
INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Industry Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

SOURCES OF THE INDUSTRY INFORMATION

We commissioned Frost & Sullivan to analyse and prepare a report regarding water-based tourism service market in China and Jiangsu Province during the period of 2020 to 2029. Frost & Sullivan is an independent global consulting firm, which was founded in 1961 in New York, offering industry research and market strategies and provides growth consulting and corporate training. We agreed to pay a commission fee of RMB300,000 to Frost & Sullivan pursuant to a service agreement reached by arm's length negotiation. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report.

In preparing for the report, Frost & Sullivan conducted both primary and secondary research and relied on various sources. The primary research was conducted via interviews with key industry experts and leading industry participants. The secondary research involved analysis of market data obtained from several publicly available data sources, such as National Bureau of Statistics, Ministry of Culture and Tourism of the PRC, General Administration of Customs of the PRC and other industrial associations. The market projections in the Frost & Sullivan Report are based on the following key assumptions: (i) the overall social, economic, and political environment in China are expected to remain stable during the forecast period; (ii) China's economic and industrial development are likely to maintain a steady growth in the forecast period; (iii) related industry key drivers are likely to drive the growth of water-based tourism service market in China and Jiangsu Province in the forecast period, such as rising disposable income and travel expenditure, cultural-tourism integration and cross-industry synergy, digital technology and smart platforms, etc.; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally.

Our Directors confirm that, to the best of their knowledge, after making reasonable inquiries and exercising reasonable care, there is no material adverse change in the market information since the date of the relevant data contained in the Frost & Sullivan Report which may qualify, contradict or have an impact on the information in this section.

THE TOURISM MARKET OVERVIEW IN CHINA, JIANGSU PROVINCE AND YANGZHOU

The Total Tourism Spending in China

The total tourism spending in China reached RMB5.8 trillion in 2024, rising from RMB2.2 trillion in 2020. In 2022, the total tourism spending experienced a significant decline due to pandemic control measures, including travel restrictions, lockdowns in some regions, reduced spending on transportation, accommodation, sightseeing, etc. However, with the relaxation of these controls, the market began to rebound in 2023, recovering to RMB4.9 trillion. This momentum continued into 2024, reflecting a notable increase from the 2022 downturn.

The government has introduced a series of policies to promote market growth. According to the “Domestic Tourism Enhancement Plan (2023–2025)” (《國內旅遊提升計劃(2023–2025年)》) issued by the Ministry of Culture and Tourism in 2023, the plan aims for the domestic tourism market to maintain reasonable growth by 2025, with further improvements in quality and an enriched supply of high-quality

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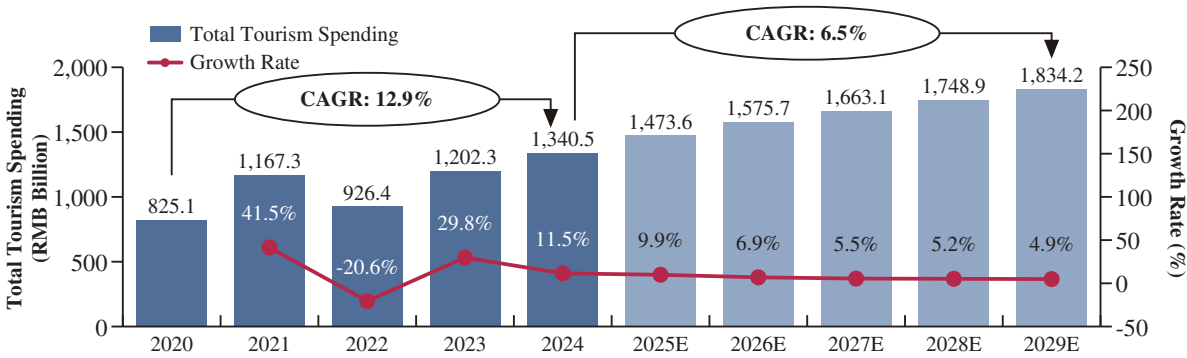
tourism offerings. In 2025, the General Office of the State Council issued the “*Several Measures on Further Cultivating New Growth Drivers and Promoting the Prosperity of Cultural and Tourism Consumption*” (《關於進一步培育新增長點繁榮文化和旅遊消費的若干措施》), which proposed organizing a series of cultural and tourism consumption promotion activities, launching distinctive tourism products, and developing the night-time cultural and tourism economy. By 2029, the total tourism spending in China is expected to increase to RMB10.1 trillion, growing at a CAGR of 12.0% from 2024.

The Total Tourism Spending in Jiangsu Province

From 2020 to 2022, total tourism spending in Jiangsu Province experienced fluctuations due to COVID-19 and has subsequently gradually recovered from the COVID-19 impacts since 2023. Tourism revenue reached RMB825.1 billion in 2020 and increased to RMB1,167.3 billion in 2021. However, repeated COVID-19 outbreaks, travel restrictions, and weakened consumer confidence led to a decline of total tourism spending to RMB926.4 billion in 2022. In 2024, the total tourism spending in Jiangsu Province reached RMB1,340.5 billion driven by the gradual recovery of domestic travel demand, rising consumer confidence, and supportive government policies promoting cultural and tourism development, growing at a CAGR of approximately 12.9% from 2020.

With the deepening integration of culture and tourism, the upgrading of tourism infrastructure, and the expansion of high-quality cultural and leisure offerings, the total tourism spending in Jiangsu Province is projected to reach RMB1,834.2 billion by 2029, representing a CAGR of 6.5% from 2024.

Total Tourism Spending (Jiangsu Province), 2020–2029E



Source: Jiangsu Provincial Department of Culture and Tourism, Frost & Sullivan

The Total Tourism Spending in Yangzhou

Along with the continuous growth of total tourism spending in Jiangsu Province, tourism spending in Yangzhou has also increased at a CAGR of approximately 14.2% from 2020, reaching RMB103.7 billion in 2024. This upward trend is closely tied to Yangzhou’s unique tourism strengths and targeted development efforts. As a city renowned for its rich cultural heritage, from the Slender West Lake to its food culture, and supported by local policies promoting cultural tourism integration, Yangzhou has successfully attracted more visitors. In the future, the total tourism spending in Yangzhou is expected to continue growing steadily, rising from RMB103.7 billion in 2024 to RMB151.8 billion in 2029.

The Total Tourist Arrivals in China

Along with changes and growth in total tourism spending, the total tourist arrivals in China has shown similar changes in recent years. The total tourist arrivals in China increased from 2.9 billion person-times in 2020 to 5.7 billion person-times in 2024, rising at a CAGR of approximately 18.9%. According to the “*Several Measures on Unlocking Tourism Consumption Potential and Promoting the High-quality Development of the Tourism Industry*” (《關於釋放旅遊消費潛力推動旅遊業高品質發展的

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若干措施》) issued by the General Office of the State Council, the measures aims at strengthening the construction of leisure facilities such as greenways, cycling paths and parking facilities, improving the tourism consumption environment, and enhancing consumer-benefit policies.

In addition to favorable policies, the promotion of cultural products such as games, television dramas and variety shows has driven the continuous emergence of popular domestic tourist cities and attractions in recent years, becoming a new engine for the development of culture and tourism in many regions. Furthermore, China has further relaxed and optimized its visa-free policies and introduced a series of measures to facilitate foreign visitors, with continued benefits from policies easing visas, payments and accommodation for tourism in China.

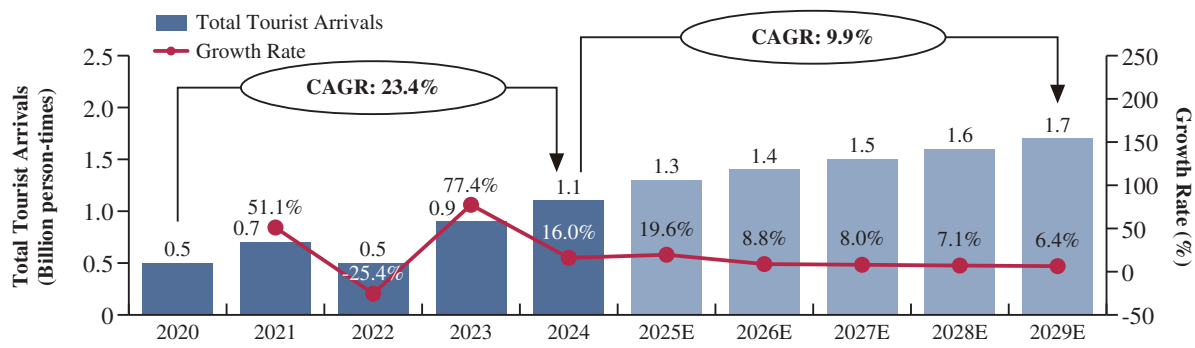
These have not only stimulated people’s willingness to travel but also facilitated the expansion of the tourism sector, further improving the development of the tourism market and driving up tourist numbers. By 2029, the total tourist arrivals are expected to rise to 9.3 billion person-times, with a CAGR of 10.2% from 2024.

The Total Tourist Arrivals in Jiangsu Province

The total tourist arrivals in Jiangsu province witnessed a rapid growth over the past years, rising from 0.5 billion person-times in 2020 to 1.1 billion person-times in 2024, representing a CAGR of 23.4% from 2020.

According to the “Specific Policy Measures on Promoting the Accelerated and Comprehensive Recovery of the Province’s Cultural and Tourism Market” (《關於促進全省文旅市場加快全面復蘇的具體政策舉措》) issued by the Jiangsu Provincial Department of Culture and Tourism and the Jiangsu Provincial Department of Finance, it aims at promoting the accelerated and comprehensive recovery of the cultural and tourism market. The measures mention accelerating the allocation of RMB90 million of provincial cultural and tourism development funds, with a focus on supporting projects such as consumption boosting, industrial integration, and digital development. Additionally, it includes holding the 5th Grand Canal Cultural and Tourism Expo and tourism consumption promotion activities. These events not only enhance tourism visibility in Jiangsu province but also encourage more tourists to travel there. By 2029, the total tourist arrivals in Jiangsu province is expected to increase to 1.7 billion person-times, with a CAGR of approximately 9.9% from 2024.>

Total Tourist Arrivals (Jiangsu Province), 2020–2029E



Source: Frost & Sullivan

The Total Tourist Arrivals in Yangzhou

In 2024, the total tourist arrivals in Yangzhou increased to 119.2 million person-times from 38.4 million person-times in 2020, representing a CAGR of approximately 32.7% from 2020 to 2024. The local government is improving tourism infrastructure, upgrading transport, and enhancing visitor facilities. Support for cultural tourism projects and events such as festivals and exhibitions has further

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attracting more visitors to Yangzhou. It is predicted that the total tourist arrivals in Yangzhou is expected to grow at a CAGR of approximately 11.4%, rising from 119.2 million person-times in 2024 to 204.6 million person-times in 2029.

WATER-BASED TOURISM SERVICE MARKET OVERVIEW IN CHINA AND JIANGSU PROVINCE

Definition and Classification of Water-based Tourism Service

Water-based tourism services encompass leisure and sightseeing experiences conducted on inland navigable waters, such as rivers, lakes, and canals, using boats including sightseeing boats, self-driving boats, painted boats, dining boats, etc.. In this report, the scope excludes both overnight and non-overnight cruises.

The water-based tourism service market in China can be categorized based on the water types and service offerings.

- By water type — inland waterways, coastal waters, and urban water systems, each offering distinct route designs and visitor experiences.
- By service offerings — daytime sightseeing boats, night sightseeing boats, self-driving boats, painted boats, dining boats, etc., catering to a spectrum of needs from cultural leisure to premium, customized experiences.

The Value Chain of Water-based Tourism Service in China

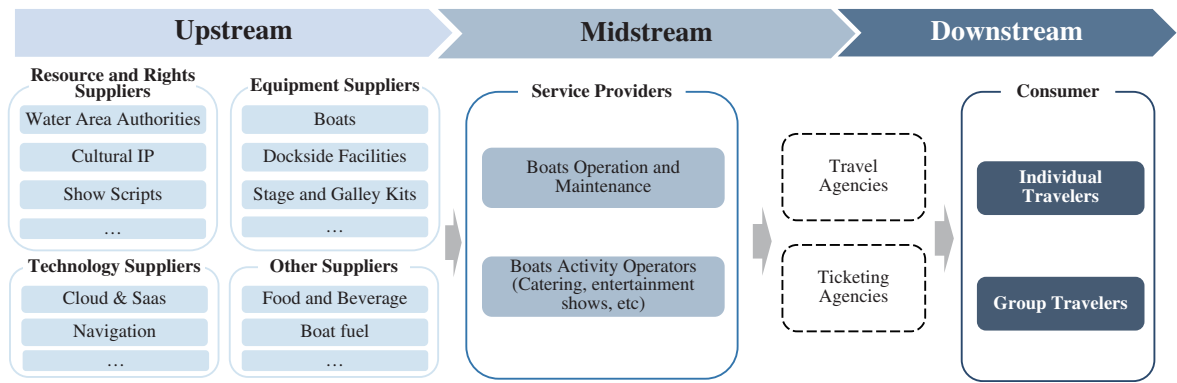
China’s water-based tourism value chain links upstream suppliers, midstream service providers and downstream end users.

Upstream suppliers include i) resource and rights suppliers provide water area authorities, cultural IP, show scripts, etc., ii) equipment suppliers deliver boats, dockside facilities, and stage/galley kits, ensuring the infrastructure for operations, iii) technology suppliers provide cloud & SaaS solutions and navigation systems, ensuring the safety of journeys, and iv) other suppliers supply food and beverage as well as boat fuel, all ensuring the smooth operation of upstream related processes.

Midstream service providers involve boats operation and maintenance and boats activity operators. Boats operation and maintenance are responsible for the daily scheduling and sailing arrangements, as well as inspecting, cleaning and maintaining boats. Boats activity operators design the activities on the boat, such as providing catering, themed shows or interactive events, to enrich trips. Before reaching end users, midstream services are primarily distributed through online travel agencies (“OTAs”) and offline travel agencies, as well as online and offline ticketing agencies, which package products and provide convenient booking channels for travelers.

The downstream includes two types of clients: i) individual travelers, defined as a single passenger who consumes the water-based service alone; and ii) group travelers, referring to two or more passengers traveling together, including families, tour groups and event parties such as weddings, celebrations and corporate team building.

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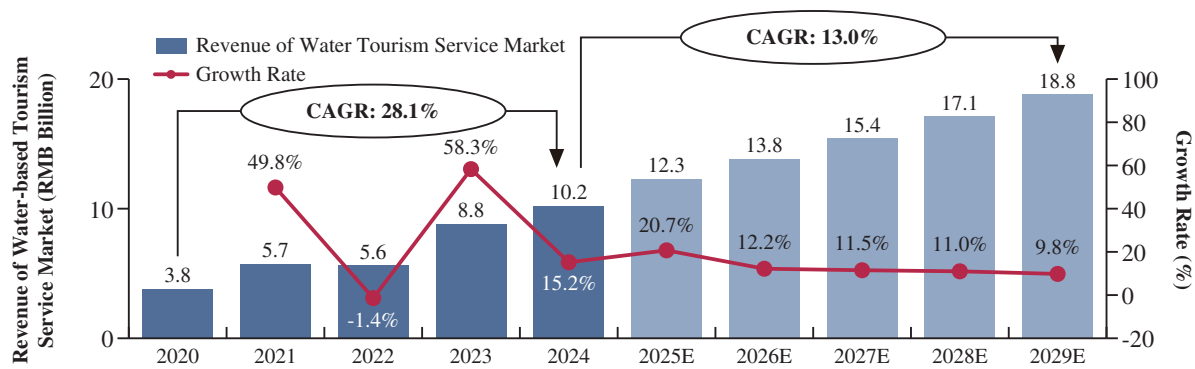


Source: Frost & Sullivan

The Market Size of Water-based Tourism Service in China and in Jiangsu Province

The revenue of water-based tourism service market in China reached RMB10.2 billion in 2024, rising from RMB3.8 billion in 2020. The revenue of water-based tourism service market in China is expected to maintain a steady growth with the continuous water-based tourism favorable policies and the upgrading of water related tourism products, and the rising consumer demand for unique water-based tourism experiences. From 2024 to 2029, the revenue of water-based tourism service market in China is expected to increase from RMB10.2 billion to RMB18.8 billion, representing a CAGR of approximately 13.0%.

Revenue of Water-based Tourism Service Market (China), 2020–2029E



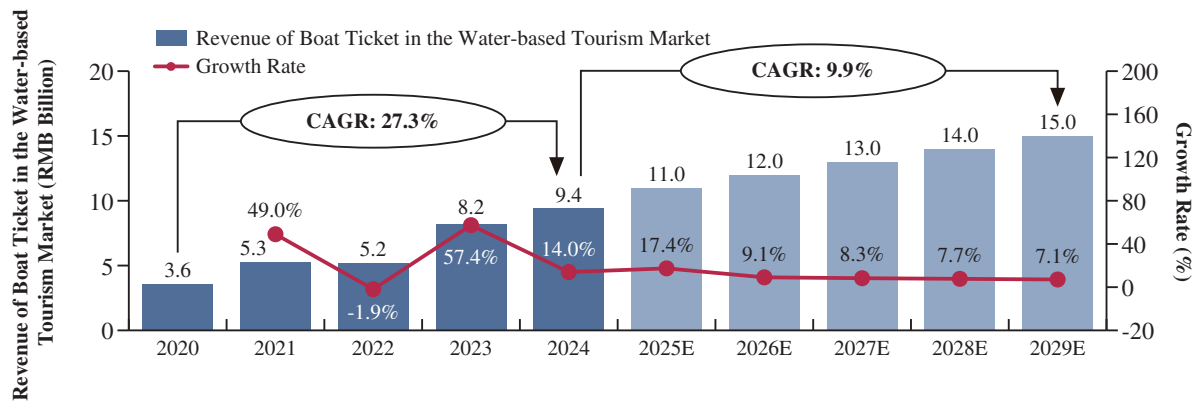
Source: Frost & Sullivan

Boat ticket revenue in the water-based tourism market in China accounts for most of the total market size. This segment grew markedly from RMB3.6 billion in 2020 to RMB9.4 billion in 2024, representing a CAGR of approximately 27.3%. The market saw a sharp contraction in 2022 as the COVID-19 pandemic severely restricted tourism activities and visitor numbers. With the easing of pandemic restriction measures and the gradual return of consumer confidence, the sector rebounded in 2023, supported by renewed travel demand and enriched service offerings, with revenue reaching RMB8.2 billion, up 57.4% on year-on-year basis, and continuing to grow to RMB9.4 billion in 2024.

Looking ahead, rising tourism consumption, diversification of sightseeing experiences, and continued enhancements in service quality are expected to drive steady growth. Boat ticket revenue in the water-based tourism market is projected to expand at a CAGR of approximately 9.9% from 2024 to 2029, reaching RMB15.0 billion by the end of 2029.

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Revenue of Boat Ticket in the Water-based Tourism Market (China), 2020–2029E



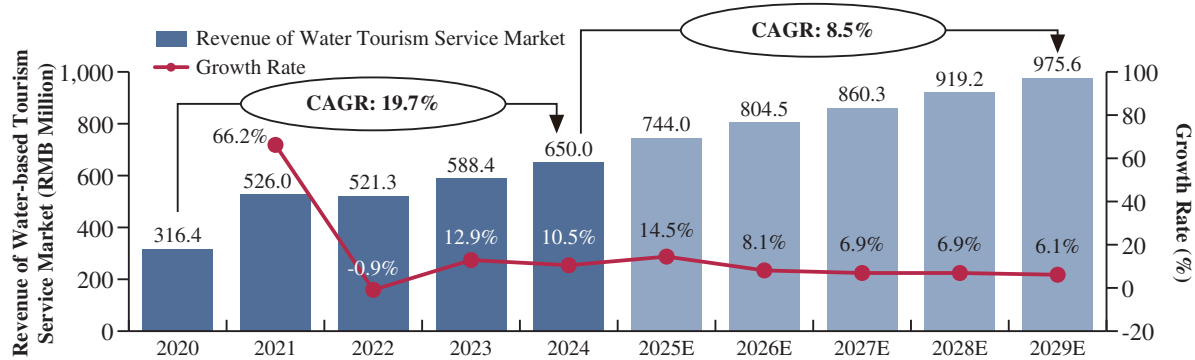
Source: Frost & Sullivan

The revenue of water-based tourism service market in Jiangsu Province showed a dynamic trend from 2020 to 2024. From 2020 to 2024, it grew significantly, rising from RMB316.4 million to RMB650.0 million, reflecting a CAGR of 19.7%. Similar to the national tourism market pattern, Jiangsu saw a decline in 2022, with the growth rate dropping to -0.9%.

Driven by the continuous recovery of the tourism market and the drive of local development initiatives, the revenue of water-based tourism service market in Jiangsu Province is projected to keep growing steadily. Moreover, the high-quality water-based tourism and integrated water-based tourism products are likely to present growth opportunities. Therefore, the market is expected to reach RMB975.6 million by 2029, representing a CAGR of approximately 8.5% from 2024.

Other revenue sources of the water-based tourism service market in Jiangsu Province primarily comprise a variety of innovative themed services beyond traditional boat ticket revenue. These include “Boat + Dining” experiences that integrate on-board dining and sightseeing, offering distinctive local specialties such as Yangzhou-style breakfast tea; “Boat + Corporate” services that utilize boats as unique venues for corporate gatherings and events; as well as “Boat + Education” programs designed around the rich history, culture and ecological heritage of the Grand Canal, mainly targeting primary and secondary school students.

Revenue of Water-based Tourism Service Market (Jiangsu Province), 2020–2029E



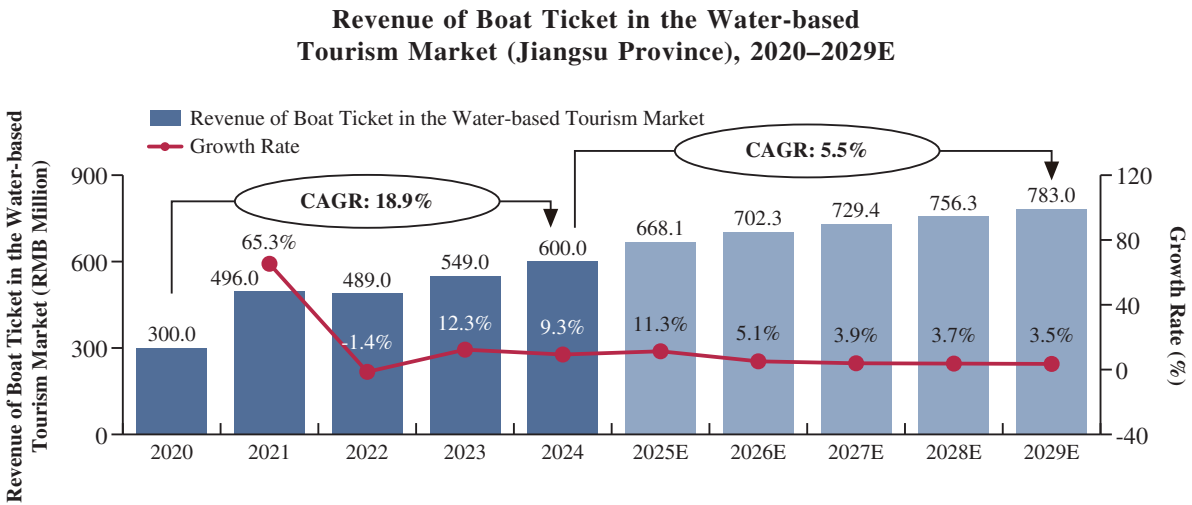
Source: Frost & Sullivan

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The revenue of boat ticket in the water-based tourism market in Jiangsu Province grew substantially from RMB300.0 million in 2020 to RMB600.0 million in 2024, reflecting a CAGR of approximately 18.9%. In 2024, Jiangsu accounted for approximately 6.4% of China’s total boat ticket revenue in the water-based tourism market. Akin to the national market, Jiangsu experienced a notable decline in 2022 as COVID-19 restrictions curtailed tourism activity.

In 2023, the Jiangsu provincial government issued the “*Opinions on Accelerating the Development of a More Distinctive ‘Water Transport Jiangsu’*” (《關於加快打造更具特色的“水運江蘇”的意見》), advocating the integration of water passenger transport with tourism, culture and urban development. The policy emphasizes enhancing water public service quality, advancing networked ticketing, improving connections with public transportation, and creating premium water tour routes.

Underpinned by these initiatives, boat ticket revenue in Jiangsu’s water-based tourism market is projected to reach RMB783.0 million by 2029, representing a CAGR of 5.5% from 2024.



Source: Frost & Sullivan

The revenue of water-based tourism service market in Yangzhou City increased from RMB36.9 million in 2020 to RMB110.0 million in 2024, growing at a CAGR of 31.4% from 2020.

In 2025, the Yangzhou Municipal Government emphasized the need to leverage the city’s cultural heritage and abundant tourism resources by organizing cultural and tourism events such as the Grand Canal Cultural and Art Exhibition and the Slender West Lake Flower Festival. At the same time, the city focused on developing its night-time tourism to extend the tourism consumption chain, introducing projects such as the Slender West Lake Night Tour, the Slender West Lake Night Market, the “Grand Canal Yangzhou” night boats performance. In 2029, the revenue of water-based tourism service market in Yangzhou City is expected to reach to RMB182.0 million, growing at a CAGR of 10.6% from 2024.

Aligned with the revenue growth of water-based tourism service market in Yangzhou City, the revenue from boat ticket also showed a similar upward trend from 2020 to 2024. The increase was driven by the continuous enhancement of water-based tourism infrastructure, the expansion of cultural tourism events and the development of diversified boat services. From 2020 to 2024, the revenue from boat ticket in Yangzhou City increased from RMB35.9 million to RMB 106.7 million, representing at a CAGR of 31.3% from 2020. Boat ticket in the water-based tourism market in Yangzhou City is projected to grow at a CAGR of 7.5% from 2024 to 2029, reaching RMB153.5 million by 2029.

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Market Drivers of Water-based Tourism Service Market in China and Jiangsu Province

Rising disposable income and travel expenditure. China’s rising disposable income is fueling demand for tourism experiences. In 2024, per capita annual disposable income reached RMB41,314, reflecting a CAGR of 6.4% from 2020. Over the same period, Chinese tourists’ total travel expenditure surged from RMB2.2 trillion to RMB5.8 trillion, a CAGR of 26.7%. This growth in spending power is driving interest in higher-quality water-based tourism activities, spurring the emergence of high-end customized boats, themed boat tours, and other upgraded offerings, thereby accelerating market expansion.

Cultural-tourism integration and cross-industry synergy. The integration of cultural heritage and tourism has become an important driver of water-based tourism services. By adding cultural content and immersive experiences to tour products, operators are enhancing visitor engagement and expanding market appeal.

Digital technology and smart platforms. Technological innovation is driving water-based tourism services toward smarter and more efficient operations. Through digital platforms and intelligent systems, operators are improving booking convenience, resource allocation and service quality.

IP content empowerment. In Yangzhou, seasonal festivals, themed cultural events, and youth-oriented campaigns reinforce the city’s tourism identity under the brand “Yangzhou is a Wonderful Place.” Collaborations with travel influencers and immersive marketing further elevate brand visibility, driving a shift from conventional sightseeing to an integrated “culture + experience + consumption” model that supports sustainable revenue growth.

Favorable Policy Support. Government initiatives continue to underpin industry development. For example, according to the “*Implementation Opinions on Accelerating the Development of Cruise, Yacht Equipment and Industry*” (《關於加快郵輪遊艇裝備及產業發展的實施意見》), it clearly proposes to promote the development of the boat and yacht industry, providing guidance for the equipment upgrade and industrial expansion of water-based tourism. Also, according to the “*Guiding Opinions on Promoting High-Quality Development of Tourism Public Services*” (《關於推進旅遊公共服務高品質發展的指導意見》) issued by the Ministry of Culture and Tourism in 2024, support is provided for the construction and development of premium domestic waterway passenger routes. The document also emphasizes strengthening traffic management and the application of smart transportation technologies to alleviate congestion during peak tourism periods. Such policy frameworks provide a solid foundation for long-term market advancement.

Future Trends of Water-based Tourism Service Market in China and Jiangsu Province

Night tours + performances. With growing tourist demand for immersive cultural entertainment, integrating night-time water tours with live performances is emerging as a key industry focus. This approach enriches night-time experiences through coordinated lighting, sound, and stage effects, enhancing visitor engagement and interactivity.

Green and low-carbon water-based tourism. The adoption of electric, hybrid-powered vessels, and solar-assisted energy systems is driving the water-based tourism industry toward reduced carbon emissions and greater sustainability. For instance, zero-emission electric boats are increasingly deployed to lower fuel consumption and exhaust output. These green initiatives align with national carbon neutrality targets while protecting aquatic ecosystems.

Smart and immersive experiences. Smart technologies and immersive experiences are transforming water-based tourism. Leveraging AR and VR, operators offer multisensory journeys featuring historical reconstructions and interactive virtual theatres onboard, deepening cultural engagement. Coupled with big data analytics, intelligent guided tour systems deliver personalized route suggestions and real-time updates, enhancing convenience and precision of service.

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COMPETITIVE LANDSCAPE OF WATER-BASED TOURISM SERVICE MARKET IN CHINA AND JIANGSU PROVINCE

Competitive Landscape of Water-based Tourism Service Market in China

In 2024, there were approximately over 270 water-based tourism service providers in China, with state-owned operators contributing the majority of boat ticket revenue. The market remains relatively fragmented, as the top ten providers accounted for approximately 28.2% of total boat ticket revenue.

The Group ranked **tenth** in the water-based tourism market in China, accounting for approximately 1.0% of the market share in terms of boat ticket revenue in 2024.

Top Ten Water-based Tourism Service Providers in terms of Boat Ticket Revenue (China), 2024

Ranking	Water Tourism Service Providers	Boat Ticket Revenue (RMB million)	Market Share (%)
1	Company A	560.0	6.0%
2	Company B	500.0	5.3%
3	Company C	350.0	3.7%
4	Company D	280.0	3.0%
5	Company E	205.2	2.2%
6	Company F	200.0	2.1%
7	Company G	175.5	1.9%
8	Company H	150.0	1.6%
9	Company I	128.0	1.4%
10	The Group	96.0	1.0%
Top ten		2,644.7	28.2%
Total		9,376.0	100.0%

Notes:

1. The Company’s data is provided by the Company.
2. Company A is a subsidiary of a state-owned company headquartered in Shanghai. Established in 1982, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Huangpu River.
3. Company B is a subsidiary of a state-owned company headquartered in Guangzhou, Guangdong Province. Established in 1974, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Pearl River.
4. Company C is a subsidiary of a state-owned company headquartered in Chongqing. Established in 1993, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Yangtze River.
5. Company D is a state-owned company headquartered in Hangzhou, Zhejiang Province. Established in 2002, it provides water-based tourism services, including daytime and nighttime river sightseeing boats across the West Lake scenic area.
6. Company E is a subsidiary of a state-owned company listed on the National Equities Exchange and Quotations (“NEEQ”), Jiangsu Province. Established in 2005, it provides water-based tourism services, including Qinhuai River sightseeing boats and other tourism services in the Qinhuai scenic zone.
7. Company F is a state-owned company headquartered in Wuhan, Hubei Province. Established in 2005, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Yangtze River and the Han River.
8. Company G is a subsidiary of a state-owned company headquartered in Chongqing. Established in 2010, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Yangtze River.
9. Company H is a subsidiary of a state-owned company listed on the NEEQ, headquartered in Tianjin. Established in 2009, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Haihe River.
10. Company I is a subsidiary of a state-owned company headquartered in Guilin, Guangxi Province. Established in 1998, it provides water-based tourism services, including sightseeing boat tours that focus on Suzhou’s waterway cultural tourism resources.

Source: Frost & Sullivan

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Competitive Landscape of Competitive Landscape of Water-based Tourism Service Market in Jiangsu Province, China

In 2024, Jiangsu Province’s water-based tourism market was highly concentrated, with state-owned operators contributing the majority of boat ticket revenue. The top three providers collectively held a 65.2% market share.

The Group ranked **second** in Jiangsu’s water-based tourism market in 2024, generating RMB96.0 million in boat ticket revenue and capturing 16.0% of the market.

Top Three Water-based Tourism Service Providers in terms of Boat Ticket Revenue (Jiangsu Province), 2024

Ranking	Water Tourism Service Providers	Boat Ticket Revenue (RMB million)	Market Share (%)
1	Company E	205.2	34.2%
2	The Group	96.0	16.0%
3	Company J	90.0	15.0%
	Top three	391.2	65.2%
	Total.	600.0	100.0%

- Notes:
- 1. The Company’s data is provided by the Company.
 - 2. Company J is a state-owned company headquartered in Suzhou, Jiangsu Province. Established in 2015, it provides water-based tourism services, including sightseeing boats focusing on Suzhou’s waterway resources.

Source: Frost & Sullivan

Entry Barriers of Water-based Tourism Service Market in China and Jiangsu Province

Scarcity of navigable water resources. Navigable inland waterways suitable for sightseeing are limited and often tightly regulated. Many prime water systems lie within protected scenic or heritage areas, where exclusive operating rights are granted through competitive tender or administrative approval. This natural scarcity restricts new entrants, limiting qualified market participants.

Regulatory and licensing requirements. Operating water-based tourism services requires multiple permits and approvals. The process is often complex and time-consuming. Heritage and cultural tourism zones may impose additional cultural preservation requirements, further elevating entry thresholds.

Operational capability and management expertise. Successful operation demands expertise in fleet management, route planning, and marketing. Such capabilities develop over years of experience and strong stakeholder relationships. New entrants without this expertise face significant risks and may struggle to deliver high-quality, safe, and culturally immersive experiences.

Capital intensive investment. Launching water-based tourism services requires substantial upfront capital for vessel acquisition or construction, wharf and dock facilities, safety equipment, ticketing systems, and supporting infrastructure such as lighting and sound for night tours. Ongoing maintenance and compliance with evolving safety and environmental standards demand continuous investment, deterring financially weaker entrants.