

Dawn of Cruise Tourism in India



Mumbai Port Trust

Background

- **November 2015** - Task force set up by GoI Co-Chaired by Secretary (Shipping) and Secretary (Tourism)
- **June 2016** - Mumbai Port streamlines Port Facilities, removes ousting charges, gives berth certainty
- **June 2016** - Cruise task force releases first SOP for all stakeholders

Background

- **Oct 2016** - International Consultants Bermello & Ajamil (B&A) appointed to prepare Road Map for India's cruise tourism
- **Dec 2016** - Home porting starts at Mumbai
- **June 2017** - B&A submit their report & the report is deliberated by Port, Tourism, Customs, Immigration, CISF and Stakeholders
- **8th August 2017** - Conference on 'Dawn of Cruise Tourism in India'

Highlights of B&A Report

- Tremendous Potential

	Existing	India's Potential	Potential of Mumbai
Number of Passengers	0.2 million	4 million	3.2 million
Number of Ships	158	955	700
Passengers per Ship	1250	4200	
Economic Potential (Tax allocated)	INR 712 Crore	INR 35,500 Crore	
Employment Potential	5000	250,000	

Highlights of B&A Report

- Need for :-
 - Reform in [regulatory](#) procedures for ease of doing business
 - Immigration: E-landing cards and E- Visa
 - Security:
 - Electronic access control and RFID on vehicles
 - Separate cargo and Cruise approaches
 - Customs: Green and Red Channels
 - Port:
 - Electronic Permit, E-payment
 - Single window system

Highlights of B&A Report

- Need for :-
 - Rationalization of port charges
 - Additional port infrastructure
 - New terminal
 - Berth certainty
 - Resolving taxation issues
 - No GST, Excise duty in International waters
 - Reduce GST on Tickets

Highlights of B&A Report

- Need for :-
 - Cruise [Marketing](#) among the Cruise providers and prospective Cruise passengers
 - Different language guides
 - Special taxi services
 - Special tour packages
 - Availability of toilets facilities
 - Marketing
 - Hospitality Training to all officials

Action taken by Mumbai Port

- Implemented
 - Removal of ousting charges
 - BPX berth dedicated for Cruise
 - Separation of cargo and Cruise operations
 - Ease of operations of immigrations, customs (3000 sq. meters)
 - [Existing](#) terminal upgraded
- Under Implementation
 - [New Terminal](#)
 - Access control + RFID
 - [Ballard Estate Festival](#)
- Result: 55 Ships and 60000 passengers with Home Porting in 2016-17



Thank You!

Existing Cruise Terminal



Security

Issues	Action Taken
Security check for embarking passengers should be done only once	Will be implemented from next cruise seasons (1.11.2017). With e-landing card, it will be implemented
No face to face check after disembarking formalities	Will get eased because of introduction of e-landing card and e-tourist visa by 1.11.2017.
Consistent security procedures at all Indian Ports	Partially implemented. Security level differ at different Port but Access Control/RFID is introduced commonly.
Provide adequate security and access to ports for passengers overnighting and visiting local venues/shows thus returning late in night.	Accepted and implemented.



Immigration

Issues	Action Taken
Use of passenger and crew members' ship ID pass instead of shore pass (existing) or E-landing card proposed by immigration authorities	Not accepted. Instead the e-landing card will be available electronically to passengers and will help passengers in city too.
Easier visa requirement and processes for cruise tourists	E-visa and e-landing card will be implemented from 1.11.2017.
Allow E-visa without bio-metric for cruise passengers	Cannot be accepted. Special/Addl. arrangement has been made at Mumbai and Cochin for 30 counters for faster clearance.
Immigration clearance to be done at first port of entry only.	Accepted. With e-landing card, it will be implemented
Eliminate crew shore passes	Accepted. After stabilization of e-landing cards for passengers, it will be implemented for crew.
Consider introduction of visa waiver policy for certain nationalities	Available on reciprocal basis. However, e-visa will greatly simplify the process.
Bulk stamping of passport on arrival	Bulk stamping agreed. Can be eliminated after e-visa is fully operational.



Customs

Issues	Action Taken
The customs process for cruise should be identical as to that of arriving via air i.e. a green lane/red lane system should be implemented at cruise terminals with random custom checks as specified.	Green lane/Red lane in Cruise Terminal will be implemented from 1.11.2017.
There should be no need for cruise to declare its inventory as cruise is a floating hotel and its inventory stays for use on-board.	Under examination. Customs is considering sympathetically.
Waiving of declaration of inventory and stocks and its sealing so that cruise vessel hotel functions inclusive of the use of entertainment facilities remain operable while in port and/or within Indian waters	Under examination. Customs is considering sympathetically.



Port Charges

Issues	Action Taken
<ul style="list-style-type: none">• Develop a cruise port tariff structure designed for cruise aligned with the services and facilities offered.• Bundled fees inclusive of dockage, passenger wharfage, security, etc. should be implemented as a standard across the Indian Ports.• Tugs should be discretionary	<p>All-inclusive per passenger tariff to be made effective from this cruise season</p>



Port Infrastructure

Issue	Action Taken
<ul style="list-style-type: none">• Ensure that right size and number of cruise berths are available for use in future to allow for growth opportunities.• Develop cruise dedicated berths and facilities to ensure efficient passenger, crew and logistics flow, friendly operations and support future growth for India.<ul style="list-style-type: none">• Evaluate need for either increasing number of dedicated cruise berths or adding new dedicated berths based on cruise potential.• Phased development approach can be taken to address the short-term and long-term needs.	<ul style="list-style-type: none">• Current terminals at all ports have these facilities in all ports. However for better operations new facilities are being developed in the new cruise terminal. Tender for construction of new terminal at Mumbai awarded
<ul style="list-style-type: none">• The following facilities and services should be available:<ul style="list-style-type: none">• Ample check-in area with movable check-in counters and seating for embarking passengers• Drop off area to X-ray the embarking luggage• A proper system is to be in place to handle the luggage of arriving passenger• Ample luggage area to accommodate luggage of disembarking passengers• A proper system to handle luggage to be transferred directly to the airport• Terminals need to be planned in stages to allow expansion as the business grows.	<ul style="list-style-type: none">• Terminals in all five ports have these facilities. Mumbai and Cochin are augmenting these facilities in new terminal. Tender for construction of new terminal at Mumbai awarded



Taxation

Issue	Recommendation
<p>As per the GST Law, place of supply of goods on board a conveyance is the location at which goods are taken onboard. Therefore, where goods are taken on board from an Indian port, GST should be applicable on supply of such goods. Also, subsequent supply of such goods may attract GST even where the supply is made in International waters (outside the Indian jurisdiction).</p>	<p>With a view to develop cruise tourism, it would be prudent to incentivize the presently almost non-existent cruise tourism sector in India.</p>
<p>Similarly, the place of supply of services provided on board a conveyance in the location of the first scheduled point of departure. Given this, GST should be applicable on services provided on board a cruise ship with an Indian homeport – whether the same are provided while the cruise ship is in India or international waters.</p>	<p>Thus, it is recommended that cruise ship travel in India including auxiliary activities be zero-rated (or taxed at lowest / nominal rate) for a period of five to ten years, under the current indirect taxes as well as the proposed GST regime.</p>
<p>In the case of cruise tickets, Tax is applicable at the full rate of 15%. However, in the case of the sale of airline tickets, Tax is applicable at abated/ lower rates such as – (a) 6% i.e. 40% of 15% for Economy class; and (b) 9% i.e. 60% of 15% for any other class. Thus, the sale of cruise tickets attracts a higher rate of Tax vis-à-vis the sale of airline tickets.</p>	



Cruise Marketing

Issue	Action Taken	
<ul style="list-style-type: none">• There must be more leadership and specific involvement from national and local tourism boards.<ul style="list-style-type: none">• Be proactive in order to prompt and support future development of cruises, for example, new attractions, events, date etc.• The same applies to port authorities interacting with cruise lines	Action initiated by ministry of tourism, GoI and State Tourism boards.	
<ul style="list-style-type: none">• Each region should provide video, photo and other support materials for onboard and marketing use, such as the recently posted by Rajasthan Tourism on YouTube.<p>These can be sent to the Shore Excursion / Deployment team.</p><p>Port development and infrastructure improvement information can be sent to Port Operations.</p>		
<ul style="list-style-type: none">• Tourism should have joint participation at Sea trade and other events.• India should work on improving how they are perceived in the worldwide media.• There is a negative perception amongst the public, which affects the decision of cruisers and potential cruise consumers.• This should be a government led Public Relations campaign to generate a positive impact on the volume of visitors to India.		



New Cruise Terminal



Ballard Estate Festival

