



İZMİR CHAMBER OF COMMERCE

2011 WORLD CHAMBERS COMPETITION

BEST INTERNATIONAL PROJECT

CRUISE SHIPPING TOURISM IN İZMİR





İZMİR CHAMBER OF COMMERCE

2011 WORLD CHAMBERS COMPETITION BEST INTERNATIONAL PROJECT CRUISE SHIPPING TOURISM IN İZMİR

Project Summary

“Cruise Shipping Tourism Project” which is coordinated with great enthusiasm in our Chamber.

Cruise tourism is a sector that develops rapidly all over the World which also benefits the related port cities greatly. Globally, the sector is not only considered as tourism, but also as an industry.

The countries which are aware of cruise ship tourism and its opportunities are in competition with each other in order to get a share from this industry.

2004 was a milestone for our Chamber. Until 2004, Izmir Alsancak Port which has a history of more than 1000 years was a port where no cruise ship berthed. Once upon a time, it was said that “The vessels which did not have a compass berthed Izmir”. The Chamber did the unthinkable and decided to attract the cruise ship companies to Izmir.

Since 2004, Our Chamber strived to attract cruise ship companies to Izmir by contacting them one by one. After many fruitful attempts, one of the biggest cruise ship companies named Costa decided to visit Izmir and have a meeting with the Chamber’s executives.

After convincing the cruise tourism companies and after the project’s beginning in 2004, with all the hard work of Izmir Chamber of Commerce

- During 2010, the number of cruise ship tourists in Izmir exceeded 350,000 passengers
- Between 2003 and 2007, 11 different cruise ship lines and 24 various vessels visited Izmir. Between 2008 and 2010, 14 different cruise lines, 30 various vessels have visited Izmir. In 2011, 5 different companies and 9 vessels will visit the city.
- During the last 7 years, more than 1,5 million passengers visited Izmir
- Izmir obtained %24.22 share of the cruise ship tourism in Turkey, during the first 6 months of 2010. Izmir became the second largest cruise port city in Izmir.

As a result of our Chamber’s initiatives, the sector’s possibilities were well introduced to the city community during the last 7 years.

While explaining the Izmir Chamber’s experiences on this project, we believe that these studies can be used for the other Chambers in the World and can open the path for areas of cooperation.

I. INNOVATIVE NATURE OF THE PROJECT

The most suitable Project for Izmir Chamber of Commerce is "Cruise Tourism" which is coordinated with great enthusiasm. While presenting the Project, it is important to provide some aspects of cruise tourism's development in the world.

Cruise tourism is a sector that develops rapidly all over the World which also benefits the related port cities greatly. Globally, the sector is not only considered as tourism, but also as an industry.

The countries which are aware of cruise ship tourism and its opportunities are in competition with each other in order to get a share from this industry.

Cruise ship tourism was once popular with the Americas and the Caribbean destinations. However, the Mediterranean has been a rising star since the last few years. The Mediterranean region, with its moderate climate and nature is suitable for 12 months tourism.

Cruise ship tourism is an advantage for Turkey which is surrounded by 3 seas (Mediterranean, Aegean and the Black Sea). However at this time Turkey cannot benefit from the advantages of the sector fully at this time. Hence, as the Izmir Chamber of Commerce we have thought about a tourism oriented Project which would increase the business opportunities of our members. The Project had to be original and unique. Therefore we selected cruise ship tourism rather than traditional types of the tourism industry.

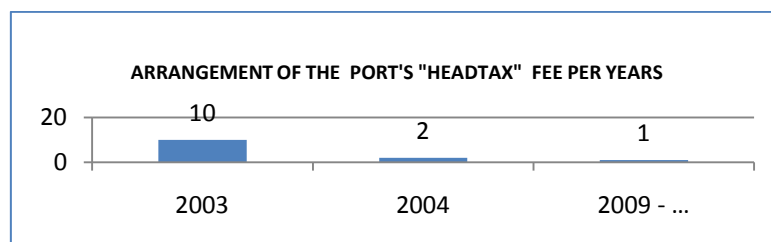
2004 was a milestone for our Chamber. Until 2004, Izmir Alsancak Port which has a history of more than 1000 years was a port where no cruise ship berthed. Once upon a time, it was said that "The vessels which did not have a compass berthed Izmir". The Chamber did the unthinkable and decided to attract the cruise ship companies to Izmir.

In order to develop the cruise ship tourism in Izmir, increase the number of cruise ship tourism and to activate the economic atmosphere, the Chamber decided to cover the port's "headcount" fee/per passenger as a gesture to the cruise tourism companies.

Since 2004, Our Chamber strived to attract cruise ship companies to Izmir by contacting them one by one. After many fruitful attempts, one of the biggest cruise ship companies named Costa decided to visit Izmir and have a meeting with the Chamber's executives.

After convincing the cruise tourism companies, the Chamber started to develop the Izmir Alsancak Port.

The passenger port which has not been used for several years, started to be re-constructed with the initiative of our Chamber and with the support of Governorship and Municipality of Izmir. In order to decrease the port fees by 50%, the Chamber launched many initiatives at the level of Ministry of Culture and Tourism and Ministry of Transport.



After several attempts by the Chamber, the head tax of \$10 per person came down to \$2 in 2004 and in 2009 \$2 head tax per person came down to \$1. As of today the head tax fees are still paid by the Chamber.

After the project's beginning in 2004, with all the hard work:

- During 2010, the number of cruise ship tourists in Izmir exceeded 350,000 passengers
- During the last 7 years, more than 1,5 million passengers visited Izmir
- Izmir obtained %24.22 share of the cruise ship tourism in Turkey, during the first 6 months of 2010. Izmir became the second largest cruise port city in Izmir.

The number of 3,271 passengers with 5 ships in 2003 increased 100 times and became 355,899 in 2010, following the Chamber's Project. In 8 years, the increase of the passenger numbers 100 times brought economic, Commercial, social and cultural activity to Izmir.

Izmir Chamber of Commerce strives to coordinate its studies in harmony with the Turkish Ministry of Culture and Tourism's 2023 Turkey Tourism Strategy. The strategy's aim is to extend the city tourism to 12 months.

Turkey, which welcomes 26 million tourists per year, is a rising star in the Mediterranean. However, Izmir can barely only host 1.2 million tourists per year.

Currently, the tourists who arrive Izmir via cruise ships make up 30% of the total tourists who visit Izmir. The referenced Project is evaluated as the big potential for Izmir and seems to improve in the near future.

During the next few years, Izmir Alsancak Port will be re-structured according to the needs of the cruise ship tourism. As a result of Izmir Chamber's initiatives at the level of Turkish maritime sector institutions and Ministry of Transport, some parts of the Alsancak port will be privatized and will be used especially for cruise ship tourism.

The projects started with a creative spirit, which develops everyday with positive developments in the field. In the past, we were thinking about how to bring the cruise ships to Izmir and today;

- Building a new cruise ship port,
- Improving tourism infrastructure, supplying food and beverages for the ship personnel
- Establishing Anatolian Cruise Tourism Association for the Turkish ports and the maritime sector

This is the first Project of its kind that has been launched. Especially, the innovative part consists of participating to the international cruise ship fairs, paying the head tax for the tourists and the improvements made in Izmir are important with this aspect.

Eastern Mediterranean and Aegean Chambers which were affected from the Izmir Chamber's innovative Project, got interested with these studies and participated many international congresses and conferences organized by Izmir Chamber of Commerce. The also made attempts to apply such a Project in their cities.

While explaining the Izmir Chamber's experiences, we believe that these studies can be used for the other Chambers in the World and can open the path for areas of cooperation.

The initiatives taken by Izmir Chamber of Commerce since 2004 to improve the cruise ship tourism:

- In order for the cruise ship tourists who arrive to Izmir for sightseeing, daily tours and destinations were established.
- Guides that provide information about Izmir has been designed. Since 2005, English, Italian, Turkish, Spanish, German, Greek, Russian, French guides in 8 different languages with a total of 400,000 have been printed annually by the Chamber. These guides are distributed each time a vessel berths to Izmir free of charge which provides information to visiting tourists.
- Interactive information aimed kiosks were built and were placed to the ports and passenger ships.
- In order to promote Izmir, where many different cultures, members of different religions and lifestyles combine, a 6 minute "Izmir Promotion Film" and 1 minute "Izmir Advertising Film" was prepared. These promotion and advertising films were made in Turkish, English, German, Italian, French, Spanish, Russian, a total of 7 languages.
- As a tourist destination of Izmir, a promotional Cruise Ship of Izmir film which was prepared which presents how the tourists spend their day in Izmir.
- Supporting the archeological and touristic projects which are visited by the cruise ship tourists frequently. Placing directions, informational signs and printing special brochures. The security and cleaning part of these sites has been organized by the Chamber.
- Also, in order to add Izmir's City Center to the UNSECO'S World Heritage List, many projects has been coordinated. This subject has been forwarded to UNESCO, Turkish Minister of Culture and Tourism and World Tourism Association.
- Traditional horse carriages which became popular during the 19th century in Izmir, a Project has been developed for the cruise ship tourists to benefit by the Chamber. As a part of the Izmir Horse carriage Project, 40 carriages were projected.
- Traditional and cultural gifts which are part of Izmir were designed.
- Open-top city bus tours were projected. After the Project become real, open top tourist buses started to operate with a special route. These routed were also projected by the Chamber including many destination alternatives.
- Since the cruise tourism challenges were treated with care, cruise ship passengers and sector leaders' expectations were met via surveys prepared by the Chamber. The cruise tourism surveys were helpful to improve the visibility of the Project in Izmir with real facts and numbers and many data was obtained via these surveys.
- In order to increase the visibility of the Project, many studies, private meetings were organized. Many times the Chamber organized studies with at the shopping malls and tourist destinations. Chamber members became aware of the Project.
- In 3 years the Chamber participated international exhibitions, conferences and congresses in the Americas, Middle East and Europe in related to cruise tourism. Studies were conducted in order to organize such international meetings in Izmir.

International Events that the Izmir Chamber of Commerce Participated

- ✚ March 10-13th 2008/Sea trade Cruise Shipping Congress – Miami-U.S.
- ✚ December 9-11th 2008/Sea trade Mediterranean Cruise Shipping- Ferry-Super Yacht Congress-Venice, Italy
- ✚ December 14-16 2008/Seatrade Middle East Maritime – Dubai- United Arab Emirates
- ✚ March 16-19 2009/Seatrade Cruise Shipping, Shipping Fair and Conference- Miami-US
- ✚ May 19 2009/European Cruise Shipping Council-Rome-Italy
- ✚ March 15-18 2010/Seatrade Cruise ship, Shipping Fair and Conference-Miami-US
- ✚ September 16-17 2010/Black Sea Cruise Shipping Forum-Ukraine
- ✚ November 29-December 2 2010/Seatrade Mediterranean Cruise Shipping- Ferry- Super Yacht Congress- Cannes France

2. THE AFFECT OF THE PROJECT ON THE CHAMBER AND THE BUSINESS ENVIRONMENT

As a result of our Chamber's initiatives, the sector's possibilities were well introduced to the city community during the last 7 years.

- The beneficial activities in the city business community and job hiring rates have increased (tradesman, taxi cabs, horse carriages, restaurants, shopping malls etc.)
- Izmir tradesman and business people has harmonized with the sector and obtained education, social ability and skill with the support of the Chamber (communication with the tourists, learning a foreign language, economic and social satisfaction increasing the visibility of Izmir overseas).

The tourists, who arrive via cruise ships, dine at the city restaurants, shop at the local malls, use the transportation vehicles and supply financial source for the city. Increasing cruise ship calls and passenger numbers strengthen the sector. In Izmir, many new job fields and business initiatives were created and job hiring rates has increased.

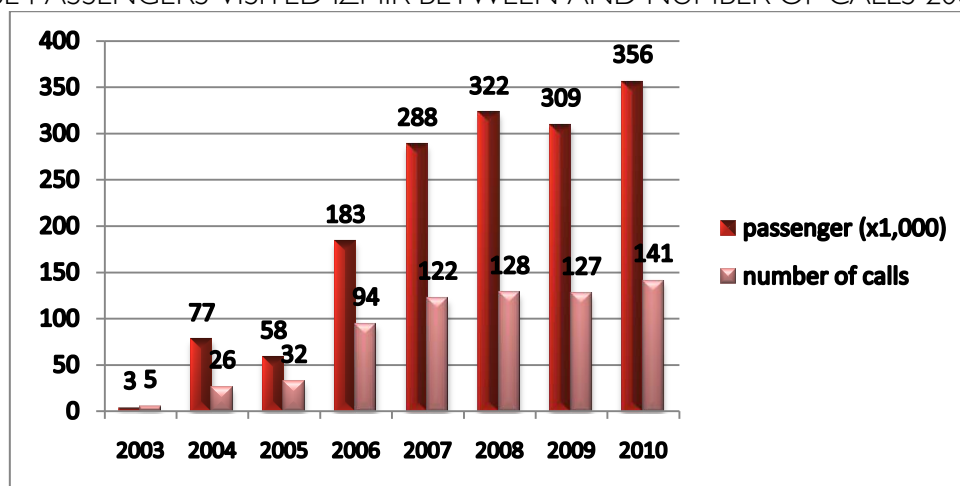
Izmir and the Aegean Region business world, nonprofit organizations, local authorities, tourism associations, Chambers, Unions, Members of our Chamber supported this project. The help of this support promoted to the Izmir business world.

While evaluating the annual budget of our chamber, covering the headtax expense was immediately got accepted. Out of the Chamber's budget approximately \$2.5 million has been spent as of today, in order to cover the head tax expenses. In 2011 this number is around \$600,000. All these examples show the positive effect of this project on the business world.

3. MEASURABLE RESULTS

-Financial

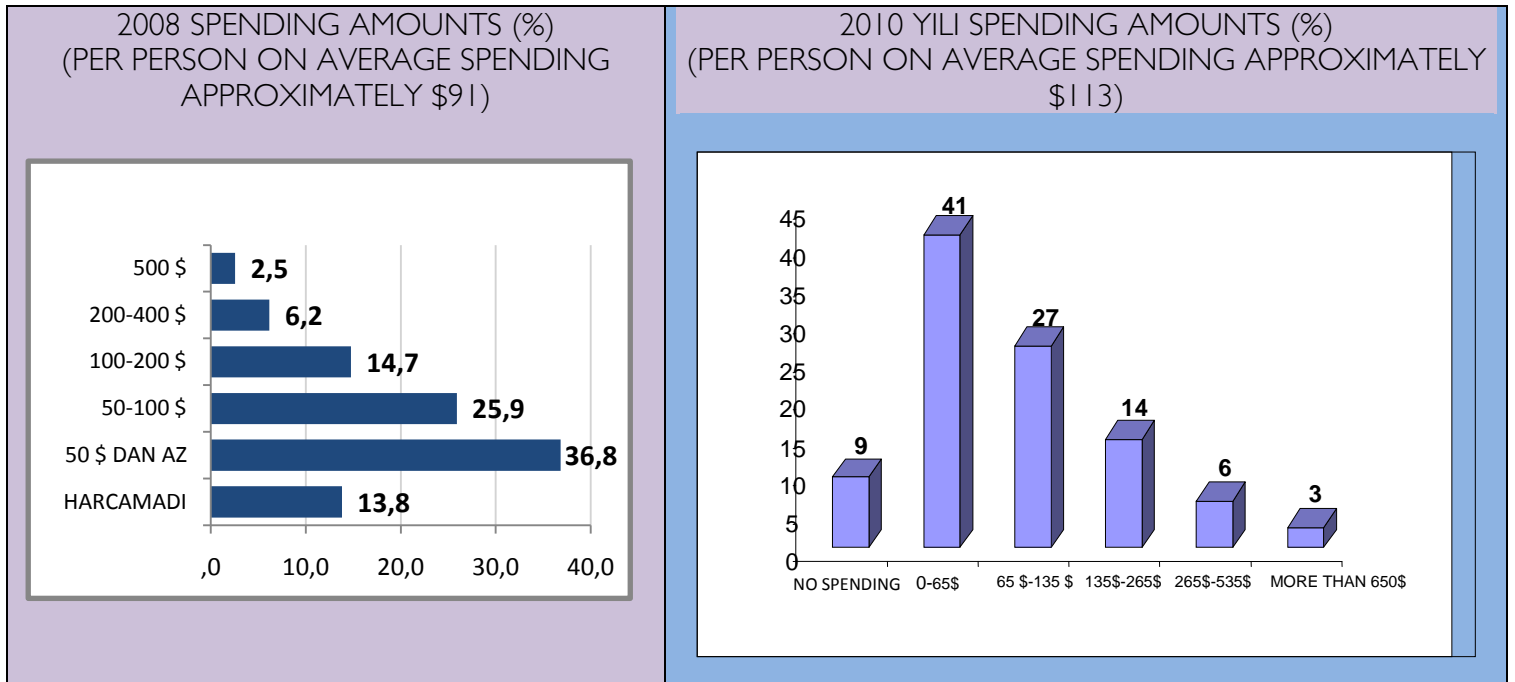
CRUISE PASSENGERS VISITED IZMIR BETWEEN AND NUMBER OF CALLS 2003-2011



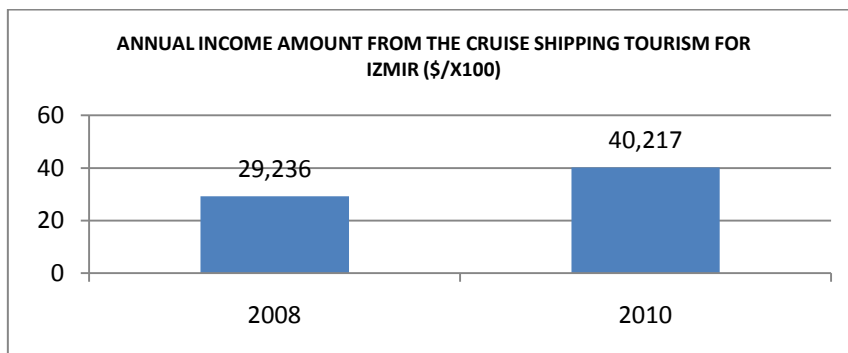
After the Chamber's initiatives which tried to bring the cruise ships to Izmir, the tourist number in Izmir has reached to 1.596.309 during the last 7 years. In 2011, with 256 calls a total of 545,000 passengers are expected in Izmir. Therefore cruise shipping has been an important income source.

The tourists, who visit Izmir, not only visit the museums, praying sites, monuments of Izmir's city centers, but also shop, dine and bring economic activity to the city.

The surveys which are organized by the Chamber directed to cruise shipping passengers are the utmost results for the measurable outcome. According to the survey results, the spending habits of the cruise shipping tourists increase every year. In 2008, the average spending rate of the cruise shipping tourist was \$91 per person. In 2010, this number has increased to \$113 per person.

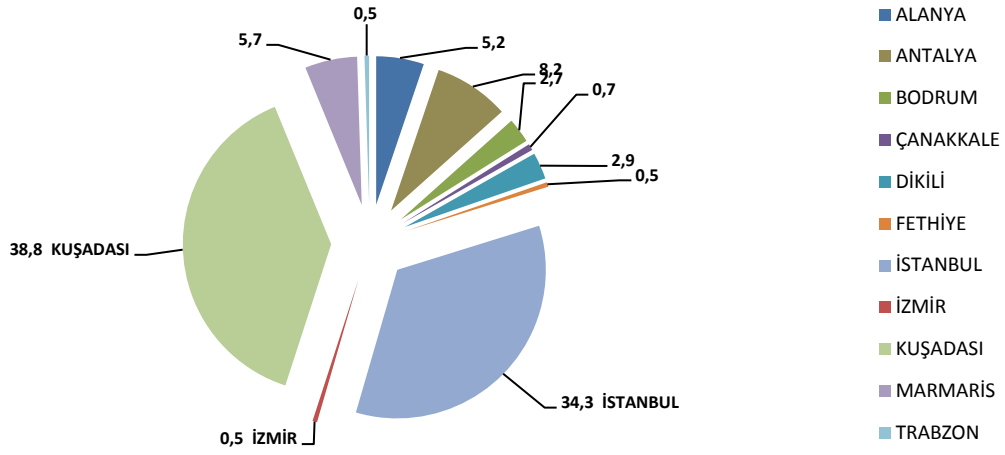


In 2008, Izmir was benefiting approximately \$29 million 236 thousand from the sector on an annual basis. In 2010, this number has increased by 37.5% and reached to \$40 million 217 thousand.

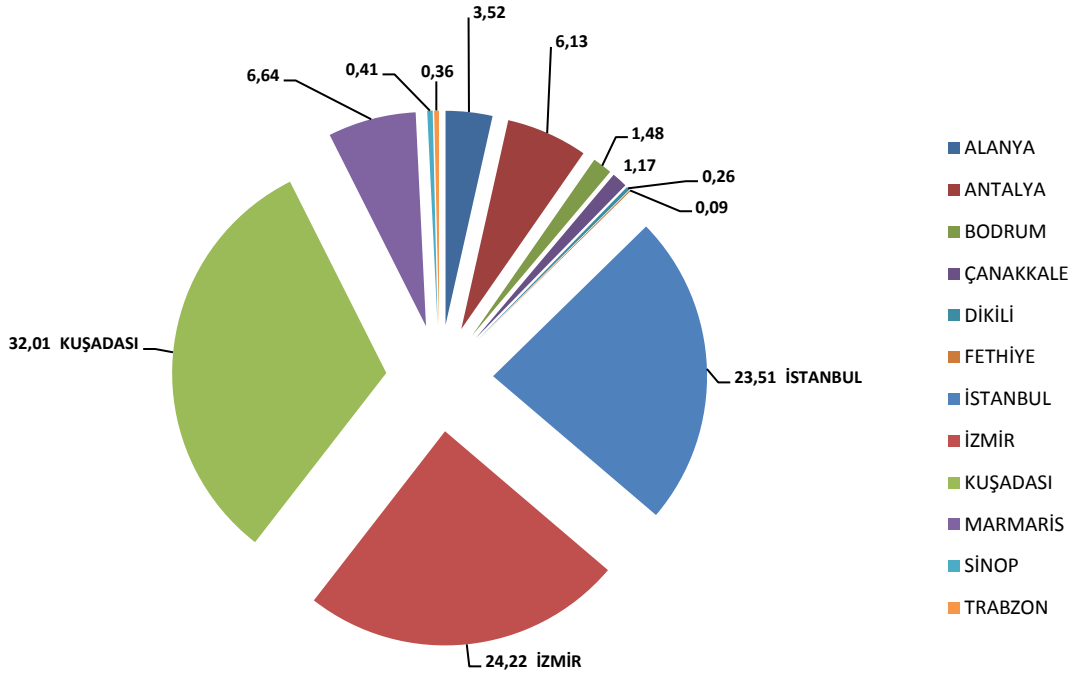


8 years ago only the passenger ships that reached Izmir by mistake. Today Izmir holds 24.22% of Turkish cruise ship tourism industry. Izmir became the 2nd largest cruise port in Turkey.

SHARE OF TURKISH PORTS OBTAINED FROM CRUISE SHIP TOURISM-2003



SHARE OF TURKISH PORTS OBTAINED FROM CRUISE SHIP TOURISM-2010-FIRST 6 MONTHS



-JOB AND CREATING EMPLOYMENT

Izmir, which has been visited by thousands of tourists during the last 7 years, creates many job opportunities for the new graduates via many tourism oriented businesses. Since the sector has increased its share, these kinds of tourism oriented businesses flourished.

It is common belief that by increasing cruise ship tourism, employment opportunities will raise as well. Also this industry will also create new tourism areas such as city, congress, culture tourism areas.

Also it is known that the cruise ship tourists who arrive to Izmir, visit travel agencies, food companies, horse carriage firms, Kemeralti Ancient Bazaar, Izmir Guide Office, City Taxi Cab Office and shop and dine from the Chamber's member companies.

Since the cruise tourism has developed in Izmir, it is possible to state that the number of employees that work in the tourism industry is around 100,000. The tourism oriented businesses keep opening every day.

Increasing cruise ship tourism potential has made the government think about a new cruise ship port. The officials are also considering of overnight stay of the cruise ships in Izmir. If the overnight stay can be supplied, the hiring rates in the hotel, travel and entertainment industries will increase.

The Chamber strives to have Izmir as a home-port. If an home-port capacity port opens in Izmir, it would be possible to hire many people who will be employed on the ships. Chamber is still working to accomplish this goal.

-Participation Rates

a) Cruise Ship Passengers and Cruise Ship Companies Participation Rates

Between July 8th and August 22nd of 2008 and August 15th and October 15th of 2010 two surveys have been completed by the Chamber. The main goal of the survey was to evaluate the common sense and response of the cruise ship passengers who arrive to Izmir. The survey was directed to 11,000 cruise ship passengers.

- 70% of the cruise ship passengers, who have visited Izmir, would like to re-visit. This information means that there is a potential for the tourists to select Izmir for long vacations and also visibility of Izmir.
- The cruise ship passengers increased their calls to Izmir, as a result of the positive results from the tourists about Izmir.

Between 2003 and 2007, 11 different cruise ship lines and 24 various vessels visited Izmir. Between 2008 and 2010, 14 different cruise lines, 30 various vessels have visited Izmir. In 2011, 5 different companies and 9 vessels will visit the city.

The content passengers and cruise line companies positive replies has made Izmir's cruise tourism sustainable. Also the increase of the number of the cruise ship lines in our city and the survey results clearly show that the sector and participation rates in this industry has increased.

b) International and Local Non-profit Organizations' Measurable Participation Rates for the Project

Second International Mediterranean Trade and Port Cities Congress was organized by our Chamber. The Congress hosted a special section named as "Cruise Ship Tourism". The ports which work with the cruise lines were invited to the congress.

The Congress was the first international congress in Turkey that was organized by wide participation. The meeting hosted 2 cruise ship lines, 12 ports, 7 Chambers of Commerce. After the Congress a resolution has been announced with 18 statements.

c) Tourism Sector's Participation Rates

- The satisfaction of the cruise lines was explained to the sector leaders with the facts highlighting Izmir's importance in the Mediterranean and Turkish tourism share. The government officials became more interested with Izmir, as a consequence of this. Izmir's competitiveness level in cruise shipping and traditional tourism has increased in the international arena.

- The arrival of the cruise ships created jobs in the city and these supported Turkey's promotion abroad.

d) Local Authorities and Izmir Alsancak Port's Participation Rates to the Project

The supporting institutions include the Governorship of Izmir, City Municipality, Konak Municipality, Izmir Maritime Chamber of Commerce, Izmir Alsancak Port, Aegean Region Chamber of Industry, Izmir Tourist Guide Office, City Culture and Tourism Administration, City Tradesman and Artists Association, Izmir Taxi Cabs Office, City Horse carriage Association, Aegean Tourism Association.

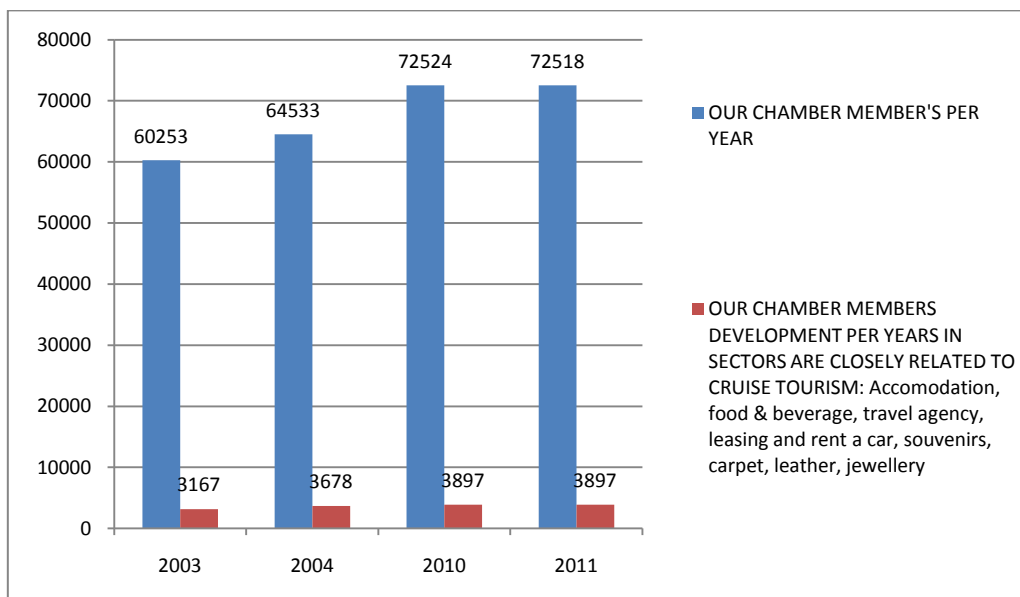
- Local administrations supported the Chamber's project and within their context, they have identified visions in regards to cruise shipping tourism. New environment has been created by the infrastructure works, investments (hotel and port) with the help of the cruise shipping project.
- The Chamber, in coordination with the Alsancak Port, designed and placed informational signs. In accordance with the technical support and directions, the employees of the port started to use their time more effectively and the port started work more in harmony.

e) Rates of Participation of Izmir Residents

- During the past 7 years, with the help of the cruise ships residence of Izmir got introduced to a new type of tourism.
- Turkish people also got convinced that sea travel is fun and during the last few years, started to join the cruise travels. In 2009 and 2010, the number of Turkish passengers who travel via cruise totals up to 12,250.
- Izmir tradesman, business people became more aware of the project, and started to present services depending on the needs of the tourists. Also, they have increased their profits. Cruise tourism's visibility has increased as well.

-Membership recruitment

In 2003, Chamber had 60.253 members, in 2004, 64.533, and in 2010, 72.524 members.



The Chamber started the project in 2004. In 2003, the number member companies in hotel, food and beverages, rental and leasing activities, gift items, carpets, leather, jewelry and the areas which work closely with the tourism industry was 3167.

At the end of 2004, the number member companies in hotel, food and beverages, rental and leasing activities, gift items, carpets, leather, jewelry and the areas which work closely with the tourism industry increased by 16% and became 3678.

At the end of 2010, the same group of firms has increased by 5.9% compared to 2004 and became 3897. Between 2003 and 2010, in hotel, food and beverages, rental and leasing activities, gift items, carpets, leather, and jewelry became 730.

-During the application of the project attitude of the General Environment (members, volunteers, partners, companies)

Cooperation has been made with several institutions within the context of the projects in related to purchasing equipment, survey application, directional signs, statistics, reports).

Governorship of Izmir, City Municipality, Konak Municipality, Izmir Maritime Chamber of Commerce, Izmir Alsancak Port, Aegean Region Chamber of Industry, Izmir Tourist Guide Office, City Culture and Tourism Administration, City Tradesman and Artists Association, Izmir Taxi Cabs Office, City Horse carriage Association, Aegean Tourism Association participated to the project and Chamber's employees, university students, residents of Izmir, transportation companies, business people, city tour buses, taxi cabs, hore carriages, security personnel, and Municipality employees all participated to the project.

On the other hand, Izmir Economics University's Design Department, Chamber's Education and Health Association supported the project with city tour destinations and gift items design.

Education was provided to the taxi and horse carriage personnel in regards to communication and body language by the Tradesman and Artists Association.

Izmir tradesman and business community became aware of the project and started

4. PROJECT'S SUITABILITY WITH THE TARGET CATEGORY

Project's general aim was to improve cruise shipping tourism in Izmir which becomes important globally and locally.

In relation with the project, the Chamber tried to market the cruise shipping in Turkey, increase the job possibilities and education level of the city residents, help improve social abilities, encouraging social harmony social service and increasing the role of the non-profit sector in Izmir and Turkey.

It is a unique project that has not been tried before. That is why it is innovative and has an original flavor. The sector which develops internationally, made our Chamber's local studies, international.

5. POTENTIAL FOR THE OTHER CHAMBERS TO APPLY THIS PROJECT SUCCESSFULLY

World Chambers Competition is platform which brings many Chambers together on specific subjects and experiences.

We believe that the experiences can be shared, new ideas and cooperation areas can be formed within this platform. Globally there are a tourism types with different contents. The Chamber concentrates on one type of the sector and improves tourism in Turkey.

Also, globally, considering the Chambers' and local economies needs, many Chambers can benefit from this project in the means of general tourism and economic activity benefits.

Before 7 years, cruise shipping tourism was a dream for our city. Many people did not believe that this project would be successful. After the initiatives of our Chamber, Izmir became the second largest port in cruise tourism.

Many Chambers in the world are also partners of the ports or take part as administrators. However, these efforts are far away from the idea of expanding the economic activities to the city.

Willing Chambers and gather with the government officials and local administrators and make this project real. The project is suitable for any Chamber with a port. The benefits include but are not limited to economic development, intercultural communication, marketing and prestige.

If the project is selected, it will be a proof of a success story and take role as a big motivation effect for the other Chambers. We believe that the Chambers can coordinate destination studies within their region and can perfectly have a fruitful outcome like Izmir Chamber of Commerce.