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Competitiveness Analysis and Growth Path of Jiangsu's Cruise Industry Development

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Abstract: ***As a key economic province in the Yangtze River Delta, Jiangsu holds significant potential for cruise industry development but faces challenges such as intensified regional competition and an incomplete industrial chain. This paper evaluates Jiangsu's cruise industry competitiveness by analyzing its resource endowments, market demand, policy environment, and technological innovation capabilities, employing a SWOT framework. It proposes four growth paths: differentiated development, industrial chain collaboration, innovation-driven strategies, and internationalization. The study suggests that Jiangsu should focus on integrating "cruise and cultural tourism," establishing regional coordination mechanisms, and breaking through core technologies to enhance global competitiveness and achieve high-quality development.***

Keywords: Jiangsu, Cruise Industry, Competitiveness Analysis, Growth Path, SWOT Model.

1. Introduction

Driven by the accelerated recovery of the global cruise economy and China's consumption upgrade, the cruise industry has emerged as a new engine for high-quality regional economic development. As a key economic province in the Yangtze River Delta, Jiangsu boasts unique advantages for cruise industry growth, including its strategic position along the Yangtze River Golden Waterway, millennia-old Grand Canal cultural heritage, and advanced manufacturing base. In recent years, leveraging the radiation effect of Shanghai's international cruise hub, Jiangsu has initially formed industrial clusters) in port construction, tourism services, and ship equipment supply. However, compared to pioneering regions like Shanghai and Tianjin, it still faces challenges such as a fragmented industrial chain, weak brand influence, and homogeneous competition.

Currently, Jiangsu's cruise industry is at a critical juncture of transitioning from "scale expansion" to "quality enhancement." On one hand, the Yangtze River Delta integration strategy provides policy opportunities for regional collaboration; on the other, rising consumer demand for personalized, immersive cruise experiences necessitates industrial innovation and upgrading. Nevertheless, existing research predominantly focuses on national or industry-level analyses, with limited exploration of differentiated development paths at the provincial level.

This study examines Jiangsu's cruise industry through a four-dimensional analytical framework—resource endowments, market demand, policy environment, and technological innovation—combined with SWOT analysis and comparative case studies. It systematically evaluates competitive disadvantages and growth potential to address two core questions: How can Jiangsu break free from regional homogeneous competition and build differentiated advantages? How can it achieve a leap from "cruise manufacturing support" to "full-industry-chain value creation" through industrial chain collaboration and innovation-driven development? The findings offer theoretical insights and practical references for local governments to formulate targeted policies and enterprises to optimize strategic layouts.

2. Analysis of the Current Development Status of Jiangsu's Cruise Industry

2.1 Industrial Scale and Growth Trends

Jiangsu's cruise industry, though a late starter, has demonstrated rapid growth in recent years, leveraging the strategic integration of the Yangtze River Delta region and the radiating effect of Shanghai's international cruise hub. Statistically, the province's cruise passenger throughput grew at an average annual rate of 12.3% from 2018 to 2022, reaching approximately 450,000 passengers in 2022 and accounting for 8.6% of the national total. In terms of industrial revenue, the three key sectors—cruise tourism, port services, and ship support manufacturing—have developed synergistically, with total output value surpassing RMB 12 billion in 2022. Notably, cruise tourism revenue contributed over 60% of this total, emerging as the primary growth driver. Driven by the global cruise market recovery and domestic consumption upgrades, Jiangsu's cruise industry is projected to maintain an annual growth rate of 10%-15% over the next five years, gradually narrowing the gap with leading regions like Shanghai and Tianjin [1].

2.2 Industrial Chain Structure and Core Segments

Jiangsu has initially established a complete cruise industrial chain encompassing "upstream manufacturing support—midstream port operations—downstream tourism services," though segmental development remains uneven. The upstream sector focuses on ship repair, outfitting, and equipment production, with Nanjing and Nantong leveraging their shipbuilding foundations to undertake cruise maintenance and interior projects. However, core technologies such as advanced propulsion systems and intelligent navigation still rely on imports. The midstream sector prioritizes port infrastructure development, with Lianyungang and Nantong ports constructing dedicated international cruise terminals, though route density and operational stability remain inadequate—only 12 international cruise routes were operational across the province in 2022. The downstream sector centers on cruise tourism services, with Suzhou and Wuxi integrating canal culture and classical gardens to develop signature products like “cruise and urban sightseeing” and “cruise and cultural experiences,” though brand management capabilities require enhancement [2]. Overall, Jiangsu’s cruise industrial chain exhibits a pattern of “weak upstream and downstream capabilities with a strengthened midstream,” necessitating technological breakthroughs and resource integration for holistic development.

2.3 Policy Support and Regional Layout

The Jiangsu provincial government has prioritized cruise industry development, incorporating it into the 14th Five-Year Plan for Marine Economy and introducing specialized policies to foster a supportive ecosystem. The 2021 Implementation Measures for Promoting High-Quality Development of Jiangsu’s Cruise Industry outlined a spatial layout of “three cores driving and multiple nodes supporting”: Nanjing, Suzhou, and Nantong serve as industrial cores for cruise manufacturing, tourism services, and port operations; Lianyungang and Yancheng act as regional hubs to expand international routes and strengthen hinterland economic linkages; while Wuxi, Changzhou, and other cities provide supporting bases for ship components and logistics services. Additionally, policies optimize the business environment through tax incentives, talent recruitment, and cross-border collaborations, such as offering subsidies of up to RMB 20 million for newly built cruise ships and promoting resource integration with Shanghai to establish a “Yangtze River Delta Cruise Tourism Integration Demonstration Zone.” Regional coordination and targeted policies are critical for Jiangsu to overcome bottlenecks and achieve differentiated competitiveness in the cruise sector.

3. Analysis of Competitiveness in Jiangsu’s Cruise Industry

3.1 Resource Endowment Competitiveness

Jiangsu leverages dual geographical advantages of the Yangtze River Golden Waterway and coastal deep-water shorelines, forming prominent port resource endowments. Ports such as Nantong, Lianyungang, and Suzhou possess natural conditions for constructing large-scale cruise home ports. Notably, Nantong Port has completed a 150,000-ton cruise berth capable of accommodating mainstream international cruise ships, while Lianyungang Port, strategically positioned along the Belt and Road Initiative, holds geographical advantages for launching international routes. In terms of tourism resources, Jiangsu integrates three signature features—“canal culture, Jiangnan gardens and coastal landscapes.” World Cultural Heritage sites like Suzhou Classical Gardens and Nanjing Ming Xiaoling Mausoleum complement natural attractions such as Yangzhou Slender West Lake and Wuxi Taihu Lake, providing rich materials for developing themed products like “cruise and cultural experiences” and “cruise and ecological tours.” However, collaborative development between ports and tourism resources remains insufficient, with some port areas lacking supporting tourist facilities. Strengthening “port-city linkage” mechanisms is essential.

3.2 Market Demand Competitiveness

Jiangsu and the Yangtze River Delta region represent core passenger source markets for China’s cruise industry. In 2022, the delta accounted for 45% of national cruise passengers, with over 15% originating from Jiangsu, primarily concentrated in economically developed cities like Nanjing, Suzhou, and Wuxi. Regarding consumption potential, Jiangsu’s per capita disposable income has ranked among the highest nationally for years, reaching RMB 53,000 in 2022. High-income groups drive sustained demand for premium cruise products. Additionally, emerging segments like family tours and silver-haired tourism propel diversification and customization of cruise offerings [3]. Nevertheless, local cruise brands in Jiangsu suffer from low recognition, with over 60% of passengers opting to depart from Shanghai Port, indicating a need to enhance regional market cultivation and brand marketing.

3.3 Policy Environment Competitiveness

The Jiangsu provincial government has established a systematic support framework through top-level design and specialized policies. The 2021 14th Five-Year Plan for Marine Economic Development of Jiangsu Province explicitly prioritizes the cruise industry, setting a goal to “build a Yangtze River Delta cruise tourism distribution center” and allocating provincial special funds for cruise development. These funds provide subsidies of up to 30% for newly built cruise ships and route development. In terms of business environment optimization, Jiangsu implements “one-net-for-all” administrative services, reducing project approval periods to within six months. Cities like Nantong and Suzhou further attract cruise enterprises through tax reductions and talent apartment initiatives. However, policy execution faces challenges in regional coordination, such as incomplete integration of Shanghai-Jiangsu port and shipping resources, necessitating stronger cross-regional policy alignment.

3.4 Technological Innovation Competitiveness

Jiangsu has laid a foundation in cruise ship repair and construction technologies. Ship enterprises in Nanjing and Nantong have undertaken maintenance, refitting, and outfitting projects for multiple international cruise ships, mastering key technologies like modular cabin construction and eco-friendly painting. However, core technologies such as advanced propulsion systems and intelligent navigation still rely on imports. In digital services, Jiangsu leverages 5G and big data to advance intelligent upgrades in cruise tourism. Suzhou Port pilots a “seamless customs clearance” system, reducing passenger processing time to under 10 seconds, while Nanjing Tourism Group develops a “cruise and scenic spots” unified ticket platform enabling “one-code access” to over 20 attractions in the delta. Nevertheless, the overall technological innovation ecosystem remains underdeveloped, with enterprise R&D investment accounting for less than 3% of revenue. Strengthening industry-university-research collaboration is critical to enhancing indigenous innovation capabilities.

3.5 Comprehensive Competitiveness Evaluation

Jiangsu’s cruise industry exhibits multidimensional competitiveness. Its strengths lie in leveraging the Yangtze River Golden Waterway and coastal deep-water shorelines, with well-equipped port infrastructure and strong regional radiation capacity, alongside integrated tourism resources featuring Jiangnan gardens, canal culture, and coastal landscapes—laying foundations for differentiated product development. Policy support through specialized plans, subsidies, and “one-net-for-all” services continuously optimizes the business environment, while ship repair technologies like modular construction and eco-friendly painting, combined with 5G/big data innovations in customs clearance and scenic spot integration, form a “hardware and digital” dual support system. However, weaknesses persist in high-end industrial links, with core technologies like propulsion systems and intelligent navigation reliant on imports. Regional market cultivation lags, limiting local brand recognition, and synergy effects from Shanghai-Jiangsu port-shipping integration remain underutilized. Opportunities emerge from the Yangtze River Delta integration strategy accelerating cross-regional port alliances and passenger sharing, global cruise market recovery driving consumption upgrades, and green/low-carbon technological transitions offering indigenous enterprises overtaking chances. Threats include intensified competition from pioneer regions like Shanghai and Tianjin, international cruise giants expanding market dominance through capital and route monopolies, and geopolitical risks potentially disrupting international routes. Overall, Jiangsu must prioritize “chain strengthening” and “niche competition” to build a more resilient industrial ecosystem [4].

4. Research on the Growth Path of Jiangsu’s Cruise Industry

4.1 Differentiated Development Path

Jiangsu should leverage its unique resource endowments of “canal culture, Jiangnan gardens and coastal landscapes” to develop differentiated cruise products. Specifically, three thematic routes can be prioritized: the Canal Culture Experience Route, centered on the Suzhou and Yangzhou sections of the Beijing-Hangzhou Grand Canal, cooperating with UNESCO World Heritage sites like Suzhou’s Humble Administrator’s Garden and Yangzhou’s Ge Garden; the Coastal Eco-Tourism Route, focusing on Lianyungang’s coastal resorts and integrating attractions such as Ganyu Fishing Port and Qinshan Island; and the Yangtze River Delta City Cruise Route, jointly developed with Shanghai and Zhejiang to highlight the contrast between Jiangnan water towns and modern metropolises. Drawing on the success of Nanjing’s “Yangtze River Legend” night cruise project, Jiangsu can launch immersive cultural experiences like “night cruises and intangible heritage performances,” using digital technologies to recreate historical scenes such as Zheng He’s voyages [5].

4.2 Industrial Chain Synergy Path

To build a collaborative ecosystem, Jiangsu must promote deep integration across the entire industrial chain. Upstream, support local shipbuilding enterprises like Nantong COSCO KHI Ship Engineering to collaborate with Jiangsu University of Science and Technology in establishing R&D centers for cruise interior technologies, breaking through key areas such as thin-plate processing and smart cabins. Midstream, optimize port functional layouts by positioning Taicang Port (Suzhou) as an international cruise home port with supporting duty-free shopping centers and maintenance bases. Downstream, encourage tourism enterprises like Nanjing Tourism Group to develop “cruise and scenic spots” unified ticket systems, enabling mutual passenger referrals. For regional linkage, establish a Jiangsu-Shanghai cruise industry alliance to share passenger sources and route resources from Shanghai’s Wusongkou Cruise Port, jointly developing “board in Shanghai, tour in Jiangsu” cross-border products.

4.3 Innovation-Driven Development Path (Technological Innovation, Model Innovation)

At the technological level, focus on breakthroughs in two key directions: green-smart and digitalization. For green technologies, promote the adoption of LNG-powered cruise ships and shore power systems, while drawing on the circular economy model of Zhongtian Steel to convert cruise waste into construction materials for port infrastructure. In terms of smart technologies, leverage 5G communication and devices to enable intelligent cabin climate control and real-time monitoring of navigation data.

Regarding model innovation, pilot the “shared cruise” concept, allowing tourists to purchase single-day cabin access rights. Develop a “cruise and educational tourism” model by collaborating with Nanjing University and Southeast University to offer marine science courses. Additionally, establish a cruise service evaluation system to dynamically adjust route designs based on passenger feedback.

4.4 Internationalization Development Path (International Cooperation, Brand Output)

Deepen global collaboration by attracting international cruise companies like Royal Caribbean and MSC Cruises to establish joint ventures in Lianyungang for “Belt and Road” themed routes. Collaborate with Finnish shipyards such as Meyer Turku to introduce polar expedition cruise construction technologies and set up repair bases in Nantong. For brand output, organize the “Jiangsu Cruise Culture Festival” and promote the special IP through global platforms like TikTok. Establish overseas promotion centers in Southeast Asia and the Middle East to attract international tourists. As for policy, advocate for national support in setting up a cruise financial leasing platform in Nanjing, offering registration subsidies and tax incentives aligned with China (Jiangsu) Pilot Free Trade Zone policies to facilitate the global expansion of “Jiangsu-made” cruises [6].

5. Conclusions

Jiangsu’s cruise industry should pursue high-quality development through differentiated, synergistic, innovative, and internationalized paths. Differentiation involves leveraging unique resources to create themed routes and products, while synergy emphasizes upstream-downstream integration and regional collaboration. Innovation focuses on green-smart technologies and business model breakthroughs, such as shared cruises and educational tourism integration.

Internationalization enhances competitiveness through global partnerships and brand exports. Future efforts require strengthened policy support, technological R&D, and market cultivation to position Jiangsu as a premier hub for cultural-tourism integration and marine economy in the Yangtze River Delta.

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