

Port operators key to global cruise growth

“**T**he cruise industry still has a long way to grow as its penetration remains only 5% at its peak and in many of its markets it is just 1%-2%. But capacity is set to increase 30% over the next six years with the new big ships offering products appealing to a broader demographic and the development of cruise ports is certainly going to have a major part to play in this expansion.”

So says Emre Sayın, CEO of Global Ports Holding, which is now the world's largest independent cruise port operator. It currently handles upwards of 7m passengers annually at its 14 ports and accounts for about 25% of total Mediterranean cruise passenger movements.

He says: “Having such cruise port operators in this industry is very important because we have a 360-degree view of the sector. While investing in infrastructure and operating our ports, we also deal with cruise lines, ships, crew, passengers and also the destination stakeholders.

“In fact, we have always particularly focused on the

destination development side - something rarely done by ports in the past - as the experiences that passengers and crew have when ashore is so important.

“We develop partnerships with destinations and local tour operators but believe that the port operator should be the quarterback or the orchestrator because we are involved in the day-to-day business.

“We know how many and what kind of ships are coming. We also know how many and what kind of passengers they will bring and also when and why they change their itineraries and deployments.

“We also know how the passengers and crew should be treated as we get the feedback direct from them and also from the cruise lines. We can then take this not just to the local authorities but sometimes even to the highest-level tourism officers in national governments.

“We look at the big picture and try to remove the pain points in our ports and destinations. This involves improving transport and local connections and also stimulating ideas



for new excursions. Sometimes it also means coordinating with other cruise ports or local airports.

“Our brand has become more recognised as being an independent port operator – something that did not even exist ten years ago.

“Governments now see that we do a good job when we take over ports. We make the necessary investments in terminals and other infrastructure to ensure smooth operations, especially for the big ships. We provide waste management and water services at our ports and, at some of them, we operate all services.

“The governments also recognise the strength of our relationships with the cruise lines and of our global marketing arm. This makes us a good partner for these ports if they plan to privatise them and we are starting to get many more calls to take over port operations in different parts of the world.”

“We plan to add ports in the Caribbean and Asia as well as in the Mediterranean to our portfolio. Our business model is mainly about taking over state-run ports and either making them more operationally efficient; marketing them better; or gearing them more towards the needs of the passengers and the cruise lines and ships - often all three.

“We are flexible in the kind of deals we do but we do want value-adding partnerships not just other investors. We have our own part to play but we also want partners like cruise lines which want to develop a destination or a port; constructors in places where it is difficult to build



cruise ports; or the governments themselves. So long as each side has something to contribute.

“I’m a great believer in trying to improve things and then coding what we have done into a system, making it measurable so that it can be deployed elsewhere.

“We also have the potential to develop a port from scratch right now as we are doing with Bar in Montenegro. We employ an expert in Spain who can develop the marine side of the project while our global marketing team is also capable, on their side, of developing a new port.

“We expect to add more this year but can’t say which ones at this stage apart from Dubrovnik where we won the tender and are now working on terminal development. We are looking to finalise that project and start the construction of the new terminal while running the port at the same time.”

“We are also involved in developing a new, very eco-friendly terminal at Lisbon which will enhance the whole passenger experience.”

China is the hot new source market but he does not see it as suitable source of new ports for GPH at this stage. “All the Chinese ports are homeports when Asia is actually lacking transit ports so we are primarily looking at ports within reach of Southern China homeports like Hong Kong.

“Our other focus is on ports within reach of Singapore, where we have a base. But if a nice opportunity comes along somewhere else in Asia, we will always look at it.” 9



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