

## Fact Sheet #8: Cruise Tourism

### Competitive and Sustainable Tourism in Sinaloa Sur



#### Status of cruise tourism in Sinaloa

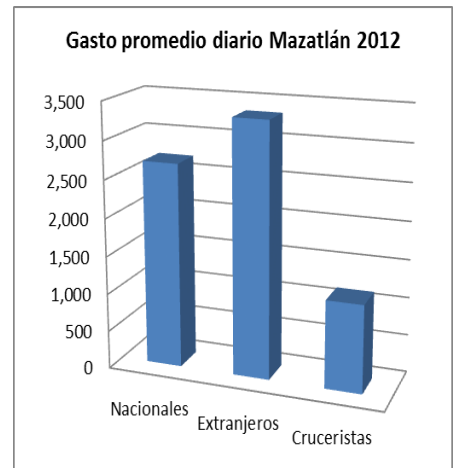
Mazatlan has long been a port of call on the Pacific coast of Mexico, with cruise tourism providing about 5% of tourism revenue and 10%-20% of total tourist arrivals to the city.<sup>i</sup> In 2011, security concerns led most cruise companies to discontinue port calls in Mazatlan, causing a drop of 99% in cruise passengers from 2010 to 2012.<sup>ii</sup> However, as a result of improvements in security, infrastructure, and street lighting, Holland America and Norwegian cruise lines are expected to have 10 port calls in November and December 2013 and 35 in 2014.<sup>iii</sup> Mazatlan is also a major overnight tourism destination in its own right.<sup>iv</sup>

In contrast, 80% to 90% of Mazatlan's estimated 2.5 million domestic and international visitors per year are overnight visitors who arrive by road or plane. A new superhighway from Durango to Mazatlan is expected to open the coast to some 40 million inland Mexicans, shifting the emphasis of tourism in Mazatlan even more from cruise passengers towards overnight tourists.

#### Issues

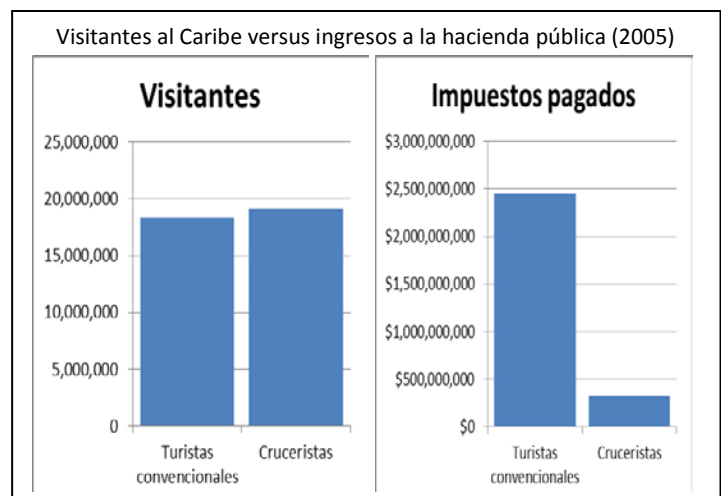
The main issues related to cruise tourism in Sinaloa are:

- Numerous studies have shown that cruise passengers spend far less on land than overnight tourists.<sup>v</sup> In Sinaloa, daily expenditure by cruise passengers is 35% of that of foreign and 42% of Mexican overnight tourists (1,156 versus 3,338 and 2,697 pesos, respectively).<sup>vi</sup>
- Government tax revenues are typically far lower from cruise passengers than from overnight tourists, as the graph for the Caribbean shows. In Mazatlan, the cruise lines pay \$10 per passenger in federal tax,<sup>vii</sup> while overnight tourists pay 3% lodging tax to the state government.
- Cruise lines typically demand that ports pay for all their land-based facilities. For instance, in Mazatlan, the Sinaloa government has budgeted 200 million pesos for a new cruise port,<sup>viii</sup> although international policy recommendations for cruise ports suggest that in general they should be financed by the cruise companies.<sup>ix</sup>



#### Bad examples

- The cruise port for Belize City is a closed enclave, in which vertically-integrated businesses owned by the cruise lines dominate over locally-owned businesses.
- In Costa Rica, shore excursion prices and the overhead charged on board ships leave little profit for local tour operators, who depend on large economies of scale. This excludes small entrepreneurs from the on-board market.
  - In southern Quintana Roo, the large cruise port at Mahahual was developed in a pristine area.



Although the cruise port was designed to be closed and low-impact, uncontrolled development around it resulted in significant damage to sections of the Mesoamerican Coral Reef.<sup>x</sup> Much of Sinaloa Sur has been declared a RAMSAR site, and consideration must be given to avoid damaging these biotic resources.

### Good examples

- Pocket cruises in Costa Rica bring quality employment to isolated shore communities. Because the ships usually carry fewer than 200 passengers and stay longer, the opportunities for ecotourism and cultural tourism with local entrepreneurs are much greater than for conventional shore excursions.
- Lindblad Expeditions cruises are designed to minimize environmental and cultural impacts, including greenhouse gas emissions. The cruises include expert lecturers on culture and ecology.



### How does this relate to Sinaloa Sur and how to move forward?

- Mazatlan's new cruise port should not become a closed enclave, but rather the departure point for many of the traditional activities that make Mazatlan a major tourism hub. A closed cruise port would severely limit benefits for the city.
- The Sinaloa tourism secretariat's efforts to "develop more high-end, small-ship traffic in the Sea of Cortes"<sup>xi</sup> should be encouraged. Pocket cruises use tenders where there is no port, which would permit small-scale shore options in Sinaloa Sur. Potential providers of pocket cruises should be contacted to determine levels of interest in new tourism options based on ecotourism and community-based tourism.
- Training of local entrepreneurs and youth should be considered a priority. Shore activities must meet high standards for punctuality, safety, hygiene, and language skills. Municipal and state investment in training in Mazatlan should be expanded to Sinaloa Sur. This will benefit all types of tourism and increase earning potential and profit margins. Training should include sustainability in showcasing and conserving local cultural values and biodiversity. Mazatlan tour operators with decades of experience with cruise passengers could provide potential trainers, along with experts in sustainability practices

## RESOURCES



<sup>i</sup> [www.cruiseindustrynews.com/cruise-news/7039-mazatlan-implementing-industry-requirements.html](http://www.cruiseindustrynews.com/cruise-news/7039-mazatlan-implementing-industry-requirements.html)

<sup>ii</sup> <http://eleconomista.com.mx/estados/2012/11/25/regreso-cruceros-mazatlan-acapulco-hasta-2013>

<sup>iii</sup> <http://www.kelownacapnews.com/lifestyles/211484511.html>, "Travel: Mexico's Mazatlan is getting its mojo back", 16 June 2013

<sup>iv</sup> [www.cruiseindustrynews.com/cruise-news/9015-mazatlan-ready-for-cruise-ships-to-return.html](http://www.cruiseindustrynews.com/cruise-news/9015-mazatlan-ready-for-cruise-ships-to-return.html), "Mazatlan: Ready for Cruise Ships to Return", 11 April 2013.

<sup>v</sup> "Cruising for a bruising: Challenges in Sustainable Capture of Ecosystem Service Values from Cruise Ship Tourism in Belize", 2013, Andrew Seidl et al. in *Economics of Biodiversity and Ecosystem Services*,

<sup>vi</sup> "Principales Indicadores Turísticos, Segundo trimestre de 2012". Secretaría de Turismo del Gobierno del Estado de Sinaloa, con datos del Sistema Data Tur y de la API Mazatlán

<sup>vii</sup> [www.elsiglodetorreon.com.mx/noticia/893067.otro-golpe-a-cruceros.html](http://www.elsiglodetorreon.com.mx/noticia/893067.otro-golpe-a-cruceros.html)

<sup>viii</sup> Francisco Cordova, Secretario de Turismo de Sinaloa, en [www.kelownacapnews.com/lifestyles/211484511.html](http://www.kelownacapnews.com/lifestyles/211484511.html)

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<sup>ix</sup> "Elementos de política para un turismo de cruceros sostenible en Centroamérica", 2007, CREST

<sup>x</sup> "Modelo de Desarrollo Sustentable de la Zona Costera: Indicadores ambientales en Mahahual, municipio Othón P. Blanco, Quintana Roo, México", Lourdes Castillo Villanueva et al.,

[http://aplicaciones.colef.mx/congreso\\_ecologico/resumenes/12-40%20Castillo%20Villanueva%20et%20al.doc](http://aplicaciones.colef.mx/congreso_ecologico/resumenes/12-40%20Castillo%20Villanueva%20et%20al.doc) y Andrew Seidl, comunicación personal basado en entrevistas.

<sup>xi</sup> Oralia Rice Rodríguez en <http://www.cruiseindustrynews.com/cruise-news/7039-mazatlan-implementing-industry-requirements.html>, "Mazatlan: Implementing Industry Requirements", 2 April 2012

