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UKRAINE

CASE STUDY

Cruise Ships Return to Crimea's Ports

Ukraine positions Black Sea towns as ports of call for cruise ships



Photo: USAID/Oleh Sereda

The Select Black Sea team negotiates with potential business partners at Ukraine's booth at the recent Seatrade Cruise Shipping Convention in Miami.

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Telling Our Story
U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

Challenge

When a cruise ship visits a port, it means money. Passengers spend their cash and shipowners buy port services. It's not surprising that coastal cities in the Mediterranean and Black Sea compete to lure cruise ships to their harbors. During the Soviet era, Crimea welcomed over 300 cruise ships a year. This number plummeted following the economic disintegration following Ukraine's independence. In the 1990's, if Crimea attracted 20 ships each season it was a good year. Poor infrastructure, an ineffective regulatory environment, and a lack of a cohesive strategy continue to curb the sector's growth.

Initiative

USAID analysts identified tourism as an industry with great potential in Ukraine. They set a goal of making the Black Sea peninsula a major part of the Mediterranean cruise market again. To start, they helped send a Ukrainian delegation to the 22nd International Seatrade Cruise Shipping Convention in Miami, Florida. It was the first time Ukraine was represented at the world's biggest international cruise industry event. Crimea's delegation included representatives of its ports and tourism groups. Ukraine's information booth showcased tourist agencies and sketched out development possibilities for Crimean port towns. The delegation emphasized the Black Sea region's resurgence after more than a decade of decline.

Results

Convention participants discussed joint initiatives for 2007 with cruise industry leaders like Royal Caribbean and Celebrity International. Some indicated an interest in expanding cruise operations to the Black Sea. Ukrainian operators signed several memoranda of understanding. Partly as a result, the cruise season in the Black Sea ports of Odesa and Yalta were extended by two months, now running from March to November. In 2006, the city of Kerch is hosting an unprecedented four cruises. Ten to 15 more per year are expected in the near future. By late 2006, 70 cruise ships will have called at Yalta, a 32 percent jump from 2005. In 2007, with American cruise companies scheduled to return for first time since 2002, expectations for robust growth are even higher.