

# **Boao Forum for Asia Annual Conference 2018**

## **Session Summary (No. 16)**

Boao Forum for Asia Institute

April 9, 2018

---

### *Roundtable 5*

#### **ASEAN-China Governors/Mayors**

**Time:** 1:30 p.m. - 3:30 p.m., April 9, 2018

**Venue:** Dongyu Island Hotel, Yiyong & Changyan Ballrooms

**Moderator:**

WANG Sheng, Director-General of the Foreign and Overseas Chinese Affairs Office of Hainan Province, China

**Panelists:**

SHEN Xiaoming,, Governor of Hainan Province, China

LIN Yi, Vice President of the Chinese People's Association for Friendship with Foreign Countries

Yun Min, Governor of Preah Sihanouk Province, Cambodia

Jose Chaves Alvarez, Governor of Palawan Province, Philippines

Krit Tanawanich,, Vice Governor, Chiangmai Province

CHEN Zhiying, executive deputy mayor, Guangzhou, Guangdong Province

Sanit Srivihok,, Vice Governor, Phuket Province

LEE Yi Shyan, Chairman, Business China

Božidar Longin, Governor of Zadar County, Croatia

ANTHONY LAU, , Executive Director, Hong Kong Tourism Board

Terttu Savolainen, Director General, Regional State Administrative

Agency for Northern Finland, Finland

Wu Qiang,, Board Member, General Manager of China State Shipbuilding Corporation

ZHU Fuming, President, Yunding Cruise Group

CHEN Ranfeng, President, Carnival Group China Region

Bad Darr, Executive Vice President, MSC Group

CUI Hongzheng, Vice President, Greater China and North Asia Region, Royal Caribbean Cruise Group

XU Xinglong, Director, Norwegian Cruise Line Holdings Ltd. China Market

Sanit Sriwihok, vice-governor of Phuket

ZHENG Weihang, Executive Vice President and Secretary-General, China Cruise and Yacht Industry Association

### **Key points:**

- Hainan has huge potential in hardware and software facilities for developing cruise tourism.
- It is imperative to promote the pragmatic cooperation between China and ASEAN countries and promote the cooperation in cruise tourism among the cities along the Maritime Silk Road.
- Many cities in China and ASEAN have outstanding potential conditions for developing cruise tourism.
- Only through cooperation can we jointly develop cruise tourism for mutual benefit and win-win outcomes.
- It is imperative for ASEAN countries and China to offer convenient visa policies, customs clearance policies and preferential port policies in order to develop cruise tourism and strengthen port hardware facilities.
- The transformation and upgrading of the cruise industry necessitate

changing the ideas on development and sale.

### **Synopsis:**

With China's Belt and Road Initiative, how could regions along the Maritime Silk Road ride the tides to open up new vistas for the cruise industry? How should regions along the routes achieve better integration to attract the attention of international cruise giants and become part of the world's cruise landscape? Opening international cruise routes involves infrastructure construction, development of policies and regulations, training of service and sales personnel and relaxation of cruise visa policies. To what extent will it bring economic and social benefits to regions along the Maritime Silk? How to establish the Cruise Tourism Cities Alliance along the Maritime Silk Road to better promote regional cruise industry?

### **Many cities in China and ASEAN have obvious advantages in developing cruise tourism**

SHEN Xiaoming expressed that Hainan is the youngest province in China and the largest special economic zone in China. Located in the southernmost tip of China, it is geographically adjacent to the ASEAN region, with close people-to-people bonds and folk customs. For a long time, Hainan and the ASEAN region have a long history of economic and trade and cultural exchanges and a good foundation for cooperation.

SHEN Xiaoming pointed out that many world-renowned cruise companies have successively operated some routes between Hainan and ASEAN. The foundation and prospects for Hainan and the ASEAN region to carry out cooperation in cruise are promising. Geographically speaking, Hainan stands at the forefront of China's maritime connection with the ASEAN region, and is also located on the artery of the Maritime Silk Road. From the perspective of policy advantages, the Chinese government has planned and developed Hainan as an international tourist island, proposed the cruise industry as an important support for the development of tourism in Hainan, and formulated a series of tailor-made preferential policies for Hainan.

Judging from the climate and environment, Hainan, like the ASEAN region, has summer weather throughout the year and is an ideal place for cruise tourism. From the perspective of infrastructure, Hainan has great potential, in view of the current ports and the ports under construction. In terms of the market, Hainan operates 10 home port routes. In the past five years, Hainan has received 319 cruise visits from international cruise ships and seen 570,000 tourist visits.

ZHAO Haishan stated in the dialogue that the cruise tourism industry has comparative advantages in terms of coordinated development of tourism in Beijing, Tianjin and Hebei. The cruise tourism industry boasts vast room and potential for development, in which there are unlimited business opportunities.

ZHAO Haishan said that cruise tourism in Tianjin is highly developed. It is chiefly manifested in the following aspects: First, the tourism industry in Tianjin sees improved hardware environment and an expanding scale. Be it the throughput and quality of the port, Tianjin is at the head in China, and has also achieved great results in its cooperation with international cruise giants. Tianjin has established its status as an international cruise tourism center in northern China. Second, Tianjin cruise tourism industry enjoys a raft of support policy. Third, Tianjin stands ready to expand exchanges and deepen cooperation with all parties along the Maritime Silk Road. Tianjin puts out the welcome mat for domestic and foreign enterprises which invest in the cruise industry in Tianjin, offers the preferential policies of China (Tianjin) Pilot Free Trade Zone, reduces investment costs, promotes the establishment of friendly relations between the industry organizations on both sides, and cements cooperation and exchanges.

CHEN Zhiying said that Guangzhou is an open city. The development of the Maritime Silk Road cruise industry is a key starting point for Guangzhou to participate in the construction of the Maritime Silk Road. Guangzhou Port has become one of the three major cruise ports in mainland China, second only to Shanghai Wusong Port and Tianjin Port. Guangzhou will speed up building an internationally renowned cruise destination. The development of cruise tourism economy will usher in a new era of high quality development. Guangzhou hopes to

develop the cruise tourism industry with other parties and share a new spring for the development of cruise tourism.

In his dialogue, Jose Chaves Alvarez stated that Palawan Province boasts rich tourism resources and gorgeous natural scenery. Named the best island in the world, it has a beautiful landscape that can satisfy the aesthetic needs of cruise passengers. At the same time, Palawan Province has distinct advantages in cruise tourism, as it has a convenient cruise tourism location with respect to China and other ASEAN countries.

Krit Thanavanich said that Chiang Mai has abundant natural and cultural landscapes, and, as an important logistics center in Thailand, has highly developed agriculture and forestry. Chiang Mai's cuisine and traditional culture are unique in Thailand. In addition to being a tourist destination, Chiang Mai is also the education and economic center of Northern Thailand, and has excellent conditions in personnel and infrastructure. A vast number of Chinese tourists visit Chiang Mai, and this number is growing year by year. Chiang Mai holds strong appeal as a tourist destination for the tourists all over the world.

Sanit Srivihok said that Phuket Province of Thailand has developed the cruise tourism for more than 30 years, and is oriented to international cruise tourism. On the front of cruise tourism, Phuket has unique conditions and potential. First, the beautiful scenery and mature tourism products and services can satisfy the needs of tourists around the world; second, Phuket government attaches great importance to the safety of tourists; third, the port has convenient traffic network and good climate and marine conditions, and port infrastructure with orderly management; fourth, Phuket has made many efforts in customs procedures and customs regulations.

ANTHONY LAU said that the cruise industry and the 21st Century Maritime Silk Road can bring opportunities galore to Hong Kong. Hong Kong is a world-famous port and is developing apace. Hong Kong has great interconnectivity, and is also a very attractive tourist destination. In 2017, Hong Kong saw upwards of 58 million tourist visits, becoming the top city with the largest number of tourists in the world for eight consecutive years. The superior geographical position

of Hong Kong and the diversified experience it provides make Hong Kong an indispensable destination for the consumers all over the world.

The panelists expressed their willingness to strengthen cooperation. Cooperation is the only way to win-win outcome. China and ASEAN have closer contacts and deeper integration. The relationship between the two sides reaches a new starting point. At the conference, the panelists set up the 21st Century Maritime Silk Road Cruise Tourism Cities Alliance, and expressed they would carry out all-round cooperation in cruise tourism on the basis of equality and reciprocity, in a bid to promote the common development of the cruise economy and achieve win-win results.

### **The development path of the cruise industry**

ZHU Fuming made three suggestions on the development of the cruise industry.

First, promote the construction and improvement of port facilities. There are quite a few ports in China that can accommodate cruise terminals of over 150,000 tons, including those in Sanya in Hainan, Hong Kong, Tianjin and Shanghai. However, except some ports in Japan, Singapore, and Malaysia in Asia, there are few terminals that can berth cruise ships of more than 150,000 tons. Most of the terminals lack sound infrastructure, and transportation and reception capabilities fail to meet the development needs of the cruise industry. Countries concerned should increase investment in the development of cruise port facilities, and enhance the reception capacity of existing facilities, so that cruise companies can create more innovative cruise experience for guests.

Second, simplify visa procedures for people. In order to promote the development of the cruise industry in the Asia-Pacific region, ASEAN countries must cooperate closely to simplify entry-exit formalities for tourists and introduce more convenient visa measures. For instance, the national government can provide cruise passengers with convenient visas and visas on arrival that will greatly improve the appeal of ports.

Third, create the cruise tourism routes and products with the features

of Maritime Silk Road. With superior geographical location, Hainan can join hands with ASEAN countries along the route to build unique cruise routes with the features of South China Sea islands. It will promote the friendly people-to-people exchanges and establish the cruise economy circle that benefits all the parties.

Wu Qiang said that luxury cruise tourism witnesses sustained development in the European and American markets. It is also popular in China and shows huge potential for development. However, the single Chinese cruise destinations have become an important bottleneck restricting the development of the industry. There is an urgent need to develop new cruise travel routes. China's cruise industry is mainly geared towards Northeast Asia, and its future potential lies in the South China Sea. Hainan is expected to become the Miami of the East in terms of its geographical location, cultural environment and coverage. The South China Sea will become one of the world's top three cruise destinations, on a par with the Caribbean Sea and the Mediterranean Sea. To achieve this goal, all parties must speed up the construction of the home port of cruise ships, improve the infrastructure of cruise port, and build the bridge and link for state-to-state ties and people-to-people bonds along the Maritime Silk Road.

CHEN Ranfeng stated that whether it be the world's largest cruise group or the first international cruise brand that enters China, Carnival Group attaches great importance to the Chinese and Asian markets. Carnival is willing to work with all partners to build a cruise ecosystem and promote the orderly, healthy development of the cruise industry in all regions. At the same time, he put forward four suggestions. First, make full use of the Cruise Tourism Cities Alliance along the Maritime Silk Road, establish convenient visa policies, customs clearance policies and port preferential policies between ASEAN countries and China, in order to facilitate the development of cruise routes. Second, vigorously develop tourism destinations. Countries concerned provide rich and high-quality onshore products as well as supporting travel agencies to better promote local tourism resources and enrich visitors' experiences. Third, tourism and transportation authorities, cruise operators and cruise companies should actively explore the development of diversified cruise routes.

Fourth, all parties jointly invest in and build the home port of cruise ships.

CUI Hongzheng stated that it is necessary to speed up the upgrading of sale methods of the cruise industry. It shall be noted that attracting international tourists has far-reaching significance. The development of inbound tourism can stimulate the local tourism economy and create an international atmosphere. In order to attract international tourists, he put forward three suggestions: First, design policies for rapid and convenient visa issuance, and strive to build a free port in Hainan; second, win more approval for the shipping routes with multi-point support; third, build international, intelligent cruise ports in Hainan, providing a perfect travel environment for international tourists and boosting consumer satisfaction.

ZHENG Weihang stated that in view of the theme of this conference, he proposed several suggestions for the development of cruise tourism under the Maritime Silk Road initiative: First, speed up the phase-II construction of the Haikou cruise port and Sanya cruise port; second, choose an appropriate South China Sea reef to establish a simple terminal that can berth international cruise ships and domestic cruise ships without destination; third, introduce a veritable medium-sized cruise ship; fourth, it is recommended to begin with the planning and make Hainan the first Asian base combining cruise ships and recreation and China's first all-for-one tourism island; fifth, it is recommended that Hainan endeavors to implement the tax rebate for leaving island and leaving the country as well as tax exemption for cruise passengers; sixth, it is recommended that the organizations such as the AIIB and the Silk Road Fund be attracted to invest in some countries in Southeast Asia; China may export some port technologies and build the cruise ports; seventh, it is recommended that cruise lines in Sanya, South China Sea coast and South China Sea islands be included into the development plans for the 21st Century Maritime Silk Road initiative; either, it is recommended to set up Nanhai Cruise Research Institute and the Nanhai Cruise Academy. Hainan is especially scarce in terms of human resources. It should take the lead in setting up research institute and colleges, and give full play to the role of think tanks to train personnel.