

# PLEASURE BOAT

## International Resource Guide

### 2018 Edition



# About the U.S. Commercial Service



## What Can the U.S. Commercial Service Do for You?

The U.S. Commercial Service is the trade promotion arm of the U.S. Department of Commerce's International Trade Administration. Through its network of trade experts and policy professionals in 78 markets, and all 50 states, the U.S. Commercial Service assists U.S. firms in selling their "Made in the USA" products around the world, advises them on how to use trade deals to their advantage, and helps them overcome obstacles and barriers to international expansion.



## How we can help your business:

Our trade specialists work to address issues and trade opportunities to ensure you have the information you need to grow your business.

### Market Intelligence

- Customized reports analyzing your market potential, alongside your foreign competitors
- Briefing materials on export financing, laws, and cultural issues
- Background checks on potential buyers and distributors

### Trade Counseling

- Guidance on developing effective market entry and sales strategies
- Export documentation requirements and import regulations of foreign markets
- Background on U.S. government export controls, compliance, and trade financing options

### Business Matchmaking

- Meetings with pre-screened, vetted potential overseas partners
- Introductions for your product or service to prospective buyers at trade events worldwide
- Meetings with international industry and government decision makers in your target market(s)

### Commercial Diplomacy

- Direct assistance to overcome trade obstacles in international markets
- Government-to-government engagement to protect your company's interests
- Advocacy support from the U.S. government for your foreign government procurement bids

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# Introduction

The U.S. Department of Commerce's International Trade Administration (ITA) Global Marine Technology Team is pleased to bring to you this Pleasure Boat International Resource Guide filled with valuable information about key international market opportunities to support your exporting goals and help you succeed in markets around the world. Our team of locally-based professionals and internationally-based specialists provide timely market insights and customized programs to give you the tools needed for success. In addition, we have programs at many major trade events to help you find opportunities and meet partners. We work closely with the National Marine Manufacturers Association (NMMA), an ITA Strategic Partner, to promote U.S. pleasure boat exports. We greatly appreciate NMMA's support in promoting.

The market intelligence in this Resource Guide highlights some of the major global markets for recreational marine craft, parts, and accessories. U.S. exports of recreational marine craft and accessories totaled \$1.6 billion in 2016, accounting for an estimated 30 percent of all US manufacturing in this industry. The United States is typically a net exporter in this industry, but with the strength of the US dollar it became a net importer in 2015. U.S. recreational marine market makes up approximately 75 percent of the entire world market for these products. Servicing this market, U.S. firms provide high quality products and benefit from production efficiencies that make them competitive worldwide. To provide you a global market overview of the most important countries and growth rates for U.S. exports in this industry (please see the chart on the next page). To find more information on this industry and similar recreational transportation industries you can look at the Top Markets Report for Recreational Transportation that can be found out at: <http://trade.gov/topmarkets/>. This report has information on the following top recreational transportation markets: [Australia](#), [Brazil](#), [Canada](#), [China](#), [Korea](#), and [Mexico](#).

Recognizing the exporting strength and industry importance of the U.S. recreational marine craft, part and accessory industry, the U.S. Government included it in the Recreational Transportation priority sector of the National Export Initiative (NEI), an initiative to help U.S. exporters increase their sales overseas in these sectors and in priority foreign markets. This project is an example of that initiative to help recreational marine industry manufacturers find information on overseas marine markets.

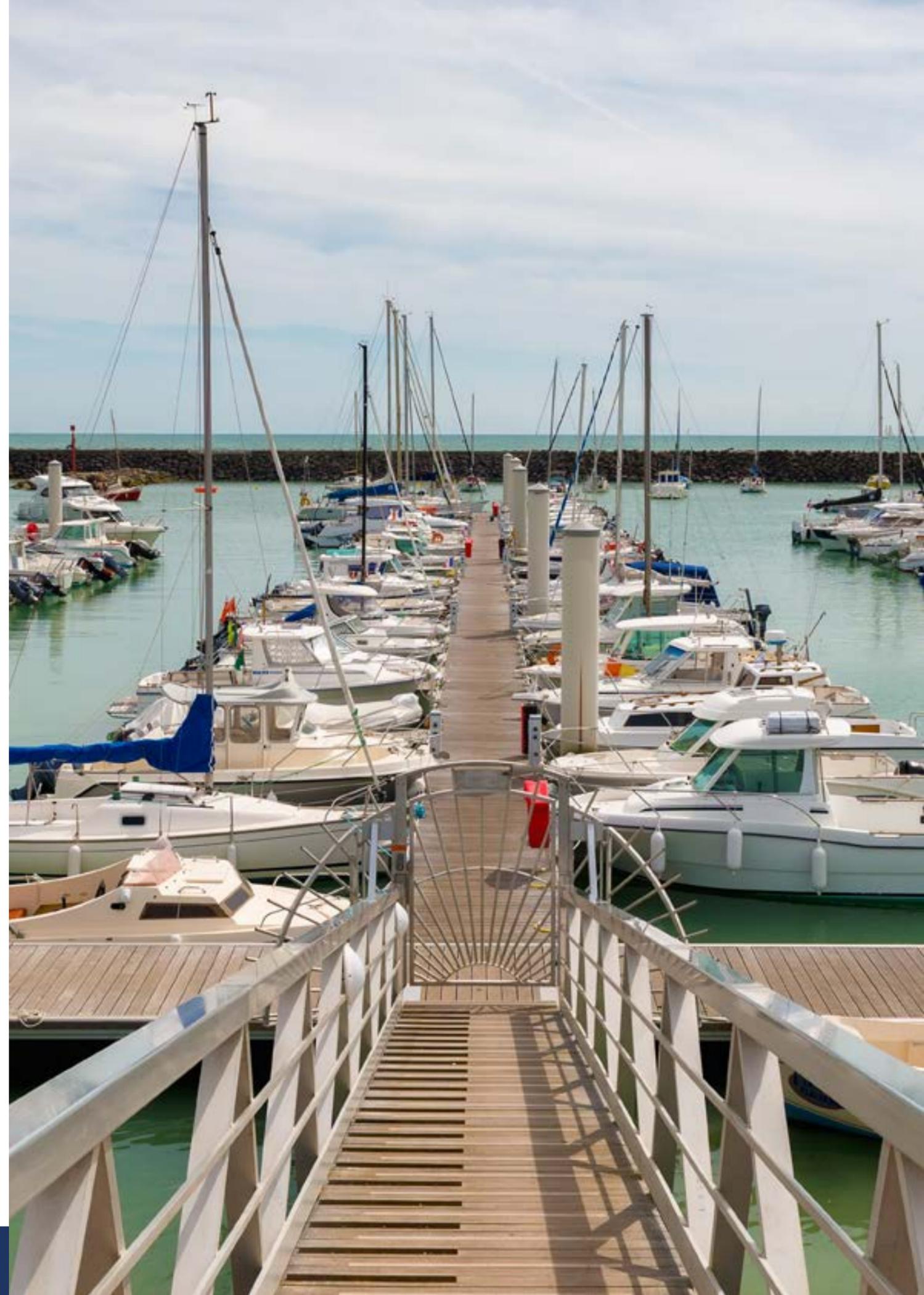
To help your company take advantage of the many international sales opportunities outlined in this Resource Guide, the ITA provides a global network of trade professionals throughout the United States and in U.S. Embassies and Consulates in more than 70 countries. Whether you are seeking your first international sale or are expanding into additional markets, we offer the expertise you need to grow your global business.

We hope that this introduction and the international market information included in the Resource Guide peaks your interest in exporting and using the export promotion services of the U.S. Department of Commerce. The Marine Technology Team works directly with the industry to provide U.S. companies with information needed to grow their business through global sales. Connect with us through our list of upcoming trade events, trade missions, buyer programs, and conferences at [www.export.gov/industry/marine](http://www.export.gov/industry/marine). You can also sign up for event alerts through our newsletter and follow us on Twitter (@USCSMarineTech) so you'll always have the latest information.

For direct exporting assistance, please contact your closest U.S. Department of Commerce - U.S. Export Assistance Center. A list of U.S. Department of Commerce Marine Team Members appears at the back of this Resource Guide and a comprehensive list of all offices is at: [www.export.gov/usoffices](http://www.export.gov/usoffices). For questions about overseas barriers you may be confronting, certification requirements, and industry statistics please contact Industry Analyst John Vanderwolf at [john.vanderwolf@trade.gov](mailto:john.vanderwolf@trade.gov).

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# MARKET BRIEFS

## National Marine Manufacturers Association

As the leading trade organization for the North American recreational boating industry, the National Marine Manufacturers Association (NMMA) is pleased to partner with the U.S. Commercial Service's Global Marine Technology Team to help you grow your export business.

This revised edition of the Pleasure Boat Resource Guide, which includes reports on 32 countries, is an excellent tool for exporters looking for specific market insight and information.

NMMA's Export Development fosters global opportunities for U.S. member manufacturers including exporter education, international events, new market development, business-to-business connections and assistance with international compliance certification requirements.

Together with our partners at the U.S. Commercial Service, let us help you navigate beyond U.S. borders. Whether you are a seasoned exporter or new to exporting, the NMMA is here to help! Learn more at [www.nmma.org/international](http://www.nmma.org/international).

*Julie Balzano*  
Sr. Director, Export Development  
National Marine Manufacturers Association  
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# Argentina

<b>Capital:</b>	Buenos Aires
<b>Population:</b>	44 million
<b>GDP*:</b>	\$585 billion (est. 2016)
<b>Currency:</b>	Peso (ARS)
<b>Language:</b>	Spanish
<b>Area (Total):</b>	2,780,400 km <sup>2</sup>
<b>(Land):</b>	2,736,690 km <sup>2</sup>
<b>(Water):</b>	43,710 km <sup>2</sup>
<b>Coastline:</b>	8,397 km

## Summary

Argentina's pleasure boats, ship building and boating equipment industry is flourishing after over a decade of stagnation. The industry's golden years, between 1960 and 1980, were followed by a decade of import substitution. During the 1990's, the exchange rate of one Argentine Peso to the U.S. Dollar favored imports of boats, equipment and parts at very competitive prices. As a result, local industries had to either close down or diversify into other lines of business in order to survive.

There are several variables that can account for the growth in the industry. These include the currency exchange rate of 17.17 Argentine Pesos (official exchange rate) to the U.S. Dollar, competitive costs of labor, high quality of final products, and most importantly, increasing demand from international markets for Argentine products. This scenario represents a window of opportunity for U.S. suppliers providing equipment, accessories and services that are not produced locally.

Industry projections suggest that the market will grow 10-12% in 2017 year-on-year.

## Market Entry

The Argentine nautical market is comprised mainly of cruisers and motorboats. Local builders dominate the market for sailboats and accordingly have the largest share of this segment of the market. Argentina has world-class sailboat designers. One outstanding example is Mr. German Frers, who is regarded as one of the top five sailboat designers in the world. U.S. motorboats and sailing accessories enjoy an excellent reputation and are in demand for their high quality, style, superior technology, strong performance and endurance. Industry sources suggest that the U.S. could increase its market share at the pace of the international demand for Argentine pleasure boats, which has increased by approximately 24% in the last three years.

It is key to identify a solid local player with reputable market presence. Working with distributors have several advantages, they can provide strategic support for positioning brands in the market through promotion and advertising. Furthermore, they understand the local culture and can assist with after-sales service. This value-added service is increasingly important for customers, and contributes to a positive image of U.S. firms doing business abroad. The Civil and Commercial Codes govern principal-agent relations and differ from U.S. laws. We strongly recommend that an Argentine lawyer be consulted prior to entering into any type of agreement with an Agent/Distributor and engaged prior to substantive negotiation of the agreement terms. No special legislation has been enacted to regulate the cancellation of agency/distribution agreements, although a company could incur additional costs associated with the cancellation of an agency agreement due to Argentine labor laws. Given the complexity of the legal and commercial environment, contracts are generally negotiated in writing through the exchange of letters or via a basic instrument. The parties may not elect foreign laws to govern the agreement. Argentine courts will not enforce a contract executed abroad to avoid Argentina law. There are no barriers to entry the Argentina market.

Approximately 85% of manufacturing and retail distribution takes place within a 20-mile radius of the City of Buenos Aires and its coastline suburbs. The players are highly concentrated, as well as the critical universe of end users. U.S. suppliers should consider cultural adaptation and translation of product literature into Spanish and should seek to develop long-term relationships with local partners. Personal relationships are vital to fruitful business. Specialized publications, such as Nautica and Weekend magazines, promote U.S. products. Specialty cable TV shows, such as El Garage – Nautica TV is also a suggested marketing channel for U.S. products.

## Market Trends and Current Demand

Products with the highest sales potential include: small fishing boats, inboard/outboard engines, outboard engines, global positioning system receivers, marine communications, direct dial marine communication systems, fluxgate compasses, electronic charting products, versatile screen displays, and interfacing. Other types of less sophisticated



boat parts, equipment, and supplies also enjoy a strong sales potential, especially for local motor and sailboat builders. During the 1990's, the market for new yachts grew significantly. Currently, owners seek innovative and cost-effective products to update the vessels' decoration, mechanics and electronics. This is an interesting niche, particularly given the nonexistence of local products.

The equipment and accessories market is expected to continue to grow due to the ongoing development of new nautical gated communities. This trend represents a strategy of business people within the boating industry to attract new clients who appreciate the combination of facilities and conveniences offered by country clubs, gated communities, and marinas. These new developments further consolidate the leading role of the Greater Buenos Aires area in the water sports market.

## Competitors

In 2017, the U.S. ranked among the top three market suppliers with an approximate 24 percent market share. Other competitor countries include Japan, Germany, France and Italy.

## Trade Events/Associations

**Salon Nautico Argentina, October 2018**  
Buenos Aires, Argentina  
[www.cacel.com.ar](http://www.cacel.com.ar)

**CACEL – National Association of Nautical Companies**  
Represents the sector throughout the country and internationally  
Website: <http://www.cacel.com.ar>

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# Australia

<b>Capital:</b>	Canberra
<b>Population:</b>	24 million
<b>GDP*:</b>	USD 1.349 trillion
<b>Currency:</b>	Australian Dollar
<b>Language:</b>	English
<b>Area (Total):</b>	27,19,000 km <sup>2</sup>
<b>(Land):</b>	13,590,000 km <sup>2</sup>
<b>(Water):</b>	13,600,000 km <sup>2</sup>
<b>Coastline:</b>	73,925 km

## Summary

Australia is as large as the continental U.S., but with one fifteenth the population. More than 90% of the Australian population lives on or within 100km/60mi of its extensive coastline, i.e. more than 20 million people. Five million people are estimated to enjoy recreational boating in Australia. Australia has a longer coastline than the United States and it is entirely ice-free. There are an estimated 758 estuaries, rivers and lakes. The climate is warm to hot most of the year and all of its major cities, with the exception of its national capital Canberra, hug the coast. Even Canberra is built around a large artificial lake and has numerous pleasure craft in its marinas – as well as easy road access to the coast 150km/90mi away.

There is a strong focus on water sports and recreation, including recreational fishing. The Sydney-to-Hobart yacht race is one of the iconic events of the Australian summer (December through February). Sydney Harbor is one of the most celebrated harbors in the world and home to the largest concentration of pleasure craft in Australia. Australia is also the world's fastest growing cruise tourism market with over one million travelers – in excess of 5% of the population – the first time any region in the world has achieved such a high market penetration.

Australia boasts many options for use of pleasure craft, from Sydney Harbor to the protected waters inside the Great Barrier Reef to the open ocean off the southern coast. It also offers a strong marina community, with whose marinas offering 20 or more on-water storage spaces are approximately 400. The total number of marina boat storage spaces including dry-land boat storage exceeds 40,000. The average number of storage spaces per marina is about 110, and this storage capacity represents 5% of the more than 850,000 registered recreational boats in Australia. Add in the numerous small craft and paddle craft that do not require registration, and the number of recreational boats exceeds 1 million.

Three Australian States have more than 100,000 recreational boats registered – Queensland (200,000+), New South Wales (200,000+) and Victoria (150,000+). Australia also has a strong boat-building and shipbuilding sector, including companies such as Austal, which has invested heavily in its Mobile, AL shipbuilding facility where it employs over 4,000 people.

## Market

Australia has consistently ranked second behind Canada as a market for U.S. exports of recreational marine products, including in 2010-13 where purchases from the United States exceeded USD 200 million per year. Demand began to fall away in 2014, at the same time as the Australian resources 'boom' peaked and high-paying positions at mining and energy projects declined. With the resources sector still depressed, compounded by the Australian dollar depreciating against the U.S. dollar, Australia's importance as an export market for the U.S. has fallen to 4th behind Canada, Mexico and Belgium – although there has been an 18% upswing in the June 2017 figures over the same period in 2016. The United States remains the leading supplier to Australia overall in this sector, and the falling value of the Australian dollar has also helped to make Australia a more competitive and successful exporter of pleasure boats.

A Free Trade Agreement has been in place between Australia and the United States since January 2005. Import restrictions are not an issue, but intending exporters should remember that Australia is another country with its own standards, including aspects like electrical wiring requirements. Finding an experienced local distributor is a key step towards export success in the Australian market.

## Trade Events

### Sanctuary Cove International Boat Show

May 24-27, 2018 Gold Coast, Queensland, Australia <http://sanctuarycoveboatshow.com.au/>  
Often described as the largest on-water display in the entire Asia Pacific region.



### Sydney International Boat Show

July 28 – 1 August, 2018 Sydney, New South Wales <http://sydneyboatshow.com.au/>  
Australia's largest boat show, held in Australia's largest city on and around Sydney Harbor. government healthcare policies and provisions of public healthcare services.

## Associations

The Australian Marine Export Group, <http://aimex.asn.au/>  
Boating Industry Association, <http://bia.org.au/>  
Boating Industries Alliance Australia, <http://biaa.com.au/>  
The Marina Industries Association, <http://marinas.net.au/>  
Superyacht Australia, <http://superyacht-australia.com/>

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# Belgium

**Capital:** Brussels  
**Population:** 11.4 million  
**GDP\*:** USD \$470.2 billion (2016 est.)  
**Currency:** Euro (€)  
**Language:** Dutch, French, German  
**Area (Land):** 30,527 km<sup>2</sup>  
**(Water):** 1,440 km<sup>2</sup>  
**Coastline:** 67 km

## Summary

Belgium is home to many watersport centers supporting nearly any type of water-related recreation. It is home to over twenty marinas. Inland lakes and waterways are intensively used for a variety of watersports (cable waterskiing, wakeboarding, dinghy sailing, windsurfing, jet-ski racing, rowing, kayaking, etc.) The most important stimulators are the 250 clubs, represented by 5 watersport federations. The Belgian authorities are actively investing in the development and modernization of the different clubs and marinas.

The Belgian coastline is a very dense, touristic area. The coastal waters have a tidal influence. The water is relatively warm and there are some sandbanks which surge above the waterline at low tide. The eleven marinas with direct access to the North Sea Channel are using waiting lists for the pitches. The coastal cities are supportive for the clubs that organize the variety of watersports and related services.

The Belgian maritime pleasure industry market is relatively small (100 to 150 businesses) and is mainly made up of small and medium-sized enterprises (97% of businesses are SMEs).

## Market

More than 60% of the market consists of “trailerable” motorboats, 20% are cabin cruisers and another 20% is jet-ski and rib. Belgium vessels longer than 2.5 meter in length or motorized such as water scooters or small motorized inflatables need to have an “immatriculation” to use the Belgian inland waterways. On average, 1,600 vessels receive an “immatriculation” each year. By the end of 2014 Belgium counted for more than 40,000 “pleasure” boats. An estimated 25,000 boats owned by Belgians are large enough to accommodate for a longer stay.

To use Belgian territorial and coastal waters, vessels need to have a certificate of registration. The number of vessels that navigate under the Belgian flag grows each year between 700 to 800 vessels. This increase is mainly due to foreign vessel owners. Currently there are 28,022 active certificates of registration. We can conclude that the Belgian market for water recreation is ranges from stable to slowly growing.

### Certificated of Registration:

2007	2008	2009	2010	2011	2012	2013	2014
21,969	23,450	25,218	25,834	26,136	2,6571	27,202	28,022

Source: FOD Mobiliteit Maritiem vervoer

### Country Top 10 Imports (2009-2014)

Country	# Boats
China	183.088
The Netherlands	45.445
France	31.262
Canada	26.082
United States	9.713
Germany	4.877
Mexico	2.922
Hong Kong	2.539
Denmark	1.984
Tunisia	844

Source: Intrastat.be

### Country Top 10 Exports (2009-2014)

Country	# Boats
France	104.49
Germany	32.097
The Netherlands	23.541
United Kingdom	14.397
Italy	6.120
Spain	5.818
Poland	2.179
Norway	1.649
Sweden	1.643
Finland	1.231



The pleasure boating market in Belgium is dominated by imported boats. China, the Netherlands, France, Canada and the United States are the most important countries exporting to Belgium. In general, most of China's exports are inflatable boats. After a decrease in import during 2012 and 2013, the market seems to pick up again to previous levels, with a visible shift in import from China towards import from the Netherlands and France in this segment. Smaller and larger sport boats and motor yachts are mainly imported from the US, France and Canada. Recent years has seen an increasing amount of imports from Mexico. As figures are indicating, Belgium acts as a transit hub for most European countries. Most of the imported crafts are heading for France, Germany and the Netherlands.

### Import/Export Figures 2009-2014

Value (€)	2014	2013	2012	2011	2010	2009
<b>Imports</b>	64,287,841	58,002,668	61,649,529	73,579,422	79,575,274	95,157,238
<b>Exports</b>	65,002,963	51,589,612	61,163,795	55,866,157	68,842,252	76,636,829

Units	2014	2013	2012	2011	2010	2009
<b>Imports</b>	56,939	26,987	31,573	49,856	70,385	77,031
<b>Exports</b>	18,486	16,358	17,929	35,978	37,845	78,261

Source: Intrastat.be

## Opportunities

The market for watersports is partially hype driven. The different and active beach and sport clubs are important assets supporting this market. Wakeboarding, stand-up paddle and kiting are gaining a lot of traction now, but the practice of sport fishing with trailerable boats is also increasing. There is a strong interest in beach catamarans with Hobbie Cat and Nacra as the most sold brands. Beneteau, Janneau, Hanse and X-jachts are some of the brands that are distributed in Belgium.

## Trade Events

**NIBS**, Nieuwpoort, October 2017  
<http://www.nibs.be/>

**Belgian Boat Show**, Gent, February, 2018  
<http://www.belgianboatshow.be/>

## Associations

**Nautibel**, Belgian Industry Association  
<http://www.nautibel.be/>

**Nautiv**, Flemish Industry Association  
<http://www.nautiv.be/>

**European** Boating Industry Association  
<http://www.europeanboatingindustry.eu/about-us>

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# Brazil

**Capital:** Brasilia  
**Population:** 207 million  
**GDP\*:** USD 2.14 trillion  
**Currency:** Reais  
**Language:** Portuguese  
**Area (Total):** 8,515,759,090 km<sup>2</sup>  
**Coastline:** 4,660 miles

## Summary

Brazil is the second largest destination market for U.S. boat exports in Latin America, and ranks 17th in terms of overall projected recreational transportation exports. This case study therefore focuses on the export of marine products. U.S. recreational marine exports to Brazil are forecast to grow 7% annually between 2015 and 2018 and total \$63 million. Brazilian tax and tariff policies, however, pose serious problems for U.S. exporters. Brazilian import tariffs, which were recently raised to 35 percent, combined with several different taxes, lead to significantly higher purchase prices in Brazil when compared to other markets.

## Market

Brazil officially ended the worst recession in its history in the second quarter of 2017 and the GDP per capita PPP is \$14,800. Despite the economic problems faced by Brazil in the past two years, the country Brazil continues to be a good market for the boating segment.

Brazil has approximately 4,660 miles of coastline. Add to that the Amazon River and all its tributaries, and Brazil has the potential to be a huge boating market. There are 560 marinas. The southeast region concentrates more than 50% of the marine and shipyard structures, followed by the southern and northeast region.

Brazil has three public marinas that operate as concessions defined by the federal government under concession in the states of Rio de Janeiro (Marina da Glória), Santa Catarina (Itajaí) and Bahia (Nautical Tourist Terminal Bahia). There are also projects for public marinas in the cities of Florianópolis (SC) (bidding process in progress), Porto Belo (SC), Vitória (ES), São Sebastião, Ilhabela and Bertioga (SP).

There are approximately 370 stores specialized in the nautical market, a fleet of 80,000 recreational boats - 84% of motor boats (of these 60% have up to 26 feet).

## Challenges & Barriers to Recreational Marine Exports

The challenge for the Brazil market is how to expand the market to the middle class. It should start with government reforms that will lower tariffs and taxes to give the middle class more buying power.

## Opportunities for U.S. Companies

The infrastructure for a strong boating market is present, so there will be many opportunities for U.S. boating manufacturers. Several of the larger manufacturers, however, may decide that the best way to sell in the market is to produce in Brazil.

There will also be opportunities for small-size outboard boat manufacturers as development along the Amazon River continues. In addition, portable customized dock structures will likely be popular in the Amazon basin. Most of the products will have to be environmentally friendly in this area.

## Optimizing U.S. Leverage

Brazil's recreational marine sector is hindered by high tariffs. If the applied tariffs for smaller boats were lowered to allow the entry level market to grow, this would eventually help Brazilian manufacturers of larger yachts when these consumers look to upgrade to larger models of boats.

To open up the market to more middle-class families, U.S. interests need to educate consumers. One of the best tools available is the NMMA's "Discover Boating" website and YouTube Channel. Brazil's trade association for recreational boating, ACOBAR, has started a new project called "Venha Navegar," which is a great step toward helping consumers



chose a boat that is right for them.

During the 2016 Miami International Boat Show there was a large buyer delegation from Brazil that hopefully will open new avenues of expansion for U.S. companies, as these buyers met with many U.S. manufacturers. Another factor with the Brazilian market is that several Brazilian manufacturers are exploring the possibility of opening up manufacturing facilities in the United States. Continuing to recruit a Brazilian delegation would be beneficial for further growth.

Furthermore, participation in Brazil's major boat trade shows can be a great opportunity to increase sales to Brazil. The Sao Paulo Boat show to take place in September 2018 and the Rio Boat Show, April 2018 are the major trade shows and take place on alternate years. Participating in overseas shows like these can help U.S. companies find the right long-term partner to sell their products into the Brazilian boating market.

## Trade Events

**Rio Boat Show**, Rio de Janeiro, April 25-May 1, 2018 <http://www.rioboatshow.com.br/>  
**Sao Paulo Boat Show** - Date TBD <http://www.saopauloboatshow.com.br/en/>  
**Marinetec / Navalshore South America**, Rio de Janeiro, August 14-16, 2108 <http://www.marintecsa.com.br/en/>

## Associations

**Acobar:** <http://www.acobar.org.br/>

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# Canada

**Capital:** Ottawa  
**Population:** 35,151,728 (2016 Census)  
**GDP\*:** USD \$1.598 trillion (OECD data, 2016)  
**Currency:** Canadian Dollar (CAD)  
**Language:** English and French  
**Area (Total):** 9,984,670 km<sup>2</sup>  
**(Land):** 9,093,507 km<sup>2</sup>  
**Coastline:** 265,523 km

## Summary

New boat and engine sales totaled about CAD 2.3 billion in 2016, representing an increase of 9.2% from 2015. Pre-owned boat sales in Canada were relatively unchanged from 2015 (down 0.8%). Pre-owned boat sales totaled around 63,505 units, which is the second highest value in the past 4 years. Growth of pre-owned boats were led by sterndrive boats (up 5%), inboard cruisers (up 4.5%), personal watercraft (up 9.2%), and inflatable boats (up 23.7%).

Canadian boat imports totaled about USD 685.8 million in 2016, which represented a relatively unchanged value from 2015 (down 0.1%). Increased imports of large outbound boats and personal craft were offset by a decline in imports of smaller inland boats and large cabin cruisers. Exports in the Canadian boat industry totaled \$201.2 million in 2016, down 43.8% from 2015.

The main niches in the pleasure boat sector include: manufacturing of boats (including stat-of-the-art fishing boats, pleasure yachts, and catamarans) and accessories, dealers, marinas, repair and maintenance, shops, schools, boat clubs, amongst others. According to the National Marine Manufacturers Association (NMMA) of Canada, in 2014, a study revealed that 16.4 million adult Canadians (46% of the country's population) participated in boating.

The Canadian economy grew at a rate of 0.6% by the end of 2016, marking a slowdown in terms of economic growth when compared to the previous year. Unemployment dropped to a six-year low of 6.5% as of early 2017. Household savings rate dropped to 4.3% in the first quarter of 2017, from 5.8% in the last quarter of 2016. Household spending grew by 0.6% in the fourth quarter of 2016. As of June 2017, the Canadian Dollar is trading at exchange rate of 0.76USD/CAD in comparison to the U.S. Dollar.

## Market

The National Marine Manufacturers Association (NMMA) of Canada represents the interests of the Canadian recreational boating industry. NMMA's recent statistics indicate that in 2014 boat ownership was up slightly: 41% of boaters owned at least one recreational boat, compared to 35.8% the previous year. Ontario leads the way with just under 40% of residents participating in boating, followed by Quebec with just over 20%. When looking at boating participants in 2015, 75% had post-secondary education (compared to 69% of non-participants). In addition, 63.7% of current boating participants reported a household income of less than \$100,000 in 2014. The average boater in Canada ranges between the ages of 31-49, has children living at home, and has a household income of CAD 4,000-99,000 a year; meaning that boating can also be enjoyed by the middle class.

## Current Demand

Sales of recreational boats in Canada increased by 9.2 % (CAD 2.3 billion) in 2016. Total boat sales increased by 0.3%, amounting to about 37,349 units. New boat sales increased within several provinces: led by Ontario with a growth of 6.5%, Manitoba (1.4%), and British Columbia (0.3%). Outboard engine sales grew in nearly all provinces, totaling 39,728 units. This amounted to a 3.5% increase from 2015. Once again, Ontario led the way with growth totaling (8.3%), followed by British Columbia (7.8%), Northwest Territories (7.8%), and Atlantic Canada (7.1%).

## Competitors

Canada continues to be the United States' best export market of pleasure boat products. However, it is also clear the Canadian boat industry has not remained internationally competitive. Overall, Canadian firms are losing in both foreign and domestic markets – mostly to their U.S. competitors. Since 2008, both exports and imports have fallen, reflecting the economies of both Canada and the United States. Additionally, Canada signed an agreement in principle of the Comprehensive Economic and Trade Agreement (CETA) with the European Union in 2013, so Canada's two-way trade of recreational boats will experience changes as the European Union looks to increase exports to Canada in this sector. Due to a short boating season, Canada hopes examples like CETA will help this sector become more export-oriented.



## Market Entry

All recreational boats in Canada must meet Transport Canada construction standards. To learn about these regulations, please visit <http://www.tc.gc.ca/eng/marinesafety/tp-tp1332-menu-521.htm>

Operators and users of pleasure boats in Canada are required to comply with Transport Canada's regulations, standards, programs, policies, and procedures related to the Canadian Vessel Industry, which includes the pleasure craft and small vessels sub-sector. Transport Canada's Office of Boating Safety works closely with the recreational boating community, delivering prevention-based programs to reduce the safety risks and environmental impact of boating across Canada.

An example of the various requirements to operate pleasure craft in Canada includes a requirement by end users of vessels powered by 10 horsepower (7.5 kW) or more engines to have a pleasure craft license. Operators of pleasure craft are mandated under the "National Pleasure Craft Operator Competency Program" to carry proof of competency on board for safe recreational boating.

Additional safety information is available at <http://www.tc.gc.ca/eng/marinesafety/debs-obs-menu-1362.htm>

The U.S. Commercial Service in Canada recommends entering the Canadian pleasure boat market through a combination of use of agents and/or distributors of equipment and supplies, attending relevant boat shows in country, and establishing a distribution presence in Canada, through a combination of established wholesalers, exclusive distributors, or by manufacturers' sales.

## Trade Events

**The Toronto International Boat Show**, January 12-21, 2018 – Toronto, ON, Canada  
[www.torontoboatshow.com](http://www.torontoboatshow.com)

**The Vancouver International Boat Show**, January 17-21, 2018 – Vancouver, BC, Canada  
[www.vancouverboatshow.ca](http://www.vancouverboatshow.ca)

**Mid-Canada Boat Show**, March 1-4, 2018 – Winnipeg, MB, Canada  
[www.midcanadaboatshow.com](http://www.midcanadaboatshow.com)

## Associations

NMMA Canada, [nmma.ca](http://nmma.ca)  
 BC Marines Trade Association, [bcmta.com](http://bcmta.com)  
 Mid-Canada Marine and Powersports Dealers Association, [mmpda.ca](http://mmpda.ca)  
 Canadian Safe Boating Council, [csbc.ca](http://csbc.ca)  
 Atlantic Marine Trade Association, [boatinginatlanticcanada.com](http://boatinginatlanticcanada.com)  
 Association of Maritime du Quebec (AMQ), [nautismequebec.com](http://nautismequebec.com)

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# Caribbean

## Summary

With its many expansive coastlines in diverse coastal environments, proximity to the Atlantic United States, and increasing numbers of full-service marinas, the pleasure boat sector in the Caribbean has potential for growth. Tourism is a huge component of each country's economic growth.

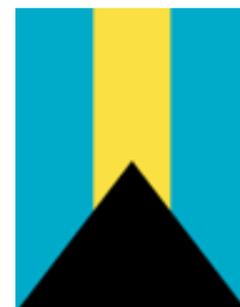
As indicated in the figures below, export sales of pleasure boats and related items to the Caribbean exceeded \$50 million in 2016. Because it is challenging to obtain specific industry data on pleasure boats for these countries, some highlights were prepared for Bermuda, Barbados and Trinidad & Tobago.

Country	2013	2014	2015	2016
Aruba	4,622	9,543	982	1,031
Antigua/Barbuda	1,771	874	2,682	4,136
Bahamas	14,297	12,508	22,240	12,196
Barbados	798	1,522	862	693
Bermuda	5,018	6,704	9,594	8,476
Br Virgin Is	8,732	3,192	2,825	4,931
Cayman Islands	5,952	5,388	7,330	7,034
Guadeloupe	2,529	1,450	1,676	1,880
Dominican Rep.	1,751	1,280	2,755	2,513
Guadeloupe	2,529	1,450	1,676	1,880

Country	2013	2014	2015	2016
Haiti	342	337	563	211
Jamaica	427	1,142	4,012	1,191
Martinique	5,169	3,124	4,225	3,362
Montserrat Is	221	0	22	0
St. Kitts-Nevis	853	77	286	499
St. Lucia Is	2,892	4,036	2,336	1,807
St. Vinc & Gren	284	345	158	282
Trin & Tobago	5,406	1,520	2,562	488
<b>TOTAL</b>	<b>61,062</b>	<b>53,040</b>	<b>65,109</b>	<b>50,731</b>

\* In 1,000 Dollars

## The Bahamas



<b>Capital:</b>	Nasau
<b>Population:</b>	329,988
<b>GDP*:</b>	USD 8.939 billion
<b>Currency:</b>	Bahamian Dollar
<b>Language:</b>	English
<b>Area (Total):</b>	13,880 km <sup>2</sup>
<b>(Land):</b>	10,010 km <sup>2</sup>
<b>(Water):</b>	3,870 km <sup>2</sup>
<b>Coastline:</b>	3,542 km

## Summary:

The Bahamas remains one of the most stable economies in the Caribbean. U.S. firms play pivotal roles in real estate development, tourism, accounting, and renewable energy in The Bahamas, and over 4 million American citizens visit The Bahamas annually. More than 25,000 American citizens reside in The Bahamas permanently, and many more maintain second homes throughout the islands. The Bahamas is just 55 miles from West Palm Beach, Florida, making it relatively easy for local parts, accessories warranty work to be purchased in Florida and brought to The Bahamas and serviced by local representatives of several U.S. marine companies that are in The Bahamas. Thousands of U.S. and Canadian boats are domiciled in The Bahamas but return to the U.S. every six months for goods and services according to the terms of cruise permits. Emergency purchases and repairs often bring opportunities for higher margin sales and service.

The country has more than doubled the number of full-service marinas, some with unique features never available in the Caribbean. According to the Association of The Bahamas Marinas, there are some 60 marinas in The Bahamas. One major marina development has been proposed for New Providence by the developers of The Pointe condominium development downtown, and is under review by the government. Several new marinas are also being proposed, and several marina developers are already working with American firms.

## Resources & Associations

U.S. Embassy: <https://bs.usembassy.gov/business/>  
 Association of Bahamas Marinas: <https://bahamasmarinas.com/>

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## Barbados



<b>Capital:</b>	Bridgetown
<b>Population:</b>	292,336 (Est. 2017)
<b>GDP*:</b>	USD 4.588 billion (Est. 2016)
<b>Currency:</b>	Barbadian Dollar
<b>Language:</b>	English
<b>Area (Total):</b>	430 km <sup>2</sup>
<b>(Land):</b>	430 km <sup>2</sup>
<b>(Water):</b>	0 km <sup>2</sup>
<b>Coastline:</b>	97 km

## Summary:

Over the past three years, the Government of Barbados invested approximately USD 2 million in infrastructure upgrades to the Bridgetown's Careenage berthing facility, and plans are underway for further upgrades. The Government of Barbados has also announced plans to revive the Pierhead Marina project in the capital city of Bridgetown which would greatly improve the island's yachting capabilities and to develop this niche market in the country's tourism sector. In addition, the completion of Port St. Charles and Port Ferdinand on the west coast of the island has opened up the market to the long stay yachting community. Barbados is already a target destination in many trans-Atlantic boat races and stages the Annual Round Barbados race and other local races.

## Associations:

Invest Barbados, [www.investbarbados.org](http://www.investbarbados.org)  
 Barbados Ministry of Tourism and International Transport, [www.barmot.bb](http://www.barmot.bb)  
 Barbados Sailing Association, [www.sailbarbados.com](http://www.sailbarbados.com)

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## Dominican Republic



<b>Capital:</b>	Santo Domingo
<b>Population:</b>	10,734,247
<b>GDP*:</b>	USD 72.19 Billion
<b>Currency:</b>	Dominican Peso (DOP)
<b>Language:</b>	Spanish
<b>Area (Total):</b>	48,670 km <sup>2</sup>
<b>(Land):</b>	48,320 km <sup>2</sup>
<b>(Water):</b>	350 km <sup>2</sup>
<b>Coastline:</b>	1,288 km

## Summary:

With nearly 1,000 miles of coastlines, the Dominican Republic (DR) has one of the Caribbean's most expansive and diverse coastal environments, ranging from desert to lush coconut palm forests.

U.S. pleasure boat companies face competition from Italy, as boat luxury lines made Italy are the most commonly purchased, while U.S. brands are preferred among fishing and sporting activities. Local manufacturing is limited to small fiberglass boats commonly used for tours to local beaches and keys.

In the last several years, the country has more than doubled the number of full-service marinas, some with unique features not commonly available in the Caribbean Region. Major marinas include Casa de Campo Marina in the southeast, Cap Cana and Punta Cana Marinas in the east, Puerto Plata's marinas in the north and marinas in Santo Domingo to the south. Boaters, sports fishers and yachters will find a variety of marinas to choose from. At present time, DR can dock yachts up to 250 feet in length overall. In fact, Cap Cana Harbor and Marina is now the largest world-class mega-yacht marina in the Caribbean. The marinas organize popular fishing tournaments and other popular events that draw many people.

There is one major privately owned shipyard that provides repair and maintenance to large vessels. Smaller shipyards and services providers provide repair and maintenance to pleasure boats in the DR.

There are currently no marine trade associations or large boat shows in the Dominican Republic.

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## Trinidad & Tobago



**Capital:** Port of Spain  
**Population:** 1.22 Million  
**GDP\*:** USD 20.97 Billion  
**Currency:** Trinidad and Tobago Dollar  
**Language:** English  
**Area (Total):** 5,2128 km<sup>2</sup>  
**(Land):** 5,128 km<sup>2</sup>  
**(Water):** 0 km<sup>2</sup>  
**Coastline:** 362 km

## Summary:

Trinidad & Tobago consists of two main islands, Trinidad and Tobago, and 21 smaller islands. Trinidad is the larger and more populous of the main islands and Tobago is much smaller, comprising about 6% of the total area and 4% of the population. Within the English-speaking Caribbean Community (CARICOM) group, it has the largest economy of GDP of USD 24 billion and is the third most populous country with approximately 1.3 million inhabitants.

Trinidad & Tobago's biggest marinas are the Trinidad & Tobago Yacht Club and Crews Inn. There is a long waiting list for membership into the local yacht clubs and marinas for Trinidad & Tobago nationals. Pleasure boat visitor arrivals have declined from a high of 2,600 per year to approximately 700 annually due to lengthy customs and immigration procedures for foreign nationals, as other islands have made visiting easier. Powerboats Boatyard and Peake's are the country's two largest boatyard repair shops. There are no specific marine sector events planned, though the U.S. Embassy can be an information resource.

## Associations:

**The Yacht Services Association of Trinidad and Tobago**  
[www.ysatt.org](http://www.ysatt.org) / [info@ysatt.org](mailto:info@ysatt.org)

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# China



**Capital:** Beijing  
**Population:** 1.38 Billion  
**GDP\*:** USD 11,218 Billion  
**Currency:** Renminbi (RMB)  
**Language:** Mandarin Chinese  
**Area (Total):** 9,596,961 km<sup>2</sup>  
**(Land):** 9,569,901 km<sup>2</sup>  
**(Water):** 27,060 km<sup>2</sup>  
**Coastline:** 32,017 km

## Summary

China's coastline of 18,000km (11,000mi) lies primarily in the east and southeast of the country, which is more developed and contains abundant natural resources such as inland rivers, lakes and offshore waters. Of China's top 10 biggest provincial economies including Jiangsu, Shandong, Zhejiang and Fujian, most are in developed coastal areas. Furthermore, the coastal province of Guangdong has retained the highest provincial GDP for the 28th consecutive year, totaling more than 7.9 trillion yuan (USD 1.15 trillion) in 2016 GDP - a growth of 7.5 percent year-on-year.

According to the National Bureau of Statistics in 2016, Chinese consumer spending accounted for 65 percent of national GDP, an even higher percentage than that of Japan and the United States. As China becomes more reliant on domestic consumption as a major economic growth driver, Morgan Stanley predicts Chinese consumer spending will reach \$9.7 trillion by 2030 with increases in sectors such as leisure, entertainment, travel and healthcare.

Following in the footsteps of automobiles, yachts and recreational boats have become a leader in domestic consumption among the upper-middle class. Accordingly, the Chinese government is trying to promote yachting as a leisure activity to be enjoyed by many, rather than a luxury commodity or something used to entertainment business clients for the few. On November 28, 2016, the China State Council issued a circular to further promote and expand domestic service consumption on tourism, culture, sports, health, senior care, and educational training. The circular included an announcement to formulate a yachting tourism development plan. A free yachting scheme between Guangdong, Hong Kong, and Macau will gradually be launched, along with construction of 50-80 new public marinas and water sports centers. A blueprint of pilot projects for yacht rental services is also under discussion. U.S. companies that service yachts, marinas and other water sports might consider these possible market entry points.

Statistics from the China Cruise & Yacht Industry Association (CCYIA) show that as of April 2017, domestic yacht ownership including fishing and sailing boats reached approximately 19,000 craft - 4,977 of which are registered through the China Maritime Safety Administration.

## Current Demand

With 1,034,000 millionaires, 11,000 citizens worth at least \$30 million, and a paltry 1 out of every 318 super-rich owning yachts, China has vast potential as a market for luxury yachts. Yet, it is the growth of China's upper middle class - which will total 30% of China's population in 2020 - that is just as crucial for the growth of the whole yachting industry.

Demand for luxury yachts has stagnated since peaking around 2011; however, the yacht industry has adapted to include more affordable, everyday yachts due to changing consumer preferences and culture. Yachts are increasingly seen as appropriate for the middle class, not just the ultra-rich. According to the business development manager of JetSet Marine, instead of buying 60+ foot yachts and hiring European crews to prove their status, Chinese are now driving a "healthier" market by learning to get their own licenses and starting with smaller, beginner boats. The Chinese yacht market has essentially grown in reverse - Westerners usually start off with small boats and then work their way up to big boats; big boats took off first in China yet the market is trending towards small boats now. Yihong, a Chinese yacht maker, predicts that more affordable boats marketed to the masses will drive 80% of China's yacht industry by the next 10 years. Widely-available smaller craft growth will be crucial as China still had approximately the same number of big luxury yachts in 2016 as 2014 (3,700 yachts per the National Development and Reform Commission).

The Chinese yacht industry has also been buoyed by yacht rentals, which cater to the increased Chinese preference for leisure and entertainment. Chinese are increasingly using yachts for marriage proposals, baby showers, and parties - it can even be cheaper to rent a yacht for a seaside marriage than rent out a hotel. China's state council recently took note of this trend and promoted pilot projects for yacht rental services between Guangdong and Hong Kong in a press release. Li Keqiang, China's Premier, has also touted yacht rentals as a way to increase domestic consumption. Yacht rentals will contribute greatly to the notion of yachts no longer being private luxuries. At the Seven Star Yacht Club in Shenzhen, a 25 foot Flying Tiger boat costs around RMB 2,000 per hour to rent. However, the rates run as low as RMB 1,000 per hour or RMB 5,000 per day for a fishing boat rental.



In the high-end yacht segment, Chinese buyers prefer imports, as they are believed to be of better quality. Chinese taste for foreign yachts is evident from the Chinese conglomerate Weichai's EUR 374 million acquisition of Ferretti, a high-end Italian yacht maker, as well as the China real estate developer Wanda Group's EUR 300 million purchase of English yacht maker Sunseeker in 2013. In 2016, China-based Lai Sun Group bought half of another foreign yacht maker, Camper and Nicholson International. Domestic brands will inevitably become more competitive, though, seeing as China ranks in the top 10 for worldwide superyacht production and protects domestic industry by taxing luxury imports at a high rate.

Overall, if Chinese tastes can be changed and demand cultivated, the Chinese yacht market represents a huge untapped opportunity for foreign exporters. Nevertheless, this development will require patience. The French yacht company Beneteau predicted in 2015 that the Chinese market will take around 10 years to fully develop. At the same time, the growth of the Chinese middle class and taste for leisure is exciting for small boat growth. The recreational boating market factors into China's State Council goal of establishing a USD 442.5 billion fitness and leisure industry by 2025. In order to accomplish this, the State Council has mandated "50 to 80 public yacht marinas and aquatic sports centers" to be constructed in the near future. More public facilities should increase yachting's accessibility to the middle class, as private yacht clubs mostly cater to the wealthy.

Due to the factors mentioned above - especially the growth in small boats - China's yacht market is predicted to top USD 8 billion by 2020 and include over 100,000 leisure craft, up from just 3,000 in 2012 .

## Market Data

According to the latest data from CCYIA, China has around 149 yacht clubs, of which 93 are on record by China Maritime Safety Administration. Furthermore, China has close to 12,000 marina berths and 2,700 dry racks on land. In 2016, the United States exported 1,173 yachts and other vessels for pleasure or sports purpose to China with a total value of more than \$14 million.

The main yacht exporters to China include France, Italy, the UK, the United States, Japan, Germany, Spain, and the Netherlands. The top three are the U.K., Italy, and France. International yacht brands dominate the medium and high-end yacht market in China. These luxury boats are seen as status symbols for the rich and successful, so Chinese buyers are willing to buy imported yachts. Chinese enterprises including Cheoy LEE, Xiamen Tangrong and Jet Tern Marine primarily focus on the export business. At present, only a few local yacht manufacturers concentrate their efforts on developing the domestic market. Most of the Chinese boats manufacturers focus on the medium and low-end yacht market.

## Market Entry

The China Maritime Safety Administration (China MSA), under the Ministry of Transportation, is the designated official body in charge of shipping safety administration; it also helps maintain national sovereignty. China MSA is responsible for issuing yacht safety management regulations, and additionally, is the only authority in charge of registration requirements for yachts and recreational craft.

For imported yachts or craft, the distributor should receive approval from the regional Customs Office and provide the following documents including:

- Certificate of origin,
- Construction certificate,
- Boat safety inspection report,
- Sales contract and invoice,
- Signed Declaration of Conformity or CE/ABYC certificates

For registration of yachts or craft, the customer/owner should submit an application through their regional Maritime Safety Administration office and acquire the certificates of boat ownership. At the same time, boat manufacturers or their dealers should contact the Chinese Classification Society (CCS) and acquire (1.) a certificate of boat inspection and (2.) a certificate of seaworthiness. After these two certificates are issued by the CCS, boat owners can go through their regional Maritime Safety Administration again and apply for a 'Nationality ID' for their boats.

## Market Challenges

There are many reasons why China, with all its millionaires, billionaires, and giant emerging middle class, is still a fledgling market for recreational boating.



First, there is social stigma associated with owning a yacht. The loss of growth in luxury yacht sales starting around 2012 directly correlates to Xi Jinping's crackdown on high level corruption and promotion of austerity policies. China's growing wealth inequality has also made ownership of yachts frowned upon. Even for the middle-class mindset, yacht ownership was, and still to a high degree is, something associated with the super-rich - not even the merely rich. With more middle class Chinese indulging in leisure with smaller boats, this attitude is changing with time.

Second, the segment of boats marketed towards the masses is highly reliant on a stable and prosperous economy. Most Chinese in the middle class are not willing to risk buying a boat unless the economy is doing well - yet it has slowed in recent years.

Third and most important for foreign exporters is China's luxury import tax on yachts of up to 45%. As a consequence, many yachts bought by Chinese are purchased overseas, especially in Hong Kong, and kept moored outside of China. Another complicating factor is that China lacks experienced yacht crews, so foreign (mainly European) crews must be relocated to China and granted visas.

Government regulations hamper the growth of the Chinese yacht industry, such as strict waterway management, intricate regulations to receive obtain national licensing, complicated paperwork to sail to other regions, and no laws for commercial use yachts like rentals - only privately owned ones.

China's marine infrastructure has a long way to go. The shortage of public boat ramps and exclusivity of yacht clubs greatly restricts the Chinese yacht market. Even if many Chinese can afford boats, they face the challenge of finding space to moor their craft - yacht clubs are the main places to do so. Yet, the cost of yacht club membership is prohibitive - often between USD 102,000 and USD 145,000 annually, which only corporations and the super-rich can afford.

Finally, Chinese people traditionally have an aversion to being out on the water and have a much different cultural use for yachts than Westerners. Most Chinese tend to avoid extensive exposure to the sun, so yachts for the Chinese market must be redesigned to include covered decks and more air conditioning. Chinese also do not spend days or weeks cruising like Westerners do - not even overnight - so yachts marketed towards Chinese must be modified to replace living space with entertainment such as game rooms and karaoke.

## Trade Events

### Dalian Boat Show

June 16-19 2017 • Dalian, China [www.dalianboatshow.com](http://www.dalianboatshow.com)

### Shenzhen International Boat Show (SIBEX)

October 26-29 2017 • Shenzhen, China • [sibex.net.cn](http://sibex.net.cn)

### 12th China Cruise Shipping Conference & International Cruise Expo

November 5-7 2017 • Sanya, China

### Shanghai International Boat Show

April 26-29 2018 • Shanghai, China

## Associations

China Port Association, [port.org.cn](http://port.org.cn)

China Shipbuilding Engineering Association, [cename.org.cn](http://cename.org.cn)

China Association of the National Shipbuilding Industry, [cansi.org.cn](http://cansi.org.cn)

China Cruise & Yacht Industry Association, [ccyia.com](http://ccyia.com)

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# Colombia

<b>Capital:</b>	Bogota
<b>Population:</b>	49,313,000
<b>GDP*:</b>	USD \$282.46 Billion
<b>Currency:</b>	Colombian Peso
<b>Language:</b>	Spanish
<b>Area (Total):</b>	1,138,910 km <sup>2</sup>
<b>(Land):</b>	1,038,700 km <sup>2</sup>
<b>(Water):</b>	100,210 km <sup>2</sup>
<b>Coastline:</b>	5,875 km

## Summary

The Republic of Colombia is the fourth largest economy in Latin America, after Brazil, Mexico, and Argentina, and has the third largest population with approximately 49 million inhabitants. Aided by major security improvements and steady economic growth in recent years, Colombia has increased its commercial and investment ties to the United States, Europe, Asia and the rest of Latin America.

Political stability, a growing middle class, the signing of the peace accord between the government and the Revolutionary Armed Forces of Colombia (FARC) guerrillas, and a vastly improved safety and security environment have created an optimistic economic outlook for Colombia in recent years. However, more than half of Colombia's global exports are petroleum products, and lower oil prices are expected to continue taking a toll on the country's economy and foreign direct investment in 2017.

Since the implementation of the U.S.-Colombia Trade Promotion Agreement (TPA) in May 2012, U.S. exports to Colombia initially increased substantially but have decreased over the last two years due to a combination of factors, with the main contributor being a depreciation of the Colombian currency that resulted from lower global oil prices (the county's principal export), a drought, and a national strike by transportation workers. United States remains Colombia's largest trading partner. Colombians appreciate the quality and reliability of U.S. products, and consumers in Colombia often favor U.S. products and services over foreign competitors. However, Colombia being a price-sensitive market, Chinese products are increasingly capturing market share, and China is now Colombia's second largest trading partner. Nonetheless, certain U.S. exports to Colombia continue to see strong growth, especially agricultural products, aircraft parts, pharmaceutical products, and pleasure boats.

Colombia has five commercial hubs in the country: Bogotá, Medellín, Cali, Barranquilla, and Cartagena. In contrast to most Latin American countries that have one or two major cities, Colombia offers U.S. exporters access through multiple commercial hubs, each of which has its own American Chamber of Commerce. While these cities and many other secondary cities offer unique market opportunities, they are close enough via air routes that it is common to have one partner (agent, distributor, or representative) cover the entire country. Over the next decade there will be greater investment in infrastructure projects ranging from roads, airport modernization, port construction and expansion, and major hotel developments.

## Market Data

Based on United States Census Bureau, Colombian import of yachts and other pleasure vessels from the United States reached USD 4.8 million in 2016, an increase of 124.7% compared to 2015.

Currently, the country has 26 marine docks and marinas with a total docking capacity of 2,700 boats in the Caribbean Sea, between the city of Santa Marta and the Morrosquillo Gulf, but no marinas are yet available on the Pacific Ocean. The government is currently developing plans for the construction of several marinas and associated infrastructure with the objective of attracting marine tourism in the Caribbean Sea, including San Andrés Island, Santa Marta, and Cartagena. The intent is to expand the number of travelers that look to enjoy activities such as snorkeling, fishing, water sports, and generate demand for more and better pleasure boats. However, the government's plan to promote technical studies and basic designs for new marinas, docks, and mooring facilities has moved slowly, as the first five flagship marina projects have not materialized.

Colombia has a total coastline of 5,875 kilometers, as well as large rivers (including the Magdalena, Cauca, Atrato, Orinoco, and Amazonas) with a potential navigable length of over 18,200 kilometers, and more than 1,800 lakes and reservoirs. However, its boating industry is nascent and the Colombian government is currently working to develop a Nautical Tourism Strategic Plan aimed at attracting boat owners to visit and spend time on Colombian coasts, rivers and lakes. Colombia has recently improved its tax regime that would facilitate the registration of yachts and sailboats in Colombian ports from their overseas locations. It has a registry of only 7,336 boats, about 6,100 on the Caribbean coast (41.5% registered in Cartagena) with the remainder based on the Pacific Ocean. Most of the registered boats (4,916) are of less than 24 feet (8 m long), and only 15.7% of the boats are larger than 33 feet (10 m).



The Colombian Maritime Directorate (DIMAR) estimates some 7,780 foreign boats visited Colombian coasts (73.3% sailboats) with two main destinations: the Caribbean cities of Cartagena and Santa Marta, and San Andrés and Providencia Islands. Over 60% of these transits originated from Panama, followed by sailors from Aruba, Bonaire and Curaçao. Colombia has several key advantages for those interested in nautical tourism as its coasts are far away from the normal hurricane-prone areas, but are close to the main Caribbean navigation routes, with mostly U.S. and European-registered boats (sail and motor boats).

## Market Entry Strategy

The following are suggestions for market entry strategies:

- Secure an agent, representative, or distributor in Colombia, which requires a contract that meets the provisions of the Colombian Commercial Code. Focus on formality, personal relationships, and trust when negotiating agreements and contracts.
- Communicate with the U.S. Commercial Service and the Economic section of the U.S. Embassy in Bogotá regarding specific concerns.
- Offer excellent after sales service arrangements and maintain the sales relationship. Warranties or guarantees on imports are critical for supporting after sales service in Colombia.
- Provide high quality products and/or services, affordable financing and competitive pricing.
- Support your local partner's marketing efforts with advertising campaigns or by participating in trade shows. Do not be hands off and visit often.
- Translate sales collateral and service manuals into Spanish, as this may be required in certain sectors like medical products. A U.S.-based staff with Spanish language skills is very useful.

## Trade Events

### Colombia Náutica 2018

June 1-3, 2018 • Cartagena, Colombia <https://www.nmma.org/international/shows>

## Associations

**ASONAUTICA** (The Nautical Association of Colombia), <http://asonauticacolombia.com/en/>

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# Croatia

<b>Capital:</b>	Zagreb
<b>Population:</b>	4.238 Million
<b>GDP*:</b>	\$94.24 Billion (est. 2016)
<b>Currency:</b>	Croatian Kuna
<b>Language:</b>	Croatian
<b>Area (Total):</b>	56,594 km <sup>2</sup>
<b>(Land):</b>	55,974 km <sup>2</sup>
<b>(Water):</b>	620 km <sup>2</sup>
<b>Coastline:</b>	5,835 km/ 3626 mi (mainland 1,777 km, islands 4,058 km)

## Summary

Croatia's economic growth since its independence and accession to the European Union has enabled steady growth in the demand for recreational boats and equipment. With 3,626 cumulative miles (5,836 km) of coastline, Croatia has enormous potential in nautical tourism, and boat chartering has become among the fastest growing sectors. The majority of boats and equipment are imported from the European Union and the United States. However, local production is becoming more competitive in terms of value for money. Additionally, trends have shown that the Croatian consumer is discriminating and will consider many factors beyond brand loyalty in purchasing. The overall size of the market is estimated at \$150 million annually. With no major tariff or non-tariff market entry barriers and sufficient numbers of capable local distributors, the opportunities for U.S. exporters are significant.

## Market Overview

With regards to nautical tourism, the Croatian coastline is arguably one of the most beautiful in the world. Along almost a thousand nautical miles of coastline, there are 1,246 picturesque and easily accessible islands, only 47 of which are populated. The most attractive areas are the national parks Brijuni, Kornati, Krka and Mljet. Within roughly every 5 nautical miles, there is a port with a berth for safe overnights or for shelter from bad weather conditions. The mild coastal Mediterranean climate allows for at least a six-month period of comfortable sailing, fishing, cruising or diving (from early April to late October).

Owning a boat has become a matter of prestige for many entrepreneurs, managers and professionals in Croatia. Local banks stay readily available to finance boat purchases and many dealers offer boats on leasing (with tax advantages for companies). The significant increase in the domestic demand for such boats has not only boosted imports, but also local production. Per the Croatian Shipbuilding Corporation, in 2016 the demand in Croatia for passenger and leisure cruising boats has grown over 120 percent. Many small, family-owned boat builders have also emerged within the past decade, manufacturing increasingly competitive boats, tailor-made to local maritime conditions. About 90 percent of boat equipment and raw materials for this production are imported.

Croatia is committing large amounts of resources and money to upgrading and modernizing public facilities and services. Port improvements in Rijeka and Pula, along with the recent renovation of the country's primary international airport in Zagreb, are just a few of the multi-million dollar projects currently underway or being tendered, and are expected to boost the country's tourism industry.

Croatia is also the world's first country to officially introduce UberBOAT in the summer of 2017, thus enabling better connections between islands and the mainland. Croatia was chosen to debut the service due to the significant increase in tourist traffic over the past few years. The demand for speedboats is reportedly increasing and more are being purchased for use in the UberBOAT service. For now, though, UberBOAT may only be driven by those operating through professional charter management companies.

Croatia has over 5,000 ports along its mainland and island coastlines that house over 22,000 boats – a vast market for marine products of all types. Overall, Croatia is on the cusp of emerging as an important market and gateway for the Southeast Europe region. Laying the groundwork now to capitalize on this emergence has strong potential for small- and medium sized enterprises looking to establish a position in the growing market.

## Market Data

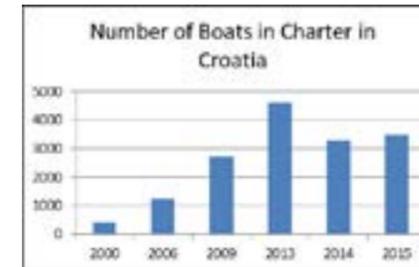
The 50-page [Nautical Tourism Development Strategy 2009-2019](#) published by the Croatian Ministry of Maritime Affairs, Transport and Infrastructure is an excellent source of statistical information and analysis of the trends in the industry. Per this document, nautical tourism is estimated to provide 10 percent of total tourism income.

Rapid development of nautical tourism in Croatia began in 1983 with the funding of the [Adriatic Croatia International Club \(ACI\)](#), which built the initial system of 16 marinas along the coast. According to the [Croatian Bureau of Statistics](#)



data published in March 2017, there were 139 nautical ports (71 of which are [marinas](#)), with a total of over 17,428 sea berths and 4,880 dry berths. The number of boats in charter has increased significantly, with a total of only 443 boats in 2000 to a total of 3,500 boats in 2015. Roughly 70% of the offered charter boats are between 32-45 feet (10-14 meters) in length. Total revenues for marinas in 2016 were \$116 million - a 67% increase from 2006, with constant growth up-to-date.

In the first 9 months of 2016 alone, there were 69,680 charter rentals, with an arrival of almost 455,000 guests, accounting for roughly 3 million overnight accommodations. The statistics show an increase of 20% compared to the previous year, giving Croatia the title of the world's leading charter destination. The 645 active charter companies gained revenue of an estimated \$200 million USD. It is estimated that Croatia manufactures about 1,000 boats a year, with over half of them being boats up to 25 feet (7.5 meters). Observing the number of vessels in transit in nautical ports in 2016, there was a total of 198,151 boats, roughly 62,000 of which were motor yachts, and 130,000 sailboats (more details on [Croatian Bureau of Statistics](#)). Of the total number of vessels, 5,098 of them were over 20 meters long.

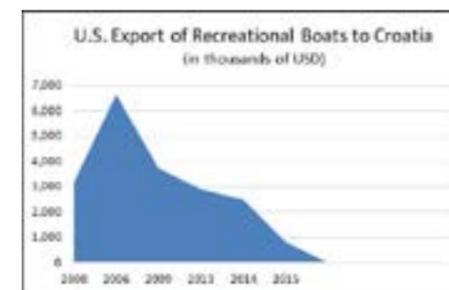


Per the [United States Census Bureau](#), U.S. export of pleasure boats and motors (HS 8903) to Croatia shows steady growth up until 2008, when its peak was reached at \$6.7 million. In the following years leading up to 2016, the statistics show sharp declining trends in U.S. exports to Croatia. However, these statistics are certainly misleading in terms of U.S. market share in Croatia, as U.S. brands of motorboats are indeed very popular in this market, but are usually not imported directly from the United States, but from other European-based dealers, and are therefore not considered a direct U.S. export to Croatia by U.S. customs.

The number of recreational boats registered in nautical ports in Croatia in 2016 was 89,211, and 106,604 boats with non-Croatian flags registered their presence at the Croatian coast that same year. Industry experts report that the average boat size has been significantly increasing, as well as the timeframe within which the owner replaces his old boat with a new one.

## Best Prospects

According to some boat distributors, affordable motorboats of up to 20 feet (6 meters) and more luxurious motorboats of 30 feet (9 meters) and more are the easiest to sell. Sailing boats no longer sell as well as they used to, especially if they are not adjusted for charter business (currently, even the boats available for charter exceed the demand). According to the Croatian Chamber of Economy, luxury charter tourism has the highest growth potential.



Equipment distributors report that low price is still the key selling factor and that local boat builders are increasingly significant customers. As the number of more luxurious and sophisticated boats in the area steadily increases, boat builders also engage more heavily in maintenance and repair services. For this, however, they are lacking modern tools and know-how. Opportunities also lie in the area of equipment and know-how for services provided at marinas. Environmental protection equipment at marinas became increasingly important as Croatia joined the European Union and adopted its environmental protection standards.

## Key Suppliers

Most imported boats come from Italy, Germany, France, UK, Netherlands and the USA, but as of recently also from Poland and Turkey. Among sailboats, some of the most popular brands include Bavaria, Elan, Beneteau, Jeanneau, Sun Odyssey, Dufour, Grand Soleil, Hanse, and Oceanis, while among motorboats more well-known are Rodman, Fiart, Doral Boca Grande, Sealine, Elan, Four Winns, Merry Fisher, Crownline, Sessa Dorado, Sea Ray, Regal, Boston Whaler, Quicksilver, Tahoe, and Bryant.

There are about 70 local recreational boat builders, manufacturing mostly fiber-glass motor-boats from 3 to 15 meters (10-49 feet), but there are a number of wooden-boat, sailboat and luxury yacht builders, as well. Local production of boat equipment and raw materials is still insignificant, although some companies have recently emerged manufacturing products such as marine furniture, diesel engines, sails, windows, fiberglass components, etc.

## Prospective Buyers

Croatia has a long tradition and rich culture of recreational boating in all segments. As the wealth of the nation increases, there are more and more individuals that can now afford to buy a boat or to upgrade. The typical buyer is well informed, reads the abundantly available specialized magazines, regularly visits local, as well as international marine industry fairs, and often is a member of some nautical sport club. Many purchasing decisions are made after observing various models of boats when walking through local marinas and ports. The coastal population, as well as many Croats that live on the continent and own some real estate on the coast, use boats primarily for quick access from the coastal residence to their favorite swimming, fishing, or diving site, and they only occasionally overnight on the boat. The number of foreigners buying real estate property at the Croatian coast has been rapidly growing in the past several years and many of them purchase boats, as well.

Major boat importers are: [Pivatus](#), [Nova Boats](#), [Ultra](#), [Auto Moto Nautika](#), [Saltus](#), [Baotic Yachting](#), [Bravo](#), [Euromarine](#), [Daranji](#), [Interadria](#), [Aventur](#), [Bellaboats](#), [Princess Adriatic](#), [Motonavis](#), and [Franka Marine](#). There are also numerous nautical equipment importers and distributors such as: [Plovput](#), [Unimar](#), [Brodomekur](#), [Indel Marine](#), [Belcon](#), [Metris](#), [Garmin](#), [A.B.E.](#), [Raminapomorstvo](#), [Navela](#), [Almar](#), [Dang](#), [Diamar](#), [Elektro Yacht Servis](#), [Scam Marine](#), and [AC Oprema](#).

## Market Entry

Probably the best way to enter the market is to participate in one or more of the six annual nautical fairs in Croatia. Almost all the local boat and equipment importers and manufacturers do participate in at least one of these fairs, if not in all of them. Most boats exhibited at fairs are sold on the spot with at a discounted price.

Advertising in local nautical magazines can be also very effective. There are about twenty magazines in foreign language available in Croatia (in English, German, and Italian); [Italian Nautica](#) and [French Yachts Adriatic](#). Some local magazines available in Croatian are: [More](#), [Otvoreno More](#), and [Morsko Prase](#). Foreign advertising firms with offices in Croatia include [BBDO](#), [DDB](#), [McCann-Erickson](#), [Ogilvy & Mather](#) and [Grey](#).

Another effective promotional tool is to establish regular direct contact with major local boat builders and equipment distributors, as well as with charter companies, marinas, and local maritime sport clubs. There are over 120 clubs in the Croatian Sailing Federation, many of which also belong to the [European Sailing Federation](#), new [sailing schools](#) are emerging every year, and there are numerous diving and [fishing clubs](#).

Finding a qualified local distributor or support for technical maintenance of boating equipment does not represent an insoluble problem. Also, it is quite common that a distributor successful in Croatia effectively explores the opportunities in other countries of the former Yugoslav federation (Slovenia, Bosnia & Herzegovina, Serbia, Montenegro, and Macedonia). However, persistence is key for anyone seeking entry to the Croatian market. Given its small size, it can be considered fully saturated and very competitive. New products must squeeze out those already being sold and distributors will want to be convinced that their profit on the new product will be significant enough to justify the risk and effort. Usually, one must speak to many potential distributors before finding someone interested in representing the new-to-market product. The distributor will also require as much as possible in technical support, marketing materials, training, extended payment terms, and – very importantly – lots of care.

## Market Issues/Obstacles

Croatia is part of the unified customs territory of the EU, so EU customs tariffs apply only for imports from non-EU countries. The customs duty for recreational boats and yachts (tariff number 8903) differs between 0% and 2.7%, depending on the value of the vessel. The customs duty for outboard boat engines is zero regardless of the origin. A value-added-tax (VAT) of 25 percent is paid for new boats, and is ignored for the resale of used ones. A special tax on boats has been discontinued.

## Resources and Key Contacts

**Ministry of Maritime Affairs, Transport, and Infrastructure:** <http://www.mppi.hr/default.aspx?id=7397>

**Nautical Tourism Development Strategy 2009 – 2019:** <http://www.mppi.hr/UserDocsImages/Strategija%20razvoja%20nautickog%20turizma%20ENGL%201.pdf>

**Plovput:** [www.plovput.hr](http://www.plovput.hr)

**Adriatic Croatia International (ACI) Club:** <http://www.aci-marinas.com/?lang=en>

**Croatian Register of Shipping:** [www.crs.hr](http://www.crs.hr)

**Croatian Hydrographic Institute:** [www.hhi.hr](http://www.hhi.hr)

**Tourism Promotion Agency:** [www.croatia.hr](http://www.croatia.hr)

**Institute for Tourism:** [www.itzg.hr](http://www.itzg.hr)

**Croatian Chamber of Commerce:** [www.hgk.hr](http://www.hgk.hr) (contact person: Mr. Branimir Mađer)

**Croatian Bureau of Statistics:** [www.dzs.hr](http://www.dzs.hr)

**U.S. Trade Statistics:** <http://tse.export.gov/tse/tsehome.aspx>

**American Chamber of Commerce in Croatia:** [www.amcham.hr](http://www.amcham.hr)

**Rochester Institute of Technology Croatia, Dubrovnik:** [www.croatia.rit.edu](http://www.croatia.rit.edu)

**U.S. Census Bureau:** <https://census.gov/>

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# Czech Republic

**Capital:** Prague  
**Population:** 10.64 million  
**GDP\*:** USD 192.925 billion  
**Currency:** Czech Crown (CZK)  
**Language:** Czech  
**Area (Total):** 78,867 km<sup>2</sup>  
**(Land):** 77,247 km<sup>2</sup>  
**(Water):** 1,620 km<sup>2</sup>

## Summary

Although the Czech Republic is a landlocked country, there are many natural and artificial water resources such as lakes, ponds and areas around dams. Most Czech rivers run slowly to moderately fast, which makes water sports such as canoeing, yachting and windsurfing favorite holiday activities with a long tradition. Canoes or inflatable vessels are the most frequently used, usually used for white water paddling. The peak season is during the nine to ten-week summer season.

## Market Overview

Total inland water areas in the Czech Republic are 1,620 km<sup>2</sup>, watercourse areas account for 76,000 km. The Czech Republic has been traditionally strong in water sports like water slaloms, skiff or canoeing. With more Czechs having experience from their holidays abroad, the number of buyers interested in small motor boats and yachts is increasing. The experts mention following factors influencing growing interest in water sports – favorable economic situation, more Czechs spending holidays in the country looking for new options, and the new law which allows use of motor boats on more water areas.

## Market Data

The boat market is small but continually growing. The trend for boat rentals, in the country as well as abroad, is strong. Interest in water sports – particularly canoeing, yachting, and diving – is increasing. Last year there were almost 16,800 small boats registered in the Czech Republic. The number also includes over 1,600 water scooters. The Association of Boat Industry estimates that in 2016 Czechs spent USD 83 million (CZK 2 billion) for boats and accessories.

## Best Prospects

Small affordable boats and canoes are the most popular among Czech customers, although the number of individuals being able to afford more luxurious motorboats is slowly growing. Demand is increasing for boat maintenance and repairs. Paddle boating has also been increasingly popular on Vltava river.

## Key Suppliers

The lively boat manufacturing sector in the Czech Republic has a long tradition. It focuses mainly on smaller boats for fishermen, kayaks, yachts and accessories. Market demand for advanced technologies is mostly satisfied by imports. The UK, Poland, China, and the United States hold strong market positions

Imports of Ships & Floating Structures, 2016, (USD Thousands)

Type	Quantity
Transport ships & boats, cruise ships etc. (HS 8901)	1,558
Yachts, pleasure & sports boats (HS 8903)	10,249
Other vessels, including warships & lifeboats (HS 8906)	8
Other floating structures e.g. rafts, tanks, buoys (HS 8907)	1,591

## Prospective Buyers

With renewed economic growth, the number of Czechs interested in boats has increased. Last year, the country saw a steep rise in number of driving licenses for small boats. More than three thousand licenses were newly registered and the number of boat owners grew faster than in the previous period.

Boat rentals and sightseeing business is also growing. There are 101 boats for public transportation registered, out of



which 66 are registered in Prague. Prague Boats Company is the largest operators of sightseeing tours on Vltava river with 17 boats in their portfolio. Tours on Vltava river are popular among tourists, but locals use boats as well.

## Market Entry

A recommended strategy for U.S. companies interested in penetrating the Czech market would be to find a local partner/representative. It is very difficult to succeed in this market without a local representative that can support everyday contact with customers. A U.S. company can further stimulate sales by working with Czech partners on effective marketing campaigns, as well as by utilizing trade shows, in-country promotions, and advertising. One of the options may be advertising in *Yacht magazine*, which focuses on the boat industry in the Czech Republic.

## Market Issues and Obstacles

The Czech Republic is a highly developed, open market with liberal policies and intense competition. There are no major challenges to the entry. The average monthly gross salary is \$1,050. While imports from the EU are exempt, products from non-EU countries are subject to import duties. [Customs duty rates](#) are updated annually and are harmonized within EU countries. In addition, all goods, imported or produced domestically, are subject to a value-added-tax (VAT). The VAT is paid by the importer and passed on to end-users. Czech distributors cite marketing support as especially important for U.S. companies that want to increase sales.

## Trade Events

Czech boat trade fairs are rather small but still offer a good opportunity to meet with the main market players. Czech companies also visit boat fairs abroad, German fairs like Boot Dusseldorf are among the most popular.

**FOR BOAT Prague**, March 9 - 11, 2018 <http://forboat.cz/en>

## Resources & Key Contacts

**Association of Boat Industry**, <http://www.aplcz.cz>  
**Ministry of Industry and Trade**, <http://www.mpo.cz>  
**Ministry of Transport**, <http://www.mdcz.cz>  
**State Navigation Office**, <http://plavebnurad.cz>

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# Denmark

<b>Capital:</b>	Copenhagen
<b>Population:</b>	5.75 million
<b>GDP*:</b>	USD 264.8 billion
<b>Currency:</b>	Danish Krone
<b>Language:</b>	Danish
<b>Area (Total):</b>	43,094km <sup>2</sup>
(Land):	42,434km <sup>2</sup>
(Water):	660km <sup>2</sup>
<b>Coastline:</b>	7,314km

## Summary

The Danish market for leisure boats is a mature market with well-established related industries. As a country with a history of growth through maritime activities the Danish leisure boating market can provide a gateway for some U.S. firms into the Scandinavian market. However, with several Danish and foreign firms present in the market, the competition for a share of the relatively small market can be quite high.

## Market Overview

Denmark has been largely built, and continues to thrive off its maritime activities. One of the primary reasons is the just over 7,300km of coastline surrounding 42,000km<sup>2</sup> of primarily island landmass. One of the historical effects of this geography was a thriving herring industry off the coast of Zealand, which helped provide the commerce and flow of money, which helped the city of Copenhagen grow and become the nation's capital.

Today the maritime activities continue to fuel Copenhagen and Denmark's growth. For example, Denmark is host to one of the world's largest shipping companies, Maersk Group, which annually brings in over USD 28 billion in revenues. Apart from the flagship company Maersk, the Danish shipping industry encompasses over 300 individual shipping firms and the top 25 excluding Maersk brings in over USD 15 billion in annual revenues.

The Danish leisure boating market is a growing industry. As shown by the numbers below, the Danish leisure boating industry is quite big in relation to the small size of the country with a population of 5.7 million.

- Leisure boats in Danish Harbors: 57,000
- Split between sail and motor powered: 57% and 43%
- People on waiting list for harbor spaces: 12,500
- Harbors in Denmark: 320
- Sailing clubs of various sorts in Denmark: 250
- Producers of leisure yachts and sporting boats: 30
- Boat rental firms: 50
- Repair/maintenance firms: 150

As illustrated by the numbers above, the 57,000 leisure boats spread across 320 harbors, and a further 12,500 waiting for spaces show both an active and growing market for leisure boats. However, due to the number of existing manufacturers, distributors, maintenance, and rental firms, the market is also heavily competitive. As a result, firms wishing to invest in the market should be aware of the investment needs in order to penetrate the market.

## Key Buyers

[Palby Marine A/S](#), a wholesaler that sells equipment to the entire maritime sector, is one of the key distributors on the Danish market. The firm sells a diverse portfolio of maritime equipment from a number of international suppliers.

[Sea-Point Marine Equipment A/S](#) is one of the key distributors in the Danish maritime industry. The firm acts as an umbrella firm for a number of smaller distributors around Denmark including webshops and physical shops located around harbors and harbor towns. Their broad product portfolio presents U.S. suppliers with opportunities to enter the market.

## Key Manufacturers

[X-yachts A/S](#) is one of the larger producers of leisure boats on the Danish market. The firm produces a range of yachts which vary in their intended use, from large long sailing cruisers, to the small family Sunday trip. With over 150 employees, and a 2014 "Yacht of the Year" nominee, x-yachts is one of the key manufacturers in the yacht market.



[Quorning Boats ApS](#) is the country's largest leisure tri boat manufacturer and operates across several continents including North America. Over its almost 50 years of existence the multihull boat manufacturer has been awarded remarkable prizes for its significant, design and unique craftsmanship. Their most famous boat line, Dragonfly, is considered to be one of the best in multihull class and has been awarded the prestigious 'European Yacht of the Year' title in 2003 and 2008.

[Nordship Yachts ApS](#) is another example of a key manufacturer of Yachts in Denmark. While the firm's gross profit for 2012 only reached just over USD 900,000, the firm represents Denmark's manufacturing heritage and degree of specialization. The firm was founded in 1978, and has since the 90's been focused on custom made deck-saloon yachts.

## Best Prospects

One of Denmark's strong points in the sporting world is their nautical sports such as sailing and rowing. Traditionally, Danes like to sail for several days from harbor to harbor. Boats and equipment that focus on the many practical matters that must be accommodated for such journeys could hold great market potential.

A trend in leisure boating is to rent boats through a concept similar to Airbnb. Boatsetter is a key player in this global market. However, the leading Danish boat rental platforms is called Boatflex, which is a Danish startup based in Copenhagen since 2014. Through their service, people that do not own a boat can rent one. In addition, Airbnb has engaged in a project involving key Danish investors to develop an Airbnb-spin off service focusing on boats. This is a sign of the vast opportunities within the market for pleasure boating.

## Market Entry

The over 30 manufacturers of both leisure boats and sporting boats in Denmark provide ample opportunity for market entry though becoming a supplier to one of these firms. The U.S. Commercial Service in Copenhagen offers a range of services that can help U.S. firms find the right companies to get in contact with. Another option is partnering with, or selling to, one of the various distributors around Denmark. With over 57,000 leisure boats in the harbors and 12,500 waiting to join the scene, there exists a constant demand for sailing and boating equipment.

## Market Issues and Obstacles

The Danish leisure boating industry complies with EU regulations for the most part and there are no informal obstacles such as corruption. A more general limitation could be the natural size of the market. With a country of only 5.58 million people, it can often be wise to look into entering the other Scandinavian markets at the same time. Danish consumers are furthermore quite heavily taxed when purchasing boats, which may affect the sales of the most expensive boats and equipment.

## Associations

Danske Bådejere (Danish Boat Owners Association) [www.danskebaadejere.dk](http://www.danskebaadejere.dk)  
 Dansk Sejlsunion (Danish Sailing Union) [www.sejlsport.dk](http://www.sejlsport.dk)  
 Foreningen for lystbådehavne i Danmark (The Association for Leisure Boat Harbors in Denmark) [www.flidhavne.dk](http://www.flidhavne.dk)

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# Egypt

**Capital:** Cairo  
**Population:** 95 mil  
**GDP\*:** 305 billion (2016)  
**Currency:** Egyptian Pound (EGP)  
**Language:** Arabic  
**Area (Land):** 1 million km<sup>2</sup>  
**(Water):** 2,450 km

## Summary

With a population of 95 million and a GDP of USD 305 billion, the Egyptian economy is one of the largest in the Middle East and North Africa. Egypt's strategic location offers companies a platform for their commercial activities in the Middle East and Africa. It is, however, suffering from a post-revolution economic slowdown. Egypt has traditionally been an attractive market for U.S. companies, thanks to its unique mix of demographics and commercial links to the broader world, as well as a demonstrated ability to compete in global markets.

Egypt is an important strategic partner of the United States, and the U.S. continues to engage with Egypt on mutually shared interests, including strong commercial ties. The United States is Egypt's third-largest trading partner, and remains the second-largest foreign investor in Egypt.

The Egyptian market is characterized by high overall consumption rates and significant income disparities. Thus, there is a customer for every product in Egypt, even if some items are sought by a limited number of Egypt's consumers. Due to the high costs of acquisition and maintenance, pleasure boats fall into a category of goods that have a limited volume of consumers; yet still, the pleasure boat industry has its Egyptian customer base.

## Market Entry

The impressive growth of new maritime projects in Egypt has contributed to a conspicuous increase in demand for leisure boats over the last decade. Key marine developments, including the Sahl Hasheesh Marina and the Port Ghalib Marina on the Red Sea, and the 480-berth Porto Marina in El Alamein on the Mediterranean Sea west of Alexandria, represent a suitable infrastructure for boat builders and distributors. As the market continues to develop, boat dealers will compete to import more high performance and luxury boats to cater to the significant demand.

In Egypt, it is advisable for U.S. companies to market their products via a local agent who is familiar with the market and can navigate the complexities of doing business in Egypt. As the market becomes more sophisticated in Egypt, there is a growing demand for after-sales service requiring a local agent.

## Current Market Trends

The construction of new marinas has contributed to increased demand for leisure boats. Government and privately owned marinas sprang up rapidly on the Egyptian coasts over the past fifteen years. New marina investments include Porto Marina, Wadi El Doum Marina, Ein El Sokhna Marina, Hurgada Marina, and AbuTeig Marina at Red Sea locations, as well as renovation projects that were undertaken at four yacht clubs in Cairo and Alexandria.

Egyptian consumer preferences and lifestyle changes have contributed to the blossoming of the industry. Greater exposure to western culture through media and satellite channels has created an appetite for items such as small leisure boats and yachts. The more affluent the population becomes, the more interest there is in luxury goods.

Currently, there are around 800 small leisure boats. These boats are known as "cruisers" and are between 16 ft and 50 ft in length. There are around 700 larger boats, known as "yachts," which are over 50 ft in length.

## Current Demand

The marine industry in Egypt continues to expand. As the number of waterfront developments and marinas increases, it is anticipated that demand for state-of-the-art yachts and leisure boats will continue to grow to fill Egypt's vast coastlines.



## Competitors

The United States has minimal competition for smaller boats, due to the wide range of U.S. products offered at competitive prices. There are a few European competitors for the larger yachts and leisure boats. Competitors to U.S. companies are British, German, French and Italian.

## Trade Events/Associations

The Egypt International Boat Show is a platform for presenting products and offers U.S. companies the opportunity to show off the industry's newest innovations to Egyptian companies as well as water and sports enthusiasts. U.S. companies may showcase new accessories, boats, and building products to Egyptian and international buyers at the annual event.

The date for the 2018 Egypt International Boat Show has not yet been announced.

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# Finland

<b>Capital:</b>	Helsinki
<b>Population:</b>	5.5 million
<b>GDP*:</b>	\$232.40 billion (2015)
<b>Currency:</b>	Euro
<b>Language:</b>	Finnish (92%), Swedish (5.5%), Others (2.5%)
<b>Area (Total):</b>	390 906 km <sup>2</sup>
<b>(Land):</b>	303 892 km <sup>2</sup>
<b>(Water):</b>	87 014 km <sup>2</sup>
<b>Coastline:</b>	1,250 km

## Summary

The marine industry is one of the most internationalized and global business branches in the Finnish economy. The Maritime Cluster in Finland involves hundreds of companies and public sector organizations and employs approximately 48,400 people. The most important markets for the Finnish marine industry are shipping, leisure, ports and terminals and offshore energy production and exploitation.

Finland is the country of thousand lakes (187,888 lakes in total) and off Finland's south-west coast lies Europe's largest archipelago with 179,584 islands. The characteristics of the archipelago and the diversity of the inland waters make leisure boating very popular among Finns. In addition, many Finns enjoy spending their holidays at their summer cottages located by water, creating a need for a boat investment.

## Market

The marine industry is a specifically cyclic industry as the market is greatly influenced by the disposable personal income of households. Thus, the global economic crisis has impacted the Finnish leisure boat industry. However, since 2010 the stabilizing world economy together with major orders especially in the shipbuilding segment has again strengthened the whole maritime industry's performance. Recently the mood in the industry has been positive and exports have grown. The boat exports in 2016 (Jan-Nov) was valued at USD 246 million, up by 6% compared to 2015. The sailboat share of the total exports accounted for 45.8 %, which shows the competitiveness and high-quality of Finnish sailboats.

In 2016, there were 1.16 million leisure boats in Finland, of which 554,000 were motor boats. There were approximately 419,000 rowing boats and 16,200 sail boats. The amount of vessels has increased in the past 12 years by 57%. Given the diversity of lakes, Finnish consumers tend to favor smaller vessels, which are usually easy to navigate and less expensive. The most popular boat class is 5-7 meters and the most common boat type is a bow-rider. The majority of boats are usually motor boats made from aluminum or fiber-reinforced plastic. Wooden boats are also manufactured, and although the sales volume is quite limited, they have their own segment in the market. The marine industry is very traditional and old manufacturing methods and materials are appreciated. Finnish manufacturers are acknowledged for their boat building know-how, which is a significant competitive edge in the international market.

The 12 largest companies in Finland constitute for more than 90% of the entire industry's turnover. There are also several self-employed entrepreneurs who manufacture boats and other sailing equipment, but the amount of trade they produce is quite small. As the competition in the industry has intensified, the number of companies has decreased. The financial challenges of the past years have also reduced the number of maritime companies in Finland. All together there are more than 900 companies operating in the maritime business field in Finland.

The combined value of boat imports was USD 40.5 million in 2016 (Jan-Nov). Most of the imported vessels are sailing boats (share of imported sailing boats is over 95%) and they are imported from the European Union and the United States.

## Market Entry

The legislation and directives set by the European Union apply to the Finnish market. All recreational boats sold in the market area of the European Union must meet the requirements of the Recreational Boating Directive 2013/53/EU and comply with harmonized technical safety and environmental requirements. The Directive defines regulations and guidelines concerning boat manufacturers, importers and distributors. These safety and environmental requirements address the design and construction of the craft, and set limit values for their exhaust and noise emissions. In addition, all boats sold in the EU need to have CE-marking, which proves that the manufacturer has gone through the conformity assessment process. The manufacturer also has to provide detailed information about safe use and maintenance of the product.

## Best Prospects

Although the Finnish market is dominated by Finnish boats, the United States has a number of boat manufacturers whose



products are excellent for the Finnish market, as long as the price is competitive. In addition, there is market potential for other U.S.-made supplementary marine products, such as motors, equipment and supplies/accessories. Most well-known U.S. boat brands in the market include Bayliner, Jeanneau, Quicksilver, Sea Ray, Baja, Boston Whaler, Chaparral, Chris Craft, Rinker, Glastron, Tracker and Wellcraft. In 2016 (Jan-Nov) there were 230 boats imported from the United States.

Although the majority of boats manufactured in Finland are small in size, there seems to be a growing interest towards larger vessels as well. In addition, Finnish customers' general interest in the so-called entry-level leisure fiberglass and aluminum fishing boats is on the rise. Day cruisers are a popular and growing boat type and the demand for personalized watercrafts (PWCs) is also growing. Competition is especially intense in the market of standardized boats, thus more opportunities might exist in the market of custom-made boats.

## Trade Events

**The Helsinki International Boat Show**, February 09 - 18, 2018, Helsinki  
<http://vene.messukeskus.com/?lang=en>

**Helsinki Boat-Afloat Show**, 2017, Helsinki  
<http://www.uiva.fi/en/>

## Associations

**Finnish Marine Industries Federation Finnboat**  
<http://www.finnboat.fi/en/>

**Finnish Transport Safety Agency**  
<http://www.trafi.fi/en>

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# France

<b>Capital:</b>	Paris
<b>Population:</b>	67 Million (2016)
<b>GDP*:</b>	US \$ 2.488 Trillion (2016)
<b>Currency:</b>	Euro
<b>Language:</b>	French
<b>Area (Total):</b>	643,801 km <sup>2</sup>
<b>(Land):</b>	640,427 km <sup>2</sup>
<b>(Water):</b>	3,374 km <sup>2</sup>
<b>Coastline:</b>	4,853 km

## Summary

The French pleasure boat industry is made of 5,435 companies employing a total of 40,510 employees. The French pleasure boat industry, at USD 1.6 billion, is the third largest in the European Union behind Italy and Germany, and is the fourth largest worldwide (after the United States, Italy, and Germany).

France accounts for nearly one-third of European sales and one-fifth of the European fleet. Production of pleasure boat construction has registered an increase of 12% for the years 2015-2016. Production of sailboats has showed an increase of 13% in 2014-15 to register a sales volume of USD 562.6 million, while French exports of motor boats have registered an increase of 12.4% for the same period.

The number of pleasure boats dedicated to the export market has increased of about 35% during the past two years. Consequently, export sales have shown an increase of 9% for the same period. There is still a saturation of shorelines in France, with an average wait time of five years to find a place in a port for new registrations. The industry uses 261 coastal harbors and 35 rivers harbors along 5,715 kilometers of coastline and 8,500 kilometers of interior waterways, offering over 223,000 berths, which include 163,000 marinas berths and 60,000 known moorings.

France is a strong market for U.S. exporters of pleasure boats, particularly in the motorboat sector, where U.S. sellers have historically enjoyed a large market share thanks to innovative technology and competitive prices.

## Market

France's growing yacht construction and repair industry is concentrated mostly in western cities bordering the Atlantic and southern cities along the Mediterranean. With governmental aid, French companies have invested in their yacht construction and maintenance capabilities. Nevertheless, domestic builders and repair businesses are struggling to keep up with rapidly growing global market demand.

## Best Prospects

- Highly-technical navigation instruments
- Motorboats under 25 feet in length
- Sailboats
- Equipment
- Four-stroke engines
- Powerful outboard engines

## Competitors

France's two top boat builders, SPBI (USD 630 million in turnover in 2016) and Construction Navale Bordeaux (USD 187 million in turnover in 2016), both operated by Beneteau, produced 70% of French sailboat exports, 40% of motorboat exports. Beneteau owns a total of 12 shipyards in France and had turnover of USD 14 million in 2016. The company is the number one worldwide sailboat builder, the number two global pleasure boat manufacturer, and accounts for over half of all French pleasure boat exports. Additional top French builders/players include Poncin Yacht (which owns Chantier Catana), Rodriguez Group (which owns SNP Boat Service), Fontaine Pajot, Couach, Yamaha Motor France, Zodiac International, Ocea, Cabesto, Chantiers Amel, Plastimo Marine, JFA Chantier Naval, Alliaura Marine, and Wauquiez.

## Market Entry

U.S. motorboat manufacturers (especially producers of larger boats and high-speed motorboats) enjoy a favorable import climate in the French market. All types of U.S. motorboats (day cruisers, runabouts, motor-yachts, and cabin cruisers) are faring well, due to lower production costs in the U.S. and competitive prices, except perhaps for smaller boats, where the transportation costs



involved may reduce the price advantage. France is a member of the European Union; therefore, all products entering the country must bear the CE Mark.

## Trade Events

**Festival International de la Plaisance de Cannes (Cannes International Boat Show)**  
September 12–17, 2017 • Paris, France • [salonnautiqueparis.com](http://salonnautiqueparis.com)  
Approximately 1,000 exhibitors/300,000 or more attendees.

### Monaco Yacht Show

September 27–30, 2017 • Monaco • [monacoyachtshow.com](http://monacoyachtshow.com)  
Approximately 500 exhibitors and 28,000 or more attendees.

### Salon Nautique International de Paris (Paris International Boat Show)

December 2–17, 2017 • Paris, France • [salonnautiqueparis.com](http://salonnautiqueparis.com)  
Approximately 1,000 exhibitors and 300,000 or more attendees.

## Associations

Fédération des Industries Nautiques (Nautical Industry Association), [fin.fr](http://fin.fr)  
Fédération Française Motonautique (French Motorboat Association), [ffmotonautique.com](http://ffmotonautique.com)

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# Germany

<b>Capital:</b>	Berlin
<b>Population:</b>	82.8 million (2016)
<b>GDP*:</b>	US\$ 3.46 trillion (2016)
<b>Currency:</b>	Euro
<b>Language:</b>	German
<b>Area (Total):</b>	357,022 km <sup>2</sup>
<b>(Land):</b>	348,672 km <sup>2</sup>
<b>(Water):</b>	8,350 km
<b>Coastline:</b>	3,624 km

## Summary

Germany's coasts on the Baltic Sea and the North Sea around the Frisian Islands and the East German coastline, including the Island of Fehmarn, cover approximately 3,600 kilometers (2,265 miles) and provide excellent opportunities for boating. There are also numerous waterways and inland lakes, most notably in the east of Germany (around Berlin) and especially in the south (Bavaria): Lake Constance (Bodensee), Europe's largest inland boating location, and Starnberger See near Munich. The waterways of Germany cover around 10,000 kilometers (6,250 miles).

## Market

Germany's water sports market was worth €1.77 billion in 2014 and is expected to reach €2 billion in 2016 as the market continues its steady recovery from the slump of €1.649 billion in 2009. A total of 1,884 motor and sail boats with a total value of €135 million were exported from Germany in 2016, an increase of 495 units from 2014, with motorboats leading the way at 1,310 units sold. Germany's imports of motorboats increased nearly 38% in 2016, totally 1278 boats valued at €66.9 million. Additionally, imports of sail boats increased by a modest 3.5% compared to 2015 with a total value of €21.6 million.

Approximately 1.8 million people in Germany own a boat license, which allows them to operate sailing and/or motor boats or yachts. Different types of licenses exist for sailing and motor boats. In 2011, German legislation responded to the structural challenges of the industry by reforming the obstacles to obtaining an official motorboat license. This is an important signal by German legislation intending to support continued growth of the industry; reducing the barriers for newcomers should make water sports in Germany more attractive. Additionally, there are numerous opportunities to operate boats without a license on designated German inland waterways. Following the slump in boat building by nearly 60 percent in 2009, relative to the peak year of 2006/2007, boat and yacht sales are slowly picking up again, due to increasing demand from markets such as China and Brazil. In a recent survey carried out by the Associate of the German Water Sports Industry, 83.1% (83.5% in 2015) of companies surveyed believed the business situation in the German market was the same or had improved from the previous year.

The German maritime industry employs roughly 20,000 people, achieving total revenue approaching €2 billion (including maritime goods and services as well as mega-yachts) in 2016, a 13% increase compared with 2014. The market for used boats/second-hand yachts especially shows continued growth. As sales prices dropped substantially during the past couple of years, carefully maintained second-hand boats are becoming more attractive for newcomers, as well as price sensitive customers. This trend is also benefiting companies specializing in boat repair, maintenance, and services, especially in a climate of economic stress and decreasing prices for boats, as investment in boats allows owners to retain the value of their boats. The German water sports industry is still recovering from the recent economic crisis; according to the most recent survey conducted by the BVWW (German Marine Federation), the industry continues to report growing confidence in the positive economic development of the domestic market. Although figures are still far from those of the years 2006-07, German boat builders have managed to increase turnover and defied the turmoil of the global financial and economic crisis in 2011. However, the fallout from the financial and economic crisis in the Euro-Zone continues to hurt demand, especially in Southern European markets. The maritime industry is also worried about the federal government's proposal to withdraw funding from roughly 2,800 km of federal waterways that includes 120 weirs and 140 locks. Per BVWW, 90 percent of Germany's boat dealers reported an improving business situation in 2016, with only 9% anticipating a minor decline in the future.

Most equipment imported into Germany is either sold direct through a local subsidiary with an import turnover tax payable at the port entry. For customs clearance, a product description is required describing the use, origin and value of the product. The cost of the import-turnover tax is usually offset by ultimately passing it on to the end-user in later distribution stages in the form of a Value-Added-Tax (VAT), known in Germany as Mehrwertsteuer (MwSt).



## Trade Events

**Boot Dusseldorf**  
January 20-28t, 2018 • Düsseldorf, Germany • [www.boat-duesseldorf.com](http://www.boat-duesseldorf.com)

**SMM Hamburg**  
September 4-7, 2018 • Hamburg, Germany • [www.smm-hamburg.com](http://www.smm-hamburg.com)

**Interboot**  
September 23- October 1, 2017 • Friedrichshafen, Germany • [www.interboot.de](http://www.interboot.de)

**Hanseboot**  
October 23-November 5, 2017 • Hamburg, Germany • [www.hanseboot.de](http://www.hanseboot.de)

## Associations

The German Boat and Ship Building Association (Deutscher Boots- und Schiffbauer-Verband) [www.dbsv.de](http://www.dbsv.de)

The Federal Association of German Watersports Industries (Bundesverband Wassersportwirtschaft e.V.) [www.bvww.org](http://www.bvww.org)

The German Federal Maritime and Hydrographic Agency (Bundesamt für Seeschifffahrt und Hydrographie) [www.bsh.de](http://www.bsh.de)

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# India

**Capital:** New Delhi  
**Population:** 1.3 billion  
**GDP\*:** \$8.64 trillion (PPP)  
**Currency:** Indian National Rupee (INR)  
**Language:** Hindi, English

## Summary

The Pleasure and Recreational Boat industry in India is at a nascent stage and is likely to evolve into a developing market. The industry is challenged with unbalanced growth and several unresolved problems, but has huge growth potential. U.S. companies looking to explore this region for commercial opportunities must wait and watch how the industry addresses some of the major road blocks. The key factors holding off development in the sector are: coastal regulation liberalization; import duties; policy framework wherein development conforms to pollution and waste control mechanisms; bio-diversity rules; and eco-friendly environments. There have been ongoing efforts to liberalize and promote the industry from a travel and tourism perspective. The industry is hoping key concerns are being addressed at the government level, since the Federal and State governments need to play a major role in improving the infrastructure and development of marinas in the country. A breakthrough in this area would open the gates for commercial opportunities.

## Market Overview

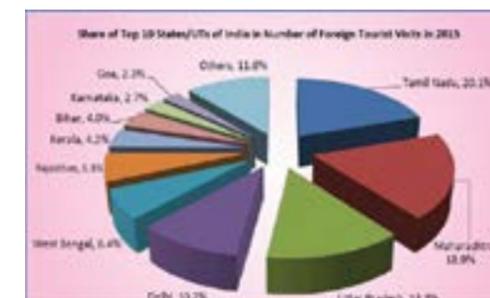
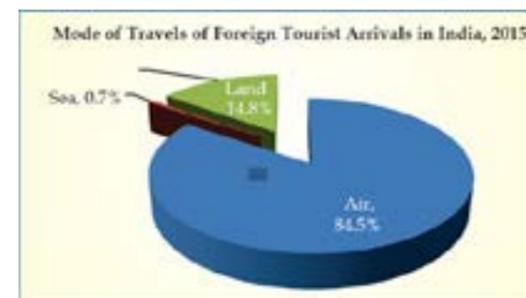


The coastal waterfront of India stretches from the Arabian Sea in the west to the Indian Ocean in the south and the Bay of Bengal in the east, covering a length of 4,670 miles. There are 66 coastal districts in mainland India, three in the Andaman and Nicobar Islands, and one in the Union Territory (UT) of Lakshadweep (formerly the Laccadive, Minicoy, and Aminidivi Islands). With all natural parameters set in place, the nautical tourism industry is exploring options to promote the sector by building marinas in prominent coastal tourism locations such as Mumbai, Goa, Tamil Nadu and Pondicherry, and is proposing to revitalize the one and only marina in India, located in the Southern State of Kerala.

According to the Asia-Pacific Wealth Report 2016, a report by Capgemini published in the FIRSTPOST, in the year 2016 India was home to the fourth largest population of high net worth individuals (HNWI) in the Asia Pacific region, with a total wealth of USD797 billion. The number of HNWI's in India jumped to 200,000 from 180,000 in 2014, while their overall wealth rose by 1.6% during the same period. HNWI's are defined as those individuals with net assets of USD1 million or more. India's rich list is dominated by leading industrialists, business families and young entrepreneurs

whose wealth has been pushed largely by growing equity-market capitalization, consumption and real-estate values. Luxury yachts are one of the most prestigious symbols of exclusivity for rich Indians. Given the inadequate infrastructure at home, many wealthy Indians are forced to dock their superyachts in overseas marinas including those in the UAE and around the Mediterranean Sea. "About 70% of the yachts owned by Indians are based in the Mediterranean and the rest are for local use in Goa and the Andaman Islands," said London-based Mark Hilpern, sales broker at Camper & Nicholsons International, a luxury yachts manufacturer, in an email interview to the BBC. And of the few vessels that existing Indian marinas can handle, Mumbai gets the bulk of yachts. The metropolis is also home to Hilpern's biggest client base in India. He says they're mostly "younger, mid-30s to 50" in age and run their own businesses.

Cruise tourism is also a key contributor to the growth of the pleasure and recreational boat industry. According to statistics published by the Ministry of the Tourism, in the year 2015 India attracted over 8 million foreign tourists and registered foreign exchange earnings of USD21.07 billion, a growth of 9.6% compared to the previous year. The Indian Ministry of Shipping considers "Cruise Tourism" one of the fastest growing components of the leisure industry and a major growth driver for the economy. Highlighting the industry's potential, the ministry added that "the Indian Cruise industry has huge potential to cater over 700 cruise ships per year as against 158 handled in the year 2017 thus far. The Ministry of Shipping along with the relevant ministries and organizations is taking measures to promote cruise tourism in the country and has constituted a joint task force headed by the Shipping and Tourism Secretaries and a global consultant has been engaged to draw up an action plan for improving the security, immigration, customs and ports procedures. The chart below shows the percentages of modes of arrival and the share of top Indian States attracting foreign tourist arrivals.



Source: <http://tourism.gov.in/market-research-and-statistics>

## Market Data

The Indian pleasure and recreational boat industry is largely import driven. Major countries exporting luxury boats to India include Italy, Australia, the UAE, the USA and China. Demand is spread across the Indian cities of Mumbai, Goa, Kochi, Hyderabad and Chennai. The Indian luxury boat market is dominated by 15ft-35ft boats. Sources tell us that buyers prefer boats that are within the 40ft range, as this simplifies the process of registering the boat. Locally manufactured boats are custom built and are between 9 feet and 98 feet, ranging from single man canoes to house boats, leisure boats, and passenger craft. Local manufacturers cater to many requirements ranging from holiday homes to government craft for coastal police, surveillance and utility. Boats are built based on the requirements they receive from leisure/ luxury hotel chains, sailing clubs, tour operators and yacht charter companies.

The Kochi International Marina in Kerala is currently the only operating commercial marina in India. It is located on the eastern coast of Bolgatty Island, close to the international maritime route on the southwest coast of the Indian Peninsula and has a 35-berth capacity. It is owned by the Kerala Tourism Development Corporation (KTDC) and is managed by Ocean Blue, a private company headquartered in Mumbai.

The Maharashtra Tourism Development Corporation(MTDC) in 2013 had floated a proposal to build a marina with a 150-berth capacity at Nariman Point in Mumbai for transient boats. The project was proposed to be developed on a Public-Private Partnership model that would involve consultants from Indian and international companies, but it has been hitting roadblocks ever since its announcement. In March 2017, the Mumbai Port Trust (MbPT) announced that it is giving finishing touches to a master plan that will completely revamp the land along the eastern waterfront. One of the key features of the plan is a 4.5-mile-long marine drive between Mazagaon Docks and Wadala. Nearly twice the length of the Queen's Necklace in the West, the MbPT's masterplan will cover 350 hectares of land. Once the eastern waterfront development plan is finalized, MbPT should be able to float tenders for the projects within one year. The plan includes a Marina on the waterfront to park around 300 yachts and an ecological garden. It also has plans to connect Ferry Wharf or Bhaucha Dhakka with Navi Mumbai and Alibaug through water transport.

## Best Prospects

Some of the best prospect sectors for U.S. companies looking to explore the market are: consultants and developers of marinas including maintenance and operations, manufacturers of yachts, sailing and rowing boats (preferred length between 15ft and 35ft), charter rental services, motor and recreational boats for theme and watersports parks, engines, navigational equipment including gear, tackle and apparatus, interior fittings, emergency lifesaving kits and supplies and maintenance and repair service.

Prospective buyers include individual and corporate owners of yachts, tourism development boards, hotels and resorts, water theme parks, yachting and sailing clubs, sport fishing clubs and charter rental companies.

## Key Suppliers

There are more than 25 dealers who are engaged in the pleasure-boat and water-sports trade. Many of these companies represent U.S brands as well.

## Leading Companies:

- Aquasail Distribution Company Private Limited - <http://www.aquasailindia.com/>
- Marine Solutions - <http://www.marinesolutions.in/about-us/>
- Ocean Blue - <http://www.oceanblue.in/>
- West Coast Marine Yatch Services Private Limited - <http://www.westcoastmarine.co.in/>
- Esmario Marine <http://www.esmario.com/>



### Leading Manufacturers:

Mahindra - <http://www.mahindra.com/business/boats>  
 Wadia - <https://www.wadiaboat.com/>  
 Aquarius - [www.aquariusgoa.com](http://www.aquariusgoa.com)  
 Ultramarine - <http://www.ultramarine-yachts.com/en/>  
 Valeth - <http://www.valeth.com/>  
 Bristol Boats - <https://www.bris-boat.com/>

### Market Entry

Strategic planning, due diligence, consistent follow-up, and perhaps most importantly, patience and commitment are all prerequisites to successful business in India. This market necessitates multiple marketing efforts that address differing regional opportunities, standards, languages, cultural differences, and levels of economic development. Gaining access to India's markets requires careful analysis of consumer preferences, existing sales channels, and changes in distribution and marketing practices, all of which are continually evolving.

### Finding Partners and Agents:

New-to-market businesses must address issues of sales channels, distribution and marketing practices, pricing and labeling, and protection of intellectual property. These issues are best addressed through and with an Indian partner or agent. Relationships and personal meetings with potential agents are extremely important. Due diligence is strongly recommended to ensure that partners are credible and reliable.

### Market Entry Options:

There are many foreign companies eyeing opportunities in India. For entry into the Indian market, it is essential to identify the target market and find good partners who know the local market well and are completely acquainted with procedural issues. Foreign investors should also explore various market options in India that could include forming subsidiary relationships or joint ventures with an India-based company.

Some of the important points for market entry in India are: the ability to understand the diverse market and strategies towards specific regions and income groups (target segments); crafting offerings according to the target group in order to gain early acceptance; integration of the informal sector into the core business model by gaining access to relevant networks; consistency in approaching the market; obtaining mandatory licenses and approvals; and understanding import procedures.

### Market Issues and Obstacles

The Indian Pleasure boat industry is covered by the Inland Vessels Act. Presently there are no specific rules and regulations designated for pleasure boats in India, and owners face the same regulations applicable to carriers or cargo vessels. Registration is one of the most important aspects of yacht ownership. A registration number is required to be placed on the back and front of the yacht. For motor boats, registration is mandatory. Any vessel which has provision for sailing does not require registration by law, but registration is practiced in all cases for easy navigation. Vessels under 15 tons have been exempted and do not require registration with any authority. Commercial liners are registered with the Director General of Shipping and smaller coastal or inland water vessels are registered with the respective State Maritime Boards. There are also stringent regulatory issues related to cruise port operations including security, immigration, customs and ports procedures. Clearances and immigration procedures are complex and vary from port to port in India. The ministry is looking at ways of developing standard operating procedures for the cruise vessel handling.

Other key factors that impact the growth of the industry include poor port infrastructure, underdevelopment of marinas, cruise terminals and attractions in close proximity to ports, limited consumer demand owing to cabotage restrictions for Indians to travel in Indian itineraries, and preferences towards shorter cruises.

### Trade Events

**INMEX SMM India Mumbai** October 3-5, 2017

<https://www.inmex-smm-india.com/en/home.html> .

INMEX SMM India is an International trade fair for shipbuilding, machinery and marine technology.

**SMP Shipping, Marine & Ports World Expo Navi Mumbai** February 21-23, 2018

<https://www.inmex-smm-india.com/en/home.html> .

The Trade show focusses on shipping and marine industry in India.



### Resources and Key Contacts

The World Travel and Tourism Council <https://www.wttc.org/>  
 The United Nations World Tourism Organization <http://www2.unwto.org/>  
 The Indian Ministry of Tourism <http://tourism.gov.in/>  
 The association of Tourism Trade Organization <http://attoi.org/>  
 The Yachting Association of India <http://www.yai.org.in/>  
 Royal Madras Yacht Club (RMYC) <http://www.rmyc.in/>

Tamil Nadu Sailing Association <http://tnsa.in/>  
 Cochin Yacht club <http://www.cochinyachtclub.com/home.html>  
 Mumbai Yacht club <https://www.rbyc.co.in/>  
 The Yacht club of Hyderabad <http://theyachtclub.in/>

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# Italy

<b>Capital:</b>	Rome
<b>Population:</b>	61 million
<b>GDP*:</b>	US \$1.8 trillion
<b>Currency:</b>	Euro
<b>Language:</b>	Italian
<b>Area (Total):</b>	301,340 km <sup>2</sup>
<b>(Land):</b>	294,140 km <sup>2</sup>
<b>(Water):</b>	7,200 km <sup>2</sup>
<b>Coastline:</b>	7,458 km

## Summary

With its 4,700 miles of coastline, natural lakes, waterways, 24 port authorities and 400 marinas, Italy is naturally inclined to host domestic and foreign boating enthusiasts. In December 2014, 103,584 recreational craft were registered which, when combined with an estimated 475,000 unregistered boats, makes for over half a million craft in the country.

Italy is the second largest boat producer in the world after the United States, and the first worldwide producer of super yachts. Domestic demand grew by 21 percent in 2015 signaling a road to recovery after the economic recession that began in 2008. Regained economic stability has caused renewed market confidence and positive growth. This strategic manufacturing sector contributed 1.75% toward the Italian GDP in 2015, a record increase of 19% over the previous year.

Total turnover of the Italian boating market in 2015 totaled USD 3.4 billion. The United States ranks first in the list of countries importing Italian-made pleasure and sports boats, totaling USD 400 million in 2015. Total imports also increased by 16.1%, of which 30% was imported from outside of Europe, totaling USD 165 million.

Opportunities for American businesses include the export of new and used motorboats, sailboats, inflatable boats and motors and, in the accessories segment, safety devices and nautical electronics and software. U.S. products have historically enjoyed an excellent reputation in the marketplace and lead in quality, technology, and reliability. U.S. motorboat and accessories manufacturers are present in the Italian market through local importers and distributors. Some US companies, such as Brunswick, have a direct presence.

## Market Trends

Italy is the leading producer of boats in Europe, followed by the UK, the Netherlands, Germany and France. The Italian industry holds the overall global leadership position in the various sectors of the nautical manufacturing chain, with a 16.3% export market share. It ranks first in the export of recreational craft with inboard engines, comprising a 23.7% market share.

In the last decade, because of reduced domestic demand, Italian shipbuilders focused on international and emerging markets where Italian brands are well received. In 2015, 77% of domestic production was exported. Domestic demand increased by 21% in 2015. Factors that are driving demand include favorable government measures, such as a lower mooring and marine resort taxes; simplified measures for mega yachts; reform of the maritime code; and tax breaks by the Italian Revenue Agency. The reform of the “naval code” has rendered the market more transparent and revived popular financial instruments such as leasing options.

This manufacturing sector has historically been a strategic industry and a principle contributor toward the nation’s GDP. In 2015, shipbuilding equaled 1.75% of GDP, an increase of 19% over 2014 levels. Currently there are about 27,000 shipyards in the country, 64% of which are located on the coast. There are 16,750 direct workers in the sector, half of whom are employed in the production of new units. There are approximately 2,000 indirect workers in the supply chain, 65% of whom are considered seasonal and work between 9 to 11 months out of the year.

Total turnover of the Italian boating market in 2015 registered an increase of 17.1%, valued at USD 3.4 billion. The growth continued into the first half of last year, where revenues (including manufacturing, accessories and motors) increased by 7.5%. The United States ranks first in the list of countries importing Italian-made pleasure and sports boats, totaling USD 400 million in 2015.

In 2015, total imports increased by 16.1%, valued at just under USD 550 million, of which 30% was imported from outside of Europe for a total of USD 165 million. A closer look shows that the bulk of imports are in the accessories segment, valued at USD 287 million. The engines segment comes second, valued at USD 233 million, while the value of new craft imported was USD 28.4 million.

The 2017 global super yacht order book counts 760 total yachts on order (under construction or on hold), 5 more projects than last year or a very modest increase of 0.7%. Italy maintains its number one ranking in this market, and the top 3 shipyards are Azimut Benetti, Sanlorenzo and Ferretti. The Azimut Benetti Group ranks first in terms of number of



projects and length of yacht.

Total turnover of the refit and repair market valued USD 244 million in 2015, a significant jump from 2014. The market is evenly distributed in terms of repairs on Italian or foreign craft. Revenues resulting from the delivery of services on foreign units more than doubled when compared to 2014.

Industry experts point to renewed interest by Italian and foreign boating fans. On the industry front, the focus continues to be on trade and internationalization through commercial strategies and strategic alliances across borders. This will likely lead to increased opportunities U.S. manufacturers open to international partnerships.

Other factors that influence the boating market include marina expansion. Italy has over 100 ports and marinas. National and regional authorities have always focused on port and marina development and modernization to boost nautical tourism. Italy has the highest number of super yacht berths, holding approximately 25% of berths worldwide.

## Market Entry

There are very few barriers to imports in Italy. The key to exporting to Italy is gaining market acceptance. Quality and safety improvement have become key factors in domestic and international business development. Increasingly important is the ISO 9000 Standard Series. Growing demand by both buyers and regulators within and outside the EU for conformity to ISO 9000 requirements has made these standards and their usage a matter of considerable importance and concern to American companies. Copies of the ISO 9000 Standard Series can be obtained from the National Technical Information Service – NTIS (<http://www.ntis.gov/>).

Products sold in Europe must bear the CE Mark. CE marking (an acronym for the French “Conformite Europeenne”) certifies that a product has met EU health, safety, and environmental requirements. See <http://www.export.gov/cemark/index.asp> for more information.

On 28 December 2013, the new recreational craft directive 2013/53/EU was published in the Official Journal of the European Union. Companies must be compliant with the new [European Union Recreational Craft Directive Stage 2](http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1436786468592&uri=CELEX:32013L0053) (RCD II) emissions regulations. The directive is available in all EU languages and can be found on the EU Official Journal. <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1436786468592&uri=CELEX:32013L0053>

Small- and medium-sized engine manufacturers producing outboard SI propulsion engines with power equal to or less than 15kW (complying with Stage I for exhaust emissions) can continue to sell these engines in the EU before January 18, 2020. The new directive is expected to significantly reduce the overall level of emissions from both petrol and diesel powered craft. The directive aligns EU exhaust emissions with U.S. EPA levels, which brings EU and US requirements one step closer. Other changes include revised obligations for economic operators (manufacturers, private and commercial importers, distributors) and notified bodies. Safety and environmental requirements laid down in Annex I were also revised, which specifies the mandatory fitting of holding tanks or treatment systems for black water, and safety mechanisms on outboard engines and PWC.

## Import Taxes

All boats imported into Italy are subject to customs duties as well as Value Added Tax (VAT) (IVA Imposta Valore Aggiunto). Italy’s VAT rate increased to 22 percent in October 2013. The tax is usually payable to the Italian government by the importer at the time of importation. Custom duty rates vary depending on the type of boat. EU tariff codes range between 1.7 – 2.7 percent and larger vessels are exempt. Tariffs can be found in Commission Regulation (EU) No 1006/2011 dated September 27, 2011 (<http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2011:282:SOM:EN:HTML>).

## Subsector Opportunities

U.S. products have historically enjoyed an excellent reputation in the marketplace. Opportunities for American businesses include the export of new and used motorboats, sailboats, inflatable boats and motors and, in the accessories segment, safety devices and nautical electronics and software. Marine electronics that involve timing, navigating, measuring and safeguarding are in great demand. Global positioning systems (GPS) and nautical software also represent best prospects for American companies.

## Trade Events

### Sea-Tec - International Exhibition of Technology, Subcontracting and Design

Dates: April 5-7, 2018

Location: Carrara

Organizer: Carrara Fiere

<http://sea-tec.it/?lang=en>



**Genoa International Boat Show**  
 Dates: September 21-26, 2017  
 Location: Genoa Fairgrounds  
 Organizer: UCINA and Fiera di Genoa S.p.A.  
<http://salonenautico.com/en/>

### Associations

**International Council of Marine Industry Association (ICOMIA)**  
<http://www.icomia.com>

**UCINA – Unione Nazionale Cantieri e Industrie Nautiche ed Affini (Italian Marine Industry Association)**  
<http://www.ucina.net>

**UNAD: Unione Nazionale Armatori da Diporto (Italian Union of Pleasure Craft)**  
<http://linoferrara.it/unad/>

**ASSONAUTICA – Associazione Nazionale Nautica da Diporto (Italian Recreational Craft Association)**  
[www.assonautica.it](http://www.assonautica.it)

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## Korea, Republic of

**Capital:** Seoul  
**Population:** 51 Million (2016)  
**GDP\*:** USD 1.411 trillion (2016 estimate)  
**Currency:** Korean Won (W)  
**Language:** Korean  
**Area (Total):** 99,720 km<sup>2</sup>  
**(Land):** 96,920 km<sup>2</sup>  
**(Water):** 2,800 km<sup>2</sup>  
**Coastline:** 12,478 km

### Summary

Korea's marina and leisure boat industry is relatively small and developing. To spur the marina and leisure boat industry, the Korean government announced the National Marina Development Plan, which was proposed in 2010 and facilitated the development of additional marinas. Subsequently amended in 2012, the plan covers a total of 58 marina developments to be completed by 2019.

According to the Marina and Marine Industries of Korea (<http://www.marinaportal.kr>), there are 33 marinas currently in operation and seven marinas under development. These marinas allow approximately 2,300 boats to moor. The issuance rate of new boat driver's licenses remained steady at an average of 12 percent over the past three years. This makes the total number of boat driver's licenses in existence at 168,618. Note that boat driver's licenses are required by law for all boats over 3 meters in length and 5 horsepower.

Issuance of Boat Driver's Licenses

Year	2011	2012	2013	2014	2015	CAGR %
<b>Number of License Issued</b>	<b>13,413</b>	<b>14,233</b>	<b>13,973</b>	<b>13,422</b>	<b>15,059</b>	<b>2.9</b>

Source: Ministry of Public Safety and Security (MPSS) Statistics

According to the 'Act on the Development, Management, etc. of Marinas [Ministry of Oceans and Fisheries (MOF)]' Article 28-2, the Ministry now allows rental of boats over 2t (previous 5t) and rentals of mooring facilities at marinas. This is in anticipation to the quickly growing development and facilitation of the marina industry in Korea.

### Market Overview

The leisure boat industry is considered relatively underdeveloped compared to other countries, such as Italy, the United States, and Japan. According to unofficial estimates from 2015, there were approximately 20 companies engaged in the manufacturing of leisure boats. Korea imports of sailing yachts and motorboats are as follows:

Imports of Leisure Boats

HS Code	Category	2012	2013	2014	2015	2016
<b>8903910000</b>	<b>Sailboats</b>	5,797	1,291	3,362	5,115	2,098
<b>8903920000</b>	<b>Motor Boats</b>	5,841	5,584	10,463	11,517	9,409

Source: Korea Customs Service, Unit: \$1,000

### Current Demand

The number of newly registered leisure boats increased from 2,571 units in 2012 to 4,029 units in 2015. In 2015, the total number of registered leisure boats was 22,760. Registration is controlled and safety is managed by the Korean Coast Guard. Motor boats are 64 percent of the market, and personal water craft is 21 percent. Inflatable/RIB make up 11 percent, and other/sails is 3 percent.

Number of Newly Registered Leisure Boats

Year	2011	2012	2013	2014	2015	CAGR %
<b>Number of Boats</b>	<b>1,624</b>	<b>2,571</b>	<b>3,110</b>	<b>3,446</b>	<b>4,029</b>	<b>25.5</b>

Source: Ministry of Public Safety and Security (MPSS) Statistics



## Competitors

Imported leisure boats are mostly from the United States, China, Japan, Italy and other European countries such as Germany and France.

## Market Entry

Most imported boats are distributed by Korean dealers or agents. Timely aftersales service is considered an important factor in the sales of imported boats. Shows such as the Korea International Boat Show (KIBS) can be utilized as a platform to market and educate Korean customers of U.S. leisure boats.”

Generally, leisure boats need to either meet the Ministry of Oceans and Fisheries (MOF)'s Administrative Rule 'Water-Related Equipment Safety Inspection Standard' or the Administrative Rule on 'Pleasure Boat Inspection Standard.' Such inspections are administered by the Korea Ship Safety Technology Authority.

## Trade Events

### Busan International Boat Show

March 23–26, 2017 • Busan, South Korea • [boatshowbusan.com/main\\_e.html](http://boatshowbusan.com/main_e.html)

### Korea International Boat Show (KIBS)

May 25–27, 2017 • KINTEX, Ilsan, South Korea • [kibs.com](http://kibs.com)

## Associations

Marina Portal, [marinaportal.kr](http://marinaportal.kr)

Ministry of Oceans and Fisheries (MOF), [mof.go.kr/eng](http://mof.go.kr/eng)

Korea Coast Guard, [mpss.go.kr](http://mpss.go.kr)

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# Malaysia

<b>Capital:</b>	Kuala Lumpur
<b>Population:</b>	32.2 million
<b>GDP*:</b>	USD296.36 billion
<b>Currency:</b>	Ringgit Malaysia (MYR)
<b>Language:</b>	Bahasa-Malay, English, Mandarin, Tamil
<b>Area (Total):</b>	1,407,451 km <sup>2</sup>
<b>(Land):</b>	330,290 km <sup>2</sup>
<b>(Water):</b>	1,076,761 km <sup>2</sup>
<b>Coastline:</b>	4,675 km

## Summary

Malaysia, a nation surrounded by a sea mass much larger than its land mass, is acknowledged as a maritime nation. Malaysia has a long coastline and growth of ports and shipping activities over the years underlines the value of the commercial maritime sector to the economic well-being of the country. Ports and shipping are recognized as essential contributors in facilitating Malaysia's trade and crucial to its economic prosperity. It is estimated that ninety-five percent of Malaysia's international trade is transported via the international seaports.

In Malaysia, the shipbuilding industry is one of the core sectors and is the backbone for economic development. It provides a platform on which skills in naval architecture, engineering, metallurgy, machining, corrosion control, welding and fabrication are developed. The shipbuilding industry also has extensive linkages with many other industries such as steel, glass, logistics, storage, bulk-breaking of goods, and services such as port services, financing, insurance and consultancy

## Market Overview

### Shipyard

- Major activities include ship building, ship repair, maintenance, conversion and retrofitting.
- Designated as strategic industry in the 3rd Industrial Masterplan running from 2006-2020
- Most local shipyards focus on building small and low value vessels.
- Larger shipyards can build/service ocean going vessels and fabricate offshore structures.

### Marine Leisure

- Consists of marine tourism/cruise and pleasure/recreational boats
- Very few shipyards specialize in building leisure crafts.
- Top boat makers cater for export market.
- Complements Malaysia's marinas and attraction as boating haven.

### Support Services

- Maritime financing
- Equipment manufacturing and supplies
- Education and training
- Crewing
- Classification
- Ship management
- Logistics
- Other related services

## Current Market Trends

The shipbuilding sector supports maritime transport that facilitates much of the nation's trade, creates positive economic multiplier effects, generates employment and provides valuable sources of export income.

Malaysia's shipbuilding industry includes designing, building and construction, repairing and maintaining, converting and upgrading of vessels as well as marine equipment. A vessel is defined as various types of ships such as ocean going, near coastal, government, passenger, offshore and fishing. Marine equipment is defined as parts and components that are fitted to form the sub-system and systems of a vessel.

## Building and Repairs

The Third Industrial Masterplan (IMP3) includes shipbuilding and ship repair industry. The ship repair is service-based



whereas shipbuilding is a manufacturing-based industry. Ship conversion is an entirely different business segment which combines both shipbuilding and repair elements. The shipbuilding/ship repair industry includes building and supplying new vessels and maintaining existing vessels operated or owned by ship-owners, ensuring the safety of maritime operations and vessel seaworthiness. The shipping and shipbuilding/ship repair activities are regulated in accordance with the international standards and local regulations.

Ship repair is labor intensive and requires different levels of labor skills. Due to the unique nature of repair/reworks required on each vessel, automation is not an option in ship repair business. Seventy percent of ship repair works can be done either at berth, en-route or afloat. On average, the cost of repairing a ship can be worked out as 65 percent labor and 35 percent steel works and spare parts.

s are the United States (22.9 percent), Belgium (22.6 percent), Germany (15.5 percent), Japan (11 percent) and Singapore (4 percent).

## Malaysian Focus

The Malaysian shipbuilding industry has limited capacity and is mainly focused on building small vessels for the oil and gas sector such as Offshore Supply Vessel (OSV) and Anchor Handling Tugs (AHT) to service the oil and gas platforms and tankers to transport them from refineries to the market. Currently 41 percent of the vessels on order with Malaysian yards are foreign clients.

Malaysian shipyards perform:

- Construction of ocean-going vessels, tug boats, patrol vessels, supply vessels, fishing vessels, landing craft, passenger ferries and boats, small tankers and leisure craft.
- Construction of offshore structure for the oil and gas industries.
- Ship repairing, maintenance, upgrading, overhauling, and refurbishing
- Conversion of ships
- Heavy engineering
- Fabrication of offshore structures, steel structures, and cranes.

There are also companies involved in the manufacturing parts, components and accessories, maintenance, repair, overhaul, servicing and testing for boats and ships.

## Malaysian Marine Leisure Industry

The Malaysian Marine Leisure industry market is small with slow growth rate. Malaysia has been steadily developing marinas and berthing docks, with a current count of forty-nine well equipped marinas, populating the coastlines of Peninsula and East Malaysia. These facilities are however catering to foreign yacht or leisure crafts as a sailing holiday destinations rather than as facilities for the local consumers.

The leisure boating industry is mainly made up of small and medium-sized enterprises (SMEs) and a few larger companies. Leisure boats with HS commodity code heading 8903, as at 2017, no longer charge an import duty but incur a sales tax of six percent. However, as there are insufficient buyers importers are not able to make bulk purchases, their prices are high.

There is a lack of financing options to boats buyers and therefore most boats are bought with cash. Banks have yet to adopt a business model for boat financing. Increasing access to finance would help develop the boating industry as boats would become affordable for the middle class and would provide a much-needed boost in water-bound activities and tourism.

## Challenges

The main factors impeding growth in the leisure watercraft include:

- Lack of financing for personal leisure watercrafts
- Lack of interest in seafaring skills as a leisure activity
- Lack of storage or berthing facilities for smaller personal watercrafts
- Lack of convenience for usage of personal leisure watercrafts
- Low rate of development of "maritime playground"
- The "cultural" avoidance of being tanned from sun-soaked fun
- The high cost of maintaining motorized leisure water crafts



## Trade Events

### Malaysia International Marine Expo 2017 (MIMEX 2017)

4-6 October 2017 • Putra World Trade Center • Kuala Lumpur, Malaysia <http://marine-malaysia.com/>  
Commercial/Industrial

### The Malaysia Yacht Show (tentative)

January 2019 • Port Dickson, Malaysia • [malaysiayachtshow.com](http://malaysiayachtshow.com)  
Leisure

### LIMA '19 (The Langkawi International Maritime and Aerospace Exhibition)

March 2019 • Langkawi, Malaysia • <http://www.lima.com.my>  
Defense/Commercial

## Associations

Association of Marine Industries of Malaysia, <http://www.amim.org.my/AMIM/>

Maritime Institute of Malaysia, <http://www.mima.gov.my>

Malaysia Ship owners' Association <http://masa.org.my/>

Malaysia Sailing Association <http://sailmalaysia.org/>

## Government Agencies

Marine Department Malaysia <http://www.marine.gov.my/jlmeng/index.asp#.WYAnC4SGPRY>

Malaysian Maritime Enforcement Agency <https://www.mmea.gov.my/eng/index.php/en/>

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# Mexico

<b>Capital:</b>	Ciudad de Mexico
<b>Population:</b>	123 million (2017 estimate)
<b>GDP*:</b>	US\$ 1.1 trillion in 2016
<b>Currency:</b>	Mexican peso
<b>Language:</b>	Spanish
<b>Area (Total):</b>	1,964,375 km²
<b>(Land):</b>	1,943,945 km²
<b>(Water):</b>	20,430 km²
<b>Coastline:</b>	23,761 km

## Summary

With a growing middle class, booming manufacturing industry, and expected positive changes with fiscal, energy and telecom reforms that emerged during the Peña Nieto presidency, Mexico is on its way to become a more appealing market for U.S. recreational marine products. The leisure marine subsector is not a new segment in the country, however, Mexican boaters are only now becoming more knowledgeable consumers, demanding an increasing amount of services and exhibiting a growing awareness of brand and product value.

Mexico's relatively buoyant financial status has also been particularly good for the leisure marine industry. However, there are several different market factors that continue to suppress market growth and keep the Mexican market relatively small. While the recreational market is not yet mature when compared to similar-sized economies, the market still represents significant potential for U.S. exporters.

## Economy

Mexico is the United States' 3rd largest trading partner and 2nd largest export market for U.S. products. In 2016 Canada was the top destination for U.S. recreational goods exports with USD 517.6 million in export value and Mexico ranked third, totaling USD 121.6 million for marine boats and engines exports, most of which was supported due to NAFTA. These three countries, the U.S., Canada and Mexico, seek to boost mutual economic growth by increasing exports in a region that includes some of the world's most robust economies, and that still represents more than 40 percent of global trade.

## Current Market Trends

Mexico is the largest luxury goods market in Latin America. As the U.S. dollar appreciated against the Mexican peso in 2015, the price of luxury goods in the Mexican market became more attractive, causing the importation of boats and accessories from the U.S. to decrease. However, by mid-2017 the value of the peso increased significantly against the dollar, causing the outlook for luxury goods to be once again optimistic, driven by Mexico's fast growing middle-class and upper-middle-class who are seeking ever-more luxurious lifestyles.

The Mexican marine market favors vessels of over 35 feet. Nearly 80 percent of the target market stores their boats at second homes by the sea or inland lakes. Popular boating areas include Acapulco, Puerto Vallarta, Los Cabos, La Paz and Cancun and other inland lakes.

According to the Secretary of Infrastructure and Transportation in Mexico, there are 172,265 registered boats in the country, 73% of those are fishing boats and 25 are for leisure and sporting activities. Mexico boasts approximately 12 federal marinas and 30 private marinas. On average, these marinas enjoy steady occupation rates of up to 50% to 70% since 2008 during the winter session.

The main customers for most of these marinas are foreign. For example, most boats and vessels cruise southward from Canada and the U.S. to spend a few months in different marinas along the coast. Often foreign owners have houses at any of the mentioned touristic locations, where they leave their boats for longer periods of time. Even though most of these affiliated marinas offer the essential services, the majority need to offer more and better services to be able to host larger, newer and more sophisticated boats.

The lack of infrastructure in Mexico is likely due to the absence of an organized domestic industry to push for more development. As local interest in the industry slowly grows, so will the demand for services and economic opportunities. The potential is there, but the industry needs to be less dependent on U.S. visitors to keep up demand all year round. Mexico offers a long coast line and an extensive water area.

## Purchasing Model

The leisure marine industry is seeing an upswing in sales, and U.S. boat builders and equipment manufacturers are in a prime position, given the geographic proximity as well as the benefits of the free trade agreement of NAFTA. The



boatbuilding industry in Mexico for leisure crafts is practically non-existent, with just a handful of companies. Most local builders are mainly focused on the commercial sector of tourism and fishing boats.

U.S. exports of recreational marine products to Mexico totaled \$128.8 million in 2016 and are expected to remain at those levels in 2018. This is mainly due to the lack of domestic competition. The U.S. is the largest supplier of boats and accessories to Mexico.

## Challenges and Barriers

There are many challenges for the Mexican market but few actual barriers. The NAFTA agreement means that there are no tariffs on imports from United States' manufacturers. Safety and emission standards in Mexico are not on par with American standards but haven't been a deterrent for U.S. manufacturers.

The primary challenges are those previously mentioned: lack of infrastructure and the lack of middle class demand for boating products. Other challenges include the necessity to grow the distribution channels in Mexico. Currently, only a handful of distributors control the majority of the market for larger boats so it is difficult to break into the Mexican market as these distributors do not want to compete against themselves and their biggest brands. More distributors would level the playing field by bringing on more competition and lower prices. A lack of distributors also continues to present barriers for sustained growth for the ad-hoc boat shows in Mexico, a key channel to enter the market.

The issue of security may also play a small role, when it comes to owners trying to keep a low profile. Potential boat owners sometimes fear that their boat may be stolen or damaged if not housed in a secured marina or dry-stack facility. This is particularly true around inland waterways and lakes. Additionally, there is an issue with Mexican government regulations and procedures. Different situations, such as the seizure of hundreds of boats in 2013 (many of them owned by Canadian and U.S. citizens) gives a negative image and injects a certain lack of confidence into the market rather than attracting potential newcomers.

Finally, and perhaps most importantly, in addition to these challenges just mentioned, one of the most significant weaknesses of the Mexican marine industry is the absence of an official marine industry association. Given that the industry is quite complex and far-reaching, an association where boat dealers, accessories distributors, maintenance shops, marinas, and other businesses could work towards the same goal instead of making standalone efforts, would support all the players in the marine marketplace. This would provide the necessary changes to help the industry reach its potential.

## Doing Business in Mexico

Firms wishing to export to Mexico will find a variety of market entry strategies. Many factors help determine the best strategy, such as the product/service, logistics & customs, distribution, marketing, direct or indirect sales, exporting experience, and language proficiency, among others. The U.S. Commercial Service can assess market potential of products and service, provide advice on export strategies, and facilitate business agreements with potential clients and/or partners through our three offices in Mexico: Mexico City, Guadalajara, and Monterrey.

## Potential

During 2013, Mexico's affluent middle-class helped increase sales mainly because the boating lifestyle has started to consolidate across the country, particularly on the Caribbean and the Pacific coasts where marine infrastructure is improving. Although a small decrease was evident during 2016, mainly due to the drop on the value of the Peso, it may be a trend that will likely continue as the uncertainty with NAFTA and other social and political issues continue to be debated.

Mexico continues to have the potential to be Latin America's leading marine market. The domestic leisure craft industry could revamp its growth rate by offering more and better services to marinas, thereby attracting boats from the U.S. and Canada, where some marinas are already saturated. With so few domestic builders, most boats, not to mention equipment and accessories, are imported. This provides a stellar opportunity to U.S. manufacturers to enter the market. However, key players in the industry would need to improve their supply of leisure marine-related services, refit and repair to fully realize the country's leisure marine market potential.

## Resources

- INEGI – Instituto Nacional de Estadística y Geografía <http://www.inegi.org.mx/default.aspx>
- SCT – Communication and Transport Secretariat <http://www.sct.gob.mx/>
- NMMA – National Marine Manufacturers Association <http://www.nmma.org/>
- IBI – International Boating Industry <https://plus.ibinews.com/>



ICOMA – International Council of Marine Industry Associations <http://www.icomia.com/>  
 BRITISH MARINE FEDERATION - <http://britishmarine.co.uk/>

### Associations

- **Asociación Mexicana de Marinas Turísticas** (Mexican Touristic Marina Association) <http://ammt.org/>
- **Asociados Náuticos Cancún** (Cancun Nautica Associates) <http://www.nauticoscancun.org/>
- **Federación Mexicana de Esquí & Wakeboard** (Water ski and Wakeboard Mexican Federation) <http://femew.mx/>
- **Federación Nacional de Pesca Deportiva** (Sport Fishing National Federation) <http://pescaenmexico.com/>
- **Federación Mexicana de Vela** (Mexican Sailing Federation) <http://www.fmvela.mx/>

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## Netherlands

**Capital:** Amsterdam  
**Population:** 17.1 million (2017)  
**GDP\*:** 870.8 billion (2016 est.)  
**Currency:** Euro  
**Language:** Dutch  
**Area (Total):** 41,543 km<sup>2</sup>  
**(Land):** 33,839 km<sup>2</sup>  
**(Water):** 7,650 km<sup>2</sup>  
**Coastline:** 1,914 km

### Summary

The Netherlands has boat builders of all sizes. There are 507,800 boats presently in use. Polyester boats, especially sail boats, are popular, but the majority of Dutch boats are steel, diesel powered, displacement type, freshwater, family boats, averaging 26 feet to 36 feet in length.

The total number of employees in the industry remains fairly stable at 31,000. There are 4,200 watersport companies active in the Netherlands employing 20,300 FTE, including many marina's, importers, and maintenance companies.

Dutch shipbuilders have been able to maintain production at a decent level in 2015. Deliveries from Dutch shipyards amounted to 63 seagoing vessels with a value in excess of USD 1.2 billion.

Production at foreign facilities belonging to Dutch shipyard groups is on the increase, while foreign affiliates of Dutch shipyards also booked a very respectable production level. An average of 60% of the seagoing ships produced in the Netherlands are destined for export.

The most important marine equipment trade show in Europe, the Marine Equipment Trade Show (METS), is held annually in November in the Netherlands. This event has grown remarkably to achieve its number one position worldwide.

Unit: USD thousands

	2014	2015	2016	2017 (Estimated)
<b>Total Local Production</b>	7,500,000	6,373,395	6,503,793	7,115,150
<b>Total Exports</b>	4,500,000	3,824,037	3,902,276	4,269,090
<b>Total Imports</b>	245,641	190,324	181,524	198,587
<b>Imports from U.S.</b>	42,666	33,058	31,529	34,493
<b>Total Market Size</b>	3,245,641	2,739,682	2,783,041	3,044,647
<b>Exchange Rates: 1 USD</b>	0.7527	0.9013	0.9009	0.9009

(Total market size = (Total local production + Imports) - Exports)

Data Sources:

Imports from U.S.: Census

Total Local Production: ICOMIA

Total Imports: CBS

Total Exports: HISWA

Numbers are unofficial estimates

### Sub-Sector Best Prospects

Many types of boating equipment and supplies are selling well. Marine electronics and maritime technology are in great demand - there is interest in global positioning systems, marine communications, direct dialing communication systems, fluxgate compasses, electronic charting, versatile screen displays and interfacing. Other types of less sophisticated basic boat parts, equipment and supplies are also enjoying good sales.

### Trade Events

#### Marine Equipment Trade Show (METS)

November □ RAI Amsterdam

<http://www.metstrade.com>



## Associations

### HISWA

<http://www.hiswa.nl>

Dutch Trade Association for the pleasure boat industry

### Netherlands Maritime Technology

<http://maritimetechnology.nl>

A Dutch Trade Association for the shipbuilding industry

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# Norway

**Capital:** Oslo  
**Population:** 5.2 million  
**GDP\*:** \$488bn  
**Currency:** NOK  
**Language:** Norwegian  
**Area (Land):** 323,802 km<sup>2</sup>  
**(Land):** 304,282 km<sup>2</sup>  
**(Water):** 19,520 km<sup>2</sup>  
**Coastline:** 53,199 km

## Summary

The Norwegian coastline is 126% longer than the U.S. coastline (islands and fjords included). The country has a long tradition of utilizing the rich maritime environment, including major activities in commercial shipping and fishing. Norwegian households have generally high incomes and can afford to invest in recreational commodities. This wealth is evenly distributed among the population, making most citizens capable consumers. Most Norwegians typically enjoy five weeks of annual vacation, making a boat investment justifiable. Having said that, boating season is typically no more than five months, and weather has proven to impact sales significantly from year to year. Sales of leisure boats grew significantly from 2001 and peaked in 2007–08. At its peak, Norway was the second largest European market for boats with outboard engines, which is remarkable because only 5 million people inhabit Norway. At that time, the U.S. market share was also at a record high: the U.S. was ranked as fifth-largest exporter to Norway. After the peak in 2007–08, U.S. market share in Norway declined more rapidly than the overall market. However, in 2011, sales began increasing again, and the market was considered back on track in 2015. A few strong U.S. brand names, such as Boston Whaler and Chris Craft, and some Brunswick brands are positioned, but the total U.S. market share is low.

## Market Overview

Some 25% of Norwegian households have access to one or more boats, an increase from 13% 15 years ago. In earlier years, most people had some maritime experience before buying a boat, but in the recent years a new segment of boat owners have made their debut. This is in part due to more money available, but also lower prices and reduced production costs explain some of this trend. A wide diversity of buyers has created some market fragmentation, but one characteristic is constant—90% of owners are still men. An estimated 800,000 leisure boats are floating on Norwegian waters (they do not need to be registered, so an accurate count does not exist). The small- and medium sized powerboat segment is not only the largest, but also one of the fastest growing segments. The demand for motorboats is believed to be between 12,000–15,000 units, mostly imports. Inflatable boats (RIBs) are increasingly popular as the new “macho” toys, stealing market share from traditional hulls. Jet skis and water scooters have recently become legal and 2017 sales are very good. Aluminum hulls are also growing in popularity. Statistics show that the average boat is becoming more expensive; annual sales in 2001–07 increased by 370%, and the number of boats grew by 240%. Powerboats account for the largest number of boats by far. Norway is a net importer of leisure boats; dealers, resellers and individual buyers import six boats for every boat that is exported. The total value of the Norwegian leisure boat fleet is around USD 10 billion, according to insurance companies.

A 2013 survey on leisure boat use in Norway revealed that 46% of the population used a leisure boat that year. The nature experience was reported to be the most important reason to hit the water (28.9%), followed by relaxation (23.4%), fishing (19.8%), and social interaction (16.6%). Speed and sports only accounted for 3.6%, suggesting that Norwegian boat owners appreciate the slower and quieter side of boating life.

## Market Entry

All U.S. leisure boat manufacturers willing to export to Norway must obtain a “CE Mark” for their products. This requirement is based on European Directive L164/15. A manufacturer that has gone through the conformity assessment process may affix the CE marking to the product. With the CE marking, the product may be marketed throughout the EU. CE marking now provides product access to 27 countries with a population of nearly 500 million. General information on how to obtain the CE Mark can be found at the American National Standards Institute (ANSI) website, [www.ansi.org](http://www.ansi.org).

Imported new boats are subject to 25% VAT and a horsepower tax, currently about USD 22 per horsepower. For used boat imports, VAT is reduced as the boat gets older.

Most new boats are imported by dealers, usually with exclusive rights to the Norwegian market, or a region. This especially applies to strong brand names. Importers may or may not hold inventory depending on sales volumes and type of boat. U.S. boat manufacturers seeking to export to Norway are advised to target multiple importers to find the best suitable business partner. End-users in Norway sometimes also buy new boats directly from the shipyards/builders. As in the United States, a boat’s reputation is greatly dependent on the service level provided by the dealer. Most buyers want to



make sure the seller is around for service over several years. When selling to the Norwegian market, participating at one or more of the largest boat shows will give a very good idea of what consumers demand. This is also an excellent and efficient way to address a large and broad audience and test a new boat model, and a way to demonstrate credibility to the market. The U.S. Commercial Service in Norway will provide guidance should this be of interest.

Although large boats are popular, small boats in the 12–18 feet range account for the largest part of the market, in terms of volume. As a result, the average outboard engine in Norway (about 30 horsepower) is smaller than the average engine sold in the United States (about 100 horsepower). However, in comparison, small boats in Norway are more solid and often equipped for rougher sea than the average U.S. small boat.

## Trade Events

**Norwegian International Boat Show** (indoor)  
Annually, every March (March 14-18, 2018)  
<http://sjoenforalle.no/information-in-english/>

**Båter I sjøen**  
Annually, every September (September 7-10, 2017)  
<http://www.baterisjoen.no>

## Associations

**Norboat – The Norwegian Leisure Boat Association**, [www.norboat.no](http://www.norboat.no)

**Kongelig Norsk Båtforbund – The Norwegian Boat owner’s Union**, <http://knbf.no/english-article>

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## Panama

**Capital:** Panama  
**Population:** 4.08 million  
**GDP\*:** 7.9%  
**Currency:** USD  
**Language:** Spanish

## Summary

Panama’s tourist attractions are consistently featured in the worldwide media, as well as its various benefits as a retirement destination. This, in addition to the booming resort and housing development on both the Pacific and Atlantic coasts and islands, provides a myriad of recreational and world-class fishing activities have helped spur the growth in the pleasure boat market over the last decade. A strong and stable economy, modern infrastructure and investments in the country’s telecommunications, banking, and hotel and convention sectors, as well as an ever-growing international air hub and base for regional multinational headquarters translate into a significant influx of tourists, expats and high income foreign workers.

U.S.-built pleasure boat imports account for over 75% of the local market. U.S. boat manufacturers turn out a broad variety of specialty crafts, and most U.S. boat brands and manufacturers are well known and accepted in Panama, both through long-standing commercial ties and high attendance at Florida boat shows. The used boat market is also strong. Local production is limited to small mostly fiberglass artisanal fishing boats. U.S. pleasure boats are exempt from import duties thanks to the U.S.-Panama Free Trade Agreement and would otherwise be subject to duties based on overall length.

## Market Demand

Overall demand for pleasure boats is expected to continue increasing by 5-7% annually.

There are approximately 20 marinas either under concession or on the drawing board throughout the country and coastal islands. Transient traffic is high, and slips are available at reasonable and seasonally-adjusted rates. Due to the up to twenty-foot tidal difference on the Pacific side, most under 24-ft, pleasure boats are kept out of water.

Foreign-flag vessels can get a one year permit from the Panama Maritime Authority (AMP), renewable for an additional year without needing to leave the country, paying low monthly fees of \$4 to \$15. This is extremely low compared to U.S. ports and nearby countries such as Costa Rica, which charges an entry fee of \$300, valid for only 3 months.

Main cruising attractions include Bocas del Toro, Isla Grande, Portobelo, and over 300 San Blas islands off the Caribbean coast, and the islands of Coiba, Las Perlas and Taboga on the Pacific side. Piñas Bay, along Panama’s southern Pacific coast in Darien, has over 200 deep-sea fishing records, the highest number worldwide. Panama is also geographically free of hurricanes and other natural disasters. Panama’s tourism office and other organizations actively promote the country as a world-class fishing destination.

Prospective boat buyers include large local companies, retirees from the U.S. and Europe, wealthy Panamanians, tourism and fishing tour operators, and immigrants and investors from South America, especially from Colombia and Venezuela, seeking business opportunities.

Over 70% of the market is related to fishing boats. Although the cruising segment represents a small section of the Pacific Ocean market, it is the mainstay in the Caribbean Sea. Many customers prefer cruisers as they prefer spending time on the ocean with family and friends.

## Market Data

Pleasure Boat Market Estimates (USD Million)

	2014	2015	2016	2017
<b>Import Market</b>	35	38	41	44
<b>Total Market</b>	35	38	41	44
<b>Imports from U.S.</b>	25	27	29	31

Sources: Unofficial estimates based on statistical data from the Office of the Comptroller General & industry sources.



The market size for pleasure boats cannot be determined accurately due to the lack of more specific official data. There are approximately 3,000 yachts in Panama, and on average 75 yachts are registered in the country each year. Just in 2013, the AMP granted temporary entry permits to over 1,400 foreign-flagged yachts, many of these belonging to Panamanian companies, businessmen and others, who for diverse reasons have preferred to register their vessels in other countries such as the British Virgin Islands (BVI).

Registration fees for pleasure boats are due every two years and range from USD 1,000 (if owned by a citizen of Panama or a Panamanian corporation) to USD 1,500 (pleasure/private use vessels). A temporary registration can be obtained within two days following application. There are also at least nine insurance companies providing insurance coverage at rates varying from 0.80% to 1.50% of the value of the vessel.

Marina slip rentals vary per each marina. For example, the Fort Amador Marina charges \$1,800 a month and slips can be purchased for approximately USD 35,000. In general, monthly rental rates for slips are calculated at USD 14 per foot, but these vary subject to the season and availability.

The following is a brief description of some of the main marinas across the country:

#### Caribbean Coast, Province of Bocas del Toro (Northwestern Panama)

- Bocas Marina, on Colon Island can accommodate up to 100 boats in floating docks, from 20ft. to 120 ft our concrete floating docks provide stable and offers boat repair services. Visit: [www.bocasmarina.com](http://www.bocasmarina.com)
- Red Frog Marina, located on Bastimentos Island, has some 70 slips on floating docks and is part of the Red Frog Beach Island Resort complex. The route has depths of 30 – 60 feet and coming into Red Frog Marina you should not see any less than 20 – 25 feet of water depth. Visit: [www.redfrogbeach.com/marina.html](http://www.redfrogbeach.com/marina.html)
- Marina Carenero, located on Carenero Island, is a full service marina with 40 slips for yachts up to 60 ft. LOA. Yacht care services, including boat cleaning, repairs, absentee owner boat permit renewal. Visit: [www.careeningcaymarina.com](http://www.careeningcaymarina.com)

#### Caribbean Coast, Province of Colon (North Central Panama)

- Shelter Bay Marina, by the Atlantic entrance to the Panama Canal, has over 200 slips and is conveniently located next to a boatyard. There are handled with mega yachts to 270 feet on well constructed and protected docks in clear waters. All vessels from the biggest to the 30 footers can take advantage of convenient side-ties with plenty of maneuvering room. Visit: [www.shelterbaymarina.com](http://www.shelterbaymarina.com)
- Playa Escondida Resort & Marina in Maria Chiquita is a recently begun project with a marina with over slips, accommodating vessels of up to 100 feet. Pier for yachts: A platform over piles with a capacity for forty-four boats of different drafts. Visit: [www.playaescondidaresort.com](http://www.playaescondidaresort.com)
- Linton Bay Marina in Puerto Lindo, Portobelo, will be built on 12 hectares with space for 180 slips. ASCOM 160, 6 Straps and Travel Lift Bay (Jetty) 15 foot depth. Visit: [www.lintonbaymarina.com](http://www.lintonbaymarina.com)

#### Pacific Coast, Panama City

- Flamenco Amador Resort & Marina / Flamenco Marina (FARM). This is full service marina with close to 200 slips for boats up to 250 feet. Visit: [www.panamarina.com/flamenco-yacht-club](http://www.panamarina.com/flamenco-yacht-club)
- Balboa Yacht Club, Amador area. Moorings are occupied mostly by members. A few moorings are available for visitors on a first come, first served basis and are charged by the overall length of the vessel at \$0.70 per foot per day. There is a railway with two rails for hauling boats. Visit: [www.balboayachtclub.com.pa](http://www.balboayachtclub.com.pa)
- Las Brisas de Amador is a modern marina project in Amador by the Pacific entrance to the Panama Canal. Contact: Abraham Hasky, (507) 314-3333, [abraham@brisasamador.com](mailto:abraham@brisasamador.com)
- Diablo Spinning Club in Diablo Heights provides dry storage facilities for trailered boats. Contact: Edwin Brow, (507) 223-6361, [ebrown@gmail.com](mailto:ebrown@gmail.com)
- Club de Yates y Pesca de Panamá. This is the most important private yacht club in Panama City and provides slips mostly for smaller vessels, with dry storage facilities. It shares the same coastal area as the InterContinental Miramar Marina and is only available at high tide due to its shallow dept. Contact: Gilberto Goti, (507) 227-0145, [ggotig@aeroradio.net](http://ggotig@aeroradio.net)
- InterContinental Miramar Marina. Located in Panama City and is a part of the hotel. A few slips are available at high



rates. Contact: Jan Mezquita, (507) 6780-6733, [jmezquita@miramarpanama.com](mailto:jmezquita@miramarpanama.com)

- Taboga Moorings on Taboga Island, some 8 miles to the southwest of Panama City, offers moorings for \$8 a day with monthly rates starting at \$300. Contact: Jesus "Chuy", (507) 6442-5712, [tabogaislandmoorings@gmail.com](mailto:tabogaislandmoorings@gmail.com)
- Viveros Resort & Club, located south of Panama City, has the only full service marina in the Pearl Islands that, once completed, will accommodate up to 300 slips. Visit: [www.viverosresort.com](http://www.viverosresort.com)
- Vista Mar Marina, District of San Carlos. Under construction, the marina is part of the large Vistamar tourist and residential project. Visit: [www.grupocalpe.com.pa/bienes-raices-panama/detalle-proyecto/10008](http://www.grupocalpe.com.pa/bienes-raices-panama/detalle-proyecto/10008)
- Portones Del Mar Yacht Club & Resort is under construction in Punta Chame and will offer 200 slips accommodating vessels up to 100 feet in length, as well as moorings for larger vessels and a dry storage facility. Contact: Michael Rama, [mikerama1@gmail.com](mailto:mikerama1@gmail.com)
- Marina de Pedregal in the Province of Chiriqui, which borders Costa Rica, has a limited number of moorings available with access to basic services, a concrete pier and boat launch with dry dock storage facilities for boats under 30 feet. Contact: Luis Luna, [ademarsal@cwpanama.net](mailto:ademarsal@cwpanama.net)
- Las Lajas Panama Marina, Las Lajas Beach, Chiriqui, is part of a large gated complex with golf course, 6,000 ft. runway, and 350 room hotel/casino under development. The marina will have 62 full service water slips and dry storage for 200 boats. Visit: [www.laslajaspanama.net](http://www.laslajaspanama.net)

In addition to the above, there are a lot of other minor marinas and sites with moorings just off beach, as well as considerable marina investment projects awaiting approval and financing.

### Best Prospects

The best sales prospects for the next three years are fishing and cruising boats between 35 and 50 feet.

#### Opportunities and Marinas in Project:

Tourist Development Buenaventura have begun construction of the Buenaventura Marina, located in the district of Río Hato, Coclé province. The project is expected to be ready by the middle of 2018 and will be built with the highest standards in nautical services and will be about 55-60 nautical miles from Panama City and 200 meters from the mouth of Río Hato. The marina will have 59 water slips for boats up to 60 feet long and a dry stack with the capacity to store 150 boats up to 35 feet. The start-up of this project will directly generate approximately 200 jobs.

##### Bahia Rica Marina & Resort, Inc

Location: Province of Panamá, District of Taboga

##### Blue Marlin Ecological State & Marina

Location: Province of Coclé

##### Brisas De Amador

Location: Province and District of Panamá, Corregimiento de Ancón

##### Coiba Marina, S.A.

Location: Province of Veraguas, District of Sona, Corregimiento de Bahia Honda

##### Drago Beach Development, S.A.

Location: Province of Bocas del Toro, Isla Colon

##### Galos De Cacique

Location:  
Province of Bocas del Toro

##### Hannibal Bk Marina And Yacht Club, S.A.

Location: Province of Chiriquí, District of Tolé,

##### Neptuno

Location: Province of Coclé

##### Ocean Point



Location: Province of Panama, Punta Pacifica

### Tropical Marina

Location: Province of Colón, District of Portobelo

The U.S. is the most important supplier of boats in Central America and Panama. U.S. products are well known and well received because of their quality, reliability and quick delivery times due to geographic proximity.

U.S. brands frequently found in Panama include Bayliner, Pursuit, Tiara, Bertram, Boston Whaler, Sea Ray, Viking, Master Craft, Cabo, Azimut, Riviera, Lagoon, and Hatteras, among others.

## Prospective Buyers

There is a wide variety of buyers of pleasure boats in Panama. These include tourism and fishing tour operators, high ranking corporate executives, law firms, construction and real estate companies, expats from the U.S., Canada, Europe, and South America, as well as wealthy locals.

Show Management, the large boat show operator in South Florida, also runs the annual Panama Boat Show in May at the Flamenco Marina in Panama City, targeting customers mostly from Panama, Costa Rica, Ecuador, Colombia, and Venezuela.

## Market Entry

The import climate for pleasure boats is positive and there are no restrictions or significant regulations. Customs clearance is relatively fast and straightforward. Under the U.S.-Panama Free Trade Agreement, U.S. built boats are free from import duties. A 7% value-added tax is applicable.

Panama has a dollar-based economy, good transportation infrastructure and telecommunication systems, and modern ports and marinas. Panama is the region's major banking center with more than 80 national and foreign banks.

In order to promote boat products in the local market, having a representatives or agent is very important. It is key to keep in close contact with potential clients during the sales process and to be able to provide reliable after sales support.

Panama has an open economy and there are no specific protection laws for agency, representation and distribution. General commercial law and private contracts govern contracts and agreements, as well as the commercial relationship between the vendor or supplier and the local representative or agent.

Panama has one of the most modern shipping registry and maritime laws in the world. Foreign flagged vessels can enter and remain in the country under a temporary one-year renewable entry permit without paying import duties. There is practically no local production of boats in Panama.

## Market Issues and Obstacles

There are no major issues or obstacles concerning importation of boats into Panama. In general, boats that are accepted in major markets such as the United States, Europe, and Japan can be marketed in Panama.

A considerable capital outlay is required to enter the market as a stocking dealer and it is also difficult for end users to obtain financing, so many dealers have to be creative in providing such financing.

## Trade Events

**EXPOCOMER**, March 22-25, 2017, Panama City, [www.expocomer.com/en/](http://www.expocomer.com/en/)

**Panama Maritime**, March 12-15, 2017, Panama city, <http://www.segumar.com/panama-maritime-2017-12-15-march-panamc-megapolis-convention-center/>

**COCATRAM**, June 15-16, 2017, Panama City, <http://www.cocatram.org.ni/>

## U.S. Commercial Service Contact Information

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# Poland

**Capital:** Warsaw  
**Population:** 38 million  
**GDP\*:** 469.51 billion US dollars (2016)  
**Currency:** zloty (PLN)  
**Language:** Polish  
**Area (Total):** 322,575 km<sup>2</sup>  
**(Land):** 311,888 km<sup>2</sup>  
**(Water):** 10,687 km<sup>2</sup>  
**Coastline:** 843 km

## Summary

The pleasure boat building industry in Poland is very well developed, and Poland is ranked fifth in the world yacht production volume. An overwhelming majority of Poland's yacht production (95%) is exported worldwide. Small pleasure boats of up to 10 meters dominate in Poland (89% of all registered recreational boats) and motor boats are the prevailing type of registered boats (80%).

	2014	2015	2016
<b>Total Imports</b>	321.2	356.4	384.7
<b>Total Exports</b>	26.7	15.4	21.6
<b>Imports from the U.S.</b>	0.8	0.6	1.2

In USD million

Data for HS 8903 - Yachts and other vessels for pleasure and sports

Source of statistics: Global Trade Atlas G

## Industry Trends

Poland is one of the few countries in Europe bucking the trend with increased boat production each year. According to the Polish Central Statistical Office (GUS), the annual production of Polish sea-going sailboats for pleasure and sports reached \$233 million in 2016, with 6,095 units produced. 95% of local production is exported worldwide, mainly to Western Europe (Norway, France, Germany, Sweden, Finland), and the United States. Cost-effective labor rates, a skilled workforce and the excellent quality of Polish yachts have created an attractive base for the boat building industry in Poland. Many worldknown brands have established manufacturing facilities in Poland (Brunswick, Jeanneau-Benetau Group, Windy and Askeladden). Poland comes in second place in the world for the production of yachts up to 10 meters in length (after the United States). Every third yacht sailing in Europe was built in Poland.

The overwhelming majority of sailing yachts and motor boats produced in Poland is exported, and the local market is supplied in similar proportions by local and imported boats. 2016 imports achieved USD 21.6 million, and major categories were motorboats powered other than by outboard motors (USD 8.4 million), yachts (USD 6.4million) and sailboats (USD 4.1 million). With an import value of almost USD 1.2 million, the U.S. is the sixth largest import market for Polish pleasure boats. The major category of pleasure boats imported from U.S. were yachts and row boats (USD 758,000 in 2016) and motor boats (USD 406,000). Poland's export of pleasure boats was USD 384.7 million in 2016 (17 times exceeded import), and included both sailboats and motor boats.

## Subsector Opportunities

Poland has adequate natural conditions for developing sailing and boating activities, and these activities enjoy popularity among Poles. Around 200,000 people are estimated to be engaged in water sport activities of various sorts every year in Poland. The Polish coastline on the Baltic Sea is 843 km/523 mi long and there are over 10,000 lakes, including the famous Great Mazurian Lakes region. There are 38 marinas and 1,236 harbors in the country, including over 60 marinas and ports located on the Baltic Sea, with capacity to accommodate 3,600 boats. Inland ports and marinas located on various waterways and lakes can accommodate over 60,000 boats. About 100 yachts in Poland possess ocean certificates. During last 40 years, 1 million sailing patents were issued in Poland.

The total number of boats registered in Poland is estimated at 27,000 (while the total number of boats stationed in Poland is estimated at 60,000). Motorboats represent the major market segment (80% of all boats registered), and pleasure boats of up to 10 meters dominate the local market (89% of all registered boats). Although the number of registered yachts of more than 10 meters long is increasing every year, small boats enjoy the most popularity. The demand for high-end yachts and motorboats is small.



Since the local production of pleasure boats is very well developed, the boat accessories segment represents good prospects for local and foreign suppliers. Opportunities include almost all accessories, including also high-end products. The local production of boat engines is insignificant, and the majority of them are imported. Major engine brands present in the Polish market are Yamaha, Suzuki, Honda (outboard engines) and Mercury. There are plenty of companies involved in yacht chartering that also represent significant market opportunity. During last several years, with funds available from EU infrastructure cohesion program, Poland has witnessed the development of marinas and yacht ports. Plenty of new marinas, docks, and ports are being built in waterways and lakes. Also, local authority strategy is to integrate existing waterways for better sailing opportunity.

## Market Entry

Poland is a member of EU and pleasure boats imported into Poland from U.S are subject to applicable EU custom duties. These duties range between 0 - 2.7%, depending on the type of the boat (detailed information is available at [http://ec.europa.eu/taxation\\_customs/dds2/taric/taric\\_consultation.jsp](http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp)).

Boats need to have CE certificate to be sold in the EU market. This certificate shows that the boat has been produced consistent with the Recreational Craft Directive (94/25/EC). The Directive is intended to ensure a high level of safety for users, as well as regulate exhaust and noise emissions of certain types of engine-propelled recreational craft. The Directive aims to harmonize the rules governing the sale of recreational craft within the EU. Additionally, sailing boats and motorboats used in Poland are subject to registration in the Polish Yacht Association and the Power Boat Association.

## Domestic Builders

The majority of boat manufacturing relates to small sailing and power boats, mostly for lakes and waterways. The main products are motor boats from 6 to 9 meters long. Poland is ranked second place in world production of yachts up to 10 meters in length. Some of the Polish builders produce parts of the boats for European shipyards, and there are manufacturers that produce for OEMs (foreign brands). Although builders are mostly focused on boats below 10 meters, there are shipyards producing large boats, superyachts and luxury catamarans for individual orders. Seventy percent of total annual output is provided by seven leading shipyards: Galeon (yachts and motorboats up to 25 meters), Delphia Yachts (yachts and motorboats of 7-15 meters), Sunreef Yachts (large custom made luxury yachts: catamarans, power boats and superyachts), Ostroda Yacht (motorboats and sailing boats for Jeanneau as well as Beneteau brands), BaltYacht, Model Art/Parker, and Slepsk.

## Trade Events

### Boatshow Poland

9 - 11 November 2017 | Lodz, Poland | <http://www.boatshow.pl/>

### Wind & Water

8 - 11 March 2018 | Warsaw, Poland | <http://www.wiatrywoda.pl/targi-w-warszawie/>

## Associations

The Polish Chamber of Marine Industry and Water Sports <http://www.polboat.eu/>

Polish Powerboat Association <http://www.pzmwinw.pl/>

Polish Yachting Association <http://ykp.pl/>

## U.S. Commercial Service Contact Information

Additional information on the healthcare-medical sector in Poland as well as more general information on the Polish market, including the country commercial guide, can be requested from the US Commercial Service Warsaw at <http://export.gov/poland/>

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# Portugal

<b>Capital:</b>	Lisbon
<b>Population:</b>	10.3 million (2016)
<b>GDP*:</b>	204.6 billion USD (2016)
<b>Currency:</b>	Euro
<b>Language:</b>	Portuguese
<b>Area (Total):</b>	92,090 km <sup>2</sup>
<b>(Land):</b>	91,470 km <sup>2</sup>
<b>(Water):</b>	620 km <sup>2</sup>
<b>Coastline:</b>	1,793 km

## Summary

Portugal mainland's west coast is bathed by the Atlantic with a coastline stretching for almost 1000 km, one of the largest exclusive maritime areas in the world and two archipelagos - Madeira and Azores, Portugal is the perfect place for yachting, sailing and leisure boating enthusiasts to explore. Besides the coastal area, Portugal offers several places for river boating, both in its numerous dams and water reservoirs as well as in two of its largest river basins: Douro and Guadiana/Alqueva.

Portugal is a maritime country and despite the macroeconomic difficulties faced, many of the industries that are related to the ocean, have experienced interesting levels of growth. The increase in the volume of cargo passing through our ports, together with the increase in the number of cruises and the export of fish and fish products, are the three principal pillars of blue growth in Portugal. The industry of shipbuilding and ship maintenance/repair is highly promoted by the location, the weather conditions and the availability of skilled labor.

According to Tourism of Portugal "with calm waters for quiet sailing, or rough waters ensuring higher levels of adrenaline, the ocean displays its various moods that present no difficulties for those who know it well. The beauty of the landscape is a constant, with its towering cliffs, sand dunes and beaches, providing excellent settings for all water sports". Nautical tourism is also one of the core development vectors of the National Sea Strategy 20132020 and the National Strategic Plan for Tourism.

Supporting infrastructure and facilities are over 40 highly developed marinas. Small docks and yacht harbors are available all over the country, listed in the Portuguese Association of Leisure Harbors (APPR): <http://marinasdeportugal.com/en/>. In 2015, Vilamoura's Marina in Algarve won the "Marina of the Year" prize from The Yacht Harbor Association (TYHA) and the British Marine Federation (BMF), which select the best marina in the world.

## Market Demand

Stagnated economic growth in Europe and the severe economic crisis experienced in Portugal in the last five years strongly affect demand for both shipbuilding and leisure boating. Nevertheless, there are indicators that the sector has stabilized. With increased investment in tourism and nautical sectors, as well as with the greater exposure to international markets, this industry will evolve positively.

Nautical tourism indexes have been rising over the past few years, assisted by activity and investment in cruise tourism. The Douro River now has over 30 operating cruise and boat charter companies, and now attracts more than 750,000 passengers each year and counting.

## Market Data

The main issue when analyzing the sector is the lack of consistent numbers and statistics to craft a global overview of the market. Nevertheless, there is some of the information available from the numerous associations and public organs connected to the leisure boating market, as well as some sectoral studies by private and public consultants.

From these, we distinguish PWC's Leme - Economy of the Sea Barometer 2016, a yearly study covering analytics of the sea sector; Portuguese Permanent Forum of Sea Matters' report on leisure boating in Portugal (2012); and Bank of Portugal's study "Analysis of Sea Companies" (2015), tracing a global portrait of the businesses connected to the sea in the period 2003-2013. PWC's study shows a slight decline between 2012-2014 in marina and leisure boating activity as a result of the financial crisis. Nevertheless, the number of boating licenses is rising again, largely driven by the increased passenger activity on the Duoro waterway.

Regarding production and sales, latest data available from 2014 shows that the number of recreational/sports vessels, boats and canoes produced in Portugal was 4,175 units. Sales amounted to about 4,291 units, generating revenues surpassing USD 23 million. The number for boats and motor yachts for sport of pleasure with internal motor were much lower (showing a focus on imports instead of production) amounting only to 30 units, with sales of USD 1.2 million.

Most recent data from Bank of Portugal – covering the period of 2009-2013 – on economic activities connected to the maritime sector show some signs of recovery with naval construction (including leisure boats) and maritime transport (including marina related activities) being responsible for the inversion of the negative trend of the previous years. Portugal is also number nine in the European measure for employment in building recreational crafts in the period 2008-2012, with a gradual increasing scale of 30%. ([see here](#))



The first duty, VAT of 23% ad valorem, is applied on boats imported from third countries (i.e. outside the EU), in addition to the VAT there is an import duty of 2%. These two taxes are based not on the price of the boat but on the estimated value of the boat has in Portugal, the valuation of the boat is the responsibility of the Portuguese Customs.

Boats imported into Portugal are required to comply with the EU Recreational Craft Directive (RCD), <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013L0053&from=EN>, and to have a CE mark to show that they have been inspected and that do comply with the RCD.

A boat must comply with the RCD requirements from the moment that it is offered for sale in Portugal or from the moment that it is first used in the water after June 16, 1998. This means that used boats that were built before this date but imported into Portugal after June 16, 1998 still must comply. Whereas boats built outside the European Economic Area (EEA) for export into Portugal normally do comply and are CE marked, an identical model not built originally for export to the EEA will usually not comply. Boats built in the U.S. or elsewhere for the U.S. market, must comply with US Coastguard regulations, which are different from the RCD requirements.

It is a bureaucratic process, but for the determined boat importer there are certain steps that must be taken. This involves having a boat surveyed to show that it complies with the RCD. This is known as an RCD Post Construction Assessment, which will also involve the compiling of an owner's manual, a declaration of conformity and a technical construction file. Following this process the boat will be marked with a CE mark. Most people who are thinking of importing a boat will be importing one from the USA, and in which case get in touch with [www.CEmyBoat.com](http://www.CEmyBoat.com) who will arrange everything for you in the States. Their service includes: DOC (Declaration of Conformity) in several languages, production of Technical files, CE owner manual in several languages, CE Survey, Stability test, CE Plates, control of engine emissions and exhaust. They can also provide transport, shrink wrap, cradle, trailer and 220 volt transformers.

To have an imported boat registered in Portugal and to have a Portuguese Ensign, the boat will also have to be inspected by the Portuguese authorities. There are five different categories of boats that fall under this inspection. Categories 1, 2 & 3 must have their assessment carried out by the Instituto Português e dos Transportes Marítimos (IPTM), <http://www.douro.iptm.pt/pt/index.aspx>, categories 1 & 2 must have their registration completed by the IPTM, category 3 must have their registration completed by their local Capitania, <https://www.portaldomar.pt/NauticadeRecreio/DiretoriodeEntidades/Capitanias/index.htm>. Categories 4 & 5 have their assessment and registration completed by their local Capitania.

Categories 1 to 5 do not relate to the size of the vessel but to how far the vessel may sail from a Port of Refuge. Most of the regulations for these categories are related to the safety equipment that must be carried on board. A list of these requirements can be obtained from any Capitania. The categories are as follows:

- Category 1 has no limit as to how far a vessel may go.
- Category 2 vessels must stay within 200 nautical miles from a port of refuge.
- Category 3 vessels must stay within 60 miles of a port of refuge and within 25 miles from the coast.
- Category 4 vessels must stay within 20 miles of a port of refuge and 6 miles from the coast.
- Category 5 is for vessels that intend going to sea in calm weather and close to the coast or in inland waterways and harbors. Sailing and motorboats in this category must stay within three miles of a port of refuge.

To apply for registration of boats in these categories, owners must have a builder's certificate, boat manual and show his or her passport and fiscal number to the local authorities. In addition, boat owners must obtain a "Dispatching Certification" (Prova de Desalfândegamento) from the customs in Portugal if the vessel is being imported from outside the EU. For vessels imported from EU countries, a "Community Vessel Certification" (Prova Comunitária da Embarcação) must be obtained obtain from customs.

All the above seems very complicated, but taken step by step is not as bad as it looks. The staff both the Capitánias and the Instituto Português e dos Transportes Marítimos, are normally very helpful and there is usually an English speaker. Smaller boats however can now be imported from the United States at a very reasonable cost, providing the work involved with CE marking etc. is carried out on the importer's behalf by [www.CEmyBoat.com](http://www.CEmyBoat.com)

Source: The information above was taken from a very useful page to visit when learning about importing into Portugal: <http://www.theiberianschool.com/component/content/article/18-articles/59->

#### Boat Tax

The annual rate for the Municipal Recreation Boat Tax (Imposto Municipal sobre Veículos (Barcos de Recreio)) depends on the power of the propulsion (Potência de Propulsão), the vessel's weight in tons (Tonelagem) and the year it was built (Ano). The taxes can be paid either through the Ministry of Finance website or at a Regional Tax Office of the Finance Department (Repartição de Ministério das Finanças).

#### Regulations

Regulations fall under the authority of the Territorial Administration Ministry (Ministério do Ambiente, do Ordenamento do Território e do Desenvolvimento Regional) in its regulations governing Recreational Sailing (Regulamento da Náutica Recreio <https://dre.pt/application/dir/pdf1s/2004/05/122A00/32813295.pdf>).

#### YTD (MAR) 2017 Exports to World of HS 89--Ships, Boats and Floating Structures

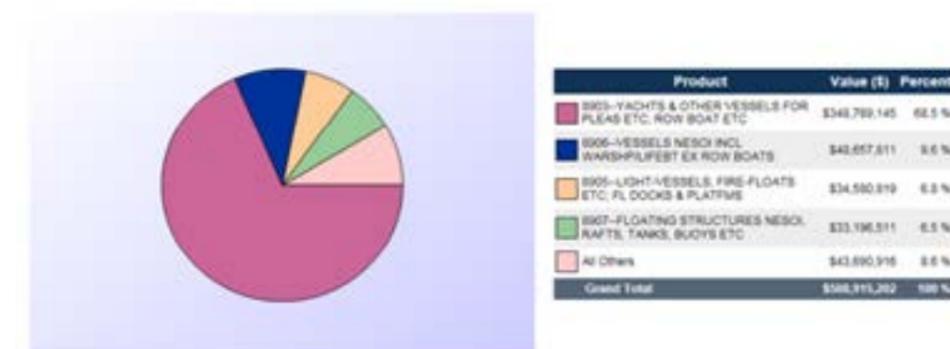
Item	YTD (MAR) 2017	2014	2015	2016	2015 - 2016 % Change
8903--YACHTS & OTHER VESSELS FOR PLEAS ETC; ROW BOAT ETC	348,789,145	1,749,899,131	1,456,499,688	1,321,069,429	-9%
8906--VESSELS NESOI INCL WAR-SHP/LIFEBT EX ROW BOATS	48,657,811	567,868,699	481,724,578	244,260,518	-49%
8905--LIGHT-VESSELS, FIRE-FLOATS ETC; FL DOCKS & PLATFMS	34,580,819	339,889,077	808,587,850	528,050,415	-35%
8907--FLOATING STRUCTURES NESOI, RAFTS, TANKS, BUOYS ETC	33,196,511	315,108,269	222,667,096	166,521,955	-25%
8901--VESSELS FOR THE TRANSPORT OF PERSONS OR GOODS	22,453,091	374,900,274	154,443,128	72,730,378	-53%
8904--TUGS AND PUSHER CRAFT	18,934,200	43,574,031	1,410,808	1,372,086	-3%
8902--FISHING VESSELS;FACTORY SHIPS & SHPS,VESSELS, NESOI	2,212,652	6,987,517	6,862,031	7,501,123	9%
8908--VESSELS AND FLOATING STRUCTURES FOR SCRAPPING	90,973	1,296,679	650,173	435,089	-33%
TOTAL	508,915,202	3,399,523,677	3,132,845,352	2,341,940,993	-25%

Provided by the Office of Trade and Economic Analysis (OTEA), Industry and Analysis, International Trade Administration, U.S. Department of Commerce.

Source: Trade Stats Express

### Best Prospects

Based on the Trade Stats Express the boating sector in 2016, in Portugal had the following market US boats import shares:



This information is provided by the office of Trade and Industry Information, Manufacturing and Services, International Trade Administration, U.S. Department of Commerce, <http://tse.export.gov/>

### Market Entry

#### Exporting Boats to Portugal

When exporting boats to Portugal it is advised to always pay special attention incurring duties and taxes. What at first may seem to be a reasonably priced boat may well become an expensive nightmare after all the duties and taxes are added up.



- Recreational boats must be officially classified – the body for classification is the Portuguese Maritime Institute (Instituto Marítimo Portuguesa, IMP).
- Sailing vessels acquired in non-EU countries can only be subject to registration in Portugal on presentation of a registration document from their country of origin and a document of proof of customs clearance (Desalfandegamento). A boat must have a Port of Registry (Porto de Registo) and all vessels entering Portuguese territorial waters intending to moor must register at the nearest office in the Port of Registry (Repartição Marítima).

Source and more information at: <http://portugal.angloinfo.com/lifestyle/sports-and-leisure/sailing/>.

## Market Issues and Obstacles

The marine sector in general and the leisure boating market in particular is challenged by a lack of consistent economic data to perform an accurate analysis of the industry. Other than available information about marinas and harbors, information about the sector is scattered among numerous institutions and organizations, whose purposes are often hazy and overlapping. In addition, it is sometimes hard to determine where tutelage of the sector falls, with some areas managed by the Ministry of Defense and others by the Ministry of Sea and Agriculture.

Despite favorable conditions and huge potential of the sea sector in Portugal, and taking into account the significant development of the tourism sector, there seems to be a lack of investment in nautical tourism and leisure boating, which could boost sectoral growth even further.

## Trade Events

**Nauticampo** is the largest entertainment event in Portugal and one of the oldest in Europe and focuses on products and services for leisure and outdoor activities. As a space for debate, dissemination and promotion of policies for the recreational boating sector, Nauticampo is, according to its organizers, “the Hall of excellence in the country for the launch of new products and services in the leisure sector”. It usually takes place in the first weeks of April in Lisbon’s International Fair (FIL), and it is currently in its 48th edition. More info here: <http://www.nauticampo.fil.pt/>.

Other important events of the sector fall more into the area of nautical tourism and sport. Over the last decade, Portugal has been investing in these activities and the two most relevant are:

- The Tall Ships Race Lisboa (usually in July): <http://tallshipslisboa.com/>
- Volvo Ocean Race 2017-18 returns to Lisbon on October 31, 2017 [www.volvoceanrace.com/en/ports/lisbon.html](http://www.volvoceanrace.com/en/ports/lisbon.html)

## Resources

- National Maritime Authority (AMN): <http://www.amn.pt/>
- ACAP-Nautica (Association of Nautical Commerce and Industry): <http://nautica.acap.pt/>
- Sea Portal – Recreational Boating: <https://www.portaldomar.pt/NauticadeRecreio-EN/index.htm>
- General Directorate of Natural Resources, Safety and Maritime Affairs (DGRM): <http://www.dgrm.min-agricultura.pt/>
- LEME – PWC Economy of the Sea Barometer: <http://www.pwc.pt/pt/publicacoes/economia-mar.html>
- Bank of Portugal “Analysis of Sea Companies”: [https://www.bportugal.pt/sites/default/files/anexos/documentos-relacionados/nie\\_estudo\\_21\\_2015.pdf](https://www.bportugal.pt/sites/default/files/anexos/documentos-relacionados/nie_estudo_21_2015.pdf)
- Portuguese Permanent Forum of Sea Matters: <http://www.maroceano.pt/>
- Regulations governing Recreational Sailing: <https://dre.pt/application/dir/pdf1s/2004/05/122A00/32813295.pdf>
- European Boating Industry report (2015 [http://www.europeanboatingindustry.eu/images/Members\\_Documents/151124%20Competitiveness%20Study.pdf](http://www.europeanboatingindustry.eu/images/Members_Documents/151124%20Competitiveness%20Study.pdf))

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# South Africa

<b>Capital:</b>	Pretoria
<b>Population:</b>	55.71 (2016 est.)
<b>GDP*:</b>	USD294.8 billion (2016)
<b>Currency:</b>	South African Rand (ZAR)
<b>Language:</b>	English
<b>Area (Total):</b>	1,219,090 km <sup>2</sup>
<b>(Land):</b>	1,214,470 km <sup>2</sup>
<b>(Water):</b>	4,620 km <sup>2</sup>
<b>Coastline:</b>	3,751 km

## Summary

South Africa is the world’s second largest producer of catamarans, after France. Boat-building in South Africa centers on the manufacturing of sailboats (mono-and multi-hulled), motorboats, inflatable craft (rigid and semi-rigid), kayaks, and canoes. The South African boat-building industry is principally an export industry, with 90 percent of production dedicated to exports. Export demand originates mainly from Europe and the U.S./Caribbean, with significant markets in Asia and Australia as well. South Africa’s boat-building industry is rapidly expanding with approximately 30 percent of the global market share.

The South African boat-building industry contributes more than USD 140 million to the economy. Around 85% of South Africa’s boat builders are located in the Western Cape. Barriers to entry are low and industry turnover has grown tremendously in recent years, with the focus being almost exclusively on the foreign market.

South Africa’s largest production segment is cruising multihull production, which employs approximately 40% of the core boatbuilding sector’s total employment. In terms of production activity, sailing multihull and mono-hull production were estimated to make up between 38% to 57% of the sector. The building of rigid hull inflatable boats or rigid inflatable boats (RHIBS) is estimated to make up 11% to 18% of the sector, followed by recreational motorboat manufacturers (estimated 6% to 10%), manufacturers of commercial crafts (5% or 8%) and personal recreational craft (3% or 5%). South Africa has developed expertise in areas such as crew transport boats for the oil and gas sector, patrol boats, and fire-fighting boats.

## Imports

The U.S. is traditionally among the largest sources of imports of pleasure boats and engines into South Africa. Nigeria, Mozambique, Ireland, Italy and the U.K. are also active players in the market.

Imported components and materials are still a major contributor to South Africa’s boat building industry—59 percent of the market is dependent on imported materials. A large portion of the industry relies heavily on products dealing with technological and electrical components. South Africa has made an enormous effort to upgrade their boatbuilding industry and to educate those taking part in the industry.

South Africa’s boat-building industry faces challenges, including outdated materials and processes and lack of capacity to make large and complex tools and molds. This results in a large portion of specialized inputs being imported, with bulk materials being sourced either locally or internationally (if specific quality or product features are required). The level of imported inputs can give a sense of the extent of the domestic base of supply to the industry.

## Domestic Builders

South Africa’s boat-building sector produces a variety of high-quality boats. Around 85% of South Africa’s boat builders are located in the Western Cape. The industry is characterized by a number of small entrepreneurs and dominated by a few large companies. There are over 40 boat-building yards in Cape Town supported by a wide range of supply and post-production services, and are heavily export-oriented.

## Trade Events

**Cape Town International Boat Show**  
 October 20 - Oct 22, 2017 • Cape Town, South Africa • [www.boatshow.co.za](http://www.boatshow.co.za)

**Johannesburg Boat and Lifestyle Show**  
 September 1-3, 2017 • Johannesburg, South Africa • <http://www.johannesburgboatshow.co.za/>

## Associations

**Marine Industry Association of South Africa**, [www.miasa.co.za](http://www.miasa.co.za)



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## Spain

**Capital:** Madrid  
**Population:** 46.4 million  
**GDP\*:** \$1.5 trillion  
**Currency:** Euro  
**Language:** Spanish  
**Area (Total):** 505,370 km<sup>2</sup>  
**(Land):** 498,980 km<sup>2</sup>  
**(Water):** 6,390 km<sup>2</sup>  
**Coastline:** 4,964 km

### Summary

Spain is the gateway to unlimited opportunities, with a strategic geographical location and climate during most months of the year. This gives the country a great advantage compared to other EU destinations. It bodes well for the boating industry that Spain has 8,000 kilometers of coast, a warm-temperate climate, and one of the largest tourist industries in the world, which includes two islands (the Balearic and Canary).

Spain has the fourteenth-largest economy by nominal GDP in the world, and it is also among the largest in the world by purchasing power parity. The country is a member of the European Union, the Organization for Economic Cooperation and Development, and the World Trade Organization.

The Spanish economy is the fifth-largest in Europe behind Germany, the United Kingdom, Italy and France; and the fourth-largest in the Eurozone, based on nominal GDP statistics. In 2012, Spain was the twelfth-largest exporter in the world and the sixteenth-largest importer.

Spain is listed 27th in UN Human Development Index and 33rd in GDP (PPP) per capita by the World Bank, thus it is classified as a high-income economy and among the countries of very high human development. Per "The Economist", Spain has the world's 10th highest quality of life.

The economic situation started improving in the period comprised between 2013-2014.

The country managed to reverse the record trade deficit which had built up during the boom years attaining a trade surplus in 2013 after three decades of running a trade deficit. The surplus kept strengthening during 2014 and 2015.

In 2015 the Spanish GDP grew by 3.2%, a rate not seen since 2007, before the crisis struck; such growth rate was the highest among larger EU economies that year. In just two years (2014-2015) the Spanish economy had recovered 85% of the GDP lost during the 2009-2013 recession, which got some international analysts to refer to Spain's current recovery as "the showcase for structural reform efforts".

Strong GDP growth was registered also in 2016, with the country growing twice as fast as the Eurozone average. In this regard, the Spanish economy is forecast to remain the best-performing major economy in the Eurozone also in 2017.

### Spain Pleasure Boats and Crafts Sector Analysis

During the first six month of the year 2017, a total of 3,991 recreational boats have been registered in Spain, compared to 3,601 registered in the same period of 2016, representing a growth of 10.83%. The boats registered for rental use continue to grow, a 26.58% so far, this year, which shows the high demand for rental of recreational craft that is consolidated as a nautical trend.

Catalonia continues to lead the pleasure boats market and grew by 16.25% in registrations compared to 2016. The Balearic Islands is the second largest autonomous community in the nautical sector with a 13.7% increase in registrations.

The rental market continues to lead in the Balearic Islands, which registers 25.15% of the demand, followed by Catalonia (24.55%) and in third place is the Valencian Community with 17.14%.

The good performance of the larger boats (more than 12 meters) continues with an increase of 57 more boats registered if compared to the same period last year (2016). Smaller boats (up to 8 meters) also showed an increase of 8.1%, registering 3,529 vessels compared to 3,264 registered in the same period of 2016. It remains the most demanded vessel segment in Spain for many years in a row (88.4% of the nautical market). The lengths between 8 and 12 meters grew by 31.5%, registering 284 registrations.

The boats between 12 and 16 meters presented a growth of 36.6%, with 127 registrations compared to 93 registrations in the same period of 2016. The boats larger than 16 meters experienced the greatest growth (82%) with 51 units registered over the 28 registered between January and July 2016.



By type of watercraft, jet skis are up 13.8% more than in the same period last year (with 979 registrations compared to 860 registered between January and July 2016). Motor boats grew 13%, with 1,791 registrations (1,585 registered in the same period of 2016).

The rental market recorded a growth of 26.58% in registrations for recreational boats. From January to July 2017, 1,324 recreational boats have been registered for rent, compared to 1,046 for the same period last year. The lengths up to 8 meters are also the most demanded in the rental market (85.6%) and experience a growth of 23.6%.

The increase in the rental of vessels of more than 12 meters in length shows more than doubled compared to last year with 85 units registered, compared to 44 registered between January and July in 2016.

## Regional Growth

Catalonia, with a 23.12% share, ranks first in the national nautical market and registered a growth of 16.25% in registrations in the period comprised from January to July 2017. Balearic Islands are second with a share of 17.44%, registered a growth of registrations of 13.17%. Andalusia remains in third position by market share (16.23%) but recorded a decline of 9.6% of its registrations in the period under analysis.

The rental market is led by the Balearic Islands with a share of 25.15%, followed by Catalonia representing 24.55%, and the Valencian Community which accounts for 17.14% of the market of the charter between January and July of this year.

## Tax Reform and Obligations

The Spanish Marine Trade Association, ANEN ([www.anen.es](http://www.anen.es)), announced in 2013 that the Council of Ministers of Spain had done away with the matriculation tax on leisure

boats operating for charters. Until now, leisure boats used for charter were paying up to 33% in tax: a 12% registration tax (for boats over 15 meters in length) coupled with 21% value-added tax (VAT).

The “tax package” announced, comprises the elimination of the 12% tax on leisure boats or nautical sport craft, new or used, dedicated exclusively to charter activities and above 15 meters in length. It follows the recent announcement that France was to introduce VAT into charters. Spain has traditionally been the only country in the region to apply not only VAT but also this special registration tax.

ANEN explains in a statement that the matriculation tax will still be applied to pleasure boats over 8 meters intended for private use, however, because of the changes applied to the charter sector “we understand that undoubtedly it will be a reference to continue modifying taxation in our industry and adapt our regulation to that of our neighboring countries”.

In Spain, the recreational boating industry totals 115,000 (direct and indirect) employments and amounts to about USD 7.1 million in net added value (2016 data).

The Spanish charter industry is primarily based in the Balearics. The 12% registration tax has traditionally acted as a deterrent for international charter players to operate non-Spanish fleets in Spanish waters; the reform move opens business opportunities in the larger (15m-plus) charter vessel segment.

Source: [https://plus.ibinews.com/article/ivU0KYBbxM/2013/07/01/spain\\_removes\\_tax\\_on\\_charter\\_boats/](https://plus.ibinews.com/article/ivU0KYBbxM/2013/07/01/spain_removes_tax_on_charter_boats/)

## Trends

As many businesses see a growing demand from those who can afford to buy a small boat, the boating industry is beginning to shed the elitist image of pleasure boats being exclusive to the higher income families. As the market demands more affordable and smaller nautical transportation, jet skis and small pleasure boats seem to be the least affected by economic fluctuations.

The small pleasure boat segment is one of the most promising segments within the industry with 88.4% of the Spanish fleet being composed of boats under 8 meters. Demand for this equipment is especially strong during summer time, where the rental market is strong throughout the Spanish coast.

Source: Recreational Craft Market Report (January-July 2017), published by ANEN. Information provided by the General Directorate of the Merchant Marine. <http://www.anen.es/las-matriculaciones-de-embarcaciones-de-recreo-crecen-un-1083-desde-enero-hasta-juliode-2017/>



## Trade Events

### Barcelona Boat Show

This is the undisputed leader in Spain and one of the top three boat shows in Europe in terms of both quality and attendance. The U.S. Commercial Service in Spain has been supporting the promotion of U.S. pleasure boats and crafts in this show since the year 2010.

Barcelona, October 11-15, 2017  
<http://www.salonnautico.com/en>

## Associations

### ANEN – National Association of Nautical Companies

Represents the sector throughout the country and internationally. Main mission is to develop the nautical sector and serve as liaison on projects led by the Government and Regional Administrations.

<http://www.anen.es/>

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# Sweden

**Capital:** Stockholm  
**Population:** 10,032,357 (April 2017, Statistics Sweden)  
**GDP\*:** USD 495.694 billion (2015, World Bank/IMF)  
**Currency:** Swedish Krona (SEK)  
**Language:** Swedish  
**Area (Total):** 528,500 km<sup>2</sup>  
**(Land):** 407,300 km<sup>2</sup>  
**(Water):** 121,200 km<sup>2</sup>  
**Coastline:** 11,600 km

## Summary

The Swedish leisure boating market has abundant opportunities for involvement by U.S. firms of all sizes. With countless lakes, rivers and canals, Sweden is exceptionally well placed for utilizing leisure boats, and boating continues to grow as a popular hobby among all ages. The size of the market and the players make it ideal for small to medium- sized enterprises wishing to internationalize.

Sweden has over 11,600 kilometers of mainland coastline. Including the beaches in inlets and islands, the total coastline is 424,000 km long. Sweden has some of the world's most extensive archipelagos comprising more than 60,000 islands. The Stockholm Archipelago alone has 30,000 islands. Inland, there are 95,000 navigable lakes and 1,000 km of canals. Over 8.5 percent of the country's surface is covered by lakes and watercourses.

Swedes especially appreciate experiencing the freedom, nature and unique places that boating allows. Sweden is one of the countries with more leisure boats per capita than almost any other country in the world. A 2015 study showed that 14% of Swedish households own at least one boat, bringing the number of adults per leisure boat to 13. Only Finland, Norway, and Canada have higher boat density. By way of comparison there are 25 people per boat in the United States, 33 in Holland, 124 in France and 236 in Spain

## Market

A survey on boating conducted in 2015 revealed that Swedish households with members between the ages of 20-74 own approximately 822,000 leisure boats. Leisure boats are divided between categories as seen in the following table.

Percent of Boats by Type (2015)

Canoes & Kayaks	9.9
Dinghies & rowing boats without motors	23.3
Open boats with motors under 10 hp	17.4
Motor boats with motors at least 10 hp without sleeping accommodation, incl RIB	28.7
Sailboats & dinghies without sleeping accommodation	2.5
Sailboats with only temporary sleeping accommodation	2.8
Motorboats with sleeping accommodation	11.4
Sailboats with sleeping accommodation	3.5
Other, not defined	0.5

Around 16,550 00 boats were sold in Sweden in 2015, including used boats. Approximately 2,100 boats worth SEK 546 million were exported. The largest export markets for Swedish boats are Norway, the United Kingdom, and Finland. Around 10,800 boats at a total value of SEK 1,000 million were imported. These came mainly from China, Finland, and Norway.

The Swedish leisure boating market shows opportunities on many fronts due to the maturity and sophistication of the market itself and the surrounding supporting industries and networks. However, while the market allows for a wide range of possible opportunities, these factors similarly provide a steep level of domestic and international competition within the local market.

In Sweden, leisure boats designed for longer trips number over 115,000. This provides possibilities for firms specializing in providing products and services for comfort and accommodation at sea to enter the market. 10% of Swedish boats have a toilet on board but as of April 1, 2015, it is prohibited to empty the latrine at sea. Only 3% of boat owners use their



boats for competitive purposes. 72% of boats are 5.9 meters or less with another 21% are between 6-11 meters.

Nearly 80% of the motorboats use regular gasoline, 11 percent use diesel. Other motor types are unusual. 40% of these have 31-100 hp. Roughly 30% of the engines are more than 25 years old.

2015 was the best year for boat sales since 2011.

## Boat Sales:

	2015	2014	2013	2012	2011	2010
Sailboats	188	84	60	144	257	357
Motorboats	2,364	2,098	2,046	2,252	4,319	3,294
Small boats	14,001	13,329	8,792	13,375	14,744	12,177
<b>Total</b>	<b>16,553</b>	<b>15,511</b>	<b>10,898</b>	<b>15,771</b>	<b>19,320</b>	<b>15,828</b>

Source: Transportstyrelsen "Båtlivsundersökningen 2015"/Swedish Transport Agency "Boat life study 2015"

There is an increasing demand for boats that are easy to use and maintain. Consumers have a more fragmented leisure time than ever, often juggling a few different hobbies. Therefore, more Swedes are searching out smaller, easier boats that are not intended for long-distance use. Comfort and usability are important to boat owners, which is likely why 82% of boats in Sweden are made of plastic, 6% of aluminum and 7% are made of wood.

## Key Buyers

There are many retailers that sell boats and/or equipment to the leisure boat consumer. The firms offer a diverse portfolio of equipment from several international suppliers.

The Swedish buyers are very focused on procuring quality products and may utilize a U.S. supplier, if the quality of the product matches the required standards.

The specific possibilities for international companies wishing to enter the Swedish market would as always have to be determined on a case-by-case basis.

## Market Entry

With roughly 822,000 boats, there is a constant demand for sailing and boating equipment. The many manufacturers of both leisure boats and sporting boats in Sweden provide ample opportunity for market entry through becoming a supplier to one of these firms. Another option is partnering with or selling to, one of the various distributors around Sweden. The U.S. Commercial Service in Stockholm offers a range of services that can help U.S. firms find the right companies for potential business.

The Swedish leisure boating industry complies with EU regulations for the most part. As in other Scandinavian countries, a more general limitation is the natural size of the market. As Sweden is a country of only 10 million people, it may be wise to consider entering multiple Nordic countries. Often, any market issues and obstacles found will depend on the product sold, and must be dealt with in a case-by-case basis.

## Trade Events

**Marstrand Boat Show** - <https://marstrandboatshow.se/?lang=en>  
August 25-27, Marstrand, Sweden

**Outdoor, floating trade show /Allt på Sjön i Gustavsberg** - <https://alltpasjon.se/about-allt-pa-sjon/?lang=en>  
Sept 1-3, 2017, Gustavsberg, Sweden

**Gothenburg Boat Show/Båtmässan Göteborg** - <https://batmassan.se/in-english>  
February 3-11, 2018, Gothenburg, Sweden

**Stockholm International Boat Show/ Allt För Sjön** - <http://www.alltforsjon.se/summary-in-english>  
March 2-11, 2018, Stockholm, Sweden



## Associations

**Båtbranschens Riksförbund** (SweBoat, The Swedish Leisure boat industry association)  
[www.sweboat.se](http://www.sweboat.se)

**SeglarFörbundet** (Swedish Sailing Federation)  
[www.svensksegling.se](http://www.svensksegling.se)

**Svenska Kryssarklubben** (Swedish Cruising Association)  
[www.sxk.se/welcome-swedish-cruising-association](http://www.sxk.se/welcome-swedish-cruising-association)

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# Taiwan

**Capital:** Taipei  
**Population:** 23.55 Million(1)  
**GDP\*:** US\$529.7 Billion(2)  
**Currency:** New Taiwan Dollar (TWD)  
**Language:** Mandarin  
**Area (Total):** 35,980 km<sup>2</sup>  
**(Land):** 23,260 km<sup>2</sup>  
**(Water):** 3,720 km<sup>2</sup>  
**Coastline:** 1,566.3 km

## Summary

Taiwan started its development in yacht manufacturing in the 1950s; and its production now ranks number one in Asia and in the top four globally. With a volume of 10.46 million Twenty-foot Equivalent Unit (TEU), Kaohsiung is the thirteenth largest port around the world. The well-constructed Kaohsiung port and well developed steel and metal industry nearby support yacht manufacturers in Kaohsiung, becoming the most important industry cluster in Taiwan. There are 33 Taiwanese yacht manufacturers, of which 17 are located in Kaohsiung. This contributes to more than 80% of the total market value produced in Taiwan.

The yacht industry has long been viewed as an important sector by Taiwan central authorities. In order to promote the yacht industry, Taiwan central authorities and Kaohsiung authority have devoted resources to hold the Taiwan International Yacht Shows in 2014 and 2016, which is the largest indoor boat show in Asia.. Jointly, these two shows attracted more than 140,000 visitors and more than 67 yachts were ordered during the shows. The third show, which will be held in 2018, is expected to be bigger in scale. Resources are also devoted in developing more land areas for yacht by reconstructing old fishery ports into yacht marinas, while also fixing older yacht marinas.

Taiwan central authorities also seek to promote the yacht industry through reforming laws and regulations. The amendment on luxury tax allowed yachts under 100 feet to be free of the 10% luxury tax. Meanwhile, regulations on entering and departing ports have been modified to simplify the application.

## Market

The marine sector in Taiwan is well-developed and competitive in the areas of yacht and ship construction. The United States is typically one of the biggest suppliers of components used by Taiwan yacht builders, especially engines. With the continuous efforts in reforming laws and regulations, American finished yacht manufacturers may begin to see opportunities in Taiwan's domestic market. U.S. firms may also find opportunities in marina design and operation and in supplying parts and expertise to Taiwan's yacht builders.

Best prospects are: Engines and Generators, Steering Control Systems, Air Conditioning Systems, Vacuum and Marine Toilet Systems, Sprinkler Systems, Stabilizers, Bow and Stern Thrusters, Paint, Water Makers, Hi-Test Chain, PVC Foam, Yacht design and engineering expertise and Marina design and operation.

## Trade Events

**Taiwan International Boat Show**  
Kaohsiung Exhibition Center | March 15 – 18, 2018 | [http://www.boatshow.tw/en\\_US/index.html](http://www.boatshow.tw/en_US/index.html)

## Associations

**Taiwan Yacht Industry Association** (TYIA), <http://www.taiwan-yacht.com.tw/>

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# Turkey

<b>Capital:</b>	Ankara
<b>Population:</b>	80.05 million
<b>GDP*:</b>	US\$ 857.4 billion
<b>Currency:</b>	Turkish Lira (TL)
<b>Language:</b>	Turkish
<b>Area (Total):</b>	783,562 km <sup>2</sup>
<b>(Land):</b>	769,632 km <sup>2</sup>
<b>(Water):</b>	13,930 km <sup>2</sup>
<b>Coastline:</b>	8,333 km

## Summary

Turkey is surrounded by water on three sides: the Aegean to the west, the Black Sea to the north and the Mediterranean to the south. Additionally, the Marmara Sea, the Dardanelles and the Bosphorus straits are also located in Turkey. There are approximately 290 shore facilities on Turkey's 8,333 km (nearly 5177 miles) of coastline; 172 ports can accommodate ships of over 500 gross tons.

Turkey has several large lakes (natural and artificial), as well as numerous small lakes and reservoirs. Turkey also has numerous rivers, the longest of which, Kizilirmak, is 1,355 km (approximately 850 miles) in length. Lakes and rivers are not currently used for leisure boating (aside from limited rafting), mainly because the open sea is favored and widely accessible. Other reasons that river/lake boating is limited include the seasonal variation of river water levels, an unstable security situation in Turkey's eastern and southeastern regions (where the Euphrates and Tigris rivers are located), and low income/lack of infrastructure. However, officials are trying to encourage leisure boating in the Ataturk Dam reservoir and Lake Van area by arranging sailing races for very small sail boats.

The Turkish yacht industry has been developing a strong reputation since 1960s, especially among European customers, with the traditional production of wooden gullets from Bodrum. According to Boat International ([www.boatinternational.com](http://www.boatinternational.com)), Turkey has ranked third in superyacht production in recent years, following Italy and the Netherlands. Additionally, Turkey used to be the sixth most visited country in the world until 2016, when tourism revenue fell by 30%. As with many tour hubs, yachting plays a big role in this ranking.

In general, Turkish buyers are very receptive to U.S. products because they are known for their high quality and technological sophistication. Between 2004 and 2008, the leisure boat building sector enjoyed significant foreign investment, with a number of the world's higher profile yacht builders looking to Turkey to set up production facilities either as subsidiary companies or by working with partner companies. Examples include Vitters, Nedship, Oyster and Perini Navi.

Growth in the yachting industry also brings the need for new marinas. In 1984, there were only two marinas in Turkey, with a total capacity of 435 yachts; today, 53 marinas exist, including municipal docks and related infrastructure, with a capacity for over 28,000 yachts, with further growth expected. Turkey is one of the fastest developing countries in this industry. Approximately 1 million yachts regularly tour the Mediterranean; Turkey's aim is to meet % of this demand, which adds up to approximately 50,000 yachts.

The same success seen in the yacht industry applies to the parts market as well. Turkey, being one of the product centers for yachts and a major service provider for yachts traveling in the region, has also become a large parts consumer.

## Market

Italy, United States, and France are the largest suppliers in the Turkish leisure boat market. The UK and Germany are other important suppliers. The Undersecretariat of Maritime Affairs in Turkey cites greatest demand for leisure boats between 5–9 meters (16–30 feet) in length. Jeanneau, Bavaria, and Beneteau are the top suppliers in Turkey, followed by Fair Line, Azimut, Sea Ray, and Princess Yachts. Beneteau, Bavaria, and Grand Soleil are popular sail boats, whereas Fairline, Sun Seeker, Ferretti, and Azimut are popular in the motor yachts market. In the parts market, imports represent over 99 percent of the total market.

Dominance of the European products in the market is understandable due to the proximity of European companies, zero customs duties on imports from EU countries (as a result of the customs union agreement between Turkey and the EU), and most importantly, the nationalities of most buyers being primarily European.

Imported marine parts are led by inboard and outboard engines. Other import categories include radar apparatus, as well as other electronic products such as flow meters.

### Some brands used both in the OEM and aftermarket industries include:

- Engines: Caterpillar (U.S.), MAN (Germany), IVECO (Italy)
- Engine control systems: Teleflex (U.S.), KOBELT (Canada), MORSE (UK)



- Generators: Kohler (U.S.)
- Deck equipment consisting of anchor windlass, steering engine systems, capstans, deck cranes, boarding ladders, gangways, and similar; and some European brands
- Stabilizers: NAIAD (U.S.), Esmar (U.S.), Quantum (U.S.)
- Bow and stern thrusters: SIDE POWER (Norway)
- Pumps, boilers and blowers: GIANNESCHI (Italy), FEIT (Italy)
- Water makers and waste treatment systems: TECNICOMAR (Italy), HAMANN (Germany)
- Electric or vacuum toilets: SANIMARIN (France), TECMA (Italy), HEADHUNTER (U.S.)

## Best Prospects

The strongest areas of Turkey's pleasure boat industry include several categories in which U.S. companies can position themselves as suppliers:

- Super yacht (over 50 feet): The super yachts and mega yachts are custom designed and custom manufactured according to the needs of the customers, in specialized boat yards.
- Pleasure Craft (up to 50 feet): Turkey specializes in building super yachts (24– 40 meters long) and mega yachts (40 meters and longer), and currently ranks third in the world for mega yacht building.
- Pleasure Boat Accessories: There is significant production in some parts, such as generators used for boats, and deck equipment of anchor windlass, steering systems, capstan, deck cranes, boarding ladders, gangways, and related.
- Luxury Yacht Charters: There are many private companies serving luxury yacht charters. Best Opportunities for U.S. exporters include:
- Yachts of up to 24 meters (approximately 80 feet) in length are primarily imported, since there is limited local production of small leisure boats.
- Pleasure Boat Parts and Accessories outside of the categories manufactured in Turkey, both for the consumer market and the boat building manufacturer market.

## Competitors

Modern yacht production is relatively young in Turkey; however, industry benefits from the high quality and cheaper labor force, resulting in very competitive prices and more foreign companies transferring production to Turkey. Yacht producers are spread around the country, continuing their production in small facilities. Most builders have been involved in the boating business for generations. However, in the last decades they have converted their family production facilities into more modern production facilities, and commenced exporting to other countries, such as the United States, Netherlands, Germany, Italy, Greece, and France. Production lines grew tremendously from classic to modern product lines. Depending on the order, these facilities can also provide CE marking (European Conformity), which is very important for sales to Europe.

A few years ago, a yacht produced in Antalya was selected as the “third best yacht” in the world at the Monaco International Boat Show.

## Market Entry

Regulations of the previous Turkish governments promoting deep-sea ships also attracted interest in yacht production and local producers became more successful in the production of yachts for foreign markets.

Turkey's January 1, 1996, accession to the European Union's customs union resulted in zero duties for imports from the EU countries, and has also led to general reductions in duty rates assessed on non-EU third-country imports. Because of the same agreement, products imported from non-EU countries need to be checked by the Turkish Standards Institute, and this procedure takes time.

All products, both imported and locally manufactured, are subject to an additional 18 percent value-added tax (VAT). VAT is calculated based on the CIF value for imported products. Additionally, there is another tax of 8 percent (a Special Consumption Tax) on yachts sales.

Both production and imports of boats are subject to CE marking, except the boats that are for personal use. In this case, owners are forbidden to sell the boats bought for personal use for minimum five years. Additionally, with boat registration under a company name, a CE mark is not required.



## Trade Events

### Eurasia Boat Show on the Sea

September 27- October 1, 2017 | Istanbul, Turkey | <http://denizde.cnravrasyaboatshow.com/index.aspx>

### Eurasia Boat Show

February 10-18, 2018 | Istanbul, Turkey | <http://cnravrasyaboatshow.com/index.aspx?ln=2>

## Associations

**Turkish Chamber of Shipping**, [www.denizticaretodasi.org.tr/en-en](http://www.denizticaretodasi.org.tr/en-en)

**Turkish Shipbuilders Association**, [www.gisbir.org.tr](http://www.gisbir.org.tr)

**Ship and Yacht Exporters' Association**, <http://www.turkishship-yachtexporters.com/en>

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## UAE

<b>Capital:</b>	United Arab Emirates
<b>Population:</b>	9,397,000 (July 2017)
<b>GDP*:</b>	USD \$408.2 billion
<b>Currency:</b>	Arab Emirate Dirham (AED)
<b>Language:</b>	Arabic
<b>Area (Total):</b>	83,600 km <sup>2</sup>
<b>(Land):</b>	83,600 km <sup>2</sup>
<b>(Water):</b>	0 km <sup>2</sup>
<b>Coastline:</b>	1,318 km

## Summary

The UAE marine industry has now become a focus for international players, and is considered to be one of the world's leading international yacht manufacturing hubs, with several global and local manufacturers expand their footprints.

The rapid developments in the marine industry is evident with the 25th Dubai International Boat Show in 2017, the Middle East's largest marine luxury, leisure and lifestyle industry event, celebrating its 25th anniversary. This review takes a look at the latest performance of the international maritime industry and provides some of the developments in the year to come.

## Market Entry

Boosting Dubai's position as a global maritime hub, Comar Yachts, which has produced more than 6,200 yachts to date, will relocate some of its production facilities from Italy to the UAE. The company aims to manufacture locally around 100 catamarans and powerboats per annum in the 26-46 foot range, as it looks to penetrate the wider GCC market and beyond.

The UAE's Gulf Craft is investing an estimated USD 100 million over the next five years to develop a state-of-the-art facility to build a shipyard for the manufacture of mega and super yachts within the marine district of Dubai Maritime City, a world-class maritime cluster in the heart of Dubai.

For the last quarter of a century the Dubai International Boat Show has prided itself on showcasing the finest in sailing, water sports, fishing and diving. In that time, the event has seen an amazing growth in consumer demand for the latest small to medium size boats, pleasure crafts, high speed power boats and the most luxurious super yachts. By all accounts this rise in demand looks set to increase in 2017, with the market already showing a number of reasons to get excited about the current state of the maritime industry.

## Dubai International Boat Show

The Dubai International Boat Show is the region's leading leisure marine event. According to statistics from the Show Boats International Global order book, the UAE currently ranks ninth in the world for super yacht manufacturing, with 15 projects under development. Close to 850 companies and brands from 55 countries exhibit at the show, with tens of thousands of visitors from more than 120 countries.

Some of the new entrants to the 2016 event included Djibouti, Indonesia and Luxembourg, while Italy and the USA return as top participating countries. The event will see 45 global and regional launches over the five days of the show. Besides the flotilla of boats on display, there will be an array of entertainment and showstopping prizes available to marine leisure enthusiasts and members of the public this year. The UAE has a strong maritime heritage of construction, ocean commerce, fishing and pearl diving. This tradition has continued with the manufacture of contemporary, state-of-the-art leisure crafts for today's boating market.

The UAE Inspired Pavilion with a range of local small to medium boat builders exhibiting this year did provide an ideal platform for small-to-medium UAE boat builders to increase market exposure.

While a number of worldwide markets have valid concerns around on-going fluctuations in oil prices and international currencies, in the UAE recent reports have stated that investments in the maritime industry are estimated to reach USD 61 billion. A [recent report from the Boston Consultant Group \(BCG\)](#) predicted that personal wealth in the UAE is set to grow by a compound annual growth rate (CAGR) of 14.1% to USD 1 trillion by 2020. Beyond the UAE, the report also details that Saudi Arabia will see its private wealth rise to USD 2 trillion by 2020, meaning the buying power for luxury items across the GCC is matched only by the growing interest in the yacht, sailboat, water sport and wider maritime industries.



## Sail (Sell) Away in 2017

On the sailing yacht side, Boat International reported in the first four months of 2017, 122 sales of yachts over 24 meters, which is broadly similar to the 124 reported during the same period last year, and up 8% on 2015's figure of 113 sales. Boat International also reports that in 2017, the charter market will be the key to attracting new buyers, as it raises awareness of yachting to new audiences. The Dubai Boat Show will be an excellent place to approach such audiences.

### Trade Events & Local Resources

**Dive Middle East Exhibition (DMEX)** / Dubai International Boat Show  
February 27-March 3, 2018 | Dubai, UAE | <https://www.boatshowdubai.com/>

**Seatrade Maritime Middle East 2018**  
October 29-31, 2018 | Dubai, UAE | <https://www.seatrademaritimeevents.com/smme/>

**Gulf Projects** <http://gulfprojects.me/>

**Khaleej Times** <https://www.khaleejtimes.com/>

### Associations

**UAE National Ship Suppliers Association** (U.N.S.S.A), <http://unssa.ae/index.php?mmid=1>

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## United Kingdom

<b>Capital:</b>	London
<b>Population:</b>	65.6 million
<b>GDP*:</b>	USD \$2.9 trillion
<b>Currency:</b>	Pound
<b>Language:</b>	English
<b>Area (Total):</b>	423,610 km <sup>2</sup>
<b>(Land):</b>	241,930 km <sup>2</sup>
<b>(Water):</b>	1,680 km <sup>2</sup>
<b>Coastline:</b>	19,717 km

### Summary

The UK marine industry is currently in good health, and much better than that which might be expected given the uncertainty and financial volatility following the EU referendum. Showing a fourth consecutive year of growth, overall marine business activity in the UK has increased steadily over the last 12 months, reinforcing the country's reputation as a hub for the marine and boat industry. Leaders in the sector, such as Sunseeker and Oyster, enjoyed large increases in orders during 2016, and kicked off 2017 with ongoing high volumes of sales.

A recurring concern in the UK marine industry is the lack of skilled workers, many of whom are currently being brought in from overseas. Manufacturers are searching for young, skilled talent with a background education in engineering and technology to understand how to get the best out of new complex machines and design tools. Funding is not as readily available for students to follow these careers as it is for them to pursue a degree at a university.

Currently, the short-term future seems to be bright for the UK marine industry, as manufacturers take advantage of the changes in exchange rates and interest rates. With uncertainty of what Brexit will look like once it is finalized, the long-term outlook does not appear to be as positive. Whatever the terms upon which the UK and EU agree, it is almost certain that trade flows will not be as free and the UK should expect to experience a period of economic difficulties particularly until other international trade deals are negotiated.

### Market

The UK leisure, superyacht and small commercial marine industry has reported increases in business performance since the Brexit vote in June 2016. The devaluation of sterling has allowed UK manufacturers to increase their exporting capabilities and experience substantial growth. Consequently, this makes it more difficult for foreigners outside the UK to export their marine products into the market, as it is more expensive for UK retailers to import products. UK outsiders most likely have the best chance of breaking into the market by forming relationships with the domestic firms, rather than trying to compete directly.

### Superyachts

The UK superyacht sector is currently dominated by manufacturers such as Sunseeker, Princess and Oyster. Sunseeker reported 2016 as a defining year, introducing five new models, and orders of approximately USD 156 million. Princess also reported improvement from 2015, and announced a USD 72 million investment program to take action over the next three years. Oyster has entered the volume production of superyachts, yet has also complemented this with greater orders of smaller Oysters, which have benefitted from the post-Brexit exchange rate

### Mid-Range Market

The mid-range of motorboats and sailing yachts have sustained the steadiest sales. Fairline, one of the UK's 'big three' motorboat builders, focused on models in the 35ft-80ft (10.5m-24m) range. The company experienced difficult times in 2016 and entered a company voluntary arrangement, going into the hands of Wessex Bristol, who continue to produce models under the Fairline name. Norfolk-based Hardy Marine produces semi-custom motorboats in the 24ft-62ft (7.2m-18.6m) range and sailing yachts of 43ft (12.9m) and 58ft (17.4m). The third leader in the UK motorboat industry is Rustler, with yachts from 24ft-42ft. Rustler enjoyed growing demand as the year progressed, and this sector as a whole has benefitted in overseas sales from Brexit and exchange rate changes.

### Small Boats

The builders of smaller boats are also looking to increase the offerings at the top of the range. While the domestic market remains steady, the market for small boats produced in the UK is gaining traction overseas. Brexit has improved conditions and increased demand in areas such as France, Australia, China, and the U.S. 2016 was a record year for small



boat production, and the sector projects another double digit growth forecast in 2017.

### Market Entry

There are very few barriers to imports in the UK. The ideal strategy in exporting to the UK is to partner with a local manufacturer or distributor to help facilitate market acceptance. Quality and safety improvement are critical factors in domestic and international business development.

### Best Prospects

- Semi-custom
- Alternative decking (lighter, cooler)
- Retrofit
- Handcrafted finish
- Motorboats under 25 feet
- Accessories
- Highly technical navigation instrument

### Trade Events

#### Skipper Expo International Bristol

September 7-8, 2017 • Bristol, England • <http://maramedia.ie/bristol-home>

#### Southampton Boat Show

September 15-24, 2017 • Southampton, England • <https://southamptonboatshow.com/>

#### International Model Boat Show

November 10-12, 2017 • Radford Semele, England • <http://modelboatshow.co.uk/>

#### London Boat Show

January 10-14, 2018 • London, England • <https://londonboatshow.com/>

### Associations

British Marine Association, <https://britishmarine.co.uk/>

UK Marine Industries Alliance, <http://ukmarinealliance.co.uk/>

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## Top 20 Markets (By FAS Value) U.S. Domestic Exports

(Annual + Year-To-Date Data from January - June, USD Thousands)

Country	2013	2014	2015	2016	2016 YTD	2017 YTD	% Change YTD16-17
Canada	716,112	654,516	553,450	518,640	270,575	343,428	26.90%
Belgium	114,589	107,151	140,119	140,073	83,178	99,408	19.50%
Meixo	104,289	167,767	145,214	128,810	68,597	66,536	-3.00%
Australia	197,616	152,448	126,174	96,551	32,455	38,403	18.30%
Japan	51,271	49,988	56,785	61,248	30,518	28,038	-8.10%
Germany	43,038	45,516	40,014	41,221	24,169	22,183	-8.20%
Spain	44,514	74,878	61,859	40,534	26,039	21,423	-17.70%
China	40,710	36,435	38,127	34,548	20,675	23,864	15.40%
UAE	35,528	48,624	37,533	34,160	15,471	17,540	13.40%
Costa Rica	24,122	43,547	5,589	27,234	6,885	5,550	-19.40%
France	27,200	29,055	28,284	27,180	15,235	14,684	-3.60%
United Kingdom	21,790	27,387	25,762	26,923	16,477	10,451	-36.60%
New Zealand	31,585	24,577	26,883	25,310	6,436	7,052	9.60%
Netherlands	32,662	33,731	19,816	21,717	13,238	12,220	-7.70%
Norway	13,701	21,000	18,384	19,06	12,453	14,498	16.40%
Italy	53,076	74,791	62,640	18,953	10,825	29,885	176.10%
Korea	13,881	19,506	17,173	18,205	10,734	11,000	2.50%
Panama	13,037	15,955	11,030	16,928	10,350	3,121	-69.80%
Brazil	68,894	56,331	33,013	16,814	7,368	7,872	6.80%
Argentina	26,772	16,448	23,852	15,729	6,729	8,606	27.90%
Subtotal	1,674,388	1,699,651	1,471,702	1,329,841	688,408	785,762	14.10%
All Other	493,185	447,611	375,770	291,848	150,388	143,818	-4.40%
Total	2,167,573	2,147,262	1,847,472	1,621,689	838,796	929,579	10.80%

Sources: Data on this site have been compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.

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