



## 9<sup>th</sup> LA BELLE CLASSE SUPERYACHTS BUSINESS SYMPOSIUM

**Wednesday 18<sup>th</sup> January 2017.** Under the aegis of its *La Belle Classe Superyachts* label, initiated in 2008 to unite owners and the yachting sector, the Yacht Club de Monaco held its annual Business Symposium on 18<sup>th</sup> January 2017 in collaboration with Credit Suisse. Organised in the form of a dinner-debate, the 9<sup>th</sup> edition drew some 60 professionals from across the superyacht supply chain to take stock of the global yachting market in 2016 and look ahead to prospects in 2017.

### CHARTER MARKET UP AND SALES STABLE IN 2016

Opening the debate, **Merijn de Waard**, Founder & Director of the SuperYacht Company, gave an overview of the superyacht fleet: 4,634 yachts in operation. Although order books were down slightly to 427 units in 2015, due to the higher number of orders in 2015 and deliveries in 2016, the 50-60m market remains stable while the 30-40m also saw a small drop (210 in 2015 to 173 in 2016). On a positive note, however, indicators are looking healthy at the start of 2017.

Everyone noted that the American market is very stable, particularly in the charter sector, and estimate that the American elections will not have a negative impact in 2017.

According to **Michel Buffat** (Director Yacht and Aviation Finance at Credit Suisse), the figures published by the *Global Order Book* show the market in the 60-76m range in 2016 was up, particularly for the 76m+ category with 52 projects, of which 21 are over 100m. The market for larger yachts is obviously still healthy.

The discussion continued with parallels drawn between acquisitions, boatyards and the second-hand market. **Dimitri Semenikhin** said that the decline in new-builds could be due to saturation in the latter over the last few years which is encouraging those new to yachting to favour charters over acquisitions.

### MORE UNIFORMITY AND CLARITY ON TAXES REQUIRED

Introducing the second topic, taxes and their effects on the superyacht industry, **Thierry Voisin**, Director SOS Yachting and President of ECPY (European Committee for Professional Yachting), highlighted major changes that are affecting the industry, including the 20% VAT charged on charter fees, tax on fuel and the "70% rule" clarifying the criteria which commercial yachts have to comply with to benefit from FCE (French Commercial Exemption).

**Fiona Mauresco**, President of MYBA (Mediterranean Broker Association) pointed out that Spain levies a 21% VAT charge on all aspects of yachting (charter, etc.) and yet numbers of yachts visiting the Balearics have doubled. "*If you love yachts there is a price to pay and you pay it.*"

However, yacht designer **Espen Oeino** suggested the increase in activity in Spain is probably circumstantial (due to the situation in the Middle East and Turkey). On a general note, everyone agreed that VAT must be paid but needs to be a more level playing field country by country.

### ICONIC YACHTS: A CHALLENGE FOR THE FUTURE

In another presentation, this one on the 'Economic benefits of Iconic Yachts', **Bart Bouwhuis**, Designer and Naval Architect at Vripack Monaco estimates that since 1960 some 7,300 designs have come off the drawing boards, yet only 60-70 are truly "iconic yachts" that create an "emotion".

It was an opportunity to pay tribute to **Martin Francis** and his iconic design for *Eco*, a 75m yacht which so divided opinions at the time but is not forgotten: "*When you are building your yacht, you never know how it will be received!*"

What is certain is that the role of the owner is essential, both in the design as well as the concept, with the environment often a priority in the development of a yacht. **François Fiat**, owner of the 77m expedition vessel *MY Yersin*, and a *La Belle Classe Superyacht* Ambassador, took the opportunity to praise the Yacht Club de Monaco's *La Belle Classe Superyacht* initiative. In signing the Charter, owners commit to the development of yachts "*so they will become the classic yachts of tomorrow.*"

For **Elena Ambrosiadou**, three-mast sailing yacht *Maltese Falcon* (88m) owner: *“The younger generation are more eco-conscious. Iconic should be a step-change to the future in terms of technology to reduce the impact [of superyachts] on the environment.”*

To conclude, the yachting industry must take into account the arrival of new owners, the Millennium Generation, who have not inherited a yachting culture. Their consumer habits are different, driven by the more sharing Airbnb culture.

According to **David Legrand**, Manager at Fraser Yachts, *“we must constantly innovate to best meet the needs of this generation.”*

It was in this spirit that yacht designer, **Espen Oeino**, Vice-President of the Cluster “Yachting Monaco”, reminded the gathering of the association’s initiatives to promote yachting professions to the new generation through a Masters with yachting specialisation, a world first, and raising awareness among Monaco authorities of the jobs created and revenue generated by the sector.

**Michel Buffat**, Director Yacht and Aviation Finance at Credit Suisse, suggested that, as in the business aviation industry, both sectors face the same issue of bad public image, and actions to promote both industries could be set up in order to emphasize their economic growth.

As **Bernard d’Alessandri**, YCM General Secretary concluded: *“Actions taken by the YCM through its La Belle Classe Academy and La Belle Classe Destinations are there to support the development of marinas and Yacht Clubs across the world (particularly in Asia) but also to provide bespoke courses related to the sea.”* All these actions have been implemented in the Principality of Monaco, which is determined to innovate and build on an already strong sector, 4<sup>th</sup> largest in Monaco.

## A FEW STATISTICS

### **Global wealth**

*source: Forbes March 2016*

2016: 1,810 billionaires

(down from a record 1,826 in 2015)

### **Superyacht fleet overview**

*source: SuperYacht Company*

Total number of yachts in operation: 4,634

Order book development:

764 (2008) 395 (2013) 427 (2016)

With an increase in orders for 80m+ yachts: 44 (2015) and 47 (2016), with a rise forecast for 2017.