



Out of the doldrums



Sailing yachts typically make up less than a fifth of superyacht sales but have enduring appeal for wealthy buyers

Manufacturers are starting to glimpse the end of the downturn but customer habits have changed. They are more discerning and there is an emphasis on traditional values. Victor Mallet reports

There is no denying that 2009 was an *annus horribilis* for the yacht industry, or that the first half of 2010 was almost as rough.

It was not just that orders were cancelled and that an overhang of stock pushed down the prices of new and second-hand yachts, motor and sail. The image of yachting suffered too: instead of being tinged with glamour, it was now associated with the wealthy financiers who had brought the world to the brink of another Great Depression and added millions to the dole queues.

Did not Bernard Madoff, the convicted Wall Street fraudster, own a motor yacht called Bull, subsequently seized by US marshals? And what does Tony Hayward – the outgoing BP chief executive who wanted to get his life back, as crude oil spewed into the Gulf of Mexico after a deadly explosion at a BP well – do when he wants to relax? Sail on his co-owned 16m

yacht Bob in The Solent, of course.

As the economic crisis deepened and cash-strapped European governments imposed austerity plans, Greek financial police and Italian and Spanish tax inspectors began making awkward inquiries into the ownership of the luxury vessels parked in coastal marinas.

The unsurprising discovery that some multimillion dollar yachts belonged to people with modest declared incomes led to a rash of “For Sale” signs and cast a further cloud over the industry.

Yacht manufacturers, especially those with the financial capacity to invest in new products that can still command high prices, say they are finally beginning to glimpse the end of the downturn, as unsold stocks gradually fall. But they do not hide the grimness of the past two years, during which several big manufacturers have had to seek protection from creditors and sharply cut output.

In retrospect, it is clear that the market for superyachts – traditionally defined as those more than 30m long – peaked in the three years between 2006 and 2008 after strong growth since the start of the millennium.

According to the Superyacht Intelligence Agency, part of The Yacht Report Group, the number of superyachts delivered fell to 206 last year from 241 in 2008 and a peak of 267 in 2006.

Using slightly different data, the superyachting index compiled by Camper & Nicholsons International puts the number of deliveries last year at 213, with a total value of €4bn, down from €5.45bn the previous year.

The time when demand from west European, North American, Russian and Middle Eastern buyers was so high that shipyards and equipment suppliers could virtually dictate all costs has now passed. Prices have fallen sharply, even drastically in the case of some second-hand yachts.

“Vessels that were €20m one minute were selling for €11m the next. It has happened,” says Barry Gilmour, executive chairman of Royale Oceanic, the yacht services company. “They have gone from ‘superb investment’ to ‘magnificent reduction’, which doesn’t really fill the owners with confidence.”

Like others in the industry, however, Mr Gilmour puts a brave face on the decline of the market and says there is still demand among the ultra-wealthy, even if it is now they, and not the yards, who are deciding on the terms.

“A guy that had \$2bn. If he’s lost \$1bn, he’s still got a billion left,” he says. “But they are now in a much more dominant buying position. They take their time.”

Paolo Vitelli, founder and chairman of Azimut-Benetti, the big, privately owned Italian yachtmaker, also says



Inside this issue

Environment Demand is rising for sustainable boats and equipment, writes Victor Mallet **Page 2**

Tax scrutiny Guy Dinmore and Kerin Hope on cash-strapped governments turning up the heat in the Med **Page 4**

Floating kitchens Frances Howorth talks to ocean-going chefs **Page 5**

Asia Still a market minnow but set to grow, says Kevin Brown **Page 8**

Continued on Page 2

Why Register in the BVI

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Yachting



Shining example: French skipper Raphaël Dinelli shows off the solar panels on his yacht

Reuters

Demand for more sustainable boats and equipment grows

Environment

The reality is that almost all large yachts pollute and waste resources, says Victor Mallet

Tucked away at the back of the Cannes yacht show was a small stand selling environmentally friendly cleaning products made by Global Green, one of only a handful of companies at the show not touting multimillion dollar motoryachts, powerful engines or expensive designer accessories.

The effort seemed a drop in an ocean of gas-guzzlers and rampant overconsumption, but Lyndon Hellewell, a director of the company and former yacht maintenance expert, says there is a growing awareness among yacht owners of the need to protect the seas and skies that make boating such a pleasurable activity. "I've been involved in the marine industry for about 10 years and it became apparent to me that I wanted to make a difference," says Mr Hellewell.

The UK-based company uses colloidal micelle chemistry to make products such

as teak cleaners, rust removers and bilge cleaning fluids that it says are non-toxic, non-corrosive and biodegradable.

As Global Green builds an international distribution network, Mr Hellewell says customers do not want to pay extra for "green" products, but they will buy them if they are as effective as conventional chemicals at the same price. "The market is becoming more and more aware," he says. Sailing – with its image as a healthy sport powered by the wind – has long been a powerful medium for the transmission of environmental messages.

That is why companies such as Artemis, the UK fund manager, sponsor the sport. "I don't think you'd have caught us sponsoring Formula One powerboat racing," says Mark Tyndall, Artemis chief executive.

The Carbon Trust, the non-profit company that promotes an accelerated switch to a low-carbon world economy, is environmental partner of Team Origin, the British America's Cup sailing team whose slogan is "Race for Change".

Tom Delay, Carbon Trust chief executive, notes that the first America's Cup race in 1851 broadly coincided with the industrial revolu-

tion that took the CO₂ content of the atmosphere from 280 parts per million to 390 ppm today.

"We're on track for 700 ppm," he told sailors and sponsors before the start of a race between Team Origin and BMW Oracle during the UK's Cowes Week in August. "That is runaway climate change. We need to inspire people to stop that happening. I think we're all in a race for change."

Although many yacht owners, particularly those who have sailing boats rather than motoryachts, think of themselves as ecologically minded, the reality is that almost all large yachts pollute the environment and are wasteful users of natural resources.

Most are made of large amounts of glass-reinforced plastic, or steel for larger vessels and carbon composites for the lightweight, high-technology end of the market. Even sailing yachts spend much of their working lives running diesel engines for propulsion and generators to produce electricity.

But environmental concerns loom larger each year and yacht owners, driven by a combination of cost-consciousness, a desire to protect the environment and green legislation, have

started to demand greener boats and equipment from manufacturers. Solar panels that produce electric power and LED (light-emitting diode) illumination, which consumes less than conventional light bulbs, are increasingly common.

Much of this effort can be dismissed as "greenwashing" or has only a marginal effect on the environmental impact of a yacht running a power-hungry air conditioning system for its guests. Yet some improvements in design and technology will start to make a substantial difference.

Among the most important are more efficient propulsion methods, including hybrid diesel-electric engine and power systems comparable to those of hybrid cars.

Ferretti, the Italian luxury boat maker that defaulted on its debt last year as orders dried up during the financial crisis, boasts that its hybrid Mochi Long Range 23, a 23m motor yacht, is "almost certainly the most energy-efficient yacht of its size".

It can cruise at slow speeds under electric power for up to four hours. It also features another improvement in the form of a more efficient hull design with a bulbous bow similar to

those used on cargo vessels.

Probably the easiest way to cut fuel consumption is to reduce weight, and that is exactly what many manufacturers are doing, by adopting modern methods of plastic construction under vacuum that can produce the same hull strength with a fifth less material, with the added benefit that fewer pollutants are released in the boatyard.

"Most of these owners are extremely responsible. They will put in the most environmentally friendly equipment available at the time," says Barry Gilmour, who runs superyacht services company Royale Oceanic.

He acknowledges that calling a superyacht environmentally friendly is a contradiction in terms, but says that everything from low-friction hulls to rubbish recycling and the reuse of heat from engine exhausts will make a difference.

"That will continue as a trend. Yachts will become more and more environmentally friendly and that makes them [owners] feel better," he says.

"Yacht owners will spend much more money upfront, which will save energy later. The whole thing will become more efficient in every respect. It will be a more green machine."

Safety is a challenge for both designers and race organisers

Accidents

David Glenn on the industry's approach to injuries and near misses on big boats

Accidents are few and far between aboard large, modern sailing yachts, but a number of serious injuries at high-profile racing events over the past two years have brought safety sharply into focus.

During a training sail before a regatta in Sardinia in 2009 an experienced crewman had his leg broken when he was hit by a flailing rope when the lashing holding the headsail to the sheet (the line that controls it) failed.

This year, in a similar accident, also in Sardinia, a headsail sheet broke, the sail failed violently and the sheet on the other side of the yacht plucked professional crewman Mark Goodwin off the deck. He came down with such force on a piece of rigging equipment that he broke seven ribs, punctured a lung and later had to have his spleen removed.

Two years ago a guest on a 25m yacht taking part in a regatta off Slovenia lost his foot when his leg was dragged into a powered winch when a spinnaker was being hoisted.

Barry Houghton, the owner of the 45m sloop Salperton IV, aboard which Mark Goodwin was hurt, subsequently vowed he would retire his yacht from any race in which the wind speed exceeded 25 knots for a sustained period. "There are potentially bigger injuries to come," he warns.

In fact, in a recent regatta, the Maxi Rolex World Championship, staged in the same waters off Porto Cervo in early September, Salperton IV did indeed retire when the skipper decided a short upwind leg in strong winds might lead to more trouble.

The designer of the vessel, Ed Dubois has also called for races to be aban-

doned when wind speeds reach certain limits.

By definition, super-sailing yachts are continually pushing the boundaries of design to make boats faster, easier and safer to sail.

But in recent years, designers of the yachts and the plethora of gear such as sails, winches and other deck hardware, have faced the added challenge of making big vessels seriously competitive.

Designing equipment for smaller racing yachts displacing 50 or 60 tonnes is one thing, but equipping those that may weigh up to 500 tonnes is another.

Ed Dubois says: "It is clear we have entered new territory by racing these very large yachts so hard."

In many areas of design, the industry has been innovative and successful in meeting the challenges of performance and safety. Materials such as carbon fibre have been used to exceptional effect in mod-

'It is clear that we have entered new territory by racing these very large yachts so hard'

ern masts and rigging and engineers now understand how to design them to make yachts more efficient and safer.

There have been very few failures as a result.

Push-button, "captive" winches, which keep the ropes that control sails safely on a protected drum, revolutionised big yacht sailing, again making it safer and easier and requiring fewer crew.

However, a focus on competitiveness has seen a return to less well-protected, conventional drum winches, which crew can control more precisely.

Recent accidents have revealed a possible weakness in some rigging materials which, when heavily loaded and moving at an angle through a sheave (or pulley block) appear to heat to such an extent that they are weakened.

Designers have yet to establish precisely why the sheet broke on Salperton or why the lashing appeared to break in the 2009 accident.

They specify rigging sizes with a safety factor in the form of a breaking strain of between four and five times the maximum expected load, so ropes simply should not break on that basis.

But it appears that the combined effects of being loaded at an angle and the heat generated by friction and extra compression might compromise the strength of modern materials. The industry will leave no stone unturned to solve the problem.

Equipment safety is not the only current concern.

Near misses between large sailing yachts on the racecourse have forced some regatta organisers to introduce a safety protocol which sees yachts race with an imaginary 40m no-go circle around them.

These yachts measure more than this, so 40m does not seem a lot when you experience the action first hand on the racecourse.

But even the professional hired hands who are now drafted in to "drive" super-yachts in races are beginning to realise that if they do not consider safety first, big yacht regattas will become a thing of the past.

And professionalism itself in superyacht racing is another issue.

Top helmsmen and other professional crew are being hired in efforts to succeed on the racecourse. This can have the effect of polarising the fleet, with those who hire crew against those who prefer to drive their own boats unbalancing the competition.

Ed Dubois points out that yacht racing history shows that when this happens events quickly lose their appeal.

He and others believe limits should be set on professional crew, so that owners are not excluded from the racing experience and that yachts designed primarily as luxurious floating homes are not pushed beyond their limits.



Keep a safe distance: some regatta organisers are introducing no-go zones round boats

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YACHTING BEYOND

IT STARTS WITH ONE PERSON'S IMAGINATION
bannenbergandrowell.com

Industry emerges slowly from the downturn

Continued from Page 1

customer habits are changing. "We have fewer nouveaux riches. We have more traditional people. They still want new, but they don't want extreme toys – they want boats. They take longer to decide."

Mr Vitelli, speaking at the Cannes yacht show, is incensed at the big parties held by ailing yachtmakers that survive only thanks to the generosity of creditors, saying their presence as competitors to robust and financially prudent firms such as his own is a scandal and a cause of "toxic" excess production. "They confuse the buyer," he says.

The good news is that stronger manufacturers have been able to invest in new, high-tech boats that entice buyers, whether from the traditional European and US markets or promising new sources of business such as Asia and Brazil.

Azimut-Benetti, which

already makes smaller vessels in Turkey, plans to open a factory in Brazil.

"The industry is still very much alive," agrees Chris Gates, managing director of Princess Yachts, the UK company controlled by LVMH, the luxury goods group.

"We've probably doubled our product development expenditure over the past four years," he says. "We're seeing customers who are a lot more discerning, and a lot more diligence in the purchasing process." Princess plans a £45m investment in a facility to make superyachts in Plymouth.

Whatever the state of the economy or of the motor-dominated superyacht market, where sailing yachts typically make up less than a fifth of total sales, the sport of sailing itself retains its appeal.

Commercial sponsors, especially those from the financial sector, have been constrained by the eco-

nomics crisis, but they have not disappeared altogether and remain essential for events ranging from the recently relaunched America's Cup to the Cowes Week regatta in the UK.

"People's budgets have all been cut back," says Mark Tyndall, one of the founders of Artemis, the UK fund management group. "Our overall marketing budget has been cut back in each of the past two years."

However, he speaks from aboard the 18m Artemis Ocean Racing as it storms past crowds of spectators in Cowes, doing more than 17 knots under spinnaker at the end of a race around the Isle of Wight.

Cowes Week itself has been without a "title sponsor" for two years following the departure of Skandia, but Stuart Quarrie, chief executive for the event, is hoping interest from several potential investors will translate into a deal for 2011.

"There are a significant number of companies that feel they have come out of the recession strongly and that they need to market themselves," he says.

For Robin Knox-Johnston, the circumnavigator and chairman of the Velux 5 Oceans single-handed race

'In 2005-2008, boats became a status symbol. In 2009-2010, that part of the market has been lost'

around the world, the new Eco 60 class of second-hand boats that will compete in the 2010-11 event embodies the idea that yachting does not have to consume vast amounts of money or natural resources.

"The future of boating in this country [the UK] is going to lie in making it

accessible and inclusive, and that means keeping costs to a sensible level," says Sir Robin.

Even at the super-luxury end of the motor yacht market, there is already more emphasis on traditional values and fuel efficiency in the post-crisis era, and a realisation that ostentation will remain out of fashion for some time to come.

"There's no more war to have a boat one metre longer than your friend's," says Anton Francesco Albertoni, chairman of Ucin, the Italian nautical industry association.

"What has changed and what we've noticed is that in 2005, 2006, 2007 and a bit of 2008, many people bought yachts for reasons other than a passion for boats. It became a status symbol.

"In 2009 and 2010, that part of the market has been lost. People don't buy just to have a boat, but because they want to sail or go out with the family."

You may need another boat for the extras

Technology and toys

Simon de Burton on some of the latest non-essential gadgets

There was a time when jet skis and built-in televisions were the height of onboard luxury, but superyacht "extras" have unceasingly evolved to attain ever greater levels of sophistication. Many can be sampled at the Monaco yacht show.

LMV Design Technologies Lazy Solar sun lounger

The Lazy sunbed is designed to take the effort out of sunbathing, with an automatic tracking system that ensures it revolves to follow the rays. The motors are solar powered, while built-in cooling fans and a programmable fresh water mist spray system prevent the user from overheating. There is ambient lighting for use after dark, and the 3.2m diameter mattress is made from marine grade, waterproof leather. Try one out on the Edmiston terrace at Monaco. From €98,000 (\$125,550) www.lasybed.com

Vox Olympian hi-fi speaker

You can leave your iPod behind now that British audio firm Living Voice has created the Vox Olympian hi-fi speaker system for superyachts. The speakers are designed to survive the rigours of onboard use and are made from a mix of suitably luxurious materials including gold, silver, bronze, tellurium and exotic hardwoods. Each speaker is 1.5m tall and weighs 120kg. Available to order only, the speakers can be sampled on the



Clockwise from left: JETprotect surveillance camera, Jetstream media hosting, Hawkes personal submarine, Henk Edmiston luggage, eXtreme Carbon Rib, Vox Olympian speaker, Lasy sun lounger, Sea Axe Support Vessel



Advanced New Technologies stand at Monaco. From £210,000 (\$324,700) www.livingvoice.co.uk

Freestyle slide

James Knowles, master of the 50m superyacht Lazy Z, says the recently installed Freestyle slide is by far the most popular toy on board – for all ages of guest. Freestyle Slides makes land-based versions for private and commercial use. Now the Florida-based company is customising them for superyachts. The one on Lazy Z can be assembled in 15 minutes and can be stored on deck in a 1.5m square locker.

Price on application. www.freestyleslides.com

Döttling Bel-Air Edmiston edition safe

Charter and brokerage specialist Edmiston has joined with Germany's luxury safe maker Döttling to create a series of 10 limited edition, high security onboard safes, clad in calf skin dyed Edmiston's trademark signal red and trimmed with white leather. The fixtures of the 5ft tall safe can be made to suit the client. €155,000 (\$198,570) www.edmistoncompany.com www.doettling.com

Henk Edmiston luggage

Edmiston has also collaborated with Henk, a Dutch luggage brand, on a range of 10 black and 10 red calf leather Travelfriend wheeled suitcases with matching attaché cases. The Travelfriend incorporates high-tech materials such as titanium, magnesium, carbon fibre and not-so-high-tech horsehair. Each has its own serial number and can be personalised with the owner's name. Two sizes are available from €20,500 (\$26,262). The attaché case costs €2,975 (\$3,811). Contact Jamie Edmiston +44 (0)20 7495 5151

eXtreme carbon Rib
If your idea of a rigid

inflatable boat (rib) is something that involves orange rubber, think again – eXtreme Carbon Ribs are made from the same, 100 per cent carbon composite used in Extreme class racing catamarans. Swede Göran Marström and Dutchman Herbert Dercksen are the driving force behind the Extreme Class racing catamarans, and they have used their experience to create a range of ultra light, highly efficient ribs that are a quarter of the weight of conventional versions. A 30ft model costs about £100,000 (\$154,620).

Amels Sea Axe Fast Yacht Support vessel

It might be time to ask whether enough is enough, when you have so many toys and accessories that you need another boat to carry them – but for those suffering from such tiresome problems, Dutch yachtmaker Amels offers the 67m Sea Axe 671 Fast Yacht Support vessel. Capable of carrying a helicopter, speedboats and a full complement of jet-skis and ribs on deck, the 25-knot Sea Axe is designed to serve as everything from an anchorage scout vessel to a dive centre and food store. The first is under construction and due for completion in spring 2010. Price: If you have to ask... www.sea-axe@amels-holland.com

Jetstream media hosting

Monaco-based Jetstream has created the first full-service media-hosting system designed specifically for superyachts. It allows global access to media through any computer with internet connection. This means you can find your favourite television show or radio station and access virtually any broadcaster from anywhere. Jetstream also promises broadcast-quality sound and video reproduction and full remote control. Price: on application. www.jetstream.mc

JETprotect CS300K counter-surveillance camera

JETprotect's CS300K was initially designed as an anti-sniper counter-surveillance device. It is now being used on superyachts to protect against unwanted guests, from pirates to paparazzi. It is so powerful that it can identify binoculars, camera lenses, telescopic sights and even human eyeballs from hundreds of meters away.

Hawkes Ocean Technologies 'Deep Flight Merlin'

Personal submarines might be a bit old hat in the superyacht world – but the DeepFlight Merlin really is cutting-edge. Richard Branson took delivery of the first one this year for use around his privately owned Necker Island in the Caribbean, having been impressed by the three-person "aero submarine". Unlike conventional submersibles, which use ballast to sink, the open cockpit DeepFlight uses downward "lift" on the wings to fly down. Price: \$670,000. www.deepflight.com

Captains find themselves swamped with paperwork

Administration

Countries and international organisations are imposing ever more demands, finds Michael Howorth

Modern superyacht captains can find that a significant amount of their time is taken up with bureaucracy and the paperwork that goes with it. Misunderstand taxation, regulation or labour legislation and the long arm of the law can feel the collar of even the most well-meaning captain.

At the peak of the summer chartering season, Italian tax officials raided the superyacht Force Blue, in a case of suspected tax evasion reported to involve £4.1m. The yacht, owned by former Formula One boss Flavio Briatore, was seized, held in port by uniformed government officials and prevented from going to sea for more than a month.

The news that splashed across the media was a timely warning to the many superyacht captains who can, at busy times, find themselves falling behind with an ever increasing pile of paperwork.

Flag states and international organisations are imposing on superyachts that were built for pleasure and recreation the same administrative demands that apply to merchant ships. And the burden of dealing with them is falling on the crews.

On commercial passenger ships, the captain has a deputy, with rank of Staff Captain, appointed to help deal with paperwork. Increasingly on the largest superyachts, the captain is assisted by an executive officer. This is a luxury that yachts smaller than 60m are seldom able to take advantage of.

Anthony Gradwell, whose company Mantra Marine publishes guidance to cap-

tains in monthly updates called Flag News, says: "It has never been more important for captains to maintain the correct paperwork on board their yachts, because of the frequency with which it is checked.

"Class surveys, flag inspections and audits, Port State Control inspections, customs visits and insurance company audits can all require the review of certificates, log books and other documents.

"The consequences of getting it wrong can be significant."

Keeping on top of paperwork is vital to smooth sailing, but it need not be debilitating if approached logically and diligently, and there are several capable organisations that can help.

Niall Robinson is the co-founder of Hill Robinson, one such company. He says: "With legislation changes concerning the combination of flag owner and residency, it is becoming increasingly important for owners to take professional advice on these matters.

"It is important for the captain to ensure all paperwork is in order on board. If a yacht is commercially reg-

istered, the beneficial owners can charter its own boat at full market rates. If [the paperwork] is properly done, a commercially trading yacht will be in free circulation, certainly in France and Italy, Spain is a different matter."

Recent changes in legislation have left superyacht owners exposed to a poten-

'It is becoming increasingly important for owners to take professional advice on these matters'

tial liability for employers' tax contributions for their crew. This relates to yachts registered or owned by EU, US or Isle of Man companies or those employing EU or American crew. These owners are advised to separate the yacht-owning company from the employer by using an employment company outside EU or US jurisdiction.

The scope of these regulations is so wide it probably

affects the owners of most superyachts. Complying with this paperwork is yet another matter for yacht or shore side managers to cope with.

Yves Damette, director of yacht management at YCO, a provider of superyacht services, says: "Requirements for safety and security on the seas are increasingly demanding but, with the right tools, there is no need for the paperwork to be unbearable."

Marianne Danissen, yacht management director at Camper & Nicholsons International, the yacht group, agrees: "A well run yacht under ISM (International Safety Management – a set of regulations for commercially registered vessels) would never consider the paperwork a burden, it is more like second nature."

Software is also beginning to appear on the market. YCO developed an inhouse product called Live, which manages information and documents remotely and securely online. Owners, captains and anyone who works with the yacht can access it at any time and anywhere in the world.

Yacht manager Royale Oceanic also operates a database – Onboard – that stores and safeguards essential files, including documents, plans and ISM reports and records.

Michael Bach, of Fraser Yachts, is fairly forthright about the administrative load: "The burden of paperwork for captains and managers in regards to ISM/ISPS issues is no more or less taxing this year, compared with the alarming issues arising in EU waters regarding vessels on charter business.

"The process of chartering in Mediterranean waters and abiding by tax laws and recent EU mandates, is creating many questions."

Until clarity prevails on chartering, superyacht captains, managers and owners will continue to spend a great deal of time trying to ensure they are operating in accordance with regulations.

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Yachting

Cash-strapped governments turn up heat in the Med

Tax scrutiny

Guy Dinmore and Kerin Hope report on undercover inspectors and difficult questions in Greek and Italian marinas

Panic swept through Italy's superyacht owners like wildfire last May, when finance police pounced offshore and seized the 63m Force Blue from Formula One tycoon Flavio Briatore, evicting his ex-model wife and infant son, amid accusations of tax fraud.

Tax police said Mr Briatore was suspected of evading €4m in unpaid VAT on the boat and tax of €800,000 on fuel.

Legal advisers around the world promptly told their clients – some 90 per cent of whom, like Mr Briatore, had their yachts under the Cayman Islands flag – to reconsider before entering Italian waters. In both Italy and Greece, the Mediterranean yachting idyll is coming under threat, as cash-strapped governments turn up the heat on tax evaders.

Over the summer, undercover inspectors in T-shirts and flip-flops were popping up in Italian marinas, checking ownership of yachts against tax returns, asking such embarrassing questions as how someone claiming disability or social welfare could be at the helm of a 15m boat.

Similar moves – but so far without the drama of a high-profile seizure – are afoot in Greece, where financial police are checking the names of superyachts berthed at marinas around Athens against the registry of non-ocean going vessels at the maritime affairs ministry.

"We are tracing the real users. Many superyachts are owned by companies that operate as illegal tax shel-

ters. The time has arrived for tax obligations to be met," says Theodoros Floratos, the official handling investigations.

Unsurprisingly, some of Italy's marinas reported an unusually quiet season, although this could also be because Italy is becoming prohibitively expensive, with many yacht owners taking their vessels to Turkey or Croatia.

Quentin Bargate, senior partner at London law firm Bargate Murray, says the sense of panic among superyacht owners has subsided, in part due to a favourable ruling by Italy's Supreme Court of Cassation – the highest court in the country – over a Cayman flag-related issue unconnected to Mr Briatore.

Italy's finance police, Mr Bargate says, appear to be targeting Italians in the context of the government's €25bn "austerity" programme which is twinned with a crackdown on tax evasion in general.

Force Blue remains sequestered and is being administered by a court-appointed official. According to local media reports it can be chartered for €34,000 a day and its most recent occupants are once again the Briatore family who are in effect paying the state for the pleasure while his investigation continues. Mr Briatore's lawyers have challenged the sequestration and he denies any wrongdoing.

Italy, the world leader in building superyachts, saw a collapse of more than 30 per cent in overall yacht production last year, with output tumbling to €4.25bn, according to the country's yachting manufacturers association. The market appears to be picking up this year, but the focus is on more humble boats under 10 metres.

The industry says it is working intensively with Italy's revenue agency and customs to clarify confusion over the norms on leasing and ownership through offshore companies.



Sinking feeling: the financial police have launched checks on almost 5,000 superyachts in marinas such as this one in Piraeus

Alamy

Anton Francesco Albertoni, head of the Italian nautical industry association Uncina, says one cannot discredit an entire sector employing 120,000 people because of some infractions.

In Greece, sales of Italian-made superyachts have fallen sharply this year and dozens of vessels in the 12m to 18m range are being put up for sale as the sailing season draws to a close.

The financial police have launched checks on almost 5,000 yachts, most of them acquired in the past five years by self-employed Greek professionals and owners of family-run companies.

The country's new rich – for whom owning a powerful boat is an important status symbol – are under closer scrutiny than Greece's traditional

shipowning community, many of whom are based offshore.

"We've found irregularities in 80 per cent of the cases examined so far," Mr Floratos says. "On the other hand, as word of the investigation gets around, more owners have been arriving at the tax office prepared to pay what they owe."

Greece hopes to raise about €1.52bn from owners of superyachts in unpaid taxes and fines, as part of a crackdown on so-called "lifestyle" tax evasion. The indicators, along with yachts, include unlicensed swimming pools, luxury cars and large properties on the Aegean Islands.

Until now some yacht owners have managed to avoid a 33 per cent tax on

purchases of luxury vessels by setting up fictitious charter companies and disguising their sailing excursions as professional charter operations, providing services to Greek and foreign tourists. But some owners appear determined to find other avenues to escape paying taxes due on a superyacht. Some have transferred ownership outside the country and re-registered it under another European Union flag.

Antonis Mangos, a sailing boat charterer and board member of the Greek association of professional yacht owners, says, "It's quite surprising to see how many British and Dutch boats have been showing up in Greek waters."

Mr Mangos is sceptical about whether the financial police will collect as much as they expect from the crackdown, which he calls a "soak the rich campaign" partly designed to offset the impact of cuts in public sector pay and pensions under Greece's three-year austerity programme.

Millions of euros in taxes go uncollected from the more than 10,000 yacht owners who spend more than one month cruising in Greek waters, based on the size of the vessel, he says.

"Some people, including foreigners, show up to pay the annual tax of their own accord, but the vast majority don't and the authorities don't bother to chase them."

Super sailing vessels blow motor power out of water

Supersloops

Orders from before the crisis have led to a new type of high performance vessel, says David Glenn

A new breed of super sailing yacht performs so well that it can cross oceans faster than motor yachts and at a fraction of the cost.

Combine that with design enabling them to compete in superyacht regattas more effectively and the result is a breed of supersloops – large, single-masted sailing yachts – that many owners feel a natural affinity for, with attractive environmental credentials and a competitive edge.

A string of launches and the number of yachts being built makes it difficult to appreciate that the superyacht industry has suffered over the past year, but it certainly has.

We are now seeing the results of orders placed before the financial meltdown, but they have determined a new type of high performance vessel.

Australian property billionaire Lang Walker's new 58.4m Kokomo with its 71.3m mast is a good example.

Mr Lang is a racing man through and through and owns a string of Farr 40 yachts dotted around the world, so he can compete at a moment's notice in regattas worldwide.

But his new supersloop – the third bearing the Kokomo name – with accommodation for 12 guests and as many crew, is not just a platform for luxury cruising.

This is a racing vessel, with America's Cup-style sails, one of the biggest carbon fibre masts ever built and performance even the world's top Grand Prix helmsmen would not sniff at.

Designed by the ubiquitous Dubois Naval Architects based in Hampshire in the UK and, until recently, the biggest sailing yacht built by Alloy Yachts of New Zealand, Kokomo can sail upwind at more than 12 knots and could touch up to 20 off the wind.

Apart from the modest angle of heel of the boat, everything below remains calm and luxurious as the yacht blasts round the racecourses of St Barths, Porto Cervo, St Tropez and Palma. Cut-throat competition combined with ultimate luxury is the achievement and owners love it.

"We are, after all, in the entertainment business," says Ed Dubois.

But supersloops, which are more efficient than two-masted ketches or schooners, certainly have not peaked yet.

A Norwegian businessman is building a 66m sloop, also

designed by Dubois, at Vitters, one of the Netherlands' most successful bespoke superyacht builders, who recently bought British carbon fibre yacht building specialists Green Marine.

Unlike some of her predecessors, which have multiple decks so the helmsman perches atop a lofty flying bridge, this aluminium-

'Apart from the modest angle of heel, everything below remains calm and luxurious'

hulled boat is low-profile, streamlined and efficient.

The aim is to make her a luxury rocket-speed sailing ship and everything is being done to improve the airflow over her enormous sails, especially her headsails.

Sails that normally remain furled on a fixed stay while another headsail is in use will now be automatically lowered on to storage drums under the foredeck without a single crewman having to go forward of the mast.

The focus is not just on performance – but also on safety, because sails weighing up to half a tonne can be beyond the handling ability of mere humans.

Between them Vitters, build managers MCM, Southern Spars and Dubois have come up with the technology to achieve this.

Another vast yacht about to emerge from New Zealand, again built by Alloy Yachts, is the Philippe Briand designed ketch, Vertigo.

The owner would have opted for a sloop but the yacht had to be able to get under the Bridge of the Americas spanning the Panama Canal which has vertical clearance of just over 61m.

Vertigo is 67m long and even under power has a 2,300 nautical mile range at 17 knots increasing to 4,000 miles at 12 knots. This easily exceeds the ability of many motor yachts. Her vast mainsail and mizzen sails would extend the range.

To reach shallower anchorages her deep keel can be lifted using hydraulics but when fully down at 9.5m it combines with her sailplan to produce a searing performance, while guests can relax in the deck saloon and extensive accommodation designed by Christian Liaigre who was charged with producing an atmosphere of "urban at sea".

In another example of the breed, a ketch – Panamax – so-called because her twin masted rig is sufficiently short to allow her to pass under the Bridge of the Americas, is being built for a German industrialist.

This 200ft flyer is being built at carbon fibre specialists Baltic Yachts in Finland and, when launched next year, will set another benchmark in sailing performance.

Another type of superyacht whose design has been driven by the attractions of competition is the J-Class classic sailing yacht. Six of these are already afloat, including the largest and most recent, the 44m Lionheart.

These stunningly beautiful throwbacks to the 1930s are making a comeback with two more, Rainbow and Atlantis under construction and a further two, Svea and Yankee, mooted.

There could be eight on the start line in UK regattas in Falmouth and Cowes in 2012 to coincide with the London 2012 Olympic Games and they will be joined by a fleet of super sailing yachts in a special event in Cowes.

Once again Britain is looking forward to hosting some of the finest sailing yachts in the world at events playing an important role in fuelling the demand for larger, faster, more competitive designs.



Single-masted splendour: the 58.4m Kokomo

Ocean-going chefs go down a breeze

Floating kitchens

Some boats have the finest cooks but working, often alone, in a small galley is not for everyone, writes **Frances Howorth**

They may be some of the smallest, most exclusive dining rooms in the world, but the food they serve must be five-star every time, with freshly baked bread each morning and wines matched with dishes each evening. It is the job of the superyacht chef to make it happen – and with panache.

Leaving swaps and currency options behind him 20 years ago, Efreim Leigh gave up a secure job working as a foreign exchange and interest rate trader with Enterprise Oil and headed to the south of France to work on superyachts as a chef, a job he enjoyed for many years.

Today he heads Yacht-Chefs.com, his own recruitment consultancy, that specialises in placing experienced chefs on the yachts that cruise the Mediterranean and further afield.

He has no shortage of customers nor indeed of candidates, for many good cooks are swapping the heavy workload of hotel kitchens serving 200 covers a night for life on the ocean wave.

Some of the top superyachts in the world have on board the finest chefs who have cooked in the best five-star restaurants and hotels around the world – the likes of the Savoy in London, Paris' George V, the Waldorf Astoria in New York and Singapore's Raffles Hotel – serving celebrities and heads of state.

Now these masters of their profession work, often alone, in purpose-designed galleys, rather than kitchens, although they still cook for the rich and famous. The galley is generally a separate department with a staff of one on most superyachts.

Only larger yachts have a second person to help and those over 60m often have a second



chef, whose main responsibility is to cook for the crew, which may number up to 50 or more on the biggest boats.

The chef's job involves more than just the cooking and provisioning that would be required ashore. He, or indeed she, for there are many female chefs aboard yachts, is responsible for everything food-related and is always on call. If the owner or guests want something to eat at 3am, the chef has to get up and produce it.

This can make the chef the hardest working crew member, with long and gruelling hours.

Award-winning chef Peter Quarrie worked at L'Oranger, a restaurant in London, before taking to the seas to work on yachts such as Pelorus, owned by Russian oligarch Roman Abramovich, Maltese Falcon, when it belonged to venture capitalist, Tom Perkins, and finally the 82m Alfa Nero.

The 35-year old chef has been cooking professionally for 17 years, the last three of which

have been on board super yachts. What he most likes about being an ocean-going chef is the fact that he can generally cook what he wants, as long as that chimes with guests' wishes. His least favourite aspects of the job, he says, are the long hours and the fact that he rarely gets a chance to see the fabulous places he is visiting.

He rates the job of being a



chef aboard a superyacht as a fantastic opportunity. He says, "You get to work with great ingredients and really get to push yourself to the peaks of culinary creativity cooking for guests and the crew."

"It's a great feeling when the guests are happy – more often than not you know very little about them before they turn up, so the challenge is to give them exactly what they want straight away."

Frenchman Christophe Fischbach, 45, recently joined the super sailing yacht, Montigne as chef. Despite missing his family, he loves his job and the challenges it brings.

He has always enjoyed cuisine with an Asian twist, but when the yacht's owner took him on, he flew him to Hong Kong, so that he could work alongside top chefs there and hone his Chinese cooking skills.

Now he is able to fill the yacht's gargantuan dining table on the afterdeck with a fusion of flavours that call on all his spe-

Above: Chef Christophe Fischbach at the breakfast table on yacht Montigne
Left: Chef Ian Fitzpatrick aboard Mosaïque with a plate of local lobsters
Right: Chef Michael Wafelbakker turns out panforte on the Big City

Frances Howorth

cialities, including North African cooking and French and Italian recipes he learnt during his formative years at restaurants in the south of France.

As well as all the preparation and cooking gourmet meals for guests, most onboard chefs are also responsible for everyday crew food, supplying three meals a day to a hard working and hungry group. In between, there is cleaning up, budgeting and book keeping.

Not every restaurant chef can happily transfer from the shore to life afloat working, often alone, in a small galley.

When your kitchen remains in one place provisioning is easy. It is much more of a challenge to



find that special ingredient when the port or even the country is constantly changing.

But the ingredients for success are a love of cooking, taking inventiveness to a higher level, and the ability to work under extreme pressure while still smiling.

So forget Jamie Oliver, Nigella Lawson and Gordon Ramsay and the other celebrity chefs in the world of television, super yacht chefs represent the top of the profession when it comes to cooking up a feast, and that is something they can do at sea no matter what the weather.

Rules change to attract sponsors and spectators

America's Cup

There will be a new class of boat, shorter races and cost reduction measures, says **Simon Greaves**

In 2013, the 34th America's Cup, sailing's oldest and most venerable event, will be raced using revolutionary wing-sailed catamarans in an effort to draw sponsors and supporters back in.

Teams from around the world are expected to join the fray in the newly created class of catamaran.

BMW Oracle Racing, headed by US software billionaire Larry Ellison, won the cup off Valencia in February with a 90ft trimaran using a towering fixed wing-sail, against two-time Swiss winners, Alinghi, the team built by biotech billionaire Ernesto Bertarelli.

The US team swept to a 2-0 victory in a triumph of design and technology.

The winning team hosts the next event. Its club, the Golden Gate Yacht Club, based in San Francisco, said on September 13 that the contest would be reorganised to attract sponsors deterred by legal disputes before the February match.

The move to AC72 wing-sailed catamarans, which will sail from 2012, will be accompanied by an annual world series of qualifying regattas, starting next year, before the final match challenge in 2013.

As well as a new class of boat, innovations include: a shorter race format; independent race management with an international jury; and cost-reduction measures such as limits on the number of boats, sails, equipment and support vessels, the GGYC says.

Crews will be trimmed to 11 members instead of 17 and there will be a Youth America's Cup from 2012 using a new AC45 boat, in an initiative that is aimed at giving young sailors a route to the top of the sport.

Competitors had been waiting for details of the next contest to see how the rule makers and defenders would reframe a competition with a 159-year history into a rejuvenated open international challenge.

The wrangling over hosting rights and match rules resulted in this year's two-boat duel. The usual challengers' series, with a dozen or so boats that increased interest in previous competitions, did not happen, costing the event millions of dollars in sponsorship and broadcasting rights.

Sir Russell Coutts, chief executive of BMW Oracle Racing, says: "By launching an annual world series leading directly to the America's Cup, we will be giving teams and their partners the sustainable business model that has been missing from the cup for so long."

"The new AC72 catamaran will bring speed, excitement and high performance to the America's Cup. It will also remove the frustrating delays for races to start. Holdups equal turn-offs, as far as the audience is concerned."

"So the new boat will be able to sail in pretty much any conditions that the spectator fleet afloat can operate in comfortably. But, more importantly, we're

striving to make it a much fairer competition."

"The objective is to end uncertainty in the America's Cup, build the audience and create a sustainable future for teams and partners."

Sir Russell says the details that his team issued on September 13 forfeited many of the advantages the American defender had enjoyed in the past. "The challengers will control their own selection series and there will be a defender series too, if another viable US team comes forward. We'd welcome another American team into the competition."

The final match will be raced at a venue that looks increasingly likely to be in the US.

San Francisco has emerged as the front-running city and has the support of Mr Ellison.

Other US ports being considered include Newport, Rhode Island, where the cup was raced from 1930 until 1983, San Diego in California which has hosted three competitions (1988, 1992 and 1995) and Long Beach, also in California, the site of the 1984 Olympic regatta.

Four European cities have also expressed interest and the final decision will

be announced by the GGYC and BMW Oracle before the end of the year.

Sir Russell says: "Larry Ellison has said that San Francisco is a fantastic natural amphitheatre. So yes, San Francisco is close to our hearts. It's a great place to sail, but there are other places under consideration and they have different but equally compelling reasons to be considered."

It is also vital that the competition revives its once-successful corporate funding model.

The legal wrangling before February's contest left a 19-team challenge cancelled – previous challengers have included teams from New Zealand, South Africa and Italy – and squeezed the organising budget.

Sponsors pulled out, including Banco Santander and UBS, Nestlé, the food group, and insurer Allianz.

In 2007, the event made €66m, which was shared among 12 teams and included a three-month qualifying series sponsored by LVMH, the luxury goods group.

Challenges from teams will be accepted after October 1 and the next challenger of record, or official challenger, is Italy's Club Nautico di Roma.

Ben Ainslie, the 33-year-old triple gold and silver Olympic champion is skipping Britain's Team Origin, founded by Sir Keith Mills.

Grant Simmer, chief executive of Team Origin, wants to see a cup format that best suits the sport, regardless of individual backer's ambitions.

He says: "BMW Oracle and Origin are both looking for alternative ways to build a financially strong event, doing media tests to modernise and expand the sport of international sailing."

"Our preference is for fewer events but higher profile – more than six or eight and we struggle to make them significant. We want to see lots of competition from countries in Asia, the US, Middle East and Europe."



Race to the finish: the 2010 America's Cup in Valencia Getty

Yachting



Boats in the bay of Cala Vadella in the Spanish Island of Ibiza: waterborne holidaymakers can choose to avoid the crowded beaches and clubs and anchor in peaceful coves inhabited only by seabirds and fish

Alamy

The art of making the journey the reward

Cruising

Victor Mallet outlines three rules to help you get the most from your time on the briny

It was the smell of sizzling bacon that did it for me. I had rashly signed up as crew for the gruelling Ireland-Scotland leg of a round-Britain sailing race. Five days out of Galway, as we fought off exhaustion, frantically tweaked the sails and crept towards Oban in the faintest of breezes, it was obvious that the crew of the cruising yacht comfortably anchored in a bay upwind of us were preparing a proper breakfast, presumably after a good night's sleep.

The contrast with our plight could hardly have been starker. We had barely slept, dozing only fitfully while perched on the metal rail of the 12m boat. Our food was dehydrated astronaut fodder, reconstituted with boiling water and sucked out of a foil packet.

A few years later, I remember hearing from a sailing friend how the yacht he was racing across 5,000 nautical miles of the Southern Ocean had failed to slow down to investigate the magnificent sight of a spouting whale, because races take precedence over food, sleep and even the rarest cetacean.

Yacht racing – because it is a televised sport, and occasionally a glamorous one at that – inevitably hogs almost all the publicity associated with sailing.

But “cruising” – the very word suggests a languorous lei-

sure activity – is where the yacht-building industry makes its money. It is also what most of us actually do, whether in a small sailing boat purchased for less than the price of a second-hand car or in a diesel-powered superyacht worth tens of millions of dollars.

Plenty of yacht-owners enjoy both racing and cruising. Ernesto Bertarelli, the passionate yacht racer and Swiss billionaire who twice won the America's Cup, also cruises in his motor-yacht (although on it he keeps a Moth – a small dinghy that flies over the water on a hydrofoil – to keep himself in sailing trim).

“When I go cruising, I like to be with my family, my friends, my kids,” he says. “I like it for the travel, for the journey.”

Non-sailors tend to assume that anyone who owns some-

thing called a “yacht” must be immensely wealthy, but only a minority of owners want or can afford to pay for a skipper and crew to manage their vessels.

Here are three golden rules developed over three decades of yacht-cruising to ensure a pleasant experience does not turn into an ordeal.

1. Go easy on technology

(And do not acquire a boat bigger or more complex than you can handle.) Technology has progressively made life easier and safer for sailors and motorboat owners.

Rare indeed is the modern sailing yacht that cruises without a so-called “auxiliary” diesel engine for manoeuvring in marinas and motoring when the wind is light or coming from the wrong direction.

Almost all navigate by GPS mapping screens and have a

furling system that allows the foresail to be neatly rolled up from the cockpit, rather than dragged down flapping wildly by a crew member at the front of the boat who risks a soaking from the oncoming waves.

Light-emitting diodes are replacing incandescent light bulbs to save battery power. Even so, boat owners should resist the temptation to fit complicated luxuries and purportedly “essential” new equipment.

A skipper already has to be a plumber, electrician, engineer and carpenter. More things to go wrong merely adds to the stress of a voyage that is supposed to help you enjoy the simple things in life.

2. Be adventurous, but not overambitious

There is not much point having a boat if you are not going to anchor off beaches and in

beautiful, isolated bays that you cannot easily reach by land. Why shun hotels if the holiday is to be spent shuttling by boat from one overbuilt yacht marina to another?

The Spanish island of Ibiza in the Mediterranean is famous – or notorious – for its discotheques, but in fine weather waterborne holidaymakers can anchor in peaceful coves inhabited only by seabirds and fish; children go snorkelling in clear blue waters to explore the caves, peer at flatfish on the seabed and perhaps study an octopus hiding among the rocks.

But do not make the mistake of trying to do too much or travelling great distances for the sake of it.

Children in particular can tire of long passages and are just as likely to enjoy an anchorage nearby as an exotic one far

away. Even in good weather, seasickness can take its toll on guests or even experienced sailors.

3. Don't rush

If the idea is to get from A to B as quickly as possible, abandon the boat and take a flight. Even the fastest motorboat travels slower than a car, let alone a passenger jet.

The whole point of cruising is that you have time to unwind in an environment very different from the one you are used to.

Enjoy the dolphins (that weird whooshing sound at night off the port quarter is the dolphins breathing) – and the shooting stars. Sailing across the sea, rather than flying, is the equivalent of walking or cycling through the countryside rather than driving down the motorway. Sometimes, the journey really is the reward.

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A careful optimism sets in after struggle to stay afloat

Private equity

Martin Arnold charts the fortunes of the yachtmakers and their backers since the crisis

The hangovers had hardly worn off after Candover's annual party on a Ferretti luxury yacht in Italy in September 2008, when the financial system plunged into crisis. Within weeks, the writing was on the wall for one of Europe's top buy-out groups.

The crisis torpedoed Candover's portfolio. Among the victims was Ferretti itself. In six months, the luxury yachtmaker went from preparing a stock market flotation to defaulting on its debt and being taken over by its lenders and managers.

Candover, which this September said its listed parent was going into run-off, acquired Ferretti in 2006. It paid €1.7bn (\$2.2bn) for the Italian company, which has a star-studded client list including Brigitte Bardot and Jennifer Lopez.

The 40-year-old yachtmaker, which owns the Pershing, Riva and Itama brands, became a poster boy for the woes of the luxury yacht industry, as sales plunged after the collapse of Lehman Brothers two years ago.

Specialising in luxuriously equipped motor yachts costing €1.5m on average, Ferretti suffered falling orders, slowing stage-payments for yachts under construction and rising cancellations by its crisis-stricken millionaire clients.

Ferretti is just one of several yachtmakers bought by private equity at the top of the market that have struggled to stay afloat under the weight of big debts.

One victim was Bavaria Yachtbau, the German maker of smaller sailing yachts, bought by Bain Capital of the US for €1.3bn in 2007 and taken over by its creditors last year. Dehler,



the German sailboat maker backed by Buchanan Capital, was bailed out by the federal government in 2008.

“The market has come down about 60 to 80 per cent from its peak,” says Richard Winckles, co-founder of Balmoral Capital, a UK buy-out fund that bought two yachtmakers – the UK's Oyster Marine and Italy's Canados – in its only deals to date.

“We looked into it quite carefully before investing, and the biggest downturn we could find previously was only one of about 20 per cent,” he says. “A lot of the industry has gone bankrupt or been taken over by its banks or by vulture funds.”

Balmoral has needed to put more money into Canados, which makes motor yachts of 23m-35m, and cut costs at the Italian company to limit the losses it suffered.

However, Oyster Marine, a maker of 15m-40m sailing yachts, has held up better and remained profitable with flat revenues last year. “Sailboat owners are more dedicated, well-informed and fanatical,” says Mr Winckles.

Derek Carter, who led a management buy-out of UK powerboat maker Fairline in 2005 with backing from 3i, the private equity group, says surviving the crisis was tough: “We have taken some pretty tough medicine and got back on our feet.” Fairline suffered a 40 per

cent drop in orders for its boats costing from £225,000 (\$346,700) to £2.5m (\$3.9m), triggering its first annual loss in 2008, Mr Carter says.

It is now back to breakeven, thanks in part to support from 3i and its lender Royal Bank of Scotland, which both reinvested in the company.

“3i and RBS backed the game plan of keeping our new model investment going, that is how we see the best route forward, as it is very difficult to recover if you haven't invested in

‘I'm cautious but I'm not looking at the world with fear and trepidation any more’

your product pipeline,” says Mr Carter. He adds that Fairline will have launched six new models between 2009 and early 2011.

Indeed, luxury yachtmakers are starting to see green shoots of recovery. Balmoral says Oyster Marine had the best first six months of the year for new sailboat orders in its history.

With the boat show season starting on an upbeat note in Cannes and Southampton in September, Mr Carter predicts “modest growth in 2011 and 2012”. One of the newest private equity investors in the sec-

tor, Ireland's FL Partners, took control of Sunseeker through a restructuring of the company's debt in June.

The maker of big luxury motor yachts that have featured in James Bond films breached the terms of its bank debt because of a drop in orders and problems at one of its dealers.

But Peter Crowley, co-founder of FL Partners, is upbeat: “There is a real buzz from the sales people going into the boat shows about levels of enquiries from customers with serious intent to buy.”

“For the customers at the luxury end, it is not that the world has to recover for them to buy a yacht, just that the uncertainty has to abate.”

There are still some headaches for the yachtmakers. Some marine finance companies withdrew during the crisis, restricting choice in the market. There is still an overhang of unsold stock. Others worry about the impact of rising taxes on yacht orders.

“I think one of the issues for the marine sector will be the impact of taxation, as governments look to recover more through tax, whether it be sales tax or import duties,” says Stuart McIntyre, managing director of Sunseeker.

Yet the careful mood of optimism is summed up by Mr Carter at Fairline. “I'm cautious, but I'm not looking at the world with fear and trepidation any more.”

Boat piggybacks can be best option for long distances

Transport

Frances Howorth on an industry that started from empty outgoing cargo ships to the Caribbean

In the never-ending quest to reach destinations quickly and safely, yachts are being transported around the world on aircraft, cargo ships, road trailers and specialist semi-submersible transport ships.

Piggybacking, or the carrying of a yacht aboard another vessel, has become commonplace and is no longer confined to smaller vessels.

North European yacht owners lead the way in this business, with their understandable desire to spend winter away from their cold, grey storm-tossed seas in the warm clear blue waters of the tropics.

The possibility of damage to yachts moving across oceans was the initial impetus for lifting them on to cargo ships going to the Caribbean to pick up cargoes of fruit.

These banana boats arrived at their destinations and lifted the yachts over the side to sail away undamaged, rigged and ready to explore the island waters. A new industry was born.

Larger superyachts, whose busy charter season in the Mediterranean used to come to a screeching halt in October as winter set in, quickly caught on to the trend of cross ocean transportation.

Their large glass windows, lack of sails and reduced fuel capacities generally made it impossible for them to get to the Caribbean for the charter season.

Now, by loading these motor yachts aboard purpose built and sometimes semi-submersible yacht transport ships and carrying them across the oceans quickly and safely, new opportunities were born and yet more industries created.

The idea has caught on and freight rates have dropped.

Now the cost of shipping "piggyback" fashion is often less than the sums involved in sailing across an ocean, when fuel, crew wages, time, insurance and potential damage are taken into account.

This month, Premier Shipping & Packing, a company whose speciality is transporting yachts by ship to new cruising grounds, sponsored the Southampton Boat Show.

Frank Dixie, managing direc-

"We are seeing more and more inquiries for boat transportation as the marine industry has begun to climb out of the recession"

tor, said at the show: "Business has skyrocketed in 2010. We have seen a 50 per cent increase in business compared with 2009, with the trade route between UK and the Med as well as the Adriatic seeing the highest rises. In fact, business between those routes has doubled."

He added, "We are seeing more and more inquiries for boat transportation as the marine industry has begun to climb out of the recession."

"I believe our bold move to stand by the industry and invest some £1m in sponsorship of the boat show has paid dividends and we are now seeing a huge surge in business."

At the show, Peters & May,

another provider of marine logistics, introduced Chok-a-Blok a new gel-coat protector pad as standard on all its boat shipments to provide added protection during transportation.

The pad, developed and now marketed by Alex Richardson came about when his son, an avid sailor, noticed chafing damage on yachts secured using webbing straps.

The plastic gel-coat protector has been designed to keep the straps clear of the gel-coat as well as a preventive measure against damage when straps vibrate in high winds or rough conditions.

Some companies prefer not to lift yachts on to ships and carry them as deck cargo.

Dockwise Yacht Transport have been transporting yachts for more than 10 years.

It owns and operates four semi-submersible float on-float off yacht carriers, and transported more than 1,300 yachts in 2009 on scheduled services that cover the Mediterranean, north-west Europe, the east coast of the US, the west coast North and Central America, the Caribbean and the South Pacific.

Its float on-float off technique for loading yachts of up to 61m is fascinating to watch.

One of its biggest selling-points is its willingness to accept a "rider", a crew member travelling with yachts larger than 25m.

These riders are able to look after the yacht on the ocean crossing and can use the passage time to carry out repairs and maintenance to the bottom of the boat while it is exposed.

Sevenstar Yacht Transport is part of the Dutch Spliethoff group of companies and has been in the business since 1984. Of all yachts it carries, 95 per



A boatload of savings: the cost of shipping a yacht is often less than the sums involved in sailing across an ocean

cent are craned aboard one of its own 80 or so heavy lift vessels, using the company's own loading masters and specially developed yacht-carrying cradles.

It seems the "piggyback" concept of yacht transportation can only grow, both in the number and size of yachts carried.

Costs may increase, at least in the short term, as, at the

moment, there is more sea freight than ships to transport it.

While the Atlantic crossing is likely to remain very important for all the companies

moving yachts, other routes are expanding, as the range of destinations people want to cruise in has been growing steadily around the world.

The mother of all markets for the financially profligate

Luxury groups

Scheherazade Daneshkhu finds upmarket brands being tempted into joint-ventures and acquisitions

Luca Bassani Antivari already spends three months a year on a boat, but the founder of the Monaco-based Wally super-yacht company says he would love to live on the water all year.

His dream of a floating island and his hankering after a sumptuous interior designed by Hermès, the French leather goods and fashion house, led to a joint-venture between the two companies.

The new company called WHY – Wally Hermès Yachts – resulted last year in the launch of a revolutionary design for a €130m triangular yacht nearly as wide as it is long, to make it "as stable as possible, a floating amphitheatre on the sea," as Mr Bassani describes it.

Despite wanting a stable boat, Mr Bassani had nevertheless to be persuaded by Pierre-Alexis Dumas, artistic director of Hermès and a scion of the luxury group's

founding family, to sacrifice speed for stability.

The boat would go at a maximum of 14 knots and tank tests showed that in full swell, the stern will stay completely still, according to Mr Bassani.

Yet, six months after the much talked about launch of the WHY boat concept, the joint-venture ended, with Hermès deciding to give operational control to Wally, leading to speculation that Hermès had been caught out by bad timing.

"When we first started talking to Wally, it was 2007 and the yachting industry was booming, but by 2009, the market had collapsed and it was really hard to sell boats," says François Taverne, chairman of Hermès Interior and Design.

"So we did ask ourselves whether we should wait or launch the boat, and we decided to launch it because with this kind of innovation, you do not want to wait any longer."

He adds: "The boat was bigger than we expected and we felt the type of expertise needed to commercialise the project was not our core business."

To be sure, the yacht industry is technically demanding and slow to shift units, each worth tens of millions of euros. In that sense, it is very different from the relatively fast-

moving luxury goods industry, which relies on handbags, perfumes and accessories – not exactly feats of engineering – for the bulk of its sales.

Yet, increasingly, luxury goods groups are entering the yachting industry, drawn by the interest ultra-wealthy customers have in goods produced by both industries.

This month, Gucci, the Italian luxury group owned by France's PPR, said it would team up with Riva –

"Moving this far from core business can be dangerous as products that carry the logo need to maintain quality"

part of Ferretti, the Italian yacht-builder – to produce made-to-order speedboats next year, to mark its 90th anniversary.

Ralph Lauren and Armani have been attracted to the industry and LVMH, the world's biggest luxury goods group, headed by French billionaire Bernard Arnault plunged in two years ago, when it acquired Royal van Lent, the Dutch builder of Feadship customised motoryachts.

L Capital, an investment

company controlled by Groupe Arnault – Mr Arnault's family holding company – and LVMH bought Princess Yachts International, a UK ship-builder, also in 2008.

James Lawson, director of Ledbury Research, the luxury market research company, says: "Luxury yachts have always been the ultimate in high net worth financial profligacy, part of the reason that many luxury brands are assessing the market."

Upmarket brands have always wanted to stretch their ranges to "a more holistic lifestyle offering", he says. But he warns: "Moving this far away from the core business can be dangerous, as products that carry the logo need to maintain the quality, which is why most brands will partner with experts."

As the industry – in the UK, at least – had been growing at 17 per cent a year before the financial crisis. So, we might see a few more luxury brand tie-ups, but it's unlikely to be a core part of the business."

Patrizio di Marco, president and chief executive of Gucci, concurs. "We are not entering this sector to become one of the leaders but we are entering it in collaboration with the leading player."

"We do not believe that

timing is paramount when entering this market or adding a value to it. Instead it's a matter of further strengthening the idea of Gucci as a lifestyle brand."

Gucci is entering the market as it recovers, while LVMH made its investment as the market started to drop. According to industry insiders, yacht sales fell by 30-40 per cent in 2008 and 2009.

However, LVMH says that Feadship had an order book that carried it through the crisis and that the book is now full until 2013-2014.

"Obviously, 2009 was a tough year for all types of yacht; but, if anything, these last two years have reinforced our conviction about the business," says Toni Belloni, managing director of LVMH.

"Superyachts are the mother of all luxury markets with a rate of growth much higher than that of national economic income."

"So it is in our interest to be present in this market, because at the top of the luxury pyramid of our businesses, you find the same customers buying yachts. This is an industry where the technical component is dominant but we can bring a touch of excitement, that gives added value."

At Princess Yachts, Daniel Piette, chairman of L Capital, says that 2008 was



Taking the plunge: an investment arm of luxury group LVMH bought UK shipbuilder Princess Yachts International in 2008

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Yachting

Desert culture draws on affinity for water

Middle East

Richard Donkin looks at initiatives to promote sailing across the region

In the spring of 2009, Musandam, an Omani trimaran, completed a 24,000-mile round-the-world voyage. Among its crew of seasoned sailors was Mohsin Al Busaidi who entered the history books as the first Arab to sail nonstop around the world.

The 76-day voyage was just one stage in an ambitious programme to promote sailing in Oman and revive a rich maritime heritage.

But it is not just in Oman that the Middle East has seen an upsurge in interest in the sport.

For the first time, Abu Dhabi is to be a host port in the Volvo Ocean Race and has entered a team for the 2011-12 race.

Bahrain, meanwhile, is hosting two former Volvo Ocean Race yachts, owned by the Pindar racing team. A Pindar yacht skippered by Brian Thompson, sailed in the 2008-09 Vendée Globe round-the-world race bearing the Bahraini royal emblem.

It was in Dubai, however, that the potential for high class yacht racing was recognised four years ago, when Sir Russell Coutts, a four times America's Cup winning skipper, chose the emirate to launch an annual series of fleet races among the RC44 high-performance yachts he designed in partnership with naval architect Andrej Justin.

Marina development has followed these trends. Michael Horrigan, chief executive officer of Mourjan Marinas IGY, a Dubai-based marina development and management company, says that after a difficult two years, when many developments were put on hold, confidence is re-emerging in the Middle East yacht market.

"Relative to 2007 it may seem a lot quieter, but it's still very dynamic," he says.

"Boating is a strong part of Middle Eastern culture. Everyone tends to think of it as a



High-speed Dubai: the potential for racing was recognised four years ago when an annual series of fleet races was launched from the emirate

Alamy

desert culture, but there's a deep relationship with water and water activities here," he said.

A company called Oman Sail has been drawing on this relationship, structuring a programme aimed at raising awareness of the sport in schools and youth clubs.

"We plan to give up to 30,000 young people a chance to experience sailing in the next five years. That's where we think

this initiative can make a difference in a country where half the population is under the age of 20," says David Graham, chief executive of Oman Sail.

In the short term, Oman Sail has made an impact on the international racing circuit by fielding two catamarans in the Extreme 40 Catamaran racing series established by the OC Group.

Its chief executive, Mark Turner, instigated the Oman

"We're getting inquiries from people who want sailing assets to promote their businesses"

Sail project with Albert Whitley, its first chief executive and Rajiha bint Abdulamir bin Ali, Oman's minister of tourism. Musandam was formerly B&Q/Castorama, the yacht sailed by Ellen MacArthur in her record-breaking circumnavigation in 2004-05.

Now, however, Sail Oman has launched a larger purpose-built trimaran, the 30m Majan, flagship of the fleet and first member of the Arabian 100 One

Design class. It aims to establish high level sail-racing in the region.

This year, the Majan, traced the course of a five-leg Indian Ocean Five Capes race conceived by the OC Group and still in the planning stage.

In February 2011, an Oman Sail team is expected to be competing in another OC Group event, the Tour of Arabia, a five-leg, 1,700 mile race down the eastern Gulf coast, running

from Kuwait City to Muscat in Oman, taking in Bahrain, Qatar, Abu Dhabi and Dubai.

Not all initiatives have succeeded, however. A plan to hold the 33rd America's Cup off Ras al-Khaimah, in the UAE bordering Oman, was abandoned when the teams chose to sail out of Valencia in Spain. Larry Ellison, the head of the challenging team, BMW Oracle Racing, had expressed safety concerns because of the proximity of Iran on the northern Gulf coast.

One of the team Pindar boats was impounded briefly in 2009 when Iranian authorities accused its crew of straying into Iranian waters. "It was a misunderstanding that hardly merited the fuss it seemed to cause," says Andrew Pindar, chairman of Pindar, the international printing group based in Scarborough, North Yorkshire.

"We think the Middle East has huge potential in sailing, which is why we've been prepared to invest time and money in making Sail Bahrain [the name given to the Pindar partnership with that country] a success. But we know we have a long way to go. These things don't happen overnight."

The Pindar team has now entered into a partnership sponsorship arrangement for all its yachts with GAC Logistics, the shipping, logistics and shipping agents business based in Dubai.

"There is a real hunger for people to do things in sailing in the region. We're getting inquiries from people who want sailing assets to promote their businesses," says Mr Pindar.

Mr Graham says the plan at Oman Sail is to build a sustainable programme backed in time by commercial and industry sponsors. "There isn't an end date on this programme. The intention is very much to keep it alive," he says.

"We have 12 qualified Omani instructors, so we already have Omanis teaching Omanis to sail and we have an embryonic elite squad with aims to qualify Oman on its own merit in the sailing events of the 2020 Olympics. We will continue to increase that competence on the coaching side.

"The programme is going from strength to strength."

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Still a bit of a minnow but with all the elements for growth

Asia

Production, ownership and visitor numbers are rising fast, says Kevin Brown

For part of each year, Singapore's Raffles Marina boasts an extraordinary sight: an 88m superyacht, with a 42m outrigger on her starboard side, that looks for all the world like a South Seas canoe on steroids.

This impressively different boat is Asean Lady, the world's 33rd largest superyacht, according to Power & Motoryacht magazine, and the standard bearer for a new breed of big and luxurious vessels emerging in the Asia-Pacific region.

By the standards of other parts of the globe, superyachts are still fairly thin on the ground in Asia, with perhaps 100 now owned and operated locally, compared with thousands in the Mediterranean and the Caribbean.

But all three elements of the superyacht scene – production, ownership and cruising visitors – are expanding fast in the wake of the global financial crisis, buoyed by the economies of the region, which the Asian Development Bank says will grow this year at an average of more than 8 per cent.

On the production side, Taiwan has emerged as Asia's biggest manufacturer, through builders such as Kaohsiung-based Horizon Yachts, which last year launched the country's first solar powered yacht, the Suncat 23.

But China is also pushing its way into the emerging superyacht market, not least through Asean Lady, owned by Brian Chang, head of China's Raffles-Yantai Shipyard, where she was built in 2003.

Kingship, based in Zhong Shan City, in the southern province of Guangdong, has emerged as the country's first specialist superyacht builder, with four boats

built and sold since 2004, and with a fifth – also sold – under construction.

All have been purchased by foreign buyers, in part because of legal uncertainties about ownership of yachts by individuals in China.

However, Monica Kwok, sales manager, says the company is beginning to receive inquiries from potential mainland customers planning to register the boats as corporate assets.

Kingship, which has its registered office in Hong Kong, would not say how its prices compare with those of other builders. However, the company says its objective is to match European builders for quality while beating their prices – roughly \$5m for a basic 25m starter boat to \$15m for a custom-built 35m yacht, according to Singapore broker Simon Turner.

Mr Turner, who is also a board member of the Singapore Superyacht Association, says prospective owners need to be willing to meet running costs of between 7 and 10 per cent of

the value of their craft to cover crew, insurance and maintenance. And that is before counting fuel oil – and champagne.

Plenty of Asia's wealthy seem willing to take on the burden, with well known businesspeople such as Hong Kong's Shaw Brothers (cinemas and film making), and India's Vijay Mallya

This is on the verge of becoming a big industry for Singapore, with each boat spending upwards of \$100,000 ashore. "Some spend millions, so it is having a very big financial impact, and it does filter down to everybody – its not just boys' toys," he says.

As a safe first world city with an extensive maritime infrastructure based on its huge port industry, Singapore is well placed to develop as a hub for visiting yachts, which often use it as a base to explore the rest of the region.

The most popular cruising areas currently include Thailand – there is often a superyacht or two anchored off the island of Phuket – both coasts of the Malaysian peninsula, India's Andaman and Nicobar islands, and the extensive waters of Australia and New Zealand to the south.

For the more adventurous, Vietnam is becoming popular, although careful clearance is needed, and the Philippines is attracting yachts to its central and northern islands, which are largely unaffected by secessionist rebellion in the south.

Even secretive Burma is getting in on the act, with special arrangements for big yachts to visit the 800 islands of its isolated Mergui archipelago.

In spite of scare stories about pirates, especially in the Malacca Strait, security issues do not seem to loom large for owners.

Captains are able to take advice on avoiding trouble before they arrive and, in any case, fast, high-sided, manoeuvrable superyachts are a much more difficult target to hit than slow moving commercial traffic.



The 88m Asean Lady and its unusual outrigger

Milder climate succeeds perfect storm of 2009

Yachting index

Jill James looks at the data from the superyacht market and sees signs of recovery

Yacht builders have been exuding a George Clooney-like determination to ride out the perfect storm.

The seafaring disaster film, starring Mr Clooney as Billy Tyne, a fishing boat captain braving the perils of the sea, may have struck a chord with brokers in today's luxury yacht market. But while captain Billy perished in the deep, in the real world boatbuilders are still riding the economic waves.

The word challenging barely begins to describe 2009 for the superyacht industry.

Shipyards suffered a sharp cut in orders last year – as much as

70 per cent across the industry as a whole, although the picture varies from yard to yard, according to the foreword from Camper & Nicholson's International (Super) Yachting Index.

The index takes data from yards, owners and designers and shows the number of new deliveries was lower, at 213 superyachts more than 30m (100ft) delivered – 48 fewer than 2008.

Most owners were from the US (16 per cent) followed by the UK (12 per cent). Joint third were Italy and Greece with each having a 10.5 per cent market share. Russia, Germany, Turkey and the UAE were in the top 10, with Russians and Arabs still buying the biggest yachts.

Simon Goldworthy, CNI sales broker, says: "The Americans definitely came back first and strongest, followed by the English and the Arabs. Recently we have started to see some Russian activity too, which is very encouraging, as they essentially

New superyacht construction market: top 10 countries

2009		2008			
Total value (€m)	Market share (%)	Total value (€m)	Market share (%)		
Italy	1,423.5	35.4	Italy	1,691.3	31.0
Netherlands	877.5	21.8	Germany	1,570.0	28.8
US	504.0	12.5	Netherlands	673.0	12.4
Germany	420.0	10.4	US	475.8	8.7
Turkey	208.8	5.2	UK	286.3	5.3
UK	130.0	3.2	Turkey	196.5	3.6
France	125.5	3.1	New Zealand	94.0	1.7
Australia	83.5	2.1	Taiwan	92.0	1.7
New Zealand	50.5	1.3	France	53.0	1.0
Taiwan	48.5	1.2	Egypt	46.5	0.9

Source: CNI (Super) Yachting Index

fueled the boom and if they came back in force we might be looking at a real recovery."

The depleted number of new orders raised a number of tough issues: financing was a primary concern, as banks made it difficult to finance the purchase of both new and pre-owned yachts.

There was also less interest in yachts, as owners gave priority to other issues. And the influx of pre-owned yachts on to the market had implications for the prices of new yachts.

Looking at the early part of this year, Mr Goldworthy says: "The yachting market has frag-

mented. Certain sections, such as very large yachts (50m plus) are more or less recovered and there are basically no distressed deals any more in anything recently built."

"The middle market is still harder for sellers and therefore better for buyers. And there are good deals to be had if you know where to look, but they are fewer and further between than they were. The smaller yachts in the 24m-35m range are still really suffering though."

The CNI index says there were calmer waters in the charter market in spite of the downturn in demand.

It gives interesting reasons for this: the economic downturn marked a sudden decline in the numbers of superyachts becoming available. Unlike previous years, when there had been a gradual increase in the fleet available for charter, 2009 saw a reverse trend, with an overall reduction in the charter fleet of

15 per cent. This, says the CNI, was not so much to do with a lack of new yachts but because market expectation of a slowdown resulted in a number of new yacht owners keeping their craft private until better times.

That factor, along with the usual few yachts withdrawing

'The Americans definitely came back first and strongest, followed by the English and the Arabs'

from the market because of age, new ownership and so on, meant numbers dropped.

The trend helped the charter market survive. As demand dropped and product reduced, it increased the opportunities for those yachts that remained available. However, that was

still not good enough to sustain the business levels of the previous two years.

Mr Toby Walker, CNI sales and charter director, says the charter market is also showing signs of a quicker recovery: "Bookings for 2010 are up on 2009. There is every indication 2011 will see another increase in the Caribbean and the Mediterranean charter markets."

"The common trend is quality – the larger, younger, and ultimately pedigree yachts are those receiving the highest number of bookings."

The CNI report concludes that last year could have been worse. It points out that a few years ago many companies would have signed on the dotted line to guarantee the levels of business they experienced in 2009.

It points to positives, such as new regions coming on the scene and clients from emerging markets building, buying or chartering.

Navies are rich source of men and machines

Technology transfer

Equipment adapted from the military – and motorbiking – worlds is finding a use on yachts, says **Michael Howorth**

The Royal and Merchant Navies of Great Britain have been exporting human resources to superyachts for years. Now the trend is for high technology to make the transfer too.

For superyacht owners seeking to ensure their yachts are operated by highly trained and disciplined personnel, officers from the world's greatest navies and mercantile marine companies have for many years been the first choice.

Slowly, as authorities impose tighter yachting qualifications matching those of the merchant navy, the professionalism of yacht crews has risen.

It has now reached the point where yacht crew, holding certificates of competency (rather than equivalency) issued by the British Maritime and Coastguard Agency (MCA), are considered the finest in the industry.

Human resources in the form of personnel are not the only assets being transferred from merchant ships to yachts.

Cutting-edge technology, once the exclusive reserve

of military forces, is now finding its way into the world of the superyacht.

Thermal imaging cameras, which crossed over from military use when the US-based company FLIR recently bought the British owned yachting electronics business Raymarine, are being installed.

The cost of such equipment is rapidly coming down, making it accessible to smaller yachts, where it is more important for safety than security.

Smooth-sided masts known as stealth masts have been in vogue aboard fighting ships for a few years now.

Inside them, hidden from view and of course the elements, are housed all manner of electronic antennas

The cost of such equipment is rapidly coming down, making it accessible to smaller vessels

for communications and navigation.

The use of such structures does away with many domes, scanners and whip aerials that add clutter to warships' topsides.

On some, the funnel is also incorporated.

This makes the most multifunctional, allowing exhaust gases from the engine to be expelled and at the same time shielding the ship's electronics.

Released on to the market as Integrated Antenna Solutions (IAS) by Selex Communications at the Monaco Yacht Show, this technology could revolutionise superyacht design, by tackling problems in several areas.

It allows for the positioning of multiple antennas so they can transmit and receive without interfering with each other.

A stealth mast can also combine several antennas operating on different frequencies into a single aerial, which reduces the number of antennas without affecting performance.

Even the high-speed motorbike racetrack is supplying technology that is crossing into the superyacht world.

Isle of Man-based Bladon Jets has developed the smallest axial flow turbine in the world for motorbike racing. At 4in in diameter and just 4lbs in weight, small has never been more beautiful. The micro sized gas turbine offers a viable replacement for piston engine alternatives.

Now the Bladon Range Extender turbine generator set is being developed for hybrid electric cars at Jaguar Land Rover. It weighs 20kg – an equivalent piston engine can be up to seven times heavier. Larger units will be developed for superyachts to replace traditional generators.

These turbines have lower emissions, cost less to run and have multi-fuel capability. They also emit fewer air pollutants.



High-tech bridge: the 88m motoryacht Lauren L includes a stabiliser system to prevent seasickness and advanced navigation equipment

Frances Howorth

Another good example of technology developed for specialised markets that can be used for superyachts, is the Ship Integrated Management System developed by Servowatch, the marine systems integration company, in association with the UK's Royal National Lifeboat Institution for its Tamar all-weather lifeboat.

The equipment provides crew with an overview and control of all machinery and equipment on board and integrates this with navigation functions, such as radar, charts, CCTV and communication systems.

Hitting one button takes the vessel from "dead ship" to fully sea-ready in just a few minutes, without any other intervention, and the system manages all functions, with user interaction via a series of computers around the vessel.

Superyachts could soon also be fitted with Simultaneous Localisation And Mapping (Slam). Also from Servowatch, it incorporates intelligent target tracking, recording and identification through video cameras linked with radar,

charts and GPS, and provides a detailed visual and chart-based picture of the surroundings.

Using this technology in

yachts would not only enhance security but would also help captains keep track of the boat's assets, such as tenders and jet skis.

As technology filters down from spaceships to humble household appliances, so superyachts benefit from the expertise,

knowledge, conceptual ideas and machinery originally developed by high tech industries for fighting and commercial navies.

Extreme 40s Series navigates a tricky course

The Extreme 40s races are renowned for their excitement; now the entire series is undergoing its own shake-up.

Organisers have adjusted the business model for these races, which involve 40ft carbon-fibre catamarans that can fly one hull in light winds and reach 40 knots.

The move is designed to carry the races through a challenging time while the organisers are without a main sponsor for the series. The sport has been consolidated from two series in Europe and Asia, into one. It will involve up to nine events next year, including one in the US.

The series, which involves eight races of up to 20 minutes each in a day, is more than halfway through its fourth season.

Gilles Chiarri, director of OC Events, the Isle of Wight-based series organiser, says that, after the loss of iShares as lead sponsor: "We are starting to be settled in the sailing community and improving the way we deliver, combining the boating aspect – a pure sailing event – with a public activity, so the public can have a unique view of a sailing event from a nautical stadium.

"We decided that with the lack of title sponsor we would adapt our business model with more income from host cities. The goal next year is to increase the host cities' share in this budget, not to be self-financing.

"We remain interested in events in Europe, Asia, Singapore and Oman, merging both series [European and Asian] to be centred on Europe and are also talking about adding events in China and Malaysia."

The spectacle is certainly popular – last year 200,000 watched 178 races at six European venues, while the



Up in the air: a catamaran flies a hull

inaugural Asia series visited Hong Kong, Singapore and Muscat in Oman.

The five European events this year started with Sète, in France, moving to the UK during Cowes Week, an event expanded from the usual four days to six. There was a mix of longer courses in The Solent and 12-15 minute races in front of the Egypt Point stadium, where 60,000 viewed the racing.

Mark Turner, chief executive of OC Group, says: "One big change in the Extreme Sailing Series over 2009, is that rather than the boats being packed up after the last event in October, six boats competed in the first Asian series which started in November in Hong Kong, Singapore and Muscat, Oman.

"This opened up the idea of doing a full circuit in the region. Rather than a separate Asian and European circuit, we decided to do one global circuit in 2011, which will add in the US.

"Every year since we started, we've had eight or nine full-time teams doing every event, both our minimum and close to our maximum in the context of stadium sailing. We don't necessarily

need more boats, eight or nine top-quality teams with good sponsors and sailors are enough. That is what we had last year and expect next year.

"Year-on-year, we have gone to more days racing, more venues, more continents, more public – evolutionary rather than revolutionary growth. This has now taken the circuit to a different size, whether you look at media coverage, public footfall, quality of brands involved as sponsors of the boats, or the quality, depth and nationality of the sailors involved.

"2011 will be a big step up in the scale and quality of the event. A global circuit, eight possibly nine events across Europe, Asia, the Middle East and the US, which is the first year of a five-year plan that will take us even further afield to potentially up to 11 events in a January-December annual circuit."

Pete Cumming, boat manager of Oman Sail, expects the series to continue to provide training for America's Cup multihull crews.

He said: "We're into our third season and the number of people involved is doubling every year. In the early stages it was seen as something of a show with flash boats and no one understood the concept. Now people can see how physical it is and hear the emotion in the grandstand and that is making the class even more popular.

"The secret is getting the formula just right, delivering excitement for spectators and great courses for the sailors. The circuit is at a nice size, where competitors can talk to organisers and sponsors freely and there is positive feedback on every level. It definitely has a big future."

Simon Greaves

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