be your true self.*

February 2018

Okinawa Prefectural Government (OPG)

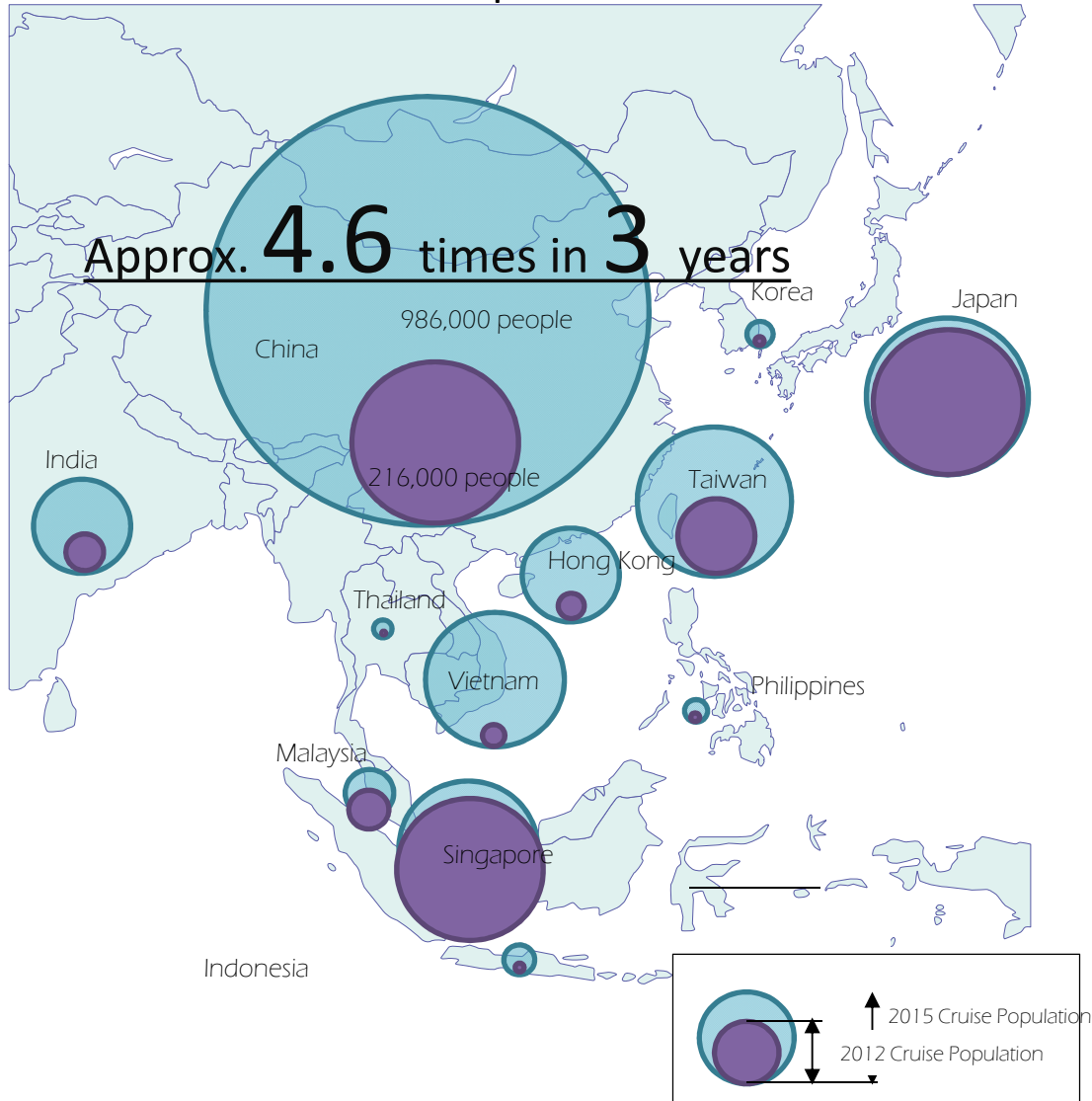
Cruise Ship Capacity Worldwide



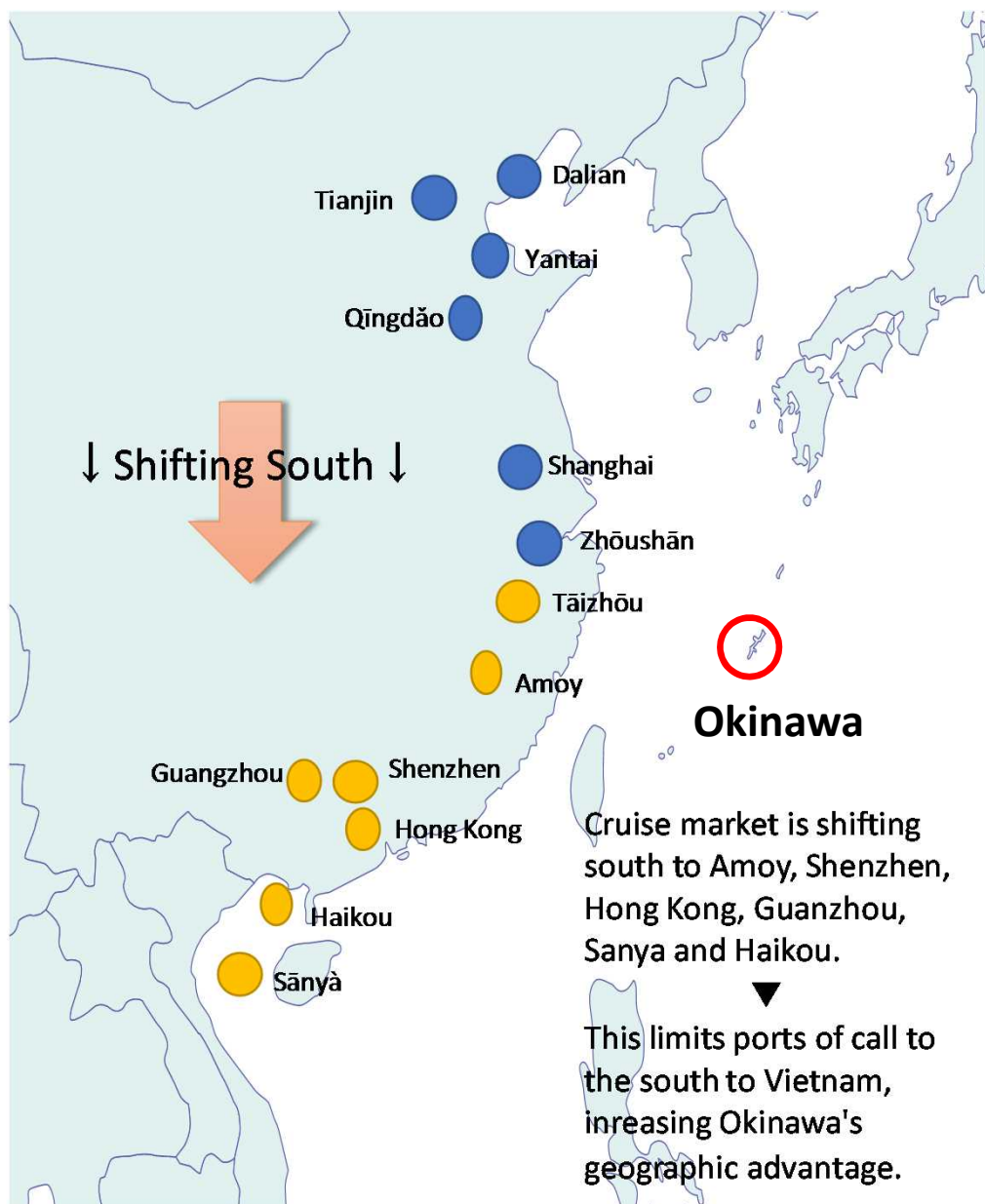
Source: Cruise Market Watch

- The world's cruise ship capacity was 22.4 million passengers in 2015, and will reach 24.2 million in 2016.
- The world's cruise market will continue to grow and is forecasted to reach 25 million by 2019.
- Asia's market share grew to 9.2% in 2016, ranking 4th in the world after Europe (excluding the Mediterranean Sea).
- The Asian market is growing rapidly: in 2016, its market share increased by 32.9% from the previous year, boasting the highest increase rate in the world.

Asia's Cruise Population



- The Asian cruise market is expanding: between 2012 and 2015, China's cruise population grew 4.6 times, Taiwan's grew 2.2 times.
- According to an executive of a major cruise ship company, China's cruise population may reach 4 to 5 million people in 2020.
- The Asian market is expected to undergo the same growth that the Caribbean and Mediterranean cruise markets experienced over 20 years, but in a much shorter period.



- China's cruise market continues to grow, with notable increase in cruises arriving to/departing from ports in the south.
- Due to the number of travel days, ports of call for cruises departing from southern China are limited to Vietnam and a few other destinations.
- Cruises to Japan are popular in China.
- Okinawa has very high potential as a cruise destination due to its favorable distance from major Chinese ports such as Shanghai, Amoy, Hong Kong, Shenzhen, and Guangzhou.
- It is anticipated that Asian and other cruise ships calling at Okinawan ports will increase more than ever before.

- The number of port calls in Okinawa continues to mark record highs each year due to regular service from Taiwan offered by Star Cruises, as well as the rapid increase in cruises from China.
- Foreign cruise companies are introducing large cruise ships to East Asia, expanding markets in China, Taiwan and Japan. Okinawa is growing in popularity as a port of call for Asian cruises offered by European and American cruise companies.

1. Regular Service by Star Cruises

Star Cruises began regular service to Okinawa from Taiwan and Keelung in 1997. Three cruise ships have provided regular service to Okinawa since 2016.

2. Increase in Cruises from China

Growth of the Asian cruise population has led to increased port calls by Chinese ships. Further increase is anticipated with visa waivers and simplification of immigration check procedures. Okinawa has seen increased port calls by cruise ships from Huánán, China.

3. Increase in European/American Luxury Ships

Continued efforts to attract cruises to Okinawa have led to gradual increase in European and American luxury ships such as Silverseas (US), Cunard (UK), and Ponant (France) calling at Okinawa.

◆ Increase in the Number of Cruise Ship Port Calls

- In 2016, Japan had a total of 2,017 port calls. Okinawa was the top ranking prefecture at 388 port calls, which accounted for approximately 20% of the national total.
- Port calls in Okinawa increased 3.1 fold in four years from 2012 (125 calls) to 2016 (388 calls). Port calls in 2017 was 515.

◆ Increase in the Number of Foreign Tourists Arriving by Cruise Ships

- Increased five fold in four years from 2012 (146,800 visitors) to 2016 (718,100 visitors). Further grew to 888,300 in 2017.

◆ Greater Collaboration with Cruise Ship Firms

- Two major cruise ship firms Carnival and Genting Hong Kong decided to invest in Okinawa to form "international cruise port bases by public-private partnerships".

◆ Progress in Port Infrastructure Development

- Accelerated development of berths, terminals, and the like for accepting cruise ships at major ports in Okinawa ⇒ increased capacity to accept cruise ships

◆ Supporting National Policy

- Government of Japan (GOJ) targets 5 million cruise ship passengers to visit Japan in 2020. The Council for the Development of Tourism Vision to Support the Future of Japan (Prime Minister's Office) is promoting measures to achieve “zero-rejection of cruise ships” and supporting the growth of Japan's cruise market to stimulate local revitalization through cruise ship port calls.

Development of International Cruise Port Bases through Public & Private Sector Partnerships

On January 31, 2017, MLIT Ports and Harbours Bureau selected Yokohama (Yokohama City), Shimizu (Shizuoka Prefecture), Sasebo (Sasebo City), Yatsushiro (Kumamoto Prefecture), Motobu (Okinawa Prefecture), and Hirara (Miyakojima City) Ports as the six international cruise port bases to be developed through public and private sector partnerships. Cruise ship firms investing in the development of terminals and passenger facilities will be given priority use of the wharves. Scheduled to commence service in 2020, the priority use period will be 15 to 20 years, equivalent to the length of time the firms will manage and operate the facilities in which they invested.

◆ Formulation of Okinawa Cruise Strategy

- Okinawa Prefectural Government (OPG) formulated its Okinawa Cruise Strategy in March 2017. It targets 2 million foreign tourists to arrive by sea route in JFY2021 based on cruise market analysis and study on methods to attract and accept cruise ship visitors.

◆ Popularizing Okinawa

- Okinawa has gained greater recognition in Southeast Asia (including East Asia), Europe, United States, and Australia through publicity campaigns (video and local events) of Okinawa tourism brand, “Be.okinawa” in Japan and abroad.

- Port development in Okinawa is in progress; capacity to receive ships will increase drastically by 2020.
- Must strengthen activities to attract more cruise ships to Okinawa by 2020, since most foreign cruise firms decide on their cruise routes 1.5 to 2 years in advance.

Naha Port	Tomari Pier Wharf No. 8 (Depth: 10m; length: 372.5m) (up to 160,000 tons (total length approx. 335m)) Shinko Pier Wharves No.9 and No.10 (Depth 13-15m; length: 800m) (up to 200,000 tons) Shinko Pier Wharves No.12 and No.13 (Depth: 12m; length: 430m) 【undeveloped】	
Motobu Port	Motobu District Wharf (Depth: 10m; length: 420m) (up to 200,000 tons) 【in progress*】	*Service planned to start in 2020
Nakagusuku Wan Port	Shinko District Wharf (Depth:10-13m; length: 445m) (up to 160,000 tons)	
Ishigaki Port	Shinko District Wharf (Depth: 10m; length: 420m) (up to 200,000 tons) 【in progress*】 Shinko District Wharf (Depth: 12m; length: 410m) (up to 140,000 tons) 【undeveloped】	*Partial service planned to start in 2018 (up to 70,000 tons)
Hirara Port	Harimizu District Wharf (Depth: 10m; length: 420m) (up to 140,000 tons) 【in progress*1】 Harimizu District Wharf (Depth: 10m; length: 340m) (up to 110,000 tons) 【in progress*2】	*1 Service planned to start in 2020 *2 Partial service since Dec 2017 (up to 50,000 tons)

Distance from neighboring Asian countries such as Taiwan, China, Korea
(geographical advantage)

Rich subtropical **natural environment**
(Coral reef, mangroves, tropical forests,
indigenous wildlife species)



Historical heritage (World Heritage Site
“Gusuku Sites and Related Properties of
the Kingdom of Ryukyu” and WWII
battle grounds)

Islands (Attractive island hopping, travelling on tender boats and zodiacs, potential
for stationary cruise tours)



Wide range of events and experiences
(Water activities, nature tours, traditional culture)

Okinawa's **traditional culture** (festivals, Kumiodori, weaving and dying, karate, pottery, lacquerware, glassware, music)



Naha Port conveniently located close to Naha International Airport (potential for fly-and-cruise)

Visa waivers and **expedited CIQ procedures** for foreign visitors entering Japan on cruise ships

Schematic Image of The Caribbean of Asia Concept

The Caribbean of Asia Concept is a comprehensive medium- and long-term plan for Okinawa's cruise promotion based on the analysis results contained in the "Okinawa Cruise Strategy Planning Report" compiled in JFY2016.



Photo: Director of OPG Department of Culture, Tourism and Sports lecturing at the Seatrade Cruise Asia Pacific in Shanghai (China), Nov. 2, 2017

- ① **Promote development of international cruise port bases through public & private sector partnerships and steady improvement of cruise ports in Okinawa Prefecture**
- ② **Attract cruise ships and promote tours in Nansei Islands**
- ③ **Promote fly-and-cruise trips by utilizing various domestic/international flights to/from Okinawa**
- ④ **Initiatives aimed at becoming the departure/arrival port, base port, and home port**
- ⑤ **Gain recognition as a cruise hub by hosting (inviting) cruise conventions such as Seatrade Cruise events**

Developing “The Caribbean of Asia” ① (Efforts to become a cruise hub in East Asia)

【Public Relations and Branding Strategies】

- Present Okinawa’s future vision for cruise promotion by strongly and steadily advertising “The Caribbean of Asia” concept at home and abroad.
- Gain recognition as a cruise hub in East Asia by proactively attracting cruise conventions such as Seatrade Cruise Asia Pacific.

【Attracting Cruise Lines to Newly Developed Cruise Berths and Terminals】

- Naha Port: Attract 220,000 ton cruise ships to match the completion of dolphin at Shinko Pier Wharves No. 9 and 10. Attract cruise ships to Wakasa Berth (Tomari Wharf No. 8) based on results of study to accept 150,000 ton vessels. Promote the development of the second cruise berth and cruise terminal.
- Nakagusuku Wan Port: Attract 160,000 ton cruise ships to Nishi Pier based on navigation safety study results.
- Ishigaki Port: Attract cruise ships of appropriate tonnage to match the berth’s partial opening for up to 70,000 tons in 2018, up to 200,000 tons in 2020, and full operation in 2021.
- Motobu and Hirara Ports: Selected as international cruise port bases to be developed through public and private sector partnerships. Berths will be developed to serve 200,000 ton and 140,000 ton ships, respectively. Terminals will be developed in partnership with Genting Hong Kong and Carnival Corporation. At Hirara Port, a berth will also be developed in Harimizu district to serve 110,000 ton vessels.
- Attract cruise ships to areas and small islands that do not have cruise berths by compiling information on local ports and harbors that can be accessed by tender boats, and tourist attractions near the respective ports and harbors, and distributing the information to cruise ship companies.

Developing “The Caribbean of Asia” ② (Efforts to become a cruise hub in East Asia)

【Measures for Accepting and Attracting Cruise Ship Port Calls】

- Work together with various ports in Okinawa to meet the GOJ goal of “zero-rejection”, and promote information sharing on FIT rates and nationalities of the cruise ship passengers.
- Continually attend cruise conventions to gather the latest cruise-related information. Share the information with local port authorities such as the Cruise Promotion Council. Take time to meet key persons of cruise ship firms and travel agencies.
- Regularly visit cruise ship firms, cruise agents, and travel agencies to offer the latest information on Okinawa’s ports and tours.
- Invite key decision-makers involved in the selection of ports of calls for a site visit of Okinawa’s ports, tourist attractions and facilities. Hold meetings to exchange feedback. Provide the feedback and information gained to the cruise promotion councils of the respective ports in Okinawa to develop future strategies and policies.
- Execute tailored cruise promotions based on port capacities and cruise line types (casual, premium, luxury).
- Focus on promoting island-hopping cruises that visit the different, uniquely charming islands of Okinawa.
- Attract cruises that use tender boats to travel to the outlying islands to enjoy the emerald green and cobalt blue waters and the subtropical forests, as well as explorer-type cruise ships that can dock at smaller islands.
- Partner closely with port authorities and local governments of Keelung, Shanghai, Amoy, Jeju, and Hakata to promote tourism and develop diverse cruise routes. Use existing MOUs and/or enter into new MOUs for joint programs to attract cruises.
- Partner with on-land operators to develop tours that take advantage of the available tourism resources in various parts of Okinawa to improve customer satisfaction, as well as to propagate the economic benefits across Okinawa.
- Establish tour information desks and stores that sell local products at each port for better customer satisfaction and convenience, as well as for economic benefits to the local community.
- Partner with cruise promotion councils of the respective ports to hold welcome events to show the spirit of hospitality and welcome to improve customer satisfaction.

Developing “The Caribbean of Asia” ③ (Efforts to become a cruise hub in East Asia)

【Measures for Accepting and Attracting Cruise Ship Port Calls (continued)】

- Hold Okinawa Fairs on ships to promote Okinawa tourism.
- Offer advertisement support to cruises that make port calls at Okinawa as an incentive to cruise ship companies and charterers.
- Promote Okinawa tourism at place of embarkation to improve familiarity with Okinawa and to encourage people to visit Okinawa.
- Train bus guides that speak foreign languages.
- Improve satisfaction of the ship crew and encourage them to visit again by offering restaurant information at ports of call and free WiFi at the crew’s rest facilities onshore.

【Promoting Okinawa as Cruise Ship Departure/Arrival Port】

- Undertake initiatives aimed at becoming a departure/arrival port, base port, and home port in a progressive way.
- Promote Okinawa as a turnaround port where cruise ship passengers embark and disembark.
- Promote fly-and-cruise at Hirara Port through international cruise base port development by public and private sector partnership and international flight service at Shimoji Airport.
- Promote fly-and-cruise at Naha Port, maximizing on its proximity to Naha Airport, Umisora Tunnel and the Wakasa Cruise Terminal.
- Exchange opinions with cruise ship firms and local agencies on the potential for large-scale development by cruise ship firms similar to Grand Turk Island in the Caribbeans.

【Calls for Support】

- Request support from GOJ and other organizations for steady cruise port development in Okinawa, including the second cruise berth at Naha Port.
- Request GOJ support for improving CIQ systems/resources to enable longer port calls for greater economic benefits and to offer stress-free environment to cruise ship firms and passengers.
- Request GOJ to designate Motobu Port as port capable of accepting direct entries from foreign countries.

Phase 1 (From 2018)

- Present at cruise conventions; participate in sessions
- Strengthen activities to attract cruise ships port calls (visit cruise ship firms, conduct FAM tours)
- Build networks with parties in Okinawa affiliated with cruises (information sharing, partnership)
- Develop berths and terminals for cruise ships (national and local port authorities)

Phase 2 (From 2019)

- Promote fly-and-cruise
- Consider hosting Seatrade Cruise Asia Pacific in Okinawa (2020 -)
- Attract Nansei Islands cruise (chartered or by cruise ship firm)
- Make Okinawa a turnaround port where cruise ship passengers embark and disembark

Phase 3 (From 2021)

- Develop the second cruise ship berth at Naha Port
- Develop Miyako region as an international resort through Hirara Port and Shimoji Airport
- Encourage private sector investment to develop cruise centers (equipped with terminals, shopping centers, hotels and pools) and attract hotel ships
- Attract ship-related industries; have cruise ship firms establish Okinawa branches and offices
- Achieve 2 million foreign visitors to Okinawa via sea route (JFY2021)

Presentation of a strong future vision to make Okinawa “the Caribbean of Asia” (cruise hub in East Asia) will:

- ① **Stimulate interest in Okinawa among cruise ship firms, shipping agents, travel agencies, port authorities, and tourism-related businesses around the world**
- ② **Increase cruise ship port calls from the Asia Pacific region and other parts of the world**
- ③ **Attract investment due to Okinawa’s potential (natural environment, culture, geographic advantage, population growth)**
- ④ **Improve Okinawa’s global recognition and status as world-class tourist resort**
- ⑤ **Support the development of the second cruise ship berth and cruise ship terminal at Naha Port**
- ⑥ **Attract public investment for port improvement from GOJ interested in promoting cruises**

Partner with other industries involved in “International Logistics Hub”, “International Passenger Transport Hub”, and IT “Smart Hub” concepts to make Okinawa the accumulation and dispatch center for goods, people and information, which will serve as the new engine for Okinawa’s growth.



Image of “The Caribbean of Asia” Cruise Hub

- Okinawa becomes a cruise destination that meets the diverse needs of casual and luxury travel.
- Okinawa and its waters become a world-class tourism resort destination known as “the Caribbean of Asia”.



Okinawa is a place of beautiful nature and warm-hearted people, where You can be your true self.

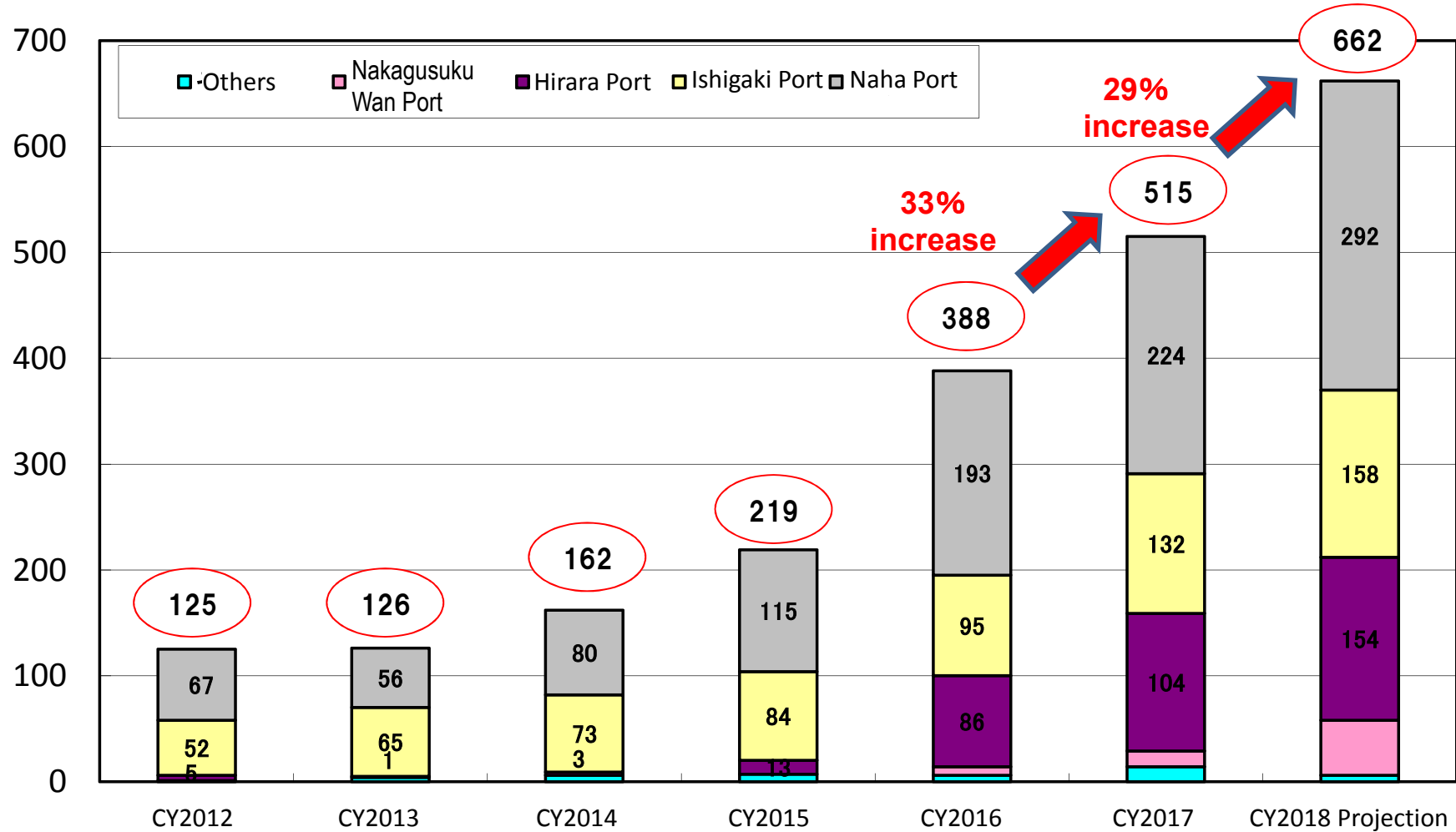
Reference Material



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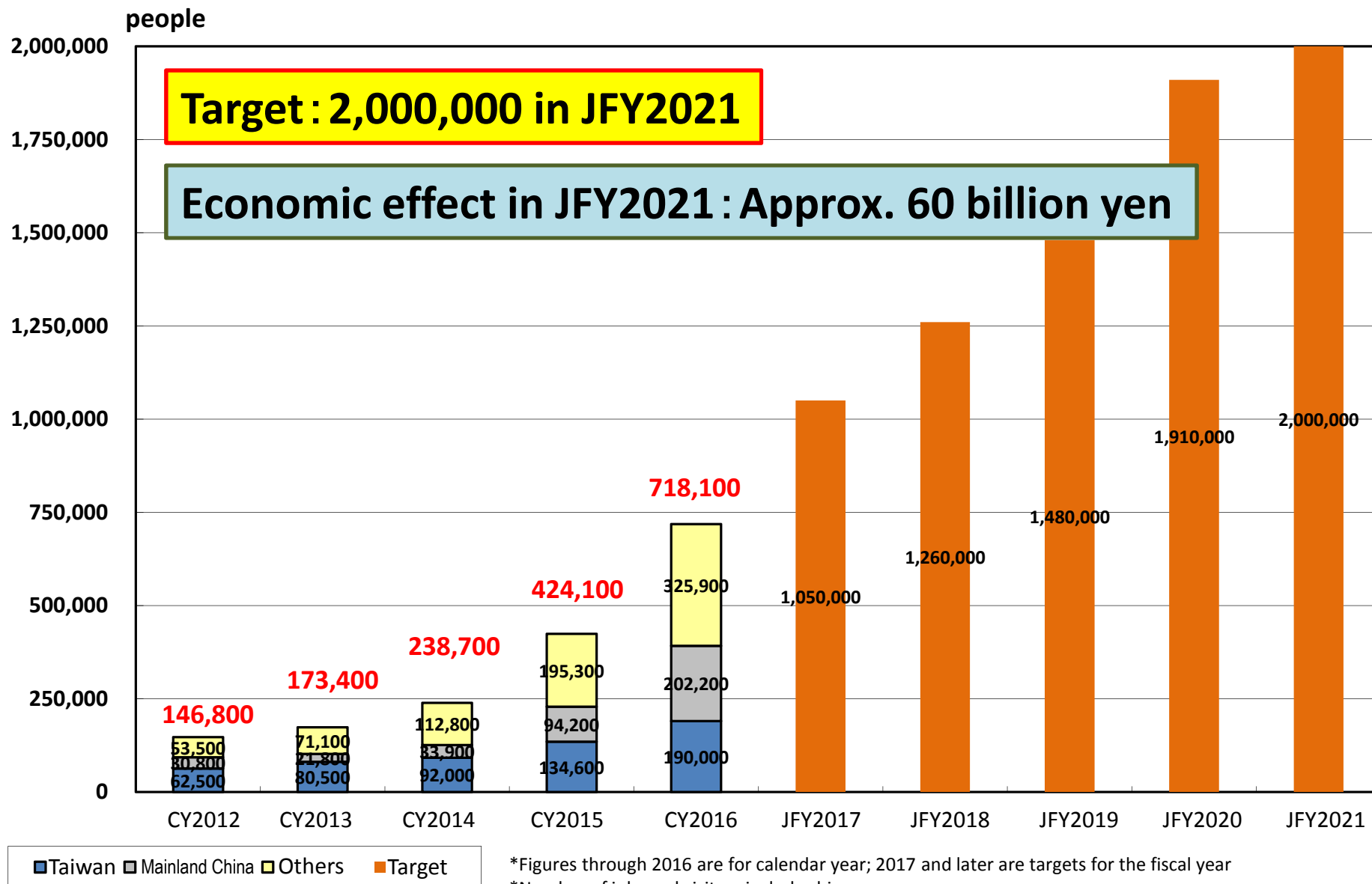
Port Calls by Calendar Year

No. of Port Calls



*CY2018 projection announced by Okinawa General Bureau on January 15, 2018

Number of Foreign Visitors by Sea Route: Past Numbers and Future Targets



2017 Asia Cruise Forum Jeju

Okinawa Awarded “Asia Best Cruise Port of Call” in 2017 (Aug. 25, 2017)

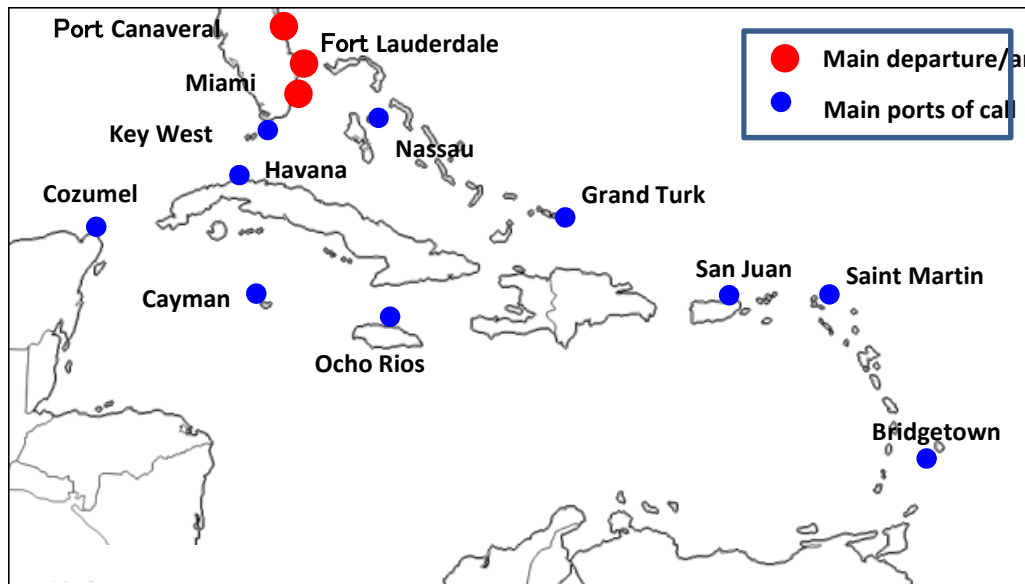


Evaluated comprehensively for number of port calls, abundant charms (nature, culture, tourism), geographical advantage, and expedited CIQ



Okinawa is a place of beautiful nature and warm-hearted people, where You can be your true self.

- ◆ Cruise ships operate year-round. Main departure/arrival ports are Fort Lauderdale Port and PortMiami, Florida.
- ◆ Hurricane season from August to October; top cruise season starts in November.
- ◆ Serve as departure/arrival ports as well as ports of call for various cruise types, ranging from short cruises of about three nights to long cruise that travel around the world. Various companies place their state-of-the-art passenger ships in this region, including the world's largest cruise ship.
- ◆ PortMiami can accommodate 9 cruise ships at the same time and has 8 terminals for CIQ processing. It is located 30 minutes by car from Miami Airport to support not only local customers but fly-and-cruise clientele as well.



Saint Martin Island

