



BLACK SEA CRUISE

SUSTAINABLE SMALL-SCALE
CRUISING/YACHTING



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SUSTAINABLE SMALL-SCALE CRUISING/YACHTING

Preliminary Analysis

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Aim and background

Coastal and maritime tourism in the Black Sea region has *historically been hampered by the geomorphologic and structural characteristics of the sea basin*: limits in depth, if compared with the Mediterranean, and rules governing the passage through the Bosphorus Strait have provided traditional barriers to the uprise of the typical “large-scale cruising” in the region. As a result, as discussed in recent workshops held by cruising associations, *international cruise ships have not visited the region for almost four years.*¹

In addition to this structural limitation, *the sector has historically been developed through a series of national efforts rather than efforts towards regional and cross-border cooperation.* As a result, *cruising activities remain relatively under-developed in the Black Sea and concentrated in a few ports*, where smaller ships have access for a limited number of days and in restricted period of times.² The Black Sea is not considered a cruise destination in itself, and most of the cruises in this region are just local extensions of mainly Mediterranean cruises.

And yet, in recent years an appeal for the region has emerged, notably through the discussion of dedicated working groups³ and workshops⁴ on the sustainable potentials for smaller-scale innovative business models, which may allow for well-balanced benefits across the region. Those ‘alternative’ models, nevertheless, would require a dedicated assessment and thorough discussions with a wide range of local and regional actors in order to become fully operational. Moreover, *fostering a sustainable small-scale cruising is one of the main objectives defined in the Black Sea Common Maritime Agenda.*⁵

This initial paper provides a preliminary overview of the state of play and environmental and socio-economic potential for novel small-scale cruising models – which can be extended to yachting and sailing cruises – and identifies potential bottlenecks and opportunities to be further addressed. Led by a *small group of marine and maritime experts, coordinated by the BSEC-Related Body International Centre for Black Sea Studies (ICBSS), the paper is to be reviewed and enriched by the work of a scientific board composed of academics from Black Sea universities and maritime/naval academies.*

Once the paper is finalized and expanded with details on each individual Black Sea country, as further indicated in Annex I to this document, the project team will engage in structured conversation with a wider group of local and regional stakeholders (i.e. *policy makers, associations of ports from the region and business operators of cruise companies, ferries and yachts*) to explore concrete business

¹ <https://www.cruiseandferry.net/articles/bringing-cruising-back-to-the-black-sea-1>

² <https://www.cruisecritic.co.uk/articles.cfm?ID=1288>

³ <https://www.medcruise.com/news/medcruise-association-launched-a-new-working-group-in-odessa-ukraine-to-promote-the-black-sea-as-cruise-destination>

⁴ <https://www.ccifg.ge/news/n/news/workshop-on-sustainable-small-scale-cruising-for-the-black-sea.html>

⁵ https://ec.europa.eu/info/research-and-innovation/strategy/international-cooperation/black-sea_en



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opportunities in the region and to identify funding avenues, incl. by means of public-private partnerships. Ultimately, the activity will allow the project team to produce a comprehensive set of recommendations, support actions and next steps for promoting such innovative small-scale (cooperative) model across the Black Sea.

Features and local impacts of the “standard” cruising model

The cruising sector has been undoubtedly one of the main casualties of the COVID-19 pandemic crisis globally. Travel restrictions, risk of infections and the overall economic downturn induced by the pandemic have hit hard the traditional business model for the industry– notably the reliance on large-scale ships and full-inclusive packages which capitalised on the spending power of travellers, both on and off-shore.

Prior to the pandemic crisis, nevertheless, such model had allowed the global cruising sector to exponentially increase throughout the past decades. This development has been typically concentrated towards large cruise vessels (thousands of passengers), that offer interesting opportunities to large global companies. The underlying model, as anticipated, has been increasingly based on the ability of cruising operators to ‘capture’ most of passengers’ expenses capacity both on board of the ships, as well as during well designed external activities (port calls, local visits to cultural and natural heritage sites, access to local souvenirs, catering services and other amenities, etc.).

The downturn of such large-scale model, besides the structural limitations it implies for a full development across the Black Sea, is the fact that local businesses and communities are facing increasing social and environmental pressures, while they are mostly excluded from socio-economic gain. This model, in brief, offers very limited returns for the call ports and local businesses and communities – as visually illustrated in the figure below (based on ‘standard’ packages typical of the Mediterranean).

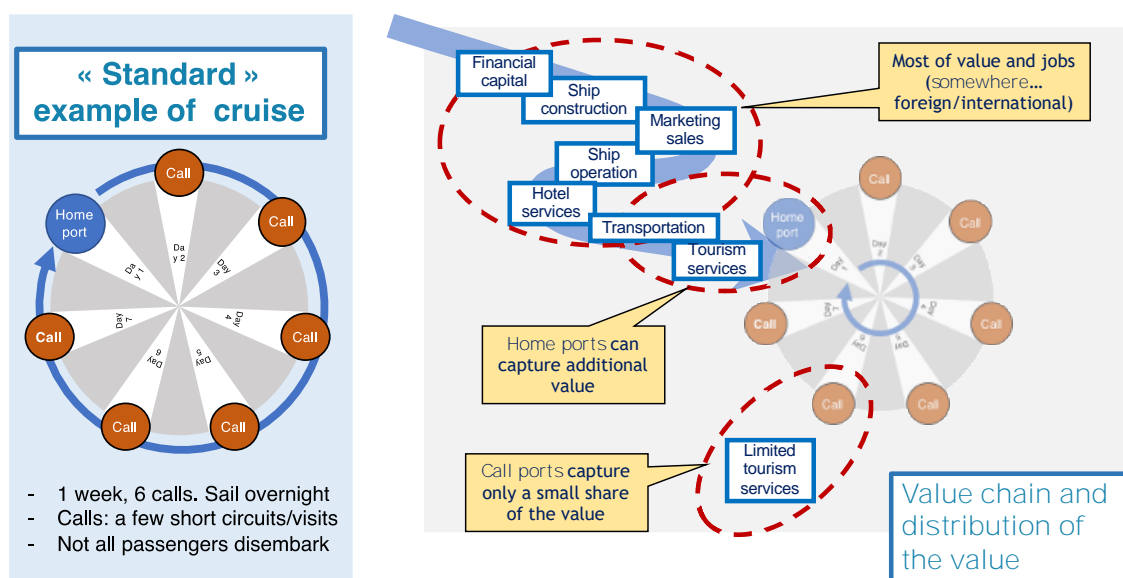


Figure 1 – Standard “large-scale” cruising global model

Local communities in fact face direct and indirect costs – such as the construction and maintenance of large infrastructures, security costs, use of local networks and commodities, environmental pressures

due to waste discharges, etc. But in return they are only able to capture a limited portion of the overall value generated –ships are designed and built elsewhere, cruises are marketed by foreign operators, crew and staff are not nationals, food and fuel are bought elsewhere, home ports concentrate most travel benefits, few passengers disembark for very short and guided tours, high volumes of low-spending visitors resulting into reduced prices in tourist attractions, etc.

Notably, such disproportion in low gains and high externalities *often causes concerns* related to environment, but also to social tensions in areas regularly overcrowded by cruise tourists.

Potentials of an innovative “small-scale” model

Still, the Black Sea has many assets able to attract valuable maritime tourism (e.g. many natural and cultural sites close to the sea, interesting cultural attractions, gastronomy and wine, tradition of hospitality, etc.) and consists of a large number of (smaller) ports able to receive small vessels (e.g. less than 100m) with very few exceptions. This is a huge capital that could and must be exploited while ensuring a full sustainability in the models adopted for the sector.

An opportunity can be provided by alternative business models, such as smaller-scale cruising, which are already in place in the Black Sea but could be further piloted and expanded across the sea basin. Smaller-scale models could in fact allow for a greater diversification of the possible portfolio of offered services and products, while allowing for greater synergies with other relevant activities and operations (tourist operators, marinas, sailing, yachting, etc.

Building on the current practices in the Black Sea, the general negative impacts of large-scale cruising models discussed in the previous chapter, as well as the valuable experience gained in other regions including the Eastern Mediterranean⁶, *strong potentials are expected by developing small-scale cruises.* This section therefore provides an overview of such potentials, introduced as a basis for the further work of the local partners at country level. A first relevant aspect to consider, is the extent to which smaller-scale models could allow to integrate and diversify the limited offer of larger-scale ones.

⁶<https://www.natural-greece.gr>



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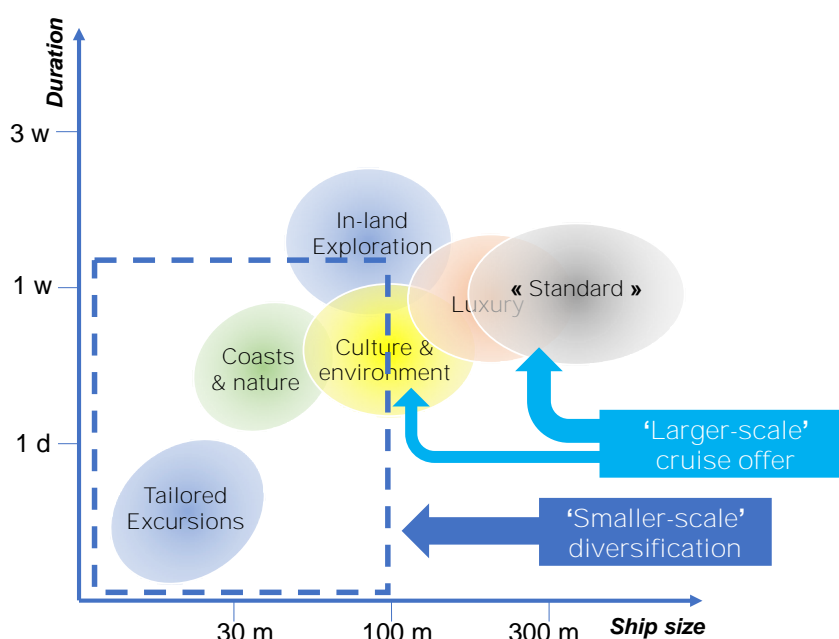


Figure 2–Potentials of 'small-scale' cruising: a diversified offer across the Black Sea

Not only smaller-scale cruising offer could allow for greater services when it comes to standard packages, luxury or inland cultural explorations – as they would allow for a wider access to smaller-size ports and harbours which are widely distributed across the Black Sea. Smaller-scale models for cruises would offer more tailored options and further diversification of the services offered – notably allowing for greater exploration of coastlines, natural see-sights, as well as tailored excursions on and off-shore. Hence, the model would potentially allow for expanding towards a full range of (sustainable) services and products to attract both local and international visitors – and do so potentially throughout the year.

Across the Black Sea, in fact, there are many small ports close to potential tourist attractions that could receive small cruise ships (e.g. 30-60 m). Those could offer a wide potential for diversified visits, tourists and overall cultural and naturalistic experience of visitors, through small-scale cruising models. An important element of immediate synergies, in this respect, is the importance of quality local infrastructures, including sustainable and innovative marinas⁷, local harbours, and other related services, which are needed in order to fully exploit the potentials offered by the alternative cruising model.

⁷http://publications.europa.eu/resource/cellar/ab0bfa73-9ad1-11e6-868c-01aa75ed71a1.0001.01/DOC_1



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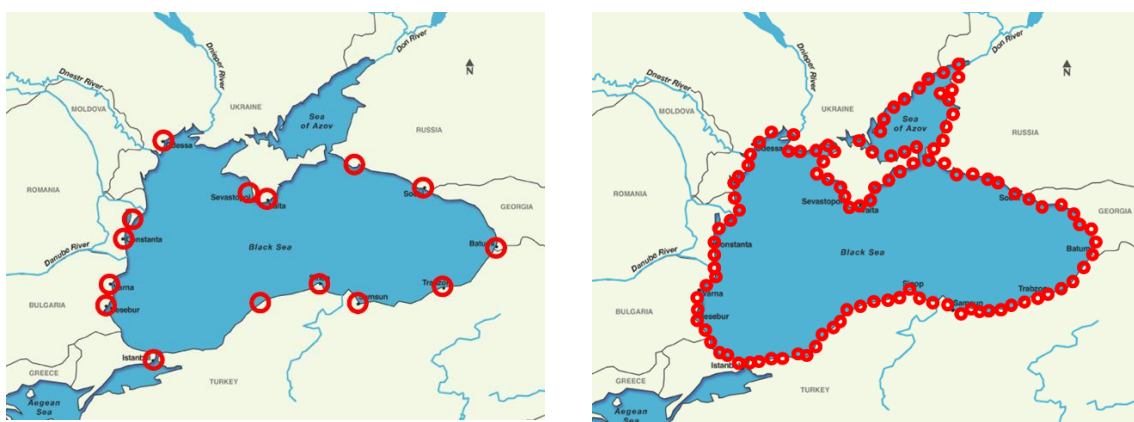


Figure 3 - Possible call ports, large (left) and small (right) cruises

Needless to say, such infrastructures and services should fully reflect a sustainable approach and be planned cautiously – an aspect that would immediately imply policy recommendations in the area.⁸⁹ In this respect, relevant synergies and opportunities could emerge in the sustainable exploitation of naturalistic and underwater heritage cross the Black Sea. Growing support is emerging to *Marine Protected Areas (MPAs) across the Black Sea and those areas clearly could offer essential value for the smaller-scale models, but this also implies stronger protection and safeguarding activities* which must be duly considered in order to maximise the sustainable development of the sector in the Black Sea.¹⁰

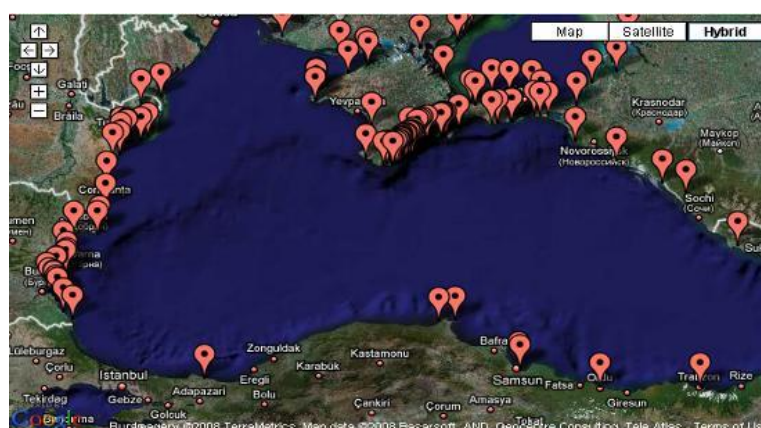


Figure 4—Examples of reported Coastal/Marine Protected Areas (MISIS Project, 2018)

Similarly, a growing consensus in support of the protection and valorisation of underwater heritage is emerging across the sea basin, with policy initiatives and financing support being activated in this area.¹¹

⁸⁹https://www.researchgate.net/publication/330566946_Circular_Tourism_Through_Small_Eco-Marinas

⁹<http://www.fpa2.org/documents/best-practices-for-eco-friendly-yachting-vol3.pdf>

¹⁰<https://eclass.aegean.gr/modules/document/file.php/MAR376/Literature%20for%20Reading%20BIOLOGICAL%20CONSERVATION%20AND%20MPAs/MPAs%20and%20MSP%20SCHACHTNER%202017.pdf>

¹¹https://eu.eventscloud.com/file_uploads/b550a08b36f987e2d17b08d8411aefb9_12.4.2021-DraftAgenda_REV5-2.pdf

These are all assets that could potentially be exploited, in a sustainable manner, by small-scale models with *development of sustainable offers for diving¹², marine excursions and cetacean-watching¹³, etc.*

Maximising local returns: the potentials of smaller-scale models

The economic model of small cruises is also and importantly appealing for the Black Sea, as it offers higher chances to capitalise on socio-economic returns through locally owned offers and services. Local operators (financial, technical, marketing, tourism), in fact, can easily adapt to – and benefit from – the potentials offered by small-ship cruises, while they remain largely excluded from large-scale models.

If we compare the two models – as illustrated in the figure below – it is clear that, while the *large-scale generates greater overall returns across its value-chain (financing services, boat design/construction, cruising tours marketing and sales, etc.)*, the average returns at each step in the cruising value-chain are smaller for small-scale businesses. And yet, as still visually illustrated in the figure below, the potentials for internalisation and capturing of the value generated (economic growth and quality jobs) is higher at local level for the smaller-scale cruising models. *Smaller-size boats could be financed, designed and constructed/repaired locally, the touristic packages could be tailored to local businesses and communities and be operated fully locally, etc. In short, smaller offers could provide higher local value.*

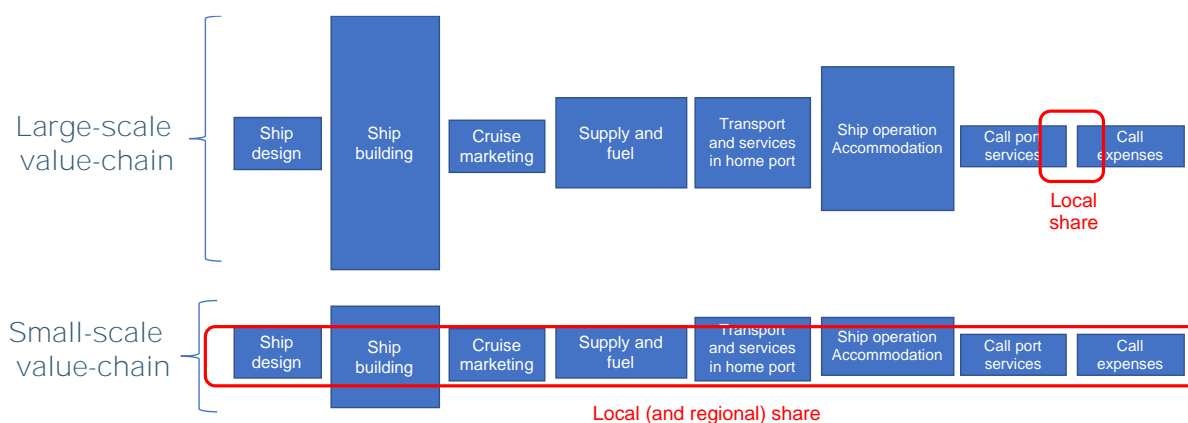


Figure 5 - Local return, large and small cruise

In addition to greater capitalisation on the economic and social value generated within the value-chain, small-scale cruise models have the potentials to allow for greater diversification across other relevant sectors and activities. As already discussed in the previous section, in fact, *smaller scale offers allow for the generation of greater potential synergies with other maritime and coastal activities in the region.*

As exemplified in the figure below, in fact, *smaller-scale sustainable excursion could offer an effective boost for the development of (new) local tourism activities, as well as options for innovative other areas and sectors – such as pesca-tourism and marine sports, new opportunities for innovative service in areas*

¹²<https://www.chasingthedonkey.com/best-places-to-dive-in-bulgaria-diving/>

¹³<https://accobams.org/the-cenobs-cetacean-aerial-survey-mission-in-the-black-sea-just-ended/>



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such diving, harbours, marina and boat renting, as well as important areas of innovation for protection and valorisation of natural marine areas as well as underwater and in-land cultural heritage sites.

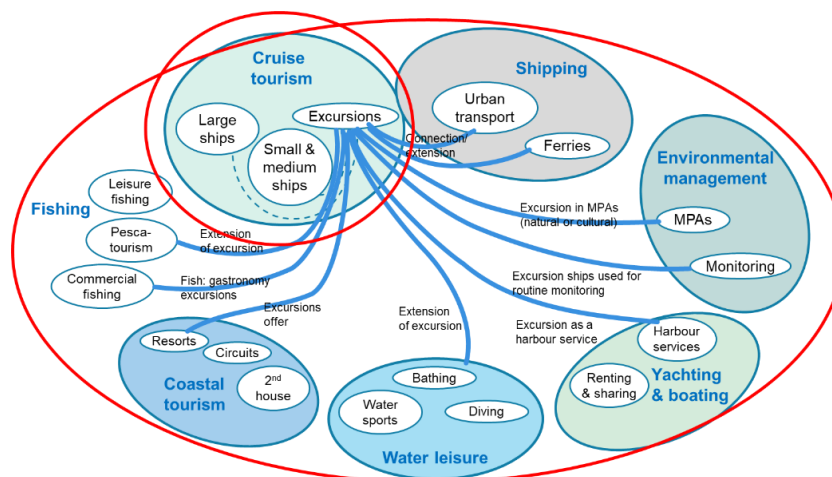


Figure 6 - Small cruise - Potential synergies with other activities

It could strengthen the overall complexity and resilience of touristic offers in the Black Sea, from cruise, ferry, yachting and sailing markets up to a broader coastal and maritime tourism development and with further linkages towards water sports, gastronomy and fisheries/pesca-tourism. It also allows streamlining the need for greater protection of local heritage, and local ecosystems (marine, coastal).

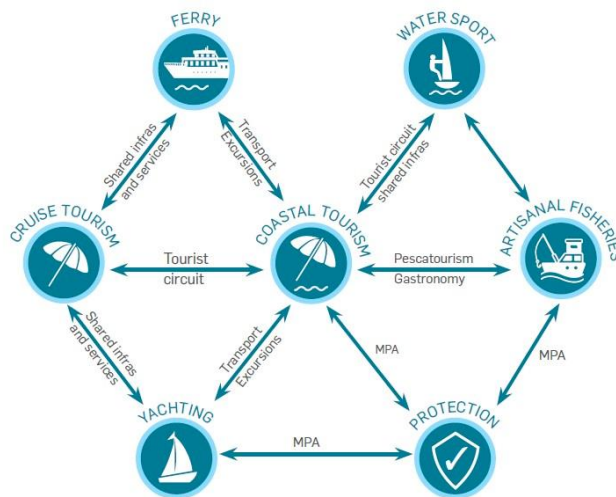


Figure 7 – A broader value-chain which is positively impacted by small-scale cruising models

Small cruises models have therefore the potential to offer a range of local opportunities in terms of jobs and economic gains. They can in fact be instrumental to trigger and attract local investments, offer opportunities to a range of operators across a number of related sectors and activities, allow for broader economic gains through the sustainable exploitation of a wide range of cultural and natural assets.



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An ‘array’ of further diversification in the boating offers: cruising, yachting, sailing, etc.

A last element to be discussed in the context of this paper is the potential of smaller-scale cruises to expand into a broader range of boating segments, including yachting, sailing, etc. These in turn may allow furthering/boosting a range of leisure activities, from water sports to trans-regional navigation¹⁴.

These activities can be carried out from natural sites, unprepared coasts, beaches, moorings, harbours or marinas, and use a very wide range of crafts, from beach crafts (< 3m, < 1000 €) to super yachts (> 50 m, >25 M€), including motor and sailing boats – as illustrated in the figure below. Such range of services and products may also appeal for a broader and differentiated range of segments in the visitors’ demand within the region and from abroad – young families, professionals, etc.¹⁵¹⁶

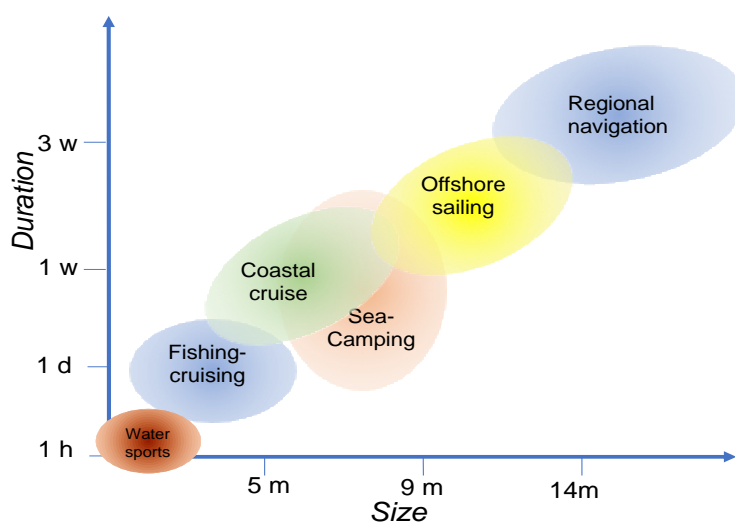


Figure 8– A tentative typology of leisure navigation practises

Yachting as well as sailing are at an early stage of development in the Black Sea, but they have great expansion potentials. In light of the overall approach proposed, such potentials should be assessed and exploited by being aware of the possible negative effect of an over-exploitation.

In this respect it is important to support these segments by reflecting upon the challenges that are occurring in the regions where it is more developed, such as for the Mediterranean:¹⁷

- Boating is largely based on the essential role of marinas, but it is important that it does not result in unsustainable infrastructural developments which would harness the natural potentials;
- Passive ownership tends to be the relevant model for the sector, namely by focussing on sales rather than renting of boating services – and resulting in situation where yachts sail less than 5 days per year and 50% never leave the harbour;¹⁸

¹⁴<https://www.lifeofsailing.com/post/sailing-vs-boating>

¹⁵<https://www.globenewswire.com/news-release/2020/12/31/2152039/0/en/Global-Leisure-Boat-Market-Analysis-and-Forecasts-2020-2027-by-Type-Region-and-Segment.html>

¹⁶<https://www.propertyturkey.com/blog-turkey/sailing-the-black-sea>

¹⁷<https://www.witpress.com/Secure/elibrary/papers/CP11/CP11005FU1.pdf>

¹⁸SOURCE (ibid)



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- In some harbours, short-time rental of yachts in the harbour exceeds trips at sea – namely resulting in yachts being used to host visitors remaining in the harbour and not to visit the area instead.

This “residential yachting” model often results in unsustainable practices, with limited economic and social benefits for the areas where such marinas are built – and it risks exposing local ecosystems to negative pressures. Some of the potential negative impacts of an ill-designed sector are as follows:

- Most of the upstream value chain is foreign (capital, jobs, factories...)
- Local communities often must pay for building these marinas, or allocate high value space to it (e.g. city centres, natural areas);
- Direct local return is limited (maintenance, rental, supplies, transport, hosting) to low-quality jobs;
- Very often, local population cannot afford owning or using these crafts or the berths and the use (or unused) of the yachts and boats is reserved to foreign people.

The indicators used to measure the development of yachting usually reflect the dominance of this model (e.g. “number of berths” or “number of yachts”, rather than “days of practice”, or “number of people regularly practising leisure yachting”) and do not allow for a proper steering and incentive towards sustainable (small-scale) models. There are nevertheless *hints that this ‘ownership-based’ model, which is not sustainable on the long term, is “running out of steam”* – firstly as available space is becoming increasingly scarce, secondly because it seems that the demand is slowing (e.g. in more and more harbours that used to be saturated, with long waiting lists, berth offers do not find a demand) and thirdly (as an emerging trend) as people are turning away from ownership and towards use/rental.

Other more sustainable and small-scale boating (yachting, sailing, etc.) models are possible, and the Black Sea is a favourable territory for their development. For instance, focusing on practice and using rather than owning, can result in the development of smaller and much more active harbours, as well as greater return from local rental and local crew hire. Many levers for action exist to foster and control the development of the boating sector – as well as quality of related offers:

- Education, training and capacity building (boating and yachting require skills);
- Measures to foster shared use and rental, rather than individual ownership (taxes, port charges decreasing with the number of nights on the sea, etc.);
- Green infrastructures/services (e.g. slipways favouring transportable boats, rather than berths);
- Controlled access to natural areas and marine protected areas;
- Recognised quality and safety standard for the sector, local crews and boating services offered.

Potentials for regional cooperation: appealing Black Sea cruising offers

The proposed approach requires a substantial change in the traditional approach towards cruising but also tourism overall – by local (and regional) policymakers, regulators, but also sectoral actors and other stakeholders. It requires focusing on the existing and potential assets of the Black Sea – natural and cultural – as a starting point for developing new offers which will add economic value to such capital through its sustainable exploitation. Cruising (and overall tourism) offers designed not to protect such assets, would in fact result in negative economic returns in the mid-term. Targeted activities by both market and policy actors should aim at capitalising on natural and cultural assets, as well as human



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capital, by further strengthening them – including access to sustainable finance, sustainable infrastructures, knowledge and skills as well as good governance.

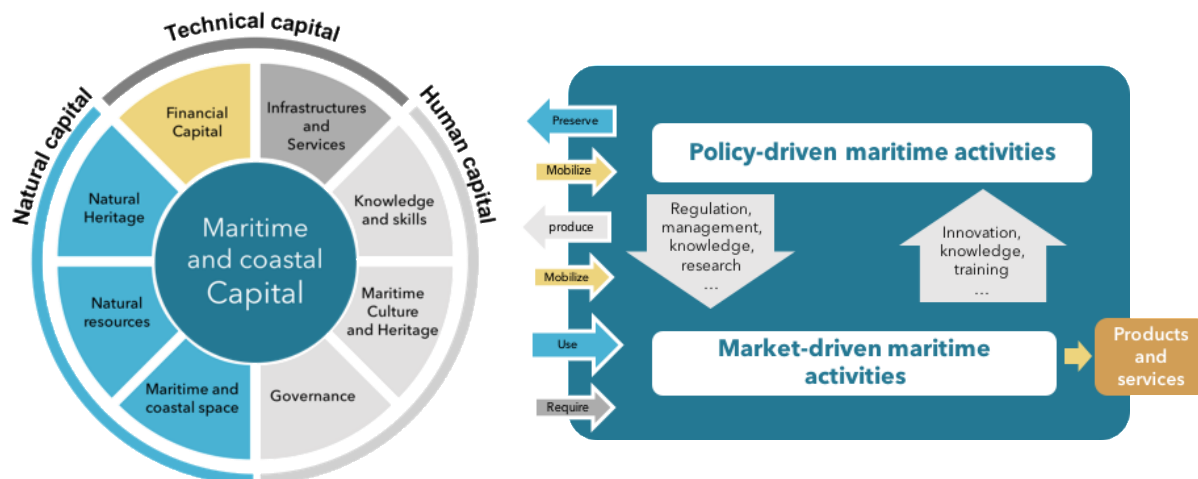


Figure 9 – Develop sustainable offers, by focussing on and strengthening local “assets” (natural, technical and human)

Greater cooperation and engagement of all parties (business, local communities, policy-makers, civil society) is therefore essential to support the development of a sustainable model of small-scale cruising and boating across the Black Sea region. It will be able to contribute to regional welfare by developing appealing and fully-sustainable products and services for visitors interested in experiencing authentic local and regional natural and cultural assets.

It is in fact vital that the support to innovative ‘small-scale’ business models in the sector is sustained by local sectoral strategies, that allow to capitalise on local assets (cultural, naturalistic, socio-economic) in order to define appealing and fully sustainable touristic offers. Such strategies would have to be necessarily rooted to local attractions and services. At the same time, they should reflect on broader regional stakeholder cooperation and policy frameworks, in order to strengthen their visibility and foster a Black Sea brand name as small-scale cruising and sustainable tourism valuable destination at national, regional and international levels. And sell the Black Sea as a.

A number of such experiences exist in other European sea basins– a small sample of those is illustrated in the figure below. Further actions will be identified and supported by this project, with the active role of local partners, with the aim to develop tailor-made offers taking into account the unique local character and priorities, and ultimately, to support the elaboration/development of a regional strategy for more appealing and sustainable small-scale cruising ‘packages’.



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Figure 10 – Sample of examples of ‘small-scale boating’ offers developed in other European sea basins



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