

Letter of Intent for Tourism Cooperation in the Baltic Sea Region

As you were advised in the autumn of 2006, a back-to-back meeting took place in connection with the 8th Annual Baltic Development Forum (BDF) Summit in Helsinki. All participants, including CEOs and representatives from the national Tourist Boards of the Baltic Sea Region (BSR), endorsed the proposal that a stronger cooperation and a more coordinated platform are needed among the national Tourist Boards.

Cooperation on the highest level

Joint cooperation between relevant national tourism authorities within the fast-growing Cruise industry already exists and operates effectively in the UK, building on the successful concept of the Cruise Baltic project, which is known for its cooperation among cities and ports of the BSR (see attachment 1.) We wish to lift this type of cooperation onto a *national* level in the Baltic Sea Region, following the example of the UK initiative established in 2006 (see attachment 2). However, we can only succeed in doing so with full commitment from the headquarters of national Tourist Boards. Baltic and the Scandinavian Tourist Boards do already engage in certain cooperation when it comes to far-away markets. Further coordinating and uniting these efforts would give all countries substantial revenue and create an ideal branding platform for the entire Region.

Vision

The tourism industry is booming in the BSR (see attachment 3.). However, competition from other attracting regions is increasingly threatening. In order to continue securing a growing inflow of tourists into our Region, we must act jointly! A regional cooperation among the Tourist Boards of the BSR will create synergies and ensure extra value to their national promotional efforts.

Our vision builds on the following proposed objectives:

- Coordination of activities in the Cruise area on a national level, based on the Cruise Baltic model
- Development of new products and concepts
- Conducting research and analyses
- Improving education and training within the industry

The division of labour and the definition of the process can be discussed at a high-level meeting, where the heads of Tourist Boards will be gathered. The invited CEO's are from the Tourist Boards of Denmark, Sweden, Estonia, Latvia, Lithuania, Russia, Finland, Norway, Germany and Poland.

Please note that the event takes place in Timmendorfer Strand, Germany, on 23 May back-to-back an exclusive Place Branding seminar arranged by the Baltic Development Forum. The agenda and the details will follow shortly.

We would highly appreciate to get feedback from you on the above proposal by contacting Project Manager Kinga Valeria Szabo on +45 60 21 85 75 or ks@bdforum.org.

Best regards,

Baltic Development Forum


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Attachment 1. Facts about the Cruise Baltic Project



Market share Cruise Baltic

– Approx. 360.000 passengers in 2005/14,4 million = 2,5%

Average spend per passenger on land on a cruise = € 1776

Revenue to the Baltic region: € 621 million

What is the Cruise Baltic project?

Cruise Baltic is a close cooperation between

- 10 countries
- 19 destinations
- 35 partners - in the Baltic Sea Region.

The budget is 1,6 m Euro.

The aim is to integrate the Baltic Sea Region's international cruise tourism industry by exchange of knowledge and information.

Through Cruise Baltic, all the participating countries are able to offer the same service, high standards and full integration between ports and cities for cruise lines that want to discover the unique possibilities of the Baltic Sea Region.

For more information please go to www.cruisebaltic.com

Attachment 1. Facts about the Cruise Baltic Project

The 19 participating harbour towns and 35 partners are:

- **Copenhagen** (Wonderful Copenhagen and Copenhagen Malmö Port)
- **Elsinore/Helsingborg** (Elsinore Tourism and Business Association/Town of Helsingborg)
- **Gdynia** (Gdynia City Hall and Port of Gdynia)
- **Göteborg** (Port of Göteborg AB)
- **Helsinki** (Helsinki City Tourist and Convention Bureau, Port of Helsinki and Helsinki City Planning Department)
- **Kalmar** (Destination Kalmar and Port of Kalmar)
- **Karlskrona** (Municipality of Karlskrona)
- **Klaipeda** (Klaipeda City Municipality, Klaipeda State Seaport Authority and Klaipeda Tourism and Culture Information Centre)
- **Malmö** (Malmö Tourism)
- **Mariehamn** (Port of Mariehamn, Åland Tourism Board)
- **Oslo** (VisitOSLO as and Port of Oslo)
- **Riga** (Riga City Council and Riga Sea Port Authority)
- **Rostock** (Rostock Port Authority)
- **Rønne** (Port of Rønne Ltd)
- **St. Petersburg** (City of St. Petersburg)
- **Stockholm** (Stockholm Visitors Board AB, Ports of Stockholm and Board of Regional Planning & Urban Transportation, Stockholm County Council)
- **Tallinn** (Port of Tallinn, Tallinn City Enterprise Board)
- **Turku** (Turku City Tourist Office and Port of Turku)
- **Visby** (Port of Visby)
- **The EU-programme Interreg IIIB**

Commercial partners:

Scandinavian Airlines System (SAS Group)
Rezidor SAS (Hotels)

Attachment 2. Cruise cooperation on the national level - The UK model

The objective of Cruise Baltic cooperation in the UK

To form a partnership between the Baltic / Scandinavian Tourist Boards and other interest groups in the UK.

To increase the awareness of Cruise Baltic - Scandinavia amongst the trade and consumers and through working closely with the trade increase cruise passenger numbers to Scandinavia and the Baltic and thereby more cruise ships to the area.

Activities undertaken focus on building a joint platform for communication to and via the Press, Website build and maintenance plus agent training.

Operation, structure & budget

Four meetings are expected to be held annually, where the most important decisions are made.

There are three working groups related to the following areas:

1. Press and PR
2. Internet
3. Training

The budget for 2007 is set to be £ 700 per country. The project is launched officially once the consumer-oriented website is ready, expectedly in connection with the 'Cruise and Ferries 2007' in Exel or the first 'UK Cruise Convention' – a major travel event in May 2007.

Attachment 3. Facts on the Growing Tourism Industry in the BSR

Expected growth in terms of passengers worldwide (1.000)		
Year	Passengers	Growth
2003	12.217	-
2004	13.378	9,5%
2005	13.712	2,5%
2006	14.329	4,5%
2007	15.060	5,1%
2008	15.602	3,6%
2009	16.351	4,8%
2010	17.250	5,5%

Source: Global Changes in the Cruise Industry 2003-2010 / Cruise Copenhagen Network

Share of total market	1999	2000	2001	2002
The Caribbean / Bahamas	42,5%	45,9%	44,5%	46,6%
Northern Europe / Scandinavia	7,5%	7,0%	8,1%	10,9%
The Mediterranean	12,7%	11,7%	12,7%	10,2%
Mexico	5,5%	5,0%	2,0%	5,3%
Panama Canal	6,6%	4,8%	4,0%	3,3%
Hawaii Islands	1,9%	1,6%	2,6%	3,0%
Other destinations	23,3%	24,2%	26,1%	20,7%
Total	100%	100%	100%	100%

Source: Global Changes in the Cruise Industry 2003-2010 / Cruise Copenhagen Network

Main messages

- **THE CRUISE INDUSTRY IS BOOMING**
- **THE BALTIC SEA IS WINNING MARKET SHARES**
- **NEW COMPETITION FROM OTHER REGIONS IS A THREAT**
- **SUBSTANTIAL PART OF THE GROWTH CAN BE GAINED THROUGH CROSS-NATIONAL COOPERATION**