

# Analysis of China's Cruise Economy Industry Chain Development in the Post-Epidemic Era

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**Abstract:** *The cruise tourism market has suffered a huge impact due to the impact of the new Crown Pneumonia epidemic, and has yet to fully recover, with cruise lines and cruise port operators basically earning zero revenue and facing enormous pressure for survival. During this period, the relevant government departments, cruise ports and major cruise lines have actively promoted the construction of international cruise health risk prevention and control system, in order to promote the resumption of cruise ships to make full preparations. Epidemic led to the temporary suspension of cruise operations, but at the same time Chinese enterprises are also facing a historic strategic opportunity to enter the cruise industry, China Merchants Group, China Communications Construction Group and other central enterprises to acquire foreign cruise companies and ports to speed up the pace of the development of the local cruise fleet to grow, China Shipbuilding Carnival has become the only one in China with two cruise ships of the enterprise, the China Merchants and Viking Cruises to build the first five-starred red-flag cruise ship in China in a joint venture. China's large-scale domestic cruise ship construction is advancing steadily, CSBC Cruises has acquired the world-famous cruise ship interior company R&M Group of Germany, accelerating the construction of the local cruise ship supply chain system, and gradually forming China's large-scale cruise ship independent core R & D and manufacturing and ancillary capabilities to provide strong support for the construction of large-scale domestic cruise ships. During the "14th Five-Year Plan" period, from the state to the local level, we will continue to increase the support for the development of the cruise industry, and put forward a clearer path and direction to better promote the high-quality development of China's cruise industry.*

**Keywords:** Post-Epidemic Era; China Cruise Industry Chain.

## 1. CHINA'S ECONOMY GROWS AGAINST THE ODDS DESPITE THE IMPACT OF THE NEW CORONAVIRUS EPIDEMIC

Despite the impact of the new coronary pneumonia epidemic, China's national economy still maintains a strong resilience and stable growth, China's GDP in 2020 will reach 101.6 trillion yuan, a year-on-year growth of 2.3%, the only one of the world's major economies to achieve positive economic growth. Further expanding domestic demand has become an important strategic direction under the new development pattern, and the expansion of domestic demand will drive China's sustained economic growth.

China's economic structure continues to optimize, in 2020, the added value of the primary industry will be 7.77 trillion yuan, accounting for 7.7% of GDP, the added value of the secondary industry will be 38.4 trillion yuan, accounting for 37.8% of GDP, and the added value of the tertiary industry will be 55.3 trillion yuan, accounting for 54.5% of GDP. For the whole year, final consumption expenditure drove down the GDP growth rate by 0.5 percentage point, gross capital formation drove up the GDP growth rate by 2.2 percentage points, and net exports of goods and services drove up the GDP growth rate by 0.7 percentage point. China's GNP reached 9 trillion yuan, an increase of 1.9% year-on-year, energy consumption of 10,000 yuan of GDP decreased by 0.1% year-on-year, and labor productivity reached 117,000 yuan per person, an increase of 2.5% year-on-year. In 2020, China's total retail sales of consumer goods will reach 39.2 trillion yuan, down 3.9% year-on-year, of which retail sales of urban consumer goods will reach 33.9 trillion yuan, down 4% year-on-year, and retail sales of rural consumer goods will reach 5.28 trillion yuan, down 3.2% year-on-year. In 2020, China's service exports will reach 1.94 trillion yuan, down 1.1% from 2019, and service imports will reach 2.63 trillion yuan, down 24% from 2019.

## 2. STEADY GROWTH OF RESIDENTS' INCOME, GOOD FOUNDATION FOR TOURISM CONSUMPTION

In 2020, the per capita disposable income of China's residents will reach 32,000 yuan, an increase of 4.7% from 2019. The median is 27,500 yuan, up 3.8% from 2019. Among them, the per capita disposable income of urban residents in China was 2.75 million yuan.

Per capita disposable income of rural residents was RMB 17,100, up 7% from 2019, with a median of RMB 15,200, up 6% from 2019, and the ratio of urban and rural residents' income was 2.56. Per capita consumption expenditure of Chinese residents exceeded RMB 20,000, down 1.6% from 2019, with per capita consumption expenditure of urban residents at RMB 27,000, down 3.8% from 2019, and per capita consumption expenditure of rural residents at RMB 13,700, up 2.6% from 2019, with per capita consumption expenditure of urban residents at RMB 13,700, down 3.8% from 2019, and per capita consumption expenditure of rural residents at RMB 13,700, up 2% from 2019. The per capita consumption expenditure of Chinese residents exceeded 20,000 yuan, down 1.6% from 2019, among which, the per capita consumption expenditure of urban residents was

27,000 yuan, down 3.8% from 2019, and the per capita consumption expenditure of rural residents was 13,700 yuan, up 2.9% from 2019. Engel's coefficient was 30.2%, of which 29.2% was for urban areas and 32.7% for rural areas, down 3.8% compared with 2019, and per capita consumption expenditure for rural residents was 13.7 million yuan, up 2.9% compared with 2019. The Engel's coefficient was 30.2%, of which 29.2% was in urban areas and 32.7% in rural areas.

### **3. TOURISM INDUSTRY SUFFERS, BUT WILLINGNESS TO TRAVEL REMAINS STRONG**

The worldwide CKP epidemic has triggered a global economic crisis that could last for years. The tourism economy, which is based on long-distance travel, socialization, and off-site living experiences, is particularly sensitive and hard hit during the epidemic. Domestic tourist arrivals in 2020 are estimated at 2.88 billion, up from 2.85 billion in 2019 before the epidemic.

The number of visitors from cities and towns was 2.07 billion, down 52.1% from the pre-sARS period in 2019. Among them, the scale of visitors from cities and towns was 2.07 billion, which is higher than the pre-epidemic level of 2019. Visitor arrivals from rural areas decreased by 53.8% to 8.1 billion, down from the pre-epidemic level in 2019. Domestic tourism revenue will reach 2.2 trillion yuan in 2020, down from the pre-epidemic year of 2019.

Among them, tourism revenue from cities and towns reached 1.8 trillion yuan, down 62.2% from the pre-epidemic year 2019, and tourism revenue from rural areas amounted to 432 billion yuan, down 55.7% from the pre-epidemic year 2019. The new Crown Pneumonia epidemic has had a severe impact on China's inbound and outbound tourism, and it is difficult to recover in the short term. Since March 28, 2020, China has suspended the entry of foreigners with valid visas and residence permits into the country, and canceled the preferential visa policy for all categories. Starting from August 12, 2020, China will gradually liberalize the restrictions on visitors from Macao, China, but the growth of inbound tourism is still limited. In 2020, China's inbound tourists will reach 27.2 million, 81.3% less than in 2019, and international tourism revenue will reach US\$17 billion, 87% less than in 2019 before the epidemic.

In early 2020, the new crown pneumonia epidemic suddenly came, China's outbound tourism basically stopped, the National Immigration Administration and other announcements that in order to strengthen the prevention and control of the epidemic, to reduce the risk of spreading the epidemic, it is recommended that China's residents do not carry out inbound and outbound tourism activities. At the same time, foreign outbound tourism destinations have also taken the closure of borders, cut off transportation and other ways to prevent and control the epidemic. In 2020, the scale of outbound tourism for Chinese citizens will reach 20.23 million trips, a decrease of 86.9% compared with the same period of time. As the situation of epidemic prevention and control improves, the tourism industry resumes work and production, and the outbound tour to domestic tour becomes an important development trend. Under the new development pattern of double-cycle, domestic consumption promotes economic growth and economic recovery. During the National Day holiday in 2020, domestic tourists were received in China.

6.4 billion, domestic tourism revenue reached 466.5 billion yuan. In 2021, the seven-day National Day holiday domestic tourists reached 256 million, an increase of 15.7%, recovering to 75.3% of the same period before the epidemic, and domestic tourism revenue of 301.1 billion yuan, an increase of 8.2%, recovering to 58.6% of the same period before the epidemic. In 2021, during the Dragon Boat Festival (June 12 to 14), domestic tourists reached 89.136 million, up by 94.1%, recovered to 98.7% in the same period of 2019, the scale of domestic tourism revenue reached 29.43 billion yuan, an increase of 140% year-on-year, recovered to 75% of the same period before the epidemic.

### **4. INTERNATIONAL CRUISE LINES CONTINUE TO INCREASE THE LAYOUT OF THE CHINESE MARKET**

In recent years, international cruise companies have continued to emphasize the Chinese cruise market and strengthened the deployment of capacity in the Chinese market. From the point of view of the supply of home port cruise ships in the Chinese market, the number of cruise ships in 2015, 2016, 2017, 2018 and 2019 were 12, 18, 18, 16 and 14, respectively, and the cruise market was suspended in 2020 due to the impact of the epidemic.

April 20, 2021 - Royal Caribbean Cruises Group announces the latest flagship in the Oasis Collection. The Miracle of the Seas, built at the Atlantic Shipyard in St. Nazaire, France, was originally scheduled to sail from Shanghai on March 23, 2022 on 4- to 8-night itineraries from China, but plans were changed due to the impact of the outbreak. Miracle of the Seas, the world's largest cruise ship, is the fifth ship in the Oasis series, with a tonnage of 237,000 gross tons, a length of 362 meters, a breadth of 64 meters, a total height of 18 decks, 2,867 staterooms on board, and a maximum capacity of 6,988 passengers, and it is the first Oasis series cruise ship to sail from China. Royal Caribbean Cruise Group entered the ranks of China's port of departure cruise ships in 2009, the development of China's cruise market has a greater role in promoting, and then introduced the "Voyager of the Seas" and "Mariner of the Seas" two new 138,000-ton ship, 2015 to 2016 to introduce new cruise ships. The introduction of new cruise ships "Quantum of the Seas" and "Salute to the Seas" in 2015-2016 pushed the Chinese market into the "era of new ships".

## 5. CHINA'S DOMESTIC CRUISE SHIP CONSTRUCTION IS PROGRESSING STEADILY

Large cruise ships are the only type of ships that China has not yet conquered. General Secretary Jinping pointed out that vigorously developing the cruise industry is a good thing for the country and the people, not only to vigorously develop the cruise industry, but also to build our own cruise ships. Shanghai is building 130,000 gross tons of cruise ships, the cost of a single ship is 770 million U.S. dollars. Ltd. is responsible for promoting the development of China Shipbuilding Group's cruise business and building an ecosystem for the cruise industry, and has set up a joint design team of more than 100 Chinese and foreigners with Italy's Fincantini Group. In the 2020 Shanghai Intelligent Manufacturing Promotion Conference, Shanghai Waigaoqiao Shipbuilding Co., Ltd. was awarded the first batch of "Shanghai Intelligent Factories" for its intelligent thin plate production workshop for the construction of domestic large cruise ships, becoming the only enterprise in Shanghai's shipbuilding industry to be selected. On January 11, 2021, the construction of Waigaoqiao Cruise Ship Interior Manufacturing Platform Project was officially started, with a construction area of nearly 70,000 square meters, and the annual sales revenue will reach 1 billion yuan. On January 18, 2021, Shanghai Waigaoqiao large cruise ship construction of the first large-scale ultra-wide general section of the completion of the transfer and loading. In February 2021, Shanghai Waigaoqiao large-scale cruise ship construction of ultra-wide sheet section S1 successfully completed the shift and carriage, which is the second ultra-wide sheet section completed in the company's 8 # platform after the sheet section N2, marking the company's 8 # platform assembly line process route to achieve a full through.

On April 28, 2021, the balance of the whole ship production design model and the structural production design drawings of the H1508 project, the first large cruise ship made in China, were all completed, which provided a strong technical guarantee for the continuous construction of the large cruise ship. By the end of May 2021, 86% of the overall section production of the first cruise ship in Shanghai Waigaoqiao was completed, and the hull of the ship was completed.

The progress of hitting together is completed by 62%, and the hull will be floated by the end of 2021, and completed and delivered in 2023.

On June 24, Shanghai Waigaoqiao's first cruise ship segment was successfully completed and rolled off the production line, marking a new stage in the construction of China's first large-scale cruise ship.

## 6. ACCELERATING THE CONSTRUCTION OF CHINA'S LOCAL CRUISE SUPPLY CHAIN SYSTEM

It is the first time for China to build a large cruise ship, facing difficulties in professional technology, construction management and ancillary supplies, etc. By learning from the experience of Europe, America, Japan and South Korea, the development path of "international cooperation, integration of industry and finance, introduction, digestion, absorption and re-innovation" has been determined to gradually realize independent manufacturing and vigorously promote the localization of the industry. In the early stage, through the joint venture with Fincantini Group to set up a Chinese-controlled cruise ship design joint venture company, CSIC Fincantini Cruise Industry Development Co. Ltd. focuses on luxury cruise ships and high-end ship decoration projects, builds three platforms of interior design, construction management and supply chain management, and constructs a testing and certification and R&D center for cruise ship ancillary products, a R&D center for modularized cruise ship compartments, and a training center for cruise ship interior technology personnel, so as to gradually form a comprehensive technical capability of cruise ship interior design, construction and supply chain management through digesting and absorbing the advanced cruise ship interior technology, By digesting and absorbing advanced cruise ship interior technology, it will gradually develop comprehensive technical capabilities in cruise ship interior design, construction and supply chain management, and help localize cruise ship ancillary products.

In May 2020, CSBC Waigaoqiao Cruise Supply Chain (Shanghai) Co., Ltd. was established, which will coordinate domestic and international resources to build a supply chain system for the cruise industry, gather global high-quality interior projects, and provide related enterprises with supply chain derivatives services, such as logistics, authentication, training, life insurance, financing, factoring, leasing, and so on. In July 2020, Rongmei Cruise Liner Interior Technology (Shanghai) Co. In November 2021, CSBC Cruise Industry Development (Shanghai) Co. CSBC Waigaoqiao Cruise Supply Chain (Shanghai) Co., Ltd. and CSBC Cruise Industry Development (Shanghai) Co., Ltd. focus on cruise ship interiors, HVAC, audio-visual lighting and network communications, etc., and promote the optimization and upgrading of the structure of China's shipbuilding industry while supporting the construction of domestically-built cruise ships. In March 2021, CSBC Cruises acquired the world's No. 1 cruise ship interior company, Germany R&M Group, and became the builder and leader of China's cruise ship industry ecosystem. Founded in 1887 and headquartered in Hamburg and Wismar, R&M Group is a global provider of customized and holistic solutions for interior outfitting of all ship types, covering the entire value chain including engineering consultancy, design, planning, implementation and production of both small and large-scale projects, with 550 employees and a turnover of approximately EUR 137 million. R&M is one of the leading outfitting providers for German naval vessels, ferries and cruise ships. The R&M Group has undertaken the first large cruise ship in China with more than 14,000 square meters of interior work in the public areas, and is playing a strategic role as the backbone of the interior work in the cruise engineering value chain by promoting the cruise ship's interior work in parallel with the continuous final assembly in the first shipyard.

## 7. CHINA PROMOTES THE IMPROVEMENT OF LOCAL CRUISE OPERATION CAPACITY

Cruise operation is the key to enhance the profitability of local cruise companies. In recent years, China's local cruise operation and management capability is weak, and there is a lack of operation and management talents. Foreign-funded cruise lines have formed stable operation and management teams with strong internal mobility. China's local cruise lines are weak in attracting talents, and the working experience in foreign-funded cruise lines is far more favorable to the career than in the local cruise lines with only one ship, which makes it difficult for local cruise lines to recruit a team with strong operation ability. The transition from independent operation to entrusted operation to the current joint venture operation, but most of the local cruise ships still choose to operate independently, joint venture operation is to rely on the foreign team, ship supply and so on into the foreign system, is not conducive to the formation of a strong operation and management capabilities. Local cruise ships are weak in innovation ability, lack of understanding of the depth of the cruise market, too much from their own point of view to consider the market demand, such as too biased towards Chinese.

On April 29, 2021, CSBC Cruise Technology Development Co., Ltd. and the U.S. Carnival Group formally signed the "Package Agreement on Cruise Ship Operation" through video link, clarifying the purchase and handover matters of "MSC Mediterranean", and both shareholders agreed to build a flagship brand of China's cruise ships, with CSBC Carnival as the actual operator of two cruise ships in operation and "2 + 4" cruise ships under construction. The shareholders agreed to build a flagship brand of China's cruise ships, and that CSBC Carnival would be the actual operator of the two cruise ships in operation and the "2 + 4" cruise ships under construction, and would comprehensively carry out the construction of cruise ship operation capacity. Ltd. has established a complete cruise operation organizational structure and management system, absorbed domestic cruise professionals, and set up a cruise operation team covering the core competencies of route planning, revenue management, marketing, financial control and newbuilding management. On March 11, 2021, Guangzhou Nansha and Sanya Central Business District Administration signed a strategic agreement on cruise cooperation, the two sides will firstly cooperate to develop "one trip with multiple stops" cruise tourism routes, to create a "dual home port" route operation mode. Nansha and Sanya "hand in hand", the use of Guangzhou's passenger source advantages and Sanya's scenic spots and duty-free shopping advantages, and jointly strengthen the development of cooperation with cruise lines, explore the development of "Nansha - Sanya" mutual home port, Explore the development of "Nansha-Sanya" mutual homeport, "Nansha-Sanya-South China Sea" local tour route or "Sanya/Haikou-Nansha-Hong Kong-Japan/Vietnam/Philippines" and other Southeast Asian regional cruise routes. Southeast Asia cruise routes such as "Sanya/Haikou-Nansha-Hong Kong-Japan/Vietnam/Philippines". At the same time, the two places will integrate the advantages of dual homeport resources, provide differentiated and diversified cruise itineraries through "cruise + local cultural tourism" and "cruise + duty-free shopping", enhance the attractiveness of cruise tourism, expand the incremental market, and jointly promote the development of cruise tourism and promote the development of the cruise industry. Promote the development of cruise tourism, promote the sharing of cruise passenger market, accelerate the extension of the cruise industry chain, jointly build a cruise industry cluster, and build a distinctive brand of regional cruise industry.

## 8. SIGNIFICANT EXPANSION OF CHINA'S DOMESTIC CRUISE FLEET

In recent years, the scale of China's domestic cruise fleet has been expanding. Established in August 2012, HNA Cruises Ltd. is the first cruise operating company in mainland China to own its own luxury cruise ships, and Diamond Cruises is the first cruise operating company with wholly private capital in China. China's large central enterprises, such as China Shipbuilding, China Merchants, China Travel Service, COSCO Shipping, CCCC, etc., have increased their investment in the construction of cruise terminals and the purchase of local cruise ships to build local cruise brands. The development of local cruise brands is of great significance to the extension of China's cruise industry chain, the need to increase support for local cruise brands, the formation of a local cruise fleet is the basis for mastering the dominant right to the development of the cruise industry in the future. Sanya International Cruise Development Co., Ltd. is a wholly-owned subsidiary of CCCC Ocean Investment Holdings Co., Ltd. which is a specialized investment platform, incubation platform and cruise industry resource integration platform for the development of cruise economy. It is committed to the investment and development of cruise yachts, marine transportation, tourism and recreation services, port-city integration, tourism destination construction and other related fields, and is relying on the cruise industry, with hotel management, cruise operation services, cruise ship operation services, hotel management, cruise ship operation services and other related services. Relying on the cruise industry, the company integrates hotel management, cruise operation services, international duty-free shopping and high-end tourism and recreation destinations, and is committed to creating a standardized process for domestic cruise tourism, continuously improving the industry's service level and service experience, and leading and driving the development of the cruise market.

CTS Group and COSCO Shipping Group established Star Tours Ocean Express International Cruises Ltd. as a joint venture, and on June 14, 2019, established the domestic operation headquarters of Star Tours Ocean Express International Cruises (Xiamen) Co. On March 19, 2018, CSBC Cruise Technology Development Co. and Carnival (UK) Ltd. established CSBC Carnival Cruise Lines in Hong Kong, with CSBC Cruise Lines accounting for 60% of the shares. On August 22, 2019, a wholly-owned subsidiary, CSBC Carnival (Shanghai) Cruise Co. On November 25, 2020, China Merchants Shekou and Viking Cruises announced the signing of a joint venture agreement to establish a joint venture company to build a medium-sized luxury cruise tourism product featuring the service of China's high-profile customers, and to build the world's first cruise operator with a five-starred red-flag cruise fleet. In December 2020, China Merchants Viking Cruises Ltd. was officially established. China Merchants Viking Cruises purchased Viking Sun for US\$400 million (excluding tax), with 10% of the consideration paid for

the transaction coming from its own funds and 90% from finance leasing. Ltd., a wholly-owned subsidiary of China Merchants Bank Leasing, to provide relevant financial leasing services for China Merchants Viking Cruises, China Merchants Viking Cruises (seller, lessee, mortgagor) sold its own ship to Tianjin China Merchants Bank Jinliudian Leasing Company Limited (buyer, lessor, mortgagor) and carry out financial leasing, the total amount of financing for 90% of the sum of the transaction price of the ship and the import taxes and fees (approximately \$427.14 million equivalent). The total financing amount was 90% of the sum of the transaction price of the vessel and import duties and taxes (approximately US\$427.14 million equivalent in RMB), with a total lease term of 144 months and an arrangement fee of 1.2% of the total financing amount.

## **9. SIGNIFICANT EXPANSION OF CHINA'S DOMESTIC CRUISE FLEET**

In recent years, in order to actively promote and facilitate the better and faster development of China's cruise industry, various cruise and cruise-related policies have been introduced from the state to coastal areas. In March 2020, the National Development and Reform Commission and other twenty-three departments issued the "implementation of the opinions on promoting the expansion of consumption and accelerating the formation of a strong domestic market," clearly put forward to accelerate the development of China's cruise tourism demonstration area and experimental area construction. In March 2021, the CPC Central Committee and the State Council issued the "Outline of the National Comprehensive Three-dimensional Transportation Network Plan", which put forward requirements for the development of cruise economy, accelerating the improvement of tourism services and facilities, and the construction of cruise ship marinas, further enriching the cruise tourism service system, and gradually forming a new pattern of linkage and interactive development of transportation and tourism. In November 2020, "the Ministry of Transportation on the Shanghai Municipality to carry out to promote the Yangtze River Delta transport integration and other transport power construction pilot work", put forward to promote the construction and development of Wusongkou International Cruise Port, a clear direction for the development of the Shanghai Port International Passenger Transportation Center, focusing on the visit to the port and the development of high-end cruise service industry. Improve the collection and transportation system of cruise port, build passenger transportation hubs, and optimize the transportation organization. Improve the cruise ticket system and enhance the quality of cruise services. Encourage cruise companies to innovate cruise products and develop cruise routes in accordance with the law. In April 2021, the Ministry of Commerce of the People's Republic of China issued the "Comprehensive Pilot Program for the Expansion and Opening Up of Shanghai's Service Industry", proposing to promote the development of Chinese-funded cruise ships to carry out cruises without destination on the basis of the experience and system of Hainan's pilot cruise sea tour routes, and to promote Chinese-funded cruises to carry out cruises without destination on the basis of the five-starred-flagged cruises before they come into operation in China. Decentralize the licensing of Chinese-funded cruise ship transport operators to carry out Chinese-funded non-five-star red-flag cruise ship sea tour transport business to the Shanghai Municipal Transportation Department. Allow wholly foreign-funded travel agencies established in Shanghai to operate outbound tours for Chinese citizens on a pilot basis (except for trips to Taiwan).

On March 4, 2021, the Guangzhou Municipal Bureau of Commerce issued the "Implementation Plan for Accelerating the Cultivation of Guangzhou Nansha Import Trade Promotion Innovation Demonstration Zone", which proposes to accelerate the innovative development of Guangzhou Nansha's cruise economy and actively create a pilot zone for China's cruise tourism development. Actively strive for the implementation of a 15-day visa-free policy for foreign tour groups traveling by cruise ships from Guangzhou Nansha Port, to promote inbound cruise tourism, and to promote the development of cruise tourism economy. Explore the "fast-track" mode of supplying supplies to cruise terminals, one-stop customs clearance for cruise supplies, and strive for the opening of duty-free stores and tax rebate stores at ports relying on cruise homeports to accelerate the development of high-end cross-border tourism such as cruise ships and yachts. In May 2021, the Fujian Provincial People's Government issued the "Opinions on Promoting High-quality Development of Tourism", actively promoting the construction of Xiamen Cruise Mother Port and the transformation and upgrading of Pingtan Jinjing Cruise Terminal, and supporting the construction of Fuzhou Experimental Zone of China Cruise Tourism. May 14, 2021, "Guangzhou Huangpu District Guangzhou Development Zone Guangzhou High-tech Zone to further promote the development of modern shipping services approach to the implementation of the rules" applies to all types of modern shipping services, including cruise yacht cruise enterprises, including cruise enterprises, to encourage cruise enterprises and related organizations to innovate the operation of routes and expansion of water leisure and tourism services, and to increase the development and operation of Whampoa International Cruise Route routes such as Increase incentives and support for enterprises and organizations that develop and operate Huangpu International Cruise Line and other routes, and provide a maximum of 20 million yuan/year operating support. On July 12, 2021, the Pilot Management Measures for Chinese-funded FOC Cruise Lines in Hainan's Cruise Ports (for trial implementation) were formally promulgated, effective from August 1, 2021 and valid until December 31, 2024, clarifying the entry conditions and licensing procedures, strengthening the main responsibilities of operators, relaxing the entry conditions for cruise transportation operators, and streamlining the management of boarding certificates for domestic passengers. At the same time, the domestic cruise industry policy research institutions to further expand, March 19, 2021, Sanya Zhongrui Hotel Management Vocational College and Dalian Maritime University to build a joint research institute of the rule of law and the development of cruise ships in Hainan and Dalian Maritime University Institute of the rule of law and culture of the sea, Hainan Branch of the inauguration ceremony was held in Sanya. The institute will provide consultancy on maritime rule of law and culture issues, carry out cooperative research on scientific research topics, develop shipping law training products, and cultivate and deliver high-end shipping legal talents.

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