



National Marine
Manufacturers Association



Pleasure Boat International Resource Guide

A Reference for U.S. Exporters

2016 Edition





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Larry Berryman, Sales Director

Phone: **954.441.3227** Email: **lberryman@nmma.org**



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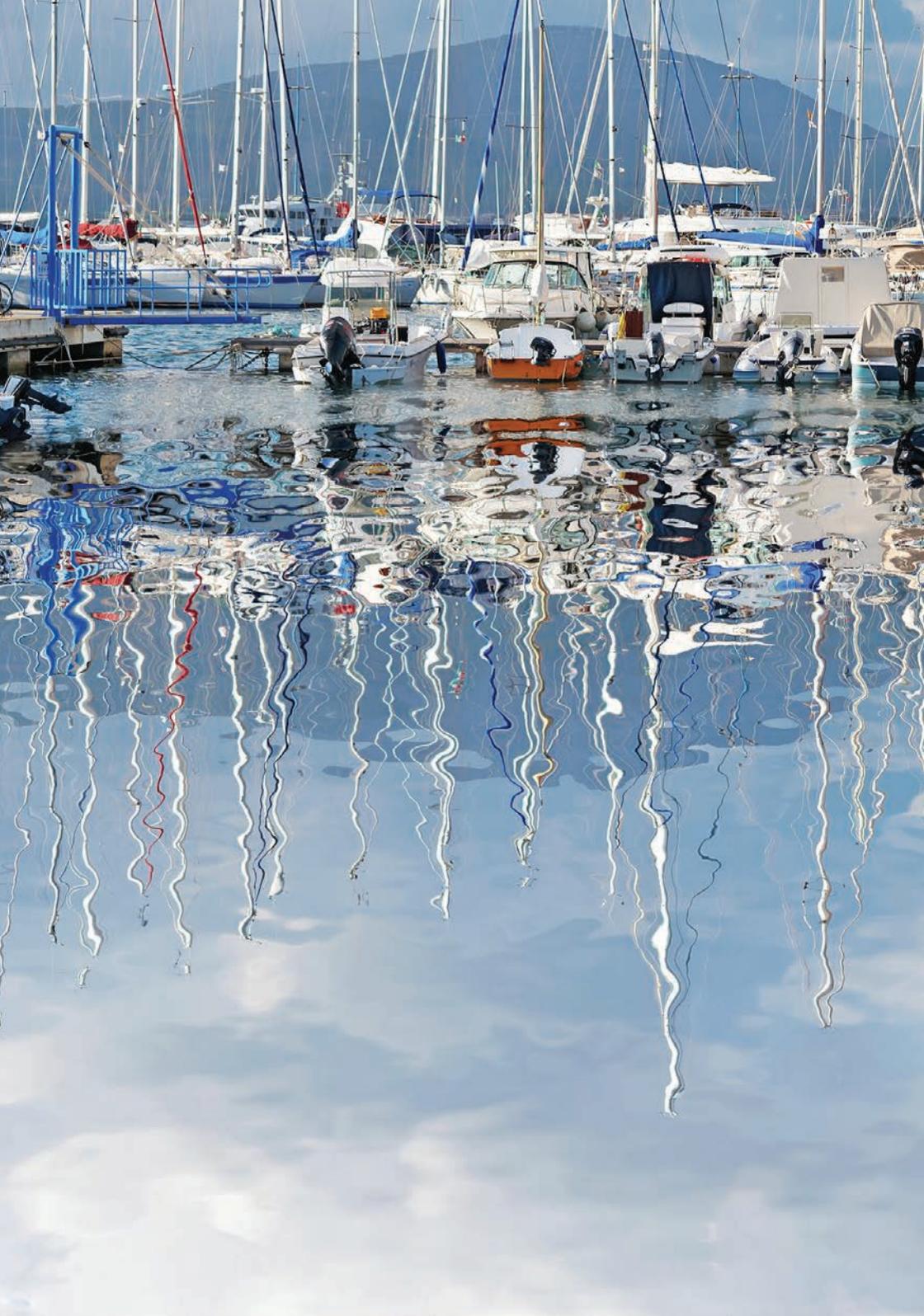


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Introduction and Overview

The Global Marine Technology Team of the U.S. Department of Commerce's International Trade Administration is pleased to bring to you this *Pleasure Boat International Resource Guide*, filled with valuable information about key international market opportunities to support your exporting goals. We work closely with the National Marine Manufacturers Association (NMMA), an International Trade Administration Strategic Partner, to promote U.S. pleasure boat exports. We greatly appreciate NMMA's partnership with us to bring you this publication.

The following country briefs highlight some of the major global markets for recreational marine craft, parts, and accessories. U.S. exports of recreational marine craft and accessories totaled USD 2.1 billion in 2013, accounting for an estimated 32 percent of all U.S. manufacturing in this industry. The United States is also a net exporter in this industry; the U.S. recreational marine market makes up approximately 75 percent of the entire world market for these products. Servicing this market, U.S. companies provide high-quality products and benefit from production efficiencies that make them competitive worldwide. A global market overview of the most important countries and growth rates for U.S. exports in this industry is provided in the chart on the page 3. To learn more about the recreational transportation industries in top markets (Australia, Brazil, Canada, China, Japan, Korea, and Mexico), please visit trade.gov/topmarkets.

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

To help your company take advantage of the many international sales opportunities outlined on the following pages, contact the U.S. Commercial Service Take advantage of our global network—more than 1,400 trade professionals throughout the United States and in U.S. Embassies and Consulates in more than 75 countries. Whether you are seeking your first international sale or are expanding into additional markets, we offer the expertise you need to grow your international business.

We hope this guide peaks your interest in exporting, and that you will take advantage of U.S. Commercial Service export promotion services.

The Marine Technology Team works directly with the marine industry to provide U.S. companies with information needed to grow their business through global sales. To learn more about how we can help you, please visit export.gov/industry/marine.

For direct exporting assistance, please contact your closest U.S. Commercial Service office. A list of U.S. Commercial Service Marine Technology Team Members appears at the back of this Resource Guide, and a comprehensive list of all offices is available at [export.gov/usoffices](https://www.export.gov/usoffices).

For questions about overseas barriers you may be confronting, certification requirements, and industry statistics, please contact Industry Analyst John Vanderwolf at john.vanderwolf@trade.gov.

The definition for this industry may not be the same for each market brief, as industry statistics may or may not be comparable to other country statistics. Typically, the data in the country briefing may only include recreational craft as parts and accessory data is difficult to find.

All statistics, unless otherwise noted, courtesy of the CIA World Factbook, except coastline, which is courtesy of the World Resources Institute.

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

The U.S. Commercial Service (CS) is the export promotion arm of the U.S. Department of Commerce's International Trade Administration. Our global network of more than 1400 trade professionals is located throughout the United States and in U.S. Embassies and Consulates in more than 75 countries. Whether you are looking to make your first international sale or expand to additional markets, we offer the expertise you need to connect with lucrative opportunities to increase your bottom line.

Market Intelligence

- Analyze market potential and foreign competitors
- Obtain useful information on best prospects, financing, laws, and cultural issues
- Conduct background checks on potential buyers and distributors

Business Matchmaking

- Connect with pre-screened potential partners
- Promote your product or service to prospective buyers at trade events worldwide
- Meet with international industry and government decision makers in your target market(s)

Trade Counseling

- Develop effective market entry and sales strategies
- Understand export documentation requirements and import regulations of foreign markets
- Navigate U.S. government export controls, compliance, and trade financing options

Commercial Diplomacy

- Overcome trade obstacles to successfully enter international markets
- Benefit from coordinated U.S. government engagement with foreign governments to protect U.S. business interests
- Access U.S. government trade advocacy for your foreign government procurement bids

U.S. Exports (Chart)

Recreational Marine Craft, Parts, and Accessories, as defined by the Harmonized Tariff System.

Top 20 Markets by FAS Value (Annual + Year-to-Date Data from January–June, USD Thousands)							
Country	2011	2012	2013	2014	2014 YTD	2015 YTD	percent Change YTD 2014–15
Canada	642,270	694,383	716,112	654,230	385,388	327,208	-15.1
Mexico	84,623	103,060	104,289	167,775	75,160	91,559	21.8
Australia	247,447	196,885	197,616	152,448	62,758	53,238	-15.2
Belgium	92,978	106,304	114,589	107,151	62,150	88,786	42.9
Spain	41,467	29,664	44,514	74,878	63,508	52,465	-17.4
Italy	71,652	53,874	53,076	74,791	64,775	57,376	-11.4
Brazil	72,565	85,103	68,894	56,331	28,392	15,325	-46.0
Japan	35,273	61,114	51,271	50,009	25,701	31,288	21.7
UAE	29,916	45,819	35,528	48,624	27,034	19,266	-28.7
Germany	51,268	50,209	43,038	45,556	26,969	22,791	-15.5
Costa Rica	33,581	42,277	24,122	44,932	4,034	3,267	-19.0
China	37,133	36,161	40,710	36,435	17,881	23,647	32.2
Netherlands	57,193	35,943	32,662	33,731	20,338	12,498	-38.5
France	29,383	26,671	27,200	29,055	18,479	17,809	-3.6
Colombia	26,038	14,597	20,989	28,692	9,023	13,048	44.6
United Kingdom	38,709	29,585	21,790	27,387	16,981	15,629	-8.0
New Zealand	24,163	35,848	31,585	24,577	8,118	8,624	6.2
Russia	17,985	30,829	25,340	23,275	19,659	7,078	-64.0
Norway	16,245	15,413	13,701	21,000	13,712	13,015	-5.1
Korea	11,425	14,191	13,881	19,506	10,155	10,193	0.4
Subtotal	1,661,314	1,707,930	1,680,908	1,720,381	960,215	884,110	-7.9
All Other	538,192	566,463	486,748	428,093	215,666	208,827	-3.2
World Total	2,199,506	2,274,393	2,167,656	2,148,475	1,175,881	1,092,937	-7.1

Source: Sources: Compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.

Argentina

Overview

Argentina's pleasure boats, ship building and boating equipment industry is flourishing after over a decade of stagnation. The industry's golden years, between 1960 and 1980, were followed by a decade of import substitution. During the 90s, the exchange rate of one Argentine Peso to the U.S. Dollar favored imports of boats, equipment and parts at very competitive prices. As a result, local industries had to either close down or diversify into other lines of business in order to survive.

There are several variables that can account for the growth in the industry. These include the currency exchange rate of 9.09 Pesos (official exchange rate) to the U.S. Dollar, competitive costs of labor, high quality of final products, and most importantly, increasing demand from international markets for Argentine products. This scenario represents a window of opportunity for U.S. suppliers providing equipment, accessories and services that are not produced locally. Industry projections suggest that the market will grow 10 percent in 2015 year-on-year.

Market

Market Entry

The Argentine nautical market is made up mainly of cruisers and motorboats. Local builders dominate the market for sailboats and accordingly have the largest share of this segment of the market. Argentina has world-class sailboat designers. One outstanding example is Mr. German Frers, who is regarded as one of the top five sailboat designers in the world. U.S. motorboats and sailing accessories enjoy an excellent reputation and are in demand for their high quality, style, superior technology, strong performance and endurance. Industry sources suggest that

Statistics

Capital: Buenos Aires
Population: 42,154,000
GDP (USD): USD 927.4 billion (est.)
Currency: Peso (ARS)
Area (total): 2,780,400 km²
(land): 2,736,690 km²
(water): 43,710 km²
Coastline: 8,397 km
Language: Spanish

Contact

Josette Fiore
Commercial Specialist
Buenos Aires, Argentina
josette.fiore@trade.gov
+54-11-5777-4683

the U.S. could increase its market share at the pace of the international demand for Argentine pleasure boats, which has increased by approximately 20 percent in the last three years.

Current Demand

Products with the highest sales potential include: small fishing boats, inboard/outboard engines, outboard engines, global positioning system receivers, marine communications, direct dial marine communication systems, fluxgate compasses, electronic charting products, versatile screen displays, and interfacing. Other types of less sophisticated boat parts, equipment, and supplies also enjoy a strong sales potential, especially for local motor and sailboat builders. During the 90s, the market for new yachts grew significantly. Currently, owners seek innovative and cost effective products to update the vessels' decoration, mechanics and electronics. This is an interesting niche, particularly given the nonexistence of local products.

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

Main Competitors

In 2014, the U.S. ranked among the top three market suppliers with an approximate 22 percent market share. Other competitor countries include Japan, Germany, France and Italy.

Trade Events

Salon Nautico Argentina

September 25–October 4, 2015 • Buenos Aires, Argentina • cacel.com.ar

Associations

- CACEL (National Association of Nautical Companies), cacel.com.ar

Australia

Overview

Australia is as large as the continental U.S., but with one fifteenth the population. More than 90 percent of the Australian population lives on or within 100 km of its extensive coastline ie more than 20 million people. Five million people are estimated to enjoy recreational boating in Australia. Australia has a longer coastline than the United States and it is entirely ice-free. There are an estimated 758 estuaries, rivers and lakes. The climate is warm to hot most of the year and all of its major cities, with the exception of the national capital Canberra, hug the coast. There is a strong focus on water sports and recreation, including recreational fishing. The Sydney-to-Hobart yacht race is one of the iconic events of the Australian summer and Sydney Harbour is one of the most celebrated harbours in the world and home to the largest concentration of pleasure craft in Australia. Australia is a frequent challenger, and 1983 victor, in the contest for the America's Cup and her crews have won most major sailing events.

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

Three Australian States have more than 100,000 recreational vessels registered—Queensland (200,000+), New South Wales (200,000+) and Victoria (150,000+).

Statistics

Capital: Canberra
Population: 23,829,927 (est. 2015)
GDP (USD): 1.455 trillion (2014)
Currency: Australian Dollar (AUD)
Area (total): 19.08 million km²
(land): 7.69 million km²
(water): 11.39 million km²
Coastline: 59,735 km
Language: English

Contact

Dr. Doug Hartley
Commercial Specialist
Canberra, Australia
doug.hartley@trade.gov
+61-2-6195-5005

Australia also has a strong boat-building and shipbuilding sector, including companies such as Austal, which has invested USD 300 million in its Mobile, AL shipbuilding facility, where it employs approximately 4200 people.

Market

Australia has consistently ranked second behind Canada as a market for U.S. exports of recreational marine products, including four years where purchases from the United States exceeded USD 200 million per year (2010–13). Demand fell away in 2014, at the same time as the Australian resources ‘boom’ peaked and high-paying positions at mining and energy projects reduced. Australia fell to third place as a U.S. export market that year, marginally behind Mexico. The Australian dollar has also depreciated against the U.S. dollar by over twenty per cent since late 2014, making U.S. manufactured products more expensive for Australians. The United States remains the leading supplier to Australia overall in this sector but these changing economic conditions have helped the substantial Australian recreational marine industry improve its competitiveness against imported products.

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

Trade Events

Sanctuary Cove International Boat Show

May 19–22, 2016 • Gold Coast, Queensland, Australia • sanctuarycoveboatshow.com.au
Often described as the largest on-water display in the entire Asia-Pacific region.

Sydney International Boat Show

July 28–August 1, 2016 • Sydney, Australia • sydneyboatshow.com.au

Associations

- The Australian Marine Export Group, aimex.asn.au
- Boating Industry Association, boatshows.com.au
- The Boating Industries Alliance Australia, www.biaa.com.au
- The Marina Industries Association, marinas.net.au
- Superyacht Australia, superyacht-australia.com

Austria

Overview

Austria is a key supplier to the world's shipbuilders and known for the production of distinctive yachts and motorboats even though it does not have any sea ports. The closest sea is the Adriatic's Gulf of Venice, which is about 60 miles away over the border with Italy. Furthermore, it is focusing on the development of propulsion systems using renewable resources.

There are over 300 lakes in Austria, 22 of which are of a substantial size and host both tourists and local boaters who come to enjoy the surrounding mountainous landscape and engage in fishing, swimming, and motorized water sports in the late spring, summer, and early fall.

In addition to the plethora of lakes, Austria also has several rivers that are wide and deep enough for leisure boating, the Danube being the most famous. The Danube is 1,770 miles in length. While water sports may not be that common on the Danube, charter boat trips along the river have been very popular. The Wachau Valley, a UNESCO site, is considered to be a one of the most beautiful sceneries along the Danube, and thus also one of the most popular routes for pleasure boating. The Danube Canal in Vienna is used by smaller water crafts. Austrians are also known for leisurely taking a course through the Danube towards Adriatic Sea and Mediterranean Sea. Most of the boats owned by Austrians are permanently moored in Croatia, Italy, Greece and Slovenia.

While the pleasure boating sector remains relatively small, it has become one of the major focal points for Austria's continuous tourism campaign growth. Approximately 30 billion visitors come to Austria each year to experience outdoor activities, including pleasure boating.

Statistics

Capital: Vienna
Population: 8.5 Million
GDP (USD): 402.42 billion (est.)
Currency: Euro (EUR/€)
Area (total): 19.08 million km² 
(land): 7.69 million km²
(water): 11.39 million km²
Coastline: 0 km (landlocked)
Language: German

Contact

Robee Sallegue
Commercial Specialist
Vienna, Austria
robee.sallegue@trade.gov
+43-1-313-39-2203

Market

With a population of 8.5 million and strong economic ties to neighboring countries in Eastern and Western Europe, Austria is proven to be an attractive location for U.S. companies looking to expand in the region. The Austrian economy is largely based on the service sector that also includes the sports industry, being a highly specialized and efficient manufacturing base.

The tourism and leisure industry play an important part in Austria's economy; it represents 90,000 licensed enterprises. In 2014 the sector was valued at EUR 48.8 billion, approximately 15 percent of the country's GDP. In 2013, 618,900 people were employed in the tourism and pleasure sector, accounting for roughly one fifth of Austria's full-time employment positions. Around 1,000 Austrians are employed in the boating industry, the majority of them working in the Trade and Service sector.

One of the major characteristics of the Austrian marine equipment sector is that it is almost exclusively composed of SMEs. These small enterprises are, most commonly, family-owned and have long histories within the sector. Due to the geographic links within the region, Austria has a developed marine equipment sector and now exports a wide range of products, including items such as deck cranes, pumps and fire proof panels. Furthermore, Austria has strong involvements in the cruise ship market. According to the Austrian Marine Equipment Manufacturers Association, a high number of these big ship products also find their way into the super yacht sector, whereas other items such as electronics, optics and diesel engines also serve the general leisure market.

Market Trends

Due to tight restrictions on the use of marine combustion engines, which are banned altogether in many areas due to environmental reasons, electric boating and sailing have become very popular in Austria. As a result of these restrictions more Austrians are demanding e-boats or solar boats, which are permitted on these waterways. Electric and solar boat-sales have also taken off due to their quietness while in use.

Frauscher, Grabner, Petuelli, and Steiner Nordic are involved in Austria's e-boat and solar boat market. It is estimated that electric and solar boats represent a quarter of all boats in Austria.

Main Competitors

Frauscher Boats, a traditional, family-run small business, specializes in motor, electric, and sailing yachts. They are well established domestically and internationally.

Sunbeam Yachts is a family-owned, small-sized enterprise, which specializes in yacht manufacturing with an emphasis on flexibility and client-input into their final products.

Steiner Nautic Bootsbau is another small-sized enterprise specializing in electric boats, motor boats and sailing boats. Further, they provide custom-build boats to their clients.

A number of other Austrian SMEs and suppliers are also active within the industry.

Market Entry

Products sold in Europe must bear the CE Mark. CE marking (an acronym for the French “Conformite Europeenne”) certifies that a product has met EU health, safety, and environmental requirements.

On December 28, 2013, the new recreational craft directive 2013/53/EU was published in the Official Journal of the European Union. EU Member States have until January 18, 2016 to amend their national legislation and transpose the new directive. The current directive 94/25/EC as amended by directive 2003/44/EC will be repealed on that date, after the full application of the new text.

Companies can place products for the first time on the EU market that are compliant with both the old and new directives before January 18, 2017.

Engine manufacturers, that are small and medium sized enterprises producing outboard SI propulsion engines with power equal to or less than 15kW (complying with Stage I for exhaust emissions) can continue to place such engines on the EU market before January 18, 2020.

The new directive is expected to significantly reduce the overall level of emissions from both petrol and diesel powered craft. The directive aligns EU exhaust emissions with U.S. EPA levels, which brings EU and U.S. requirements a step closer. Other changes encompass revised obligations for economic operators (manufacturers, private and commercial importers, distributors) and notified bodies. Safety and environmental requirements laid down in Annex I were also revised, among others it requires the mandatory fitting of holding tanks or treatment systems for black water, and of safety mechanisms on outboard engines and PWC.

The new EU directive on recreational craft is available in all EU languages and can be found on the EU Official Journal, bit.ly/1L0hi74.

Trade Events

Austrian Boat Show

March 3–6, 2016 • Tulln, Austria • messe-tulln.at

Associations

- Austrian Marine Equipment Manufacturers (AMEM), amem.at
- Austrian Sailing Federation, segelverband.at
- Yacht Club Austria, yca.at

Belgium

Overview

The Belgian coastline is a very dense, touristic area. The coastal waters have a tidal influence. The water is relatively warm and there are some sandbanks which surge above the waterline at low tide.

Belgium is home to many watersport centers supporting nearly any type of water-related recreation. It is home to over twenty marinas. Four of those have direct access to the North Sea Channel. Some are using waiting lists for the pitches. Government is actively investing in the development and modernization of the marinas.

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

Market

Belgium vessels longer than 2.5 meter in length or motorized such as water scooters or small motorized inflatables need to have an "immatriculation" in order to use the Belgian inland waterways. On average, 1,600 vessels receive an "immatriculation" each year. By the end of 2014 Belgium counted for more than 40,000 "pleasure" boats.

An estimated 25,000 boats owned by Belgians are large enough to accommodate for a longer stay.

In order to use Belgian territorial and coastal waters vessels need to have a certificate of registration. The amount of vessels that navigate under the Belgian

Statistics

Capital: Brussels
Population: 10,444,268 (est. 2013)
GDP: (USD) 484.7 billion (est. 2012)
Currency: Euro (EUR/€)
Area (total): 30,528 km²
(land): 30,278 km²
(water): 250 km²
Coastline: 76 km
Language: French, Dutch, German

Contact

Karel Vantomme
Commercial Specialist
Brussels, Belgium
karel.vantomme@trade.gov
+32 2 811 47 33

flag grows each year between 700 to 800 vessels. This increase is mainly due to foreign vessel owners. Currently there are 28,022 active certificates of registration.

The Belgian market for water recreation ranges from stable to slowly growing.

The number of newly-issued registration certificates per year have been:

- 2007—21,969
- 2008—23,450
- 2009—25,218
- 2010—25,834
- 2011—26,136
- 2012—26,571
- 2013—27,202
- 2014—28,022

The pleasure boating market in Belgium is dominated by imported boats. China, the Netherlands, France, Canada and the United States are the most important countries exporting to Belgium.

Belgium's Top 10 Import and Export Markets, 2009–14

Import Country	# Boats	Export Country	# Boats
China	183,088	France	104,490
The Netherlands	45,445	Germany	32,097
France	31,262	The Netherlands	23,541
Canada	26,082	United Kingdom	14,397
United States	9,713	Italy	6,120
Germany	4,877	Spain	5,818
Mexico	2,922	Poland	2,179
Hongkong	2,539	Norway	1,649
Denmark	1,984	Sweden	1,643
Tunisia	844	Finland	1,231

Source: intrastat.be

In general, most of China's exports are inflatable boats. After a decrease in imports during 2012 and 2013 the market seems to have increased to previous levels, with a visible shift in imports from China towards imports from the Netherlands and France in this segment.

Import of larger and smaller sport boats and motor yachts are mainly imported from the United States, France, and Canada. In recent years we have seen an increasing amount of imports from Mexico.

As figures are indicating, Belgium acts as a transit hub for most European countries. Most of the imported crafts are heading for France, Germany and the Netherlands.

Total Belgian Imports and Exports, 2009–14

Year	Imports (USD)	Units Imported	Exports (USD)	Units Exported
2009	95,157,230	77,031	76,636,800	78,261
2010	79,575,200	70,385	4,652	37,845
2011	73,579,420	49,856	55,866,150	35,978
2012	61,649,500	31,573	68,842,200	17,929
2013	58,002,660	26,987	100	16,358
2014	64,287,840	56,939	12,068	18,486

Source: intrastat.be

Belgium is a member of the European Union; therefore, all products entering the country must bear the CE Mark. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Trade Events

Marine Maintenance World Expo

September 29–October 1, 2015; October 11–13, 2016 • Antwerp, Belgium

marinemaintenanceworldexpo.com/english

Nieuwpoort International Boat Show (NIBS)

October 23–25, 2015 • Nieuwpoort, Belgium • www.nibs.be/en

Belgian Boat Show

February 13–15 and 19–21, 2016 • Gent, Belgium • belgianboatshow.be

Associations

- Nautibel, Belgian Industry Association
- Nautiv, Flemish Industry Association
- European Boating Industry Association

Canada

Overview

New Boat and engine sales in Canada totaled CAD 2.0 billion in 2014, which is down 2.3 percent in dollars from the prior year. Pre-owned boat sales in Canada totaled 60,085 units in 2014 down 3.5 percent from the prior year.

Both exports and imports of Canadian recreational boats and marine engines grew in dollars in 2013, reaching five-year high totals of CAD 419.7 million and CAD 890.6 million. Imports were up 6.5 percent year-to-year and outpaced exports were up 3.3 percent year-to-year. With regards to units, the number of Canadian recreational boats exported declined in nearly every single category in 2013, except inboard boats and “other” boats, which grew by only less than 1 percent combined. Further, import units were relatively unchanged, they were up 0.5 percent.

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

The Canadian economy grew at an annualized 2.8 percent in the third quarter of 2014. Unemployment dropped to a six-year low 6.5 percent. The household savings rate dropped to 3.9 percent in the third quarter while household spending rose at a 2.8 percent annualized rate. The Canadian dollar weakened in 2014, and it continues to weaken during 2015.

Statistics

Capital: Ottawa
Population: 35.7 million
GDP (USD): 1.788 trillion (est. 2014)
Currency: Canadian Dollar (CAD)
Area (total): 9,984,670 km²
(land): 9,093,507 km²
(water): 891,163 km²
Coastline: 265,523 km
Language: English, French

Contact

Luz E. Betancur
Commercial Specialist
Ottawa, Canada
luz.betancur@trade.gov
(613) 688-5411

Market

The National Marine Manufacturers Association (NMMA) of Canada represents the interest of the Canadian recreational boating industry. NMMA's recent statistics indicate that in 2014 boat ownership was up slightly: 41 percent of boaters owned at least one recreational boat, compared to 35.8 percent the previous year. Ontario leads the way with just under 40 percent of residents participating in boating, followed by Quebec with just over 20 percent. Further, of current boating participants, 71 percent had post-secondary education (compared to 64 percent of non-participants). Additionally, 63.7 percent of current boating participants reported a household income of less than USD 100,000. The average boater in Canada ranges between the ages of 31–49, has children living at home, and has a household income of CAD 4,000–79,000 a year; this means that boating is not just for the rich, it is also a solid middle class activity.

Current Demand

Sales of recreational boats in Canada decreased by 2.3 percent (CAD 2 billion) in 2014. New boat and engine sales declined in all provinces except for British Columbia (up 3 percent). In 2014, 14.2 percent of total new boat and engine sales took place in British Columbia. Used boat sales also decreased in 2014 by 3.5 percent (CAD 985.2 million). A shift in consumer choices shows metal outboard boats (excluding pontoon boats) (30.2 percent) and personal watercrafts (17.1 percent) as the biggest sellers in the recreational market.

Competitors

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

Market Entry

All recreational boats in Canada must meet Transport Canada construction standards. To learn about these regulations, please visit bit.ly/K36XwJ.

Operators and users of pleasure boats in Canada are required to comply with Transport Canada's regulations, standards, programs, policies, and procedures related to the Canadian vessel industry. Transport Canada's Office of Boating Safety works closely with the recreational

boating community, delivering prevention-based programs to reduce the safety risks and environmental impact of boating across Canada.

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

Additional safety information is available at bit.ly/1IWKPCz.

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

Trade Events

The Toronto International Boat Show

January 8–17, 2016 • Toronto, Ontario, Canada • torontoboatshow.com

The Vancouver International Boat Show

January 20–24, 2016 • Vancouver, British Columbia, Canada • vancouverboatshow.ca

Mid-Canada Boat Show

March 3–6, 2016 • Winnipeg, Manitoba, Canada • midcanadaboatshow.com

Associations

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

China

Overview

China's unprecedented economic growth over the past decade has led to an increase in disposable spending on higher quality lifestyle and pursuing of leisure and relaxed activities. As a result, yacht industry prospered in recent years. China has become a force to be reckoned with in the global recreational boat market. The total value of yachts and other vessels for pleasure or sports imported by the country in 2014 has increased to more than USD 150 million, compared to less than USD 11 million back in 2004 (Source: Global Trade Atlas). In 2014, the Chinese yacht market was about CNY 15.5 billion (USD 2.5 billion). This figure is estimated to increase at an annual rate of 10.9 percent. The market is estimated to grow to CNY 50 billion (USD 8.16 billion) by 2020. According to the 2014 China Yacht Industry Report published by China Cruise and yacht Industry Association (CCYIA), the total volume of China's yacht manufacturing in 2014 reached CNY 8 billion (USD 1.3 billion). The market scale of domestic yachting consumption amounted to CNY 3 billion (USD 484 million).

In March 2013, China issued its National Outline for Tourism and Leisure, to promote tourism and boost the market for leisure activities. The Chinese government is also trying to promote yachting as a universal activity to be enjoyable to many rather than as a luxury commodity. However, with the central government's anti-corruption campaign that began in November 2012, there has been a shift from major corporate buyers to individual upper-middle class consumers seeking smaller-sized yachts with affordable prices to achieve a healthier lifestyle. It is anticipated that yacht tourism boosting initiatives will be launched to further advance recreational boating activity as a real leisure rather than something used to entertain officials and business clients.

Statistics

Capital: Beijing
Population: 1.371 billion (est. 2015)
GDP (USD): 10.265 trillion
Currency: Renminbi (RMB)
Area (total): 9,596,961 km²
(land): 9,569,901 km²
(water): 27,060 km²
Coastline: 32,017 km
Language: Mandarin Chinese

Contact

Jericho Li
Senior Commercial Specialist
Guangzhou, China
jericho.li@trade.gov
+86-20-3814-5875

Meanwhile, provincial and municipal governments of coastal cities are planning a series of seaside and waterfront development projects to improve the infrastructure for the recreational boating industry. Construction of public marinas is also included as a key issue particularly for cities that would like to shape a boating culture and yachting tourism in the near future.

Market

Current Demand

China has a mainland coastline and an island coastline of 18 thousand kilometers and 14 thousand kilometers respectively.

The developed area is concentrated mainly in the east and southeast of China, where there are abundant water resources such as inland rivers, lakes and offshore waters. The GDP per capita (PPP) in coastal developed provinces like Guangdong achieved USD 29,014 and that in first-tier cities such as Beijing, Shanghai, Guangzhou, and Shenzhen have reached GDP per capita (PPP) over USD 20,000, which all exceed the threshold for rapid growth of yacht consumption.

Over the past several years, the number of Chinese families who are able to afford yachts have been steadily increasing. According to Wealth-X, there are around 11,000 Chinese citizens who are considered “ultra-wealthy,” meaning assets of over USD 30 million. The Italian Trade Commission estimates that only one out of every 318 wealthy Chinese citizens is a yacht owner; this number is compared to Hong Kong’s one out of every 25.

The yacht industry exists almost exclusively in coastal provinces, most prominently in Guangdong, Shandong, Shanghai, Zhejiang, and Jiangsu. The demand for yachts from Chinese cities will also be centered in areas such as Guangzhou and Shenzhen. U.S. companies must maintain a long-term vision and not expect quick profits because although the market is still in the earliest stages of development, it offers huge potential.

China’s yacht industry is now entering its second stage where customers will gradually change their use of boats from business purpose to individual leisure activity. Thus, demand for small and medium sized yachts below 40 feet will be enlarged in the coming years. Chinese buyers prefer imported brands from French, Italian, British, and U.S. companies, as they believe they are of better quality. According to Mr. Zheng Weihang, Secretary-General of the China Cruise and Yacht Industry Association (CCYIA), small fishing boats and sailing yachts priced between CNY 500,000 and CNY 1,500,000 (around USD 80,000–242,000) will become the most popular among consumers. CCYIA also raised the importance to promote fishing boats and sailing yachts as a market penetration point among middle class customers.

Market Trends

According to the 2014 China Yacht Industry Report, currently China has around 149 yacht clubs (marinas), close to 1,000 berths and 2,700 dry racks. The total number of recreational boats is

around 16,000, of which about 4000 units are 8 meters recreational boats (26 feet), and 12,000 are fishing, sailing and jet-ski boats of above 5 meters (16 feet).

The main players which export yachts to China include France, Italy, UK, the United States, Japan, Germany, Spain, and the Netherlands. In 2014, the top three exporters of yachts to China were UK, Italy, and France.

According to the China Cruise and Yacht Industry Association, at the end of November in 2014, within China, there were seven provincial-level yacht associations based in Shanghai, Hainan, Guangdong, Liaoning, Fujian, Tianjin, and Zhejiang; 10 municipal-level yacht associations with three of them located in Shenzhen in Southern China. In a report by Boat International, China now ranks eighth in the top 10 superyacht building nations; 28 superyachts were built in one year.

International yacht brands dominate the medium and high-end yacht market in China, such as Ferretti (Italy), Azimut (Italy), Sunseeker (UK), Princess (UK), and Beneteau (France). These luxury boats are seen as a status symbol for the rich and successful, so Chinese buyers are willing to buy imported yachts. Enterprises including Cheoy LEE, Xiamen Tangrong, and Jet Tern Marine primarily focus on export business. At present, only a few local yacht manufacturers concentrate their efforts on developing the domestic market, which include Sunbird and Bestway. Most of the Chinese boats manufacturers focus on the medium and low-end yacht market.

Challenges

China is still a fledgling market for recreational boat and there are obstacles challenging the industry's development, such as the government's strict waterway management, a combination of regulations to receive approval and nation licensing for boating, complicated paperwork required in order to sail to other regions, and a high tax rate imposed on yacht ownership between 45 to 47 percent (10.5 percent import duty, 17 percent VAT and a 10 percent luxury tax) and high cost of storage and maintenance. Although the central government and industry associations are gradually changing the public cognition to see boating/yachting as a luxury activity, unlike western countries, the shortage of public boat ramps hinders the boating to be enjoyed by a broader range of upper middle class residents. Currently, the cost of marina membership is too expensive (often between CNY 1.5–2 million, equivalent to USD 241,000–322,000) which usually can be paid by corporations and super-rich rather than individuals.

Meanwhile, China still doesn't have a mature boating culture as traditionally Chinese is not very keen on the sea. Many people who are purchasing boats simply don't know what they are getting and the primary interest of the affluent class is to acquire something luxurious to showcase their social status. A lot of yachts purchased are used for entertainment rather than a leisure activity. The market still lacks comprehensive education and training programs to help increase the popularity of boating.

Current Demand

Waterfront development is key among China's yachting infrastructure development. In the last five years, hundreds of seaside and waterfront projects have been planned or constructed throughout the country. The number of marinas with over 20 berths increased to 45 by early 2014. Coastal cities are encouraged to improve local infrastructure like docks, boat ramps and dry racks to accommodate the development of yachting industry. According to the 2014 China Yacht Industry Report, South China's Hainan Province positioned public docks development as a priority of the government and is planning to establish at least one public marina in each seaside city. Shenzhen as a major economic hub with booming yachting potential is also planning to build 16 public docks along its 256 kilometers coastline. Other cities such as Tianjin, Shanghai, Zhuhai, Guangzhou, Xiamen and Wenzhou are also taking CYCIA's recommendation and allocate resource for public marina construction.

Another way to promote recreational boat among upper middle class consumers here in China is through yacht purchasing through crowdfunding. More consumers can own yachts when storage and maintenance costs are shared. This new business model has been actively promoted in Sanya, Xiamen, Shenzhen and Qingdao. Charter market is also growing in China and considered to be a more affordable way for middle class to enjoy boating.

Competitors

The primary yacht companies that are present in China include:

- Brunswick (U.S.)
- Blue Bay (U.S.)
- Poly Marine (HK)
- Kadaya (JP)
- Double Happiness (CN)
- Cheoy Lee (HK)
- Kingship (HK)
- Jet-Tern (HK)
- Raffles (SG)
- Seahorse Marine (U.S.)
- Blue Wave (IT)
- Norsemen (U.S.)
- Blunauta (IT)
- Qingdao Haoyun (CN)
- Yihong Group (CN)

Around 100 foreign yacht brands have entered the Chinese market. Additionally, there are 36 foreign companies with direct presence, including wholly foreign-owned enterprises (WFOEs) and joint ventures (JVs). Guangzhou and Shenzhen in South China are popular locations for distributors and they usually represent all of South China with more than eight distributors.

The top 10 domestic boat builders in China include:

- Xianli (Zhuhai) Boat Manufacturing
- Zhuhai Sunbird Yachts Manufacturing
- Zhuhai Jieteng Ship Building
- Zhuhai Jianglong Boat Manufacturing
- Foshan Baoda Ship Engineering
- Zhuhai Shenlong Ship Building
- Shanghai Double Happy Yacht
- Changzhou Glass Steel Ship Building
- Shanghai Baodao Yacht
- Wuxi East High Speed Boat Development

Market Entry

There are four methods to market entry for this industry: using distributors, setting up a representative office, setting up a joint venture, or creating a wholly owned foreign enterprise for manufacturing. The most cost-effective methods of market entry would probably be to use distributors or set up a representative office. Using distributors requires no direct investment and is not risky, allowing the U.S. company to utilize the distributor's existing network to sell products. These results are not certain because the absence of an effective marketing branch which will adversely affect sales. Depending on the distributor experience and contacts, however, this could be a very profitable option. Opening a representative office in China would allow the parent company to manage the distributors more closely and gain knowledge about the local market, thereby giving greater consumer access. Additionally, this gradual approach to establish brand presence will ensure a suitable market exists without expending an excessive amount of investment.

Eventually, a wholly foreign-owned enterprise (WFOE) or joint venture (JV) for manufacturing would greatly reduce production costs. Although these options represent significantly higher risks and investment, returns could be much larger and presence in the Chinese yachting market would surely follow. About 60 percent of foreign manufacturers in the Chinese yachting market is joint ventures. Although forming joint ventures allows quick access to facilities there is risk of encountering problems with a partner and losing control of the company over the long term. Creating a manufacturing WFOE, however, gives the company full control over operations and long run sustainability, although there are higher costs associated with setting up an entirely new business. Currently, with the government setting up industrial zones for yachting manufacturing, setting up manufacturing WFOEs could be the easier route.

Participation in regional boat shows in China is also a great opportunity to showcase new products and reach out to potential distributors and customers. Currently, China runs over 30 different boat shows annually in different cities, as well as a couple of sailing events and competitions. It also takes time to evaluate and select that reports good results from exhibitors for finding distribution and sales.

In sum, China is recognized as a market with large potential for recreational boat. With strong government promotion, enormous industry investment and the adaptation of international experience, China is certainly on its way to become a significant boat market in the world.

Trade Events

Nanshan Bay International Boat Show (Yacht CN)

October 15, 2015 • Guangzhou, China • yachtcn.net

Shenzhen International Boat Show (SIBEX)

October 22–25, 2015 • Shenzhen, China • sibex.net.cn

Oceanology International (OI) China

November 3–5, 2015 • Shanghai, China • oichina.com.cn

China (Xiamen) International Boat Show

November 6–9, 2015 • Xiamen, China • www.xmboatshow.com/?en

MarineTec China 2015

December 1–4, 2015 • Shanghai, China • marintecchina.com

International Boat Show and Festival

December 1–5, 2015 • Haikou, China • www.ibsf.cc/en

China (Shanghai) International Boat Show (CIBS)

April 7–10, 2016 • Shanghai, China • www.boatshowchina.cn/en-us

China International Marine, Port, and Shipbuilding Fair (CIMPS)

May 11–13, 2016 • Nanjing, China • china-ship.com/en

Associations

- China Boat Industry and Trade Association—Nanjing, Jiangsu Province, china-ship.com/en
- China Port Association, english.chinaports.org
- China Cruise and Yacht Industry Association, ccyia.com

Colombia

Overview

The Republic of Colombia is the fourth largest economy in Latin America, after Brazil, Mexico, and Argentina, and has the third largest population with approximately 48 million inhabitants. It is the only country in South America with two coasts (Pacific and Caribbean), which provides tactical shipping advantages in today's global economy. Aided by major security improvements, steady economic growth, and moderate inflation, Colombia has become a free market economy with major commercial and investment ties to the United States, Europe, Asia and the rest of Latin America. Since the implementation of the U.S.-Colombia Free Trade Agreement (FTA) on May 15, 2012, U.S. exports to Colombia have increased thirty percent.

Strong political stability, a growing middle class (35.3 percent of the population), and a vastly improved safety and security situation have created an economic boom in Colombia. Key economic indicators demonstrating the positive long-term effect of Colombia's political and economic policies include: GDP growth of 4.7 percent per year over the past decade; and foreign direct investment of USD 15.8 billion in 2014. Approximately 55 percent of Colombia's exports worldwide are petroleum and with the drop in global oil prices Colombia's economy is expected to slow in 2015, with GDP growth projected to be about 3.5 percent and investment expected to decrease as well.

Due to Colombia's close ties to the United States and Colombians' appreciation for the quality and reliability of U.S. products, consumers in Colombia often favor U.S. products and services over those of our foreign competitors. The United States is Colombia's largest trading partner and Colombia was the 19th largest market for

Statistics

Capital: Bogotá
Population: 47.6 million
GDP (USD): 366 billion
Currency: Peso (COP)
Area (total): 1,138,910 km²
(land): 1,038,700 km²
(water): 100,210 km²
Coastline: 5,875 km
Language: Spanish

Contact

Julio Acero
Commercial Assistant
Bogota, Colombia
julio.acero@trade.gov
(571) 275-26-35

U.S. exports in 2014. U.S. exports to Colombia in 2014 surpassed USD 20 billion for the first time ever, an increase of more than 10 percent over 2013.

Colombia is unique in that there are five bona fide commercial hubs in the country: Bogota, Medellin, Barranquilla, Cali, and Cartagena. As opposed to the majority of Latin American countries that have one or two major cities, Colombia offers U.S. exporters access through multiple commercial hubs, each of which has its own American Chamber of Commerce. While these cities, and many other secondary cities, offer unique market opportunities, they are close enough via air routes that it is common to have one partner (agent, distributor, or representative) to cover the whole country.

Market

Currently, the country has 26 marine docks and marinas with a total docking capacity of 2,700 boats in the Caribbean Sea, between the city of Santa Marta and the Morrosquillo Gulf, but no marinas are yet available on the Pacific Ocean. The government is currently developing plans for the construction of several marinas and associated infrastructure with the objective of attracting marine tourism in the Caribbean Sea, including San Andrés Island, Santa Marta, and Cartagena, and expand the number of travelers that look to enjoy activities such as snorkeling, fishing, water sports, and the like and generate a demand for new and more capable boats than the ones currently in use. Colombia has a total coastline of 5,875 kilometers, as well as large rivers (including the Magdalena, Cauca, Atrato, Orinoco, and Amazonas) with a potential navigable length of over 18,200 kilometers, and more than 1,800 lakes and reservoirs. However, its boating industry is nascent and the Colombian government is currently working to develop a Nautical Tourism Strategic Plan aimed at attracting boat owners to visit and spend time on Colombian coasts, rivers and lakes.

Colombia has a registry of only 7,336 boats, about 6,100 on the Caribbean coast (41.5 percent registered in Cartagena) with the remainder based on the Pacific Ocean. Most of the registered boats (4,916) are of less than 24 feet (8 m long), and only 15.7 percent of the boats are larger than 33 feet (10 m). The Colombian Maritime Directorate (DIMAR) estimates some 7,780 foreign boats visited Colombian coasts (73.3 percent sailboats) with two main destinations: the Caribbean cities of Cartagena and Santa Marta, and San Andrés and Providencia Islands. Over 60 percent of these transits originated from Panama, followed by sailors from Aruba, Bonaire and Curaçao. Colombia has several key advantages for those interested in nautical tourism as its coasts are far away from the normal hurricane-prone areas, but are close to the main Caribbean navigation routes, with mostly U.S. and European-registered boats (sail and motor boats).

The government's plan to promote technical studies and basic designs for new marinas, docks, and mooring facilities continues to move slowly as the first five flagship marina projects have not materialized, along with an improved tax regime that would facilitate the registration of

yachts and sailboats in Colombian ports from their overseas locations. Current import figures of yachts and other pleasure vessels in 2013 reached USD 6,750,701 (71.6 percent from the United States) and USD 5,262,584 in 2014 (58.9 percent from the United States).

Trade Events

Cartagena Boat Show

March 11–13, 2016 • Cartagena, Colombia • cbshow.co

Associations

- ASONAUTICA (The Nautical Association of Colombia), asonauticacolombia.com

Croatia

Overview

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

Market

In regards to nautical tourism, the Croatian coastline is arguably one of the most beautiful in the world. Along almost a thousand nautical miles there are 1,246 picturesque and easily accessible islands of which only 66 are populated. The most attractive areas are the national parks Brijuni, Kornati, Krka, and Mljet. Within every five nautical miles, there is some kind of port with a berth for safe overnight or for shelter from bad weather conditions. The mild coastal Mediterranean climate allows for at least a six-month period for comfortable sailing, fishing, cruising or diving (from early April to late October).

Owning a boat has become a matter of prestige for many entrepreneurs, managers and professionals in Croatia. Local banks stay readily available to finance boat

Statistics

Capital: Zagreb
Population: 4.475 million (est. 2015)
GDP (USD): 57.87 billion (2013)
Currency: Croatian Kuna (HRK)
Area (total): 56,594 km²
(land): 55,974 km²
(water): 620 km²
Coastline: 7,612 km
Language: Croatian

Contact

Damjan Bencic
Senior Commercial Specialist
Zagreb, Croatia
damjan.bencic@trade.gov
+385 (0)1661 2186

purchases and many dealers offer boats on leasing (with tax advantages for companies). The significant increase in domestic demand for boats has not only boosted imports, but also the local production. A number of small, family-owned boat builders have emerged within the past decade, manufacturing increasingly competitive boats tailor-made to local maritime conditions. About 90 percent of boat equipment and raw materials for this production is imported.

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

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

Market Trends

Based on data from www.dzs.hr/default_e.htm, the number of boats in charter per year are:

- 2000—443
- 2009—2713
- 2014—3305
- 2006—1262
- 2013—4625

The 50-page Nautical Tourism Development Strategy 2009–19, published by the Croatian Ministry of Maritime Affairs, Transport, and Infrastructure, is an excellent source of statistical information and analysis of the trends in the industry. According to this document, nautical tourism is estimated to provide 10 percent of total tourism income.

According to Eurostat data (bit.ly/1InOhPj), U.S. Exports per year to Croatia have been:

- 2004—6,226,464
- 2008—4,337,460
- 2012—28,602,811
- 2005—11,805,112
- 2009—2,003,583
- 2013—12,684,826
- 2006—7,304,240
- 2010—2,305,583
- 2014—5,572,906
- 2007—10,405,651
- 2011—2,305,902

Rapid development of nautical tourism in Croatia began in 1983 with the founding of Adriatic Croatia International Club (ACI), which built the initial system of 16 marinas along the coast. According to the Croatian Bureau of Statistics data published in December 2014, there were 106 nautical ports (of which 53 marinas) with a total of over 16,940 sea berths and 5,473 dry berths. The number of charter companies has grown a total of 443 boats in 2000 to a total of 4,625 boats in 2013. Almost 73 percent of the offered charter boats are between 32–45



feet (10–14 meters) in length. Total revenues for marinas in 2013 were USD 113 million, a 67 percent increase over 2006, with constant growth.

In 2014, there were 3,305 active charter boats in Croatia. There was in total 61,058 charter rentals, with an arrival of almost 347,093 guests accounting for 2.4 million overnight accommodations. 645 active charter companies gained revenue of an estimated USD 186 million (HRK 1.3 billion). From 2012–13, the total profit increased by 4 percent. It is estimated that Croatia manufactures about 1,000 boats a year with over half being boats up to 25 feet (7.5 meters). There were 309 motor yachts, and 32 sailboats of over 20 m in Croatia, looking at the number of vessel berths in nautical ports, on 31 December 2014 (more details on Croatian Bureau of Statistics). About 1,000 boats a year are imported and about 100 are exported.

According to Eurostat, U.S. exports of recreational boats (HS 8903) to Croatia were growing from USD 0.59 million in 2006 to USD 1.92 million in 2013, following a peak of USD 6 million in 2008. These statistics are certainly misleading in terms of U.S. market share in Croatia, as U.S. brands of motorboats are very popular in this market, but are probably not imported directly from the United States but from European-based dealers.

The number of recreational boats registered in Croatia has been steadily around 100,000 and about 50,000 boats with non-Croatian flags register their presence at the Croatian coast every year. However, industry experts report that the average size of boat has been significantly increasing, as well as the timeframe within which the owner replaces his old boat with a new one.

Current Demand

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

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

Key Suppliers

Most imported boats come from Italy, Germany, France, UK, Netherlands, USA and recently also from Poland and Turkey. Among sailboats, some of the most popular brands include Bavaria, Elan, Beneteau, Jeanneau, Sun Odyssey, Dufour, Grand Soleil, Hanse, and Oceanis. Among

motorboats, the more well-known are Rodman, Fiart, Doral Boca Grande, Sealine, Elan, Four Winns, Merry Fisher, Crownline, Sessa Dorado, Sea Ray, Regal, Boston Whaler, Quicksilver, Tahoe, and Bryant.

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

Prospective Buyers

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

Major boat importers include Pivatus, Nova Boats, Ultra, Auto Moto Nautika, Saltus, Baotic Yachting, Bravo, Euromarine, Daranji, Interadria, Aventur, Bellaboats, Unimar, Mehanic Nautic, Jadran Nautika, Motonavis, and Franka Marine. There are also numerous nautical equipment importers and distributors such as: Plovput, Brodomerkur, Indel Marine, Belcon, Metris, Navigo Sistem, A.B.E., Raminapomorstvo, Navela, Almar, Dang, Gumicentar, Damar, Elektro Yacht Servis, Tankerkomerc, MG Mehanika, Scam Marine, and AC Oprema.

Market Entry

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

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



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

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

Croatia is a member of the European Union; therefore, all products entering the country must bear the CE Mark. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Challenges

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

There are no non-tariff barriers reported. Boats longer than 8 feet (2.5 meters) or with engine of over 5 kilowatts must be registered by local maritime authorities. A CE certificate issued under the European Union directive 94/25/EZ is required (for details, please visit the website of the Croatian Register of Shipping). Much of the applicable legislation is available in English from the website of the Ministry of Maritime Affairs.

Trade Events

Sports and Nautical Fair

February 2016 • Zagreb, Croatia • bit.ly/1HoGIq5

Croatia Boat Show

April 2016 • Split, Croatia • croatiboatshow.com/en

Nautica

September 2016 • Rijeka, Croatia • rijeka-nautic.com/en

Adriatic Boat Show

September 2016 • Sibenik, Croatia • ncp.hr

Biograd Boat and Charter Show

October 2016 • Biograd, Croatia • bit.ly/1MKOH8J

Pula Boat Show

October 2016 • Pula, Croatia • pulaboat.com

Resources

- Ministry of Maritime Affairs, Transport, and Infrastructure, bit.ly/1liwVFU
- Nautical Tourism Development Strategy 2009–19, bit.ly/1P4TlwM
- Plovput, www.plovput.hr/en
- Adriatic Croatia International (ACI) Club, www.aci-marinas.com/?lang=en
- Croatian Register of Shipping, crs.hr
- Croatian Hydrographic Institute, hhi.hr/en
- Tourism Promotion Agency, croatia.hr
- Institute for Tourism, iztzg.hr/en
- Croatian Chamber of Commerce, web.hgk.hr/english
- Croatian Bureau of Statistics, www.dzs.hr/default_e.htm
- American Chamber of Commerce in Croatia, amcham.hr
- Rochester Institute of Technology (RIS) Croatia, croatia.rit.edu

Czech Republic

Overview

Although the Czech Republic is a landlocked country, there are many natural and artificial water resources such as lakes, ponds and areas around dams. Most Czech rivers run slowly to moderately fast which makes water sports such as canoeing, yachting and windsurfing favorite holiday activities with a long tradition. Canoes or inflatable vessels are the most frequently used, usually used for white water paddling. The peak season is during the 9–10 week summer season.

Market

The boat market is small but growing. Currently, there are almost 6,000 boats in the country. The trend for boat rentals, in the country as well as abroad, is strong. Interest in water sports—particularly yachting and diving—is increasing.

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

Imports of Ships and Floating Structures, 2014 (USD Thousands)

Type	Quantity
Transport ships and boats, cruise ships, etc. (HS 8901)	2,211
Yachts, pleasure and sports boats (HS 8903)	6,904
Other vessels, including warships and lifeboats (HS 8906)	30
Other floating structures e.g. rafts, tanks, buoys (HS 8907)	46
Vessels and floating structures for scrapping (HS 8908)	0

Statistics

Capital: Prague
Population: 10.6 million
GDP (USD): 299.7 billion (2014)
Currency: Czech Crown (CZK)
Area (total): 78,867 km²
(land): 77,247 km²
(water): 1,620 km²
Coastline: 0 km (landlocked)
Language: Czech

Contact

Veronika Nováková
Commercial Specialist
Prague, Czech Republic
veronika.novakova@trade.gov
+420 257 022 437

The Czech Republic is a member of the European Union; therefore, all products entering the country must bear the CE Mark. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Additional Details

- 1,620 km² of total inland water area.
- 76,000 km of watercourses.
- More than 40 companies offering boat charter services.
- 3,500 boat driving license holders.

Trade Events

BOAT Expo Prague

February 11–13, 2016 • Prague, Czech Republic • boatexpo.cz

Boats on Water/Lode na vode

April 24–27, 2014 • Prague, Czech Republic • lodenavode.cz

Associations

- Association of Marine Equipment Suppliers, aplcz.cz
- Ministry of Industry and Trade, mpo.cz
- Ministry of Transport, mdcr.cz
- State Navigation Office, spspraha.cz

Denmark

Overview

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

Market

Denmark has been largely built, and continues to thrive, off of its maritime activities. One of the primary reasons is the just over 7,300 km of coastline surrounding 42,000 km² of primarily island landmass. One of the historical effects of this geography was a thriving herring industry off the coast of Zealand, which helped provide the commerce and flow of money, which helped the city of Copenhagen grow and become the nation's Capital.

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

Statistics

Capital: Copenhagen
Population: 5,581,503
GDP (USD): 342 billion
Currency: Danish krone (DKK)
Area (total): 43,094 km²
(land): 42,434 km²
(water): 660 km²
Coastline: 7,314 km
Language: Danish

Contact

Aleksander Moos
Commercial Specialist
aleksander.moos@trade.gov
+45 3341 7117/7275

Mathias Hansen
Commercial Specialist
mathias.hansen@trade.gov
+45 3341 7117/7275

The Danish leisure boating market is a growing industry as well. As shown by the numbers below the Danish leisure boating industry is quite big in relation to the small size of the country, which has a population of five million people.

- Leisure boats in Danish Harbors: 57,000
- Sail powered: 57 percent
- Motor powered: 43 percent
- People on waiting list for harbor spaces: 12,500
- Harbors in Denmark: 320
- Number of sailing clubs: 250
- Leisure/sporting boats producers: 30
- Boat rental companies: 50
- Repair/maintenance companies: 150

The numbers show both an active and growing market for leisure boats. However, due to the number of existing manufacturers, distributors, maintenance companies, and rental companies, the market is also heavily competitive. As a result, companies wishing to invest in the market should be aware of the investment needs in order to penetrate the market.

Key Buyers

Palby Marine A/S, a wholesaler that sells equipment to the entire maritime sector, is one of the key distributors on the Danish market; it sells a diverse portfolio of maritime equipment from a number of international suppliers.

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

Competitors

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

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

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

Best Prospects

One of Denmark's strong points in the sporting world is their nautical sports, and in particular sailing and rowing. As a result, one of the prospective niches in the Danish market could be the supply of professional competitive boats and equipment.

Traditionally, Danes also like to sail for several days from harbor to harbor, creating practical needs in boats and equipment. There may be great market potential in providing what's needed for these types of trips.

Market Entry

The more than 30 manufacturers of both leisure boats and sporting boats in Denmark provide ample opportunity for market entry through becoming a supplier to one of these companies. The U.S. Commercial Service in Copenhagen offers a range of services that can help U.S. companies find the right companies to get in contact with.

Another option is partnering with, or selling to, one of the various distributors around Denmark. With over 57,000 leisure boats in the harbors and 12,500 waiting to join the scene, there exists a constant demand for sailing and boating equipment.

Denmark is a member of the European Union; therefore, all products entering the country must bear the CE Mark. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Challenges

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

Associations

- Danske Bådejere (Danish Boat Owners Association), danskebaadejere.dk
- Dansk Sejlunion (Danish Sailing Union), sejlsport.dk
- Foreningen for lystbådehavne i Danmark (The Association for Leisure Boat Harbors in Denmark), flidhavne.dk

Egypt

Overview

The Egyptian economy is one of the largest in the Middle East and North Africa. The United States is Egypt's largest bilateral trading partner, and Egypt is the fourth largest export market for U.S. products and services in the Middle East.

The Egyptian market is characterized by high overall consumption rates and significant income disparities. As a result, there is a customer for every product in Egypt, even if some items have limited demand. Due to the high costs of acquisition and maintenance, pleasure boats have a limited volume of consumers; however, the pleasure boat industry has a definite Egyptian customer base.

Market

Current Market Trends

The impressive growth of new maritime projects in Egypt, coupled with the tariff reduction on boat imports that occurred in 2005, contributed to a conspicuous increase in demand for leisure boats over the last decade. Both factors interplayed to draw more local and international customers into the emerging market. Key marine developments, including the Sahl Hasheesh Marina and the Port Ghalib Marina on the Red Sea, and the 480-berth Porto Marina in El Alamein on the Mediterranean west of Alexandria, represent a suitable infrastructure for boat builders and distributors. As the market continues to develop, boat dealers compete to import more high performance and luxury boats to cater to the significant demand.

Market Entry

In Egypt it is advisable for U.S. companies to market via a local agent who is familiar with the market and can navigate the complexities of doing business in

Statistics

Capital: Cairo
Population: 86.9 million
GDP (USD): 286.5 billion (2014)
Currency: Egyptian Pound (EGP)
Area (total): 1,001,450 km²
(land): 995,450 km²
(water): 6,000 km²
Coastline: 5,898 km
Language: Arabic

Contact

Mai Abdelhalim
Commercial Specialist
Cairo, Egypt
mai.abdelhalim@trade.gov
+20-2-2797-2146

Egypt. As the market becomes more sophisticated in Egypt, there is a growing demand for after-sales service requiring a local agent.

Current Demand

Before 2005 the leisure boats traded in Egypt were mostly used and very few people could afford them. The year 2005, however, marked a turning point in maritime market dynamics in general, and in the pleasure boat subsector in particular. It was during this year when the Egyptian government shaved off almost 90 percent of the customs duties on all categories of imported ships and boats as part of the customs reform program, reducing the fees levied from 45 percent to 5 percent plus sales tax.

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

The Egyptian Government is announcing tenders for construction of new marinas in Ras Sedr and Ein El Sokhna on the Red Sea, and private sector companies are also expanding their business by building more privately owned marinas along the North Coast and on the Red Sea.

Egyptian consumer preferences and lifestyle changes have also contributed to the blossoming of the industry. Greater exposure to western culture through media and satellite channels created an appetite for extravagant items previously unknown. The more affluent the population became, the more interest there was in luxury goods. Accordingly, more expensive boats were sold at a higher rate than other less exclusive options. For example, in 2008 nine teakwood Chris Craft boats were sold for an average price exceeding USD 400,000 per boat without a single advertisement.

The marine industry in Egypt continues to expand. As the number of waterfront developments and marinas increases, it is anticipated that demand for state-of-the-art yachts and leisure boats will continue to grow to fill Egypt's vast coastlines. The international investors who purchase watercraft in Egypt come from a number of countries such as the United Kingdom, France, Germany and the United States, as well as from newer markets like Russia and India.

Competitors

For larger yachts and leisure boats, competitors to U.S. companies will be found in the United Kingdom, Germany, France, and Italy. However, in the market for smaller boats, the United States has no competitors, due to the wide range of U.S. products offered at competitive prices.

Trade Events

Egypt International Boat Show

2016 • Cairo, Egypt

Finland

Overview

The marine industry is one of the most internationalized and global business branches in the Finnish economy. The Maritime Cluster in Finland involves hundreds of companies and public sector organizations and employs approximately 43,500 people. The most important markets for the Finnish marine industry are shipping, leisure, ports and terminals and offshore energy production and exploitation.

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

Market

Current Market Trends

The global economic crisis has impacted the Finnish leisure boat industry as well. In 2013, the value of trade was USD 580.5 million, which is 3.5 percent less than in 2012. Recently, the global economic turbulence has been most evident in the market for the smaller vessels. However, since 2010 the stabilizing world economy together with major orders especially in the shipbuilding segment has again strengthened the whole maritime industry's performance.

Currently there are approximately 196,336 leisure boats in Finland. Given the diversity of lakes, Finnish consumers tend to favor smaller vessels, which are usually easy to navigate and less expensive. The most popular boat class is 5–6

Statistics

Capital: Helsinki
Population: 5,481,185
GDP (USD): 267,3 billion (est. 2013)
Currency: Euro (EUR/€)
Area (total): 390,906 km²
(land): 303,892 km²
(water): 87,014 km²
Coastline: 1,250 km
Language: Finnish, Swedish

Contact

Mia Maki
Senior Commercial Specialist
Helsinki, Finland
mia.maki@trade.gov
+358 9 6162 5289

meters. The majority of boats are usually motor boats made from aluminum or fiber-reinforced plastic. Wooden boats are also manufactured, and although the sales volume is quite limited, they have their own segment in the market.

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

The combined value of boat imports was USD 22.3 million in 2013. Most of the imported vessels are sailing boats (share of imported sailing boats is over 95 percent) and they are imported from the European Union and the United States.

Market Entry

The legislation and directives set by the European Union apply to the Finnish market. All recreational boats sold in the market area of the European Union must meet the requirements of the Recreational Boating Directive 2013/53/EU and comply with harmonized technical safety and environmental requirements. The Directive defines regulations and guidelines concerning boat manufacturers, importers and distributors. These safety and environmental requirements address the design and construction of the craft, and set limit values for their exhaust and noise emissions. In addition, all boats sold in the EU need to have CE-marking, which proves that the manufacturer has gone through the conformity assessment process. The manufacturer also has to provide detailed information about safe use and maintenance of the product. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Current Demand

The United States has a number of boat manufacturers whose products are excellent for the Finnish market, as long as the price is competitive. In addition, there is market potential for other US-made supplementary marine products, such as motors, equipment and supplies/accessories. Most well-known U.S. boat brands in the market include Bayliner, Sea Ray, Baja, Boston Whaler, Chaparral, Chris Craft, Rinker, Glastron, Tracker, and Wellcraft. In 2014 there were 196 boats imported from the United States.

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

Trade Events

The Helsinki International Boat Show

February 12–21, 2016 2016 • Helsinki, Finland • www.messukeskus.com/en

Helsinki Boat-Afloat Show

2016 • Helsinki, Finland • www.uiva.fi/en

Associations

- Finnish Marine Industries Federation Finnboat, www.finnboat.fi/en
- Finnish Transport Safety Agency, trafi.fi/en

France

Overview

The French pleasure boat industry (USD 1.49 billion in turnover) is the third largest in the European Union behind Italy (USD 2.99 billion) and Germany (USD 2.58 billion) and the fourth largest worldwide (after the United States, Italy, and Germany). Despite its relative weakness in the motorboat sector, France is the number one global sailboat producer. France accounts for nearly one-third of European sales and one-fifth of the European fleet. The construction sector of this industry was hit heavily by the financial crisis of 2008. Pleasure boat construction fell by 6.6 percent in volume in 2012, mostly due to a collapse in internal demand. Production stabilized in 2013–14, with a minor contraction of 0.5 percent and is expected to rise by 5 percent between 2014–15. Registration of new boats also dropped by 15.1 percent in 2013 and 7 percent in 2014, with a further 3 percent drop forecasted in 2015. There is a saturation of shorelines in France, with an average wait time of five years to find a place in a port for new registrations. In addition, French pleasure boat distributors experienced an 18 percent decrease in turnover in 2013. However, constructors were able to rely on the smaller drop in the wider European market and the rebound in overseas exports to limit their decline in business. The export market is regaining ground as demand for nautical activities rises in the Middle East and Asia. This has helped exports grow by 4 percent in 2014, reaching EUR 671 million.

The industry uses 261 coastal harbors and 35 river harbors along 5,715 kilometers of coastline and 8,500 kilometers of interior waterways, offering over 223,000 berths, which include 163,000 marina berths and 60,000 known moorings. France is a strong market for U.S. exporters of pleasure boats, particularly in the motorboat sector, where U.S. sellers have historically enjoyed a large market share thanks to innovative technology and competitive prices. However, as U.S. exports

Statistics

Capital: Paris
Population: 66.3 million
GDP (USD): 2.935 trillion
Currency: Euro (EUR/€)
Area (total): 643,801 km²
(land): 640,427 km²
(water): 3,374 km²
Coastline: 4,853 km
Language: French

Contact

Rose-Marie Faria
Commercial Specialist
Paris, France
rose-marie.faria@trade.gov
+33 1 43 12 71 49

have fallen and French exports have climbed in recent years, the potential for U.S. exporters in France has become more limited.

Market

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

Best Prospects

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

Competitors

France's two top boat builders, SPBI and Construction Navale Bordeaux, both operated by Beneteau, produced 70 percent of French sailboat exports, 40 percent of motorboat exports, and USD 869 million in turnover in 2013. Beneteau owns a total of 12 shipyards in France and had turnover of USD 1.128 trillion as of August 2012. The company is the number one worldwide sailboat builder, the number two global pleasure boat manufacturer, and accounts for over half of all French pleasure boat exports. Additional top French builders/players include Poncin Yacht (which owns Chantier Catana), Rodriguez Group (which owns SNP Boat Service), Fontaine Pajot, Couach, Yamaha Motor France, Zodiac International, Ocea, Cabesto, Chantiers Amel, Plastimo Marine, JFA Chantier Naval, Alliaura Marine, and Wauquiez.

Market Entry

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

France is a member of the European Union; therefore, all products entering the country must bear the CE Mark. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Trade Events

Festival International de la Plaisance de Cannes (Cannes International Boat Show)

September 8–13, 2015 • Paris, France • salonnautiqueparis.com

Approximately 1,000 exhibitors/300,000 or more attendees.

Monaco Yacht Show

September 23–26, 2015 • Monaco • monacoyachtshow.com

Approximately 500 exhibitors and 28,000 or more attendees.

Salon Nautique International de Paris (Paris International Boat Show)

December 5–13, 2015 • Paris, France • salonnautiqueparis.com

Approximately 1,000 exhibitors and 300,000 or more attendees.

Associations

- Fédération des Industries Nautiques (Nautical Industry Association), fin.fr
- Fédération Française Motonautique (French Motorboat Association), ffmotonautique.com

Germany

Overview

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

Market

Germany's water sports market was worth EUR 1.74 billion in 2013 and EUR 1.77 in 2014, and is slowly recovering from the slump of EUR 1.649 billion in 2009. A total of 724 sail boats with a total value of EUR 94.26 million were exported from Germany in the first half of 2014. For the same period, exports of motor boats hit 660 units with a total value of EUR 44.55 million. Germany's imports of motor boats declined by 17.0 percent in 2014, totaling 714 boats valued at EUR 41.97 million. However, 144 sail boats were imported in 2014, making up a total value of EUR 18.371 million.

Approximately 1.8 million people in Germany own a boat license, which allows them to operate sailing and/or motor boats or yachts. Different types of licenses exist for sailing and motor boats. In 2011, German legislation responded to the structural challenges of the industry by reforming the obstacles to obtaining an official motorboat license. This is an important signal by German legislation intending to support continued positive growth of the industry; reducing the barriers for newcomers should make water sports in Germany more attractive.

Statistics

Capital: Berlin
Population: 81,083,600 (2014)
GDP (USD): 3.401 trillion (est. 2012)
Currency: Euro (EUR/€)
Area (total): 357,022 km²
(land): 348,672 km²
(water): 8,350 km²
Coastline: 3,624 km
Language: German

Contact

Nils Roeher
Commercial Specialist
Dusseldorf, Germany
nils.roeher@trade.gov
+49-211-737767-20

Additionally, there are numerous opportunities to operate boats without a license on designated German inland waterways. Following the slump in boat building by nearly 60 percent in 2009, relative to the peak year of 2006/2007, boat and yacht sales are slowly picking up again, due to increasing demand from markets such as China and Brazil.

The German maritime industry employs roughly 20,000 people, achieving total revenue of approximately EUR 1.77 billion (including maritime goods and services as well as mega-yachts) in 2014, a 1.7 percent increase compared with 2013. The market for used boats/second-hand yachts especially shows continued growth. As sales prices dropped substantially during the past couple of years, carefully maintained second-hand boats are becoming more attractive for newcomers, as well as price sensitive customers. This trend is also benefiting companies specializing in boat repair, maintenance, and services, especially in a climate of economic stress and decreasing prices for boats, as investment in boats allows owners to retain the value of their boats. The German water sports industry is still recovering from the recent economic crisis; according to the most recent survey conducted by the BVWW (German Marine Federation), the industry is reporting continuously growing confidence in the positive economic development of the domestic market. Although figures are far from those of the years 2006–07, German boat builders have managed to increase turnover and defied the turmoil of the global financial and economic crisis in 2011. According to the BVWW 40 percent of Germany's boat dealers reported a slowly improving business situation in 2014, in comparison to the years prior. Overall, however, the industry is still negatively affected by the economic and financial crisis in the Euro-zone (especially significantly decreased demand in Southern European markets).

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

Germany is a member of the European Union; therefore, all products entering the country must bear the CE Mark. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Trade Events

Boot Düsseldorf

January 22–31, 2016 • Düsseldorf, Germany • boat-duesseldorf.com

SMM Hamburg

September 6–9, 2016 • Hamburg, Germany • smm-hamburg.com

Interboot

September 2016 • Friedrichshafen, Germany • interboot.de/ib-en

Hanseboot

October 29–November 6, 2016 • Hamburg, Germany • hanseboot.de/en

Associations

- Deutscher Boots-und Schiffbauer-Verband (The German Boat and Ship Building Association), dbsv.de/en
- Bundesverband Wassersportwirtschaft e.V. (The Federal Association of German Watersports Industries), bvwww.org
- Bundesamt für Seeschifffahrt und Hydrographie (The German Federal Maritime and Hydrographic Agency), www.bsh.de/en

Italy

Overview

According to the International Council of Marine Industry Association (OCIMIA), in 2013 Italy ranked eighth in Europe in terms of number of recreational craft per 1,000 inhabitants with a total of 469,038 versus 608,915 craft the previous year.

The Italian marine industry began to show timid signs of recovery last year with an increase in total market value of 2.2 percent over 2013, considered the light at the end of the tunnel after a dramatic drop in demand mainly due to the economic recession, a severe tax regime and high mooring costs. The number of direct workers saw a sharp fall from 35,000 in 2008 to 16,400 in 2014. The value of the Italian marine market in 2014 was USD 1.5 billion, up 2.2 percent over the previous year. Total imports also increased, valued at USD 100 million. Imports from the U.S. grew exponentially from USD 15 million in 2013 to USD 101 million in 2014.

The nautical industry historically has been a strategic industry and a principle contributor toward GDP. The market has been characterized by cyclical drops and increases over the last five years and market experts forecast that the cycle—which began a slow ascent in 2012—should continue to rise slowly over the next few years. The boating industry is currently undergoing profound structural changes. It is recognized that several factors that have hurt the market over the last 2–3 years (such as high marina tariffs and reforms that overtaxed boat owners) should be changed in order to stimulate renewed interest domestically and attract foreign boating fans. In addition, the industry focus on internationalization as the key to turning the situation around could potentially result in increased opportunities for U.S. manufacturers seeking partnerships abroad.

Statistics

Capital: Rome
Population: 61,482,297 (est. 2013)
GDP (USD): 2.014 trillion (est. 2012)
Currency: Euro (EUR/€)
Area (total): 301,340 km²
(land): 294,140 km²
(water): 7,200 km²
Coastline: 9,226 km
Language: Italian

Contact

Maria Calabria
Commercial Specialist
Rome, Italy
maria.calabria@trade.gov
+39 06 4674 2427

Opportunities for U.S. businesses include the export of new and used motorboats, sailboats, inflatable boats and motors and, in the accessories segment, safety devices and nautical electronics and software. U.S. products have historically been one of the most consistent in this sector, enjoying an excellent reputation in the marketplace. U.S. products lead in quality, technology, and reliability. Well over 100 U.S. motorboat manufacturers are present in the Italian market through local importers and distributors. Well-known brands include Champion Record, International Yachts, Marina di Verbella, Marine Union, Motomar Yachting, Vitalco, and many others.

Market

Current Trends

Particularly during the last five years, Italian shipbuilders have focus on international and emerging markets where Italian brands are well received. In 2014, 93 percent of domestic production was exported. The Italian marine industry began to show timid signs of recovery last year with an increase in turnover of 2.1 percent over 2013, considered the light at the end of the tunnel after a dramatic drop in demand following the economic recession that began in 2008. The number of direct workers saw a sharp fall from 35,000 in 2008 to 16,400 in 2014.

The stability of the main economic indicators in the sector in the last two years, combined with an upturn in domestic demand this year are cause for returned confidence for the future of this strategic manufacturing sector. To further stimulate internal demand, the Italian marine association is pushing for reform of the “naval code” that would render the market more transparent and revive important financial instruments such as leasing options.

Total turnover of the Italian marine market in 2014 was valued at USD 1.5 billion, registering an increase of 2.2 percent over the previous year. Total imports also increased, valued at USD 100 million. Imports from the U.S. represent 10 percent of total imports and grew exponentially from USD 15 million in 2013 to USD 101 million last year. Imports from EU countries were slightly down last year, contracting by 2 percent. The majority of imported pleasure craft was sold in country while the remaining (37 percent) was re-exported.

The accessories segment saw the largest increase of 3.1 percent. The total market value of this segment, that includes both integral components and accessories, is estimated at USD 856 million, of which approximately 24 percent (USD 205 million) attributed to imports. Of this, it is estimated that 69 percent are imports from outside the EU.

The engines market size was estimated at USD 236 million in 2014, 76 percent of which deriving from imports (USD 180 million).

The super yacht segment continues its positive trend as Italy maintains a leading role holding 37 percent of worldwide orders for the current year.

Total turnover of the refit market in 2014 was valued at about USD 154 million showing a slight recovery over the previous year (an increase of 2 percent). About 69 percent (USD 107 million) regards Italian craft while the remainder concerns foreign craft (USD 47 million). Approximately 48 percent of the later regards refitting of craft originating from outside the EU for a value of about USD 22 million.

The boating industry continues to undergo profound structural changes. There is a common understanding that several factors that have hurt the market over the last 2–3 years (such as high marina tariffs and reforms that overtaxed boat owners) need to be turned around in an attempt to stimulate renewed interest by the Italians and attract foreign boating fans. On the industry front, the focus continues on trade and internationalization as the key to boosting the industry via commercial strategies and strategic alliances across borders to stimulate growth. This can be viewed as an opportunity for U.S. manufacturers seeking partnerships abroad.

Assuming a pickup in consumer spending, factors that will influence the boating market include the continued expansion of marina development. With its 4,700 miles of coastline, many natural lakes and waterways, Italy has over 100 ports and marinas. National and regional authorities have always focused on port and marina development and modernization to boost nautical tourism. Italia Navigando is the public arm (Ministry of Economy and Finance) established to manage these projects. Italy has the highest number of super yacht berths (approximately 25 percent worldwide), high berth rental tariffs and berth purchase cost.

Best Prospects

Besides exports of new and used motorboats, sailboats, inflatable boats and motors, opportunities can be found in exporting marine accessories, such as safety devices and nautical software. U.S. products have historically been one of the most consistent in this sector, enjoying an excellent reputation in the marketplace. U.S. products lead in quality, technology, and reliability. Well over 100 U.S. motorboat manufacturers are present in the Italian market. Well-known brands include Brunswick, Champion Record, International Yachts, Marina di Verbella, Marine Union, Motomar Yachting, Vitalco, and many others. The United States is traditionally Italy's most highly regarded supplier of motorboats.

Outboard motorboats are the most common type of U.S. boats imported into Italy, constituting about 85 percent of total U.S. pleasure boat exports to Italy. The most popular in terms of sales are lower to mid-range measuring between twenty to forty feet in length.

The used boat market continues to offer opportunities for U.S. companies. U.S. boats have constituted up to 90 percent of the used boat market. In terms of boat accessories, U.S. products are leaders in terms of security and technology products. U.S. products do very well in the safety market as well, including life vests, jackets, and fenders.

Marine electronics that involve timing, navigating, measuring and safeguarding are in great demand. Global positioning systems (GPS) and nautical software also represent best prospects for U.S. companies.

Competitors

Italy is a major producer of recreational craft, accessories and motors, and is known for quality and craftsmanship. There are about 3,000 companies operating in the sector, and most are small, artisan type enterprises. According to 2011 statistics available, 54 percent of companies were small with 50 employees or less and had turnovers that do not exceed EUR 50 million (USD 69 million); and 32 percent were companies with 10 employees or less and turnovers of EUR 2 million (USD 2.7 million) or less. The largest number of boat manufacturers is concentrated in the northwestern provinces of Lombardy and Liguria. Some of the larger and well-known brands known for quality craftsmanship include Benetti-Ferretti, Fincantieri, Azimut-Benetti, Nuvolari Lenard (yacht designer), and Cantieri Mariotti (yacht production). Ferretti S.p.A. Yachts controls nine companies including Pershing S.p.A., specializing in high performance open cruisers measuring 15–35 meters in length.

Inboard motorboat production remains the backbone of Italian watercraft production. The sailboat sector constitutes 6.3 percent of the overall national production of pleasure craft. The accessories market in Italy is very active and dynamic, characterized by a substantial amount of technological innovation. Included in this category are electronic and information technologies, nautical maps, nautical instruments, hardware, furnishings, appliances, generators, rudders, prime materials, safety products, and anchoring devices.

Market Entry

There are very few barriers to imports in Italy. The key to exporting to Italy is gaining market acceptance.

Quality and safety improvement have become key factors in domestic and international business development. Increasingly important is the ISO 9000 Standard Series. Growing demand by both buyers and regulators within and outside the EU for conformity to ISO 9000 requirements has made these standards and their usage a matter of considerable importance and concern to U.S. companies. Copies of the ISO 9000 Standard Series can be obtained from the National Technical Information Service (NTIS, ntis.gov).

Italy is a member of the European Union; therefore, all products entering the country must bear the CE Mark. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Import taxes

All boats imported into Italy are subject to customs duties as well as Value Added Tax (VAT) (IVA Imposta Valore Aggiunto). Italy's VAT rate increased to 22 percent in October 2013. The tax is usually payable to the Italian government by the importer at the time of importation. Customs duty rates vary depending on the type of boat. European Union tariff codes range between 1.7–2.7 percent and larger vessels are exempt. Tariffs can be found in Commission Regulation (EU) No 1006/2011 dated September 27, 2011 (bit.ly/1IWMOSI).

Trade Events

Big Blu—The Boat and Sea Expo

February 18–26, 2016 • Rome, Italy • big-blu.it/en.html

Sea-Tec (International Exhibition of Technology, Subcontracting, and Design)

April 6–8, 2016 • Carrara, Italy • sea-tec.it/uk/index.asp

Venice's International Boat Show

April 2016 • Venice, Italy • festivaldelmare.com

Myba Charter Yacht Show

May 2–5, 2016 • Genoa, Italy • mybashow.com

Genoa International Boat Show

October 2016 • Genoa, Italy • genoaboatshow.com

Associations

- International Council of Marine Industry Association (ICOMIA), icomia.com
- Unione Nazionale Cantieri e Industrie Nautiche ed Affini (UCINA, Italian Marine Industry Association), ucina.net
- Unione Nazionale Armatori da Diporto (UNAD, Italian Union of Pleasure Craft), on.fb.me/1j4eDxe
- Associazione Nazionale Nautica da Diporto (ASSONAUTICA, Italian Recreational Craft Association), assonautica.it
- Italia Navigando S.p.A., italianavigando.it

Korea, Republic of

Overview

Although South Korea is known globally for its outstanding shipbuilding capabilities, Korea's marina and leisure boat industry is still small and developing. Nevertheless, the Korean government's support is creating the fastest growing boating activity in Asia. Just six years after the coastal regions opened, the people actively involved in leisure boating and the annual growth of their numbers confirm that Korea is fully embracing "messing about in boats."

The national marina development plan was proposed by the central government in 2010. This spurred the development of additional marinas. Subsequently amended in 2012, the plan now covers a total of 47 marina developments to be completed by 2019. There are 32 marinas currently in operation and seven marinas are under development and six marinas with government financial aid will be completed by the end of 2016. Therefore, the total number of marinas in Korea will be 45 by 2016. However, facility of Korean marinas simply for boat/yacht taxing and parking without proper club house facilities for overnight stay, restaurant and other related service on which Korean central government encourages local government to enhance private investment.

There are a few notable marinas. Gyeonggi Bay will form the hub for the best yachting and boating location. Jeongok Marina in Hwaseong City, constructed in 2011, changed from a small fishing harbor into a modern 200 berth location with top facilities for boating and a new club house. The additional 300 berths created at Jebu Marina combined with the established equipment infrastructure at Jeongok Marina create one of the largest and best-equipped facilities in Korea.

The issuance rate of new boat driver's licenses remained steady at an average of 12 percent for the past three years. This makes the total number of boat driver's

Statistics

Capital: Seoul
Population: 49.04 million (est. 2014)
GDP (USD): 1.45 trillion (est. 2014)
Currency: South Korean won (KRW)
Area (total): 99,720 km²
(land): 96,920 km²
(water): 2,800 km²
Coastline: 12,478 km
Language: Korean

Contact

Myoung Soo Lah
Senior Commercial Specialist
Seoul, Korea
myoungsoo.lah@trade.gov
+82-2-397-4516

licenses in existence at 140,137. Note that boat driver's license is required by law for all boats over 3 meters in length and 5 horsepower.

Breaking out the number of new leisure boats from the larger population, it is clear that leisure boating is on the rise.

The number of newly registered leisure boats also increased from 2,571 units in 2012 to 3,110 units in 2013. In 2013, the total number of registered leisure boats was 12,985. Registration is controlled and safety is managed by the Korean Coast Guard.

Motor boats are 62 percent of the market, and personal water craft are 24 percent. Inflatable/RIB make up 12 percent, and other/sail is 2 percent.

Market

Korea is a very sophisticated consumer market with buyers expecting top quality products at competitive prices. Koreans prefer not to display their wealth, so they are more conservative in their buying choices. Brands and brand values are recognized and highly valued in the Korean market.

Current Demand

Outdoor recreational activities such as camping, hiking, cycling and boating are rapidly growing. Currently, the highest level of boat purchases is in the outboard-powered, sport fishing boats shorter than 10 meters. However, growing interest in larger "Cruiser" motor boats and the rapid expansion of coastal berthing in the new marinas have created a cruising corridor from the center of Seoul down the West Coast. It is projected that it will not take long for Korean buyers to move towards 50 feet and longer.

Top Three Export and Import Markets, 2014			
Export Market	USD Millions	Import Market	USD Millions
United States	11,066	United States	11,550
Japan	9,235	China	8,714
Vietnam	3,049	Italy	5,347

Competitors

Due to close geographic location, many used Japanese boats are imported but the demand trend is gradually shifting from newly built and large size boats.

Market Entry

South Korea is an open market with no import restrictions. The tariff rate is zero after the Korea-U.S. FTA is fully implemented. "Recreational Boats" manufactured in accordance with the international recognized standards are well-accepted. In general, import of leisure boats



is easy, fast and without bureaucratic intervention. However, commercial boats must meet the Korean shipbuilding regulation and this can be a long and costly process.

These low barriers to market entry are making it hard for domestic boat builders to compete with quality-proven imported boats. Notwithstanding considerable government assistance, local development of boat industry has been slow because most of Korean boat builders are small, or medium-sized companies that have limited capacity in R&D investment.

Most imported boats are distributed by Korean dealers or agents. In general, Korean trade financing systems are well-established and secure. Therefore, commercial trade transactions are protected by the Korean banking system. Aftersales service in a timely manner is one of the critical factors in the sales of imported boats.

Trade Events

Busan International Boat Show

September 17–20, 2015 • Busan, South Korea • boatshowbusan.com/main_e.html

Korea International Boat Show (KIBS)

June 9–12, 2016 • Kintex, Ilsan, South Korea • kibs.com

Korea Yacht and Boat and Sport Fair

2017 • South Korea • english.yachtkorea.or.kr

Associations

- Marina Industries Association of Korea (MIAK), kmarina.org
- Ministry of Oceans and Fisheries (MOF), mof.go.kr/eng
- Korea Coast Guard, mpss.go.kr



Malaysia

Overview

Malaysia, with its long coastline and tremendous growth of port and shipping activities over the years, underlines the value of the maritime sector to its economic well-being and the importance of the seas to the lives of the country.

Ports and shipping are recognized as essential contributors in facilitating Malaysia's trade, hence crucial to its economic prosperity. Given this, it is appropriate that Malaysia, a nation surrounded by a sea area much larger than its land mass, is acknowledged as a leading maritime nation.

The development of maritime infrastructure has benefited Malaysia tremendously from this trade and investment boom. This is underlined by the estimate that 95 percent of Malaysia's international trade, the lifeblood of its economy, is being carried through the oceans via its international seaports

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

Statistics

Capital: Kuala Lumpur
Population: 30.60 million (2015)
GDP (USD): 236.877 billion
Currency: Peso (ARS)
Area (total): 1,407,451 km²
(land): 330,290 km²
(water): 1,076,761 km²
Coastline: 4,675 km
Language: Spanish

Contact

Randall Liew
Commercial Specialist
Kuala Lumpur, Malaysia
randall.liew@trade.gov
+60 3 2168 4825



Market

Shipyards

- Major activities include ship building, ship repair, maintenance, conversion and retrofitting.
- Designated as strategic industry in IMP3.
- Most local shipyards focus on building small and low value vessels.
- Larger shipyards can build/service ocean going vessels and fabricate offshore structures.

Marine Leisure

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

Support Services

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

Current Market Trends

This industry plays important roles. It supports maritime transport that facilitates much of the nation's trade, creates positive economic multiplier effects, generates employment, and provides a valuable source of export income.

The shipyard industry in Malaysia can be defined as those enterprises that are involved in designing, building and constructing, repairing and maintaining, converting and upgrading of vessels as well as marine equipment. In this case, 'vessels' means various types of ships such as ocean going, near coastal, government, passenger, offshore and fishing vessels, whereas marine equipment means parts and components that are fitted and integrated to form the sub systems and systems of a vessel.

The shipbuilding/ship repair industry is addressed in the Third Industrial Master Plan (IMP3). Structurally, the shipbuilding/ship repair industry serves the shipping industry in terms of building and supplying new vessels and maintaining existing vessels operated or owned by ship-owners. In ensuring the safety of maritime operations as well as seaworthiness, the shipping and shipbuilding/ship repair activities are regulated in accordance with the international standards, and the local regulations. Essentially, ship repair is service-based whereas shipbuilding is a manufacturing-based industry. Ship conversion is an entirely different business segment which combines both shipbuilding and repair elements.

In terms of characteristics, ship repair is labour intensive and may require different levels of labour skills. Automation is not an option in ship repair business due to the unique nature of repairs/reworks required on each and every vessel. Seventy percent of ship repair works can be done either at berth, en-route or afloat. On average, the cost of repairing a ship can be worked out as 65 percent labour and 35 percent steel works and spare parts.

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

There are about 70 shipyards operating in Malaysia which are engaged in:

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

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

The Malaysian Marine Leisure industry market is small and in its infancy stage. Malaysia has been steadily developing this subsector as an internationally recognized sailing destination— as a sailing destination for foreign vessels needing marinas and repair facilities, as a major racing destination, and as a sport (especially dinghy sailing) for Malaysians. Marinas are being built in Klang, Port Dickson, Melaka and Langkawi.

However in spite of all the above mentioned, the growth of private pleasure boats is slow contrary to the other marine subsectors. The boating industry is mainly made up of small and medium-sized enterprises (SMEs) and a few larger companies. Leisure boats with HS commodity code 7616.99.900 imported into Malaysia attracts an import duty of 20 percent and import Goods and Service Tax (GST) of 6 percent. Imported accessories which contribute up to 60 percent of the total cost of the boat also attract hefty duties and taxes.

Critical mass for imports cannot be achieved thus buyers are not able to capitalize on bulk order and neither can they stock huge inventories.

Another setback for this sector is the lack of support from the finance sector which weighs heavy on the marine industry. In Malaysia, boats are bought with cash. There is a lack of financing options available to boat buyers. Banks have yet to adopt the business model for



boat financing. Access to finance can help develop the boating industry as boats would become affordable for the middle class and would provide a much needed boost in water-bound activities and tourism.

Challenges

The main factors impeding growth include:

- Lack of boat financing
- Lack of marina facilities
- Lack of Human capital
- Culture tradition and policies
- Low rate of development of “maritime playground”

Trade Events

AMOX (Asia Marine and Offshore Expo)

October 21–23, 2015 • Kuala Lumpur, Malaysia • malaysia-marine.com

The Malaysia Yacht Show

November 27–29, 2015 • Port Dickson, Malaysia • malasiayachtshow.com

LIMA '17 (The Langkawi International Maritime and Aerospace Exhibition)

March 2017 • Langkawi, Malaysia • lima.com.my

Associations

- Association of Marine Industries of Malaysia, amim.org.my
- Maritime Institute of Malaysia, mima.gov.my

Mexico

Overview

With a growing middle class, booming manufacturing industry, and expected positive changes with new fiscal, energy and telecom reforms, Mexico is on its way to become a greater market for recreational marine products. The Leisure Marine subsector is not a new segment in the country. However, Mexican boaters are only now becoming more knowledgeable users, ever more demanding of services and exhibiting a growing awareness of brand and product value. Mexico's relatively buoyant financial status has been particularly good for the leisure marine industry. However, there are a number of different market factors that continue to suppress market growth and keep the Mexican market relatively small. While the recreational market is not yet mature compared to similar-sized economies, this actually represents significant potential for U.S. exporters.

Market

Mexico is the United States' third largest trading partner and second largest export market for U.S. products. Negotiations are now underway for the Trans-Pacific Partnership (TPP), with U.S. and Mexican participation. Both countries seek to boost mutual economic growth by increasing exports in a region that includes some of the world's most robust economies and that represents more than 40 percent of global trade. The TPP presents an opportunity to go beyond NAFTA and is anticipated to be finalized by 2015.

Mexico's affluent middle-class is taking to the water in increasing numbers, a trend that has the potential to make it Latin America's leading marine market. There's been an uptick in sales in early 2012, mainly because the boating lifestyle has started to consolidate across the country, particularly on the Caribbean and the Pacific coasts where marine infrastructure is improving. Yet this is one of the

Statistics

Capital: Mexico, D.F.
Population: 116,220,947 (est. 2013)
GDP (USD): 1.177 trillion (est. 2012)
Currency: Mexican peso (MXN)
Area (total): 1,964,375 km²
(land): 1,943,945 km²
(water): 20,430 km²
Coastline: 23,761 km
Language: Spanish

Contact

Hector Jimenez
Commercial Assistant
Guadalajara, Mexico
hector.jimenez@trade.gov
+52-33-3615-1140



areas where the industry could really overhaul its growth by offering more and better services to those marinas, in order to attract boats from the United States and Canada, where some marinas are already full.

With so few domestic builders, most boats, not to mention equipment and accessories, are imported. This provides a stellar opportunity to U.S. manufacturers to enter the market. However, key players in the industry would need to improve their supply of leisure marine-related services, refit and repair in particular, in order to fully realize the country's leisure marine market potential.

Current Market Trends

It is estimated that 7.2 million Mexicans, or 5.2 percent of the population, have the purchasing power for high-end goods, which puts the country into Latin America's top spot. Mexico has 55 percent of the market of high-end goods in Latin America, with sales totaling approximately USD 15 million in 2014. Moreover, the market has reportedly been growing at 10 percent for the past two years; an upward trend likely to continue.

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

According to the Secretary of Infrastructure and Transportation in Mexico, there are 167,805 registered boats in the country and 26 percent of those are for leisure and sporting activities. In addition, there are approximately 12 federal marinas and 30 private marinas. On average, these marinas have enjoyed occupation rates of 50–63 percent since 2008. The main patrons of the majority of these marinas are foreign. For example, boats and vessels cruise southward from Canada and U.S. spending a few months in different marinas along the coast. Often foreign owners have houses at any of the mentioned touristic places, where they leave their boats for longer periods of time. Even though most of these affiliated marinas offer the essential services, the majority need to offer more and better services, to be able to host larger, newer and more sophisticated boats.

This lack of infrastructure in Mexico is likely due to the absence of an organized domestic industry to push for more development. This is an area in which the U.S. marina suppliers and service industry could play a key role in taking the Mexican market to the next level. As the infrastructure grows, so too will the opportunities for more Mexicans to own a boat.

When purchasing a boat, Mexicans have the option to buy a USD 50 permit and make a temporary importation of up to 10 years without paying any Mexican taxes. Towards the expiration date of the import permit, the boat owner can either extend it for another decade or purchase the boat completely by paying the outstanding fees. The boat is not permitted to hoist a Mexican flag until the import taxes are fully paid.

Market Entry

The leisure marine industry is seeing an upswing in sales, and U.S. boat builders and equipment manufacturers are in a prime position, given the geographic proximity as well as the benefits of the free trade agreement of NAFTA. The boatbuilding industry in Mexico is practically non-existent, with just a handful of companies manufacturing boats for recreational use. Most local builders are focused on the commercial sector of tourism and fishing boats.

An important feature of the U.S.-Mexico bilateral relationship is the North American Free Trade Agreement (NAFTA), which created a free trade zone for Mexico, the United States, and Canada. Under the NAFTA, there are virtually no tariff barriers for U.S. exports to Mexico.

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

U.S. exports of recreational marine products to Mexico totaled USD 179 million in 2014 and are expected to grow at a compound annual rate of 10–12 percent through 2017, reaching USD 272 million. This is largely due to the lack of domestic competition. The U.S. is the largest supplier of boats to Mexico.

Challenges

There are many challenges for the Mexican market but few actual barriers. Safety and emission standards in Mexico are not on par with U.S. standards but haven't been a deterrent for U.S. manufacturers.

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

The issue of security may also play a small role, when it comes to owners trying to keep a low profile. Potential boat owners sometimes fear that their boat may be stolen or damaged if not housed in a secured marina or dry-stack facility. This is particularly true around inland waterways and lakes. There is also an issue with Mexican government regulations and procedures. Different situations, such as the recent seizure of hundreds of boats (many of

them owned by Canadian and U.S. citizens) gives a negative image and injects a certain lack of confidence into the market rather than attracting potential new comers.

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

Trade Events

Acapulco Boat Show

Acapulco, Guerrero, Mexico • boatshowacapulco.com

Cabo Marine Show

Los Cabos, Baja Sur, Mexico • cabomarineshow.com

Boat Show Cancun

Cancun, Quintana Roo, Mexico • boatshowcancun.com

Associations

- Asociación Mexicana de Marinas Turísticas (Mexican Tourist Marina Association), ammt.org
- Asociados Náuticos Cancún (Cancun Nautical Associates), nauticoscancun.org
- Federación Mexicana de Esquí and Wakeboard (Mexican Waterski and Wakeboard Federation), femew.mx
- Federación Nacional de Pesca Deportiva (National Federation of Sport Fishing), pescaenmexico.com
- Federación Mexicana de Vela (Mexican Sailing Federation), fmvela.mx

The Netherlands

Overview

The Netherlands has boat builders of all sizes. There are 507,500 boats presently in use. Polyester boats, especially sail boats, are popular, but the majority of Dutch boats are steel, diesel powered, displacement type, freshwater, family boats, averaging 26 feet to 36 feet in length. The turnover for the Dutch shipbuilding sector in 2013 was USD 6.3 billion. That was a significant decrease compared to the USD 7.8 billion in 2012. In 2014, the total number of employees in the industry was 31,680; an increase compared to the 29,361 in 2013. The year 2014 was the first year since 2008 when the industry experienced an increase in employment.

Market

Dutch shipbuilders have been able to maintain production at a decent level in 2014. Deliveries from Dutch shipyards amounted to 67 seagoing vessels with a value in excess of USD 1.2 billion. The value of received orders for yachts more than doubled from USD 720 million in 2012 to USD 1,767 million in 2013, and remained on par with USD 1,849 million in 2014. The total order value for yachts in 2014 was higher than the previous peak in 2007.

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

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

Statistics

Seat of Gov't: The Hague
Population: 16,805,037 (est. 2013)
GDP (USD): 773.1 billion (est. 2012)
Currency: Euro (EUR/€)
Area (total): 41,543 km²
(land): 33,893 km²
(water): 7,650 km²
Coastline: 1,914 km
Language: Dutch

Contact

Philip Hammerstein
Commercial Specialist
The Hague, Netherlands
philip.hammerstein@trade.gov
+31 70 310 2416

Dutch Pleasure Boating Market, 2013–16

(USD Millions)	2013	2014	2015 (proj.)	2016 (proj.)
Total Market Size	2,784	3,246	3,288	3,339
Total Local Production	7,605	7,500	7,650	7,803
Total Exports	5,077	4,500	4,590	4,682
Total Imports	257	246	228	218
Imports from the U.S.	44	43	40	38

Source: ICOMIA-NMT; CBS; U.S. Census Bureau

The Netherlands is a member of the European Union; therefore, all products entering the country must bear the CE Mark. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Current Demand

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

Opportunities

The marine industry in the Netherlands is very internationally oriented. When starting a business in the Netherlands, companies immediately have good access to the rest of Europe due to excellent logistics and the international spirit of the Dutch.

Trade Events

Marine Equipment Trade Show (METS)

November 17–19, 2015 • Amsterdam, Netherlands • metstrade.com

Associations

- HISWA (Dutch pleasure boat trade association), hiswa.nl
- Netherlands Maritime Technology (Dutch shipbuilding trade association), maritimetechnology.nl/en

New Zealand

Overview

New Zealand comprises of two long narrow islands containing many lakes and rivers. New Zealanders enjoy many outdoor activities and recreational boating is popular amongst anglers, boarders, water skiers and general cruising (population 4.5 million). In Auckland, New Zealand's largest city (colloquially known as "the city of sails"), boat ownership is the highest in the country where 25 percent of households own a boat compared to 19 percent nationwide. Auckland's coastline and temperate climate is ideal for boating. There are 514,880 pleasure boats in New Zealand. (Source: New Zealand Marine Industry Association). Nationwide, trailer power boats are the most popular boat type followed by dinghies and yachts.

In 2014, New Zealand's pleasure boat imports totaled USD 78,143,564. After Australia, the United States is New Zealand's second most important source of pleasure boats representing 23.3 percent market share—an increase of 12.4 percent on the previous year. U.S. sailboats and motorboats are lead categories in this sector. (Source: Global Trade Atlas. HS Code 8903.) In 2014, New Zealand produced 6,869 pleasure boats and exported 2,589 craft. (Source: New Zealand Marine Industry Association)

Market

This country's marine industry heritage includes the Hamilton jet-boat designed 50 years ago and manufactured by Christchurch-based CWF Hamilton (hamjet.co.nz). (CWF Hamilton operates a U.S. subsidiary in Washington State.) Recent exposure through the America's Cup has internationally benefited New Zealand's marine industry particularly in high technology sailing/super yachting.

Statistics

Capital: Wellington
Population: 4.5 million
GDP (USD): 188.38 billion
Currency: New Zealand dollar (NZD)
Area (total): 103,483 km²
(land): 101,310 km²
(water): 2,173 km²
Coastline: 15,134 km
Language: English

Contact

Janet Coulthart
Commercial Specialist
Wellington, New Zealand
janet.coulthart@trade.gov
64 (4) 462-6002



The marine industry contributes significantly to New Zealand's economy. The local industry is represented by the New Zealand Marine Industry Association (nzmarine.com).

The NZ boatbuilding standard CPC is a New Zealand Marine Industry Association and Royal New Zealand Coastguard endorsed Marine Safety Program for trailer power boats 3.5–8.5 meters in length. It is recognized by the New Zealand Government's Marine Safety Authority. The standard focuses on build and safety standards to ensure that the boats are built to a recognized and approved high standard.

Future market demand for pleasure boats is steady and spurred by Auckland's population growth. The Marine Industry Association forecasts the number of registered pleasure boats to increase by up to 60,000 over the next three decades and for sales of larger cruising boats to be "the norm." (Auckland is growing at a faster rate than any other part of the country.) Following overseas trends, end users expectations include improvements in fuel efficiency, engine reliability, navigation equipment, chart plotters, and radar affordability.

Trade Events

Auckland on Water Boat Show

September 24–27, 2015 • Auckland, New Zealand • auckland-boatshow.com

Associations

- New Zealand Marine Industry Association, nzmarine.com

Nigeria

Overview

Ranking as Africa's third-largest market (after Egypt and South Africa), Nigeria is the continent's most populous country, accounting for over 170 million inhabitants and growing. It is arguably one of the most culturally diverse societies in the world, with about 250 ethnic groups among its 160 million people.

Nigeria aspires to be one of the largest 20 economies by the year 2020. Toward this end, the country is liberalizing its economy, promoting public-private partnership and encouraging strategic alliances with foreign companies. As a gateway to fifteen smaller West African countries and a net importer, Nigeria can be a very rewarding market for U.S. companies that take the time and effort to understand its market conditions and opportunities, find the right partners and clients, and take a long-term approach to market development. With strong growth prospects in many industry and service sectors, underserved market segments, a growing and increasingly sophisticated consumer base, coupled with a strong affinity for U.S. products, culture, and opportunities.

Nigeria is one of the world's top 10 oil producers and Africa's leading producer, with proven oil reserves of about 36.24 billion barrels (including four billion barrels of condensates), while its gas reserves are estimated at 187 trillion standard cubic feet. Its economy is largely dependent on its oil sector, which accounts for more than 50 percent of gross domestic product and 95 percent of the country's foreign exchange earnings. Although the agricultural and manufacturing sectors have seen some growth over the last few years, the country remains largely an importing country of bulk commodities and food (USD 3 billion).

Nigeria is one of the largest countries in Africa with coastlands spanning about 853 km with several states in the federation sprawling along the coastline, and this

Statistics

Capital: Abuja
Population: 174,507,539 (est. 2013)
GDP (USD): 266.6 billion (est. 2012)
Currency: Nairas
Area (total): 923,768 km²
(land): 910,768 km²
(water): 13,000 km²
Coastline: 3,122 km
Language: English (official), others

Contact

Ngozi Benedicta Nkwoh
Commercial Specialist
Lagos, Nigeria
benedicta.nkwoh@trade.gov
+234-1-4603520

attracts significant maritime activities including commercial port business that makes up 68 percent of total maritime trade in West Africa. Lagos State, the commercial center, is the most populous city in Nigeria, and one of the fastest growing cities in Africa and the seventh in the world.

Market

Nigeria seeks to be a hub for the leisure craft industry in the West African region and offers tremendous opportunities for imports of leisure boats and associated spares/accessories and services. Nigeria does not have a thriving ship building/manufacturing industry, although local fabrication is mostly for 100-seater river buses powered by outboard engines and used as passenger ferries, workboats, utility boats, and water buses and as such is keen for joint venture partnerships in this area. As a result of a dearth of sundry marine services such as dry and wet docking, training and chandelling shops for sale of boat spares/accessories (life jackets, stainless screws, gears, fenders, goggles, gloves, etc.), Nigerian boat owners see opportunities for partnerships to supply services in this market and the West African region.

Current Trends

Nigeria's maritime industry comprises opportunities for commercial boats, workboats, jet skis, and fishing and leisure boats. The country's pleasure boat industry, which has experienced significant growth in the past four years mainly due to the growth of the middle class, has seen imports of various types of boats ranging from cruisers, small sports boats to big leisure crafts, ferryboats, water buses and utility boats as well as yachts, however, there are increasing numbers of larger cruisers as well. It is estimated that annual imports of pleasure boat into Nigeria are between 200 to 300 boats, with Lagos state as the dominant leisure craft location receiving 80 percent of total imports, as it enjoys the most developed leisure boat industry, followed by other States including Rivers-Port Harcourt, Cross Rivers-Calabar, and Akwa Ibom-Eket. Majority of boating activities in Nigeria especially for Lagos are weekend activities with journeys up the extensive inland creeks, which is about 70 miles of waterways adjoining the coast. These are open boats for taking families/friends to the beach. The major boat clubs are Lagos Yacht Club (sailing only) with 350 members, Lagos Motor Boat Club with 1500 members, as well as the Civic Centre which is a high-end, expensive and exclusive with about 250 members.

The size of boats imported into Nigeria range from fishing boats of 26–36 feet to super yachts of between 80 feet to 100 feet. Outboard engines are generally preferred with game fishing as the main attraction. Several clubs hosts regular fishing competition and there is an annual boat regatta. Given that the value of an average-sized leisure boat is about USD 60,000 to 300,000, with average cost of USD 100,000, this translate to a significant export opportunity for U.S. manufacturers with opportunities for both new and used boats.

Industry operators indicate that this rapid growth is driven mainly by three factors including affluence, usefulness, travel and lifestyle changes, with interest in sport fishing seen as

offering lifestyle alternatives for the middle class as a form of rest and relaxation. The type of boats imported into Nigeria is also believed to be influenced by the demographics of varying categories of boat buyers. For instance, buyers/boat owners within the age range of 28–35 tend to typically buy fast sports boats, controlling about 20 percent of imports; 35–55 age range boat owners buy cruisers, with 60 percent market share; while ages 65–75 buy bigger boats and yachts and control 15 percent market share. The majority of boat imports of both newly built and used boats is from the United States and Europe. Issues such as currency differentials and boat styles are also a determinant for country of purchase of boats. Boat owners buy trailered boats for dry docking services and for towing boats to and fro jetties as a result of the absence of dry docking facilities. The majority of docks in Nigeria are rigid (wooden or concrete), with increasing imports of floating docks, although owners indicate they experience damages caused by a lack of speed restrictions on the water, given Lagos waters, that sees a majority of pleasure boat activities at a low tidal range (2 feet at low and high tides) and not well charted.

Current Demand

The Nigerian Maritime Administration and Safety Agency (NIMASA) highlighted areas of local and direct foreign investment in the Nigerian maritime industry. According to NIMASA, areas of present and future investment include:

Maritime Tourism:

- Emerging emphasis on tourism will offer additional opportunity for marine tourism for special opportunities for boat cruises, yachting, passenger boat, ferry services, sheltered waters of Nigeria creek offers opportunities for water sports.

Training:

- Training facility for shore and shipboard personnel
- Maritime training institutions

Infrastructure/facilities:

- Port infrastructures, superstructure, and terminal facilities for container operation
- Marine information technology infrastructure and service
- Development of inland container depots (ICDs) and dry port facilities
- Warehousing services (bonded warehouse, form handling, etc.)
- Provision of free trade and export processing zones (FTZ and EPZ) for export investment

Service:

- Trade support services
- Marine services: towage, pilotage, hydrographic, ship/cargo surveying, navigational aids, nautical services, admiralty service, dredging services
- Integrated logistics services: supply chain management service, air and marine logistics support
- Shipping management/brokerage/agency services
- Shipping services (acquisition and operation of vessels)
- Liner service, tramp services, tanker shipping, transshipment services, trawlers, passenger/cruise service, ship building/repair services
- Freight forwarding services
- Chandelling services
- Shipping financing services
- Packaging
- Marine insurance services

An estimated 300 vessels operate in Nigeria, and 80 percent of imports of crew boats, tug boats, and accommodation barges/vessels are imported from the United States. International oil companies project that their demand for marine vessels for upstream activities will be upwards of 914 over the next four years. Increasingly, there is demand for marine vessels with global positioning devices and specialized security and navigational features.

Market Entry

There are no barriers to imports of leisure crafts into Nigeria and boat registration is not rigorously enforced, with the exception of leisure crafts, on which a 25 percent import duty is imposed. Boat owners often cite delays to regular maintenance and repair of boats as a challenge that impacts use of crafts as they are forced to ground boats while awaiting imports of specific parts. Nigeria lacks an effective marine search and rescue except as offered by the Nigerian Navy and/or NIMASA (the Nigerian Maritime Administration and Safety Agency); this may be an additional opportunity for interested U.S. companies to partner with appropriate private or public organizations.

Nigeria does not have well-developed marinas and luxury yacht charters, although the very rich own luxury yachts for private use. Many boat clubs and beach resorts continue to be established, and companies offer boat charters cruises for employees and clients, company retreats, vacation time, and tourism. Private mooring/boat, yacht and sailing clubs as well as jetties dot the water front and serve as marinas. An international mega city infrastructure development project in Lagos—the Eko Atlantic City project (ekoatlantic.com)—includes planned marinas districts with excellent marinas.

Challenges:

- The major challenge for boat owners in Nigeria is lack of spare parts and boat accessories, which must be imported from abroad.
- Lack of qualified boat masters and trained boat mechanics. Boat mechanics are poorly trained (if trained at all) and can actually damage your boat due to lack of experience. Appropriate problem diagnosis is highly challenging, especially with high-tech boats.
- Lack of search and rescue resources.
- A few incidences of piracy attacks on luxury boats as most of the boat houses are located on islands that are far from the city.

Associations

- Sports Fisherman Association of Nigeria (SFAN), sfaon.org

Norway

Overview

According to the CIA World Factbook, the Norwegian coastline is 126 percent longer than the U.S. coastline (islands and fjords included). The country has a long tradition of utilizing the rich maritime environment, including major activities in commercial shipping and fishing. Norwegian households have generally high incomes and can afford to invest in recreational commodities. This wealth is evenly distributed among the population, making most citizens capable consumers. Most Norwegians typically enjoy five weeks of annual vacation, making a boat investment justifiable. Having said that, boating season is typically no more than five months, and poor weather has proven itself to impact sales significantly. Sales of leisure boats grew significantly from 2001 and peaked in 2007–08. At its peak, Norway was the second largest European market for boats with outboard engines, which is remarkable because only five million people inhabit Norway. At that time, the U.S. market share was also at a record high: the U.S. was ranked as fifth-largest exporter to Norway. After the peak in 2007–08, U.S. market share in Norway declined more rapidly than the overall market. However, in 2011, sales began increasing again, and the market is considered back on track in 2015. A few strong U.S. brand names, such as Boston Whaler and Chris Craft, are repositioned, but the total U.S. market position is not as it was in 2008.

Market

About 25 percent of Norwegian households own one or more boats, an increase from 13 percent 10 years ago. In earlier years, most people had some maritime experience before buying a boat, but in the recent years a new segment of boat owners have made their debut. This is in part due to more money available, but also lower prices and reduced production costs explain some of this trend. A wide diversity of buyers has created some market fragmentation, but one characteristic

Statistics

Capital: Oslo
Population: 5.1 million
GDP (USD): 345.2 billion
Currency: Norwegian kroner (NOK)
Area (total): 323,802 km²
(land): 304,282 km²
(water): 19,520 km²
Coastline: 53,199 km
Language: Norwegian

Contact

Heming Bjorna
Senior Commercial Specialist
Oslo, Norway
heming.bjorna@trade.gov
+47 21 30 87 60

is constant—nine of 10 owners are still men. An estimated 800,000 leisure boats are floating on Norwegian waters (they do not need to be registered, so an accurate count does not exist). The small and medium-sized powerboat segment is not only the largest, but also one of the fastest growing segments. The demand for motorboats is believed to be between 12,000–15,000 units, mostly imports. Inflatable boats (RIBs) are increasingly popular as the new “macho” toys, stealing market share from traditional hulls. Jet skis and water scooters have recently become legal (but with speed limits close to shore), and sales are growing. Aluminum hulls are now also growing in popularity. Statistics show that the average boat is becoming more expensive; annual sales in 2001–07 increased by 370 percent, and the number of boats grew by 240 percent. Powerboats account for the largest number of boats by far, but sailboats are increasingly popular and one of the fastest growing segments of boats. Norway is a net importer of leisure boats; dealers, resellers and individual buyers import six boats for every boat that is exported. The total value of the Norwegian leisure boat fleet is around 10 billion, according to insurance companies. A 2013 survey on leisure boat use in Norway revealed that 46 percent of the population used a leisure boat that year. The nature experience was reported to be the most important reason to hit the water (28.9 percent), followed by relaxation (23.4 percent), fishing (19.8 percent), and social interaction (16.6 percent). Speed and sports only accounted for 3.6 percent, suggesting that Norwegian boat owners appreciate the slower and quieter side of boating life.

Market Entry

Since 1998, all U.S. leisure boat manufacturers willing to export to Norway must obtain a “CE Mark” for their products. This requirement is based on European Directive L164/15. A manufacturer that has gone through the conformity assessment process may affix the CE marking to the product. With the CE marking, the product may be marketed throughout the EU. CE marking now provides product access to 27 countries with a population of nearly 500 million. General information on how to obtain the CE Mark can be found at the American National Standards Institute (ANSI) website, ansi.org. Also see the U.S. Department of Commerce’s CE Program Overview page, go.usa.gov/ZAb5.

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

Most new boats are imported by dealers, usually with exclusive rights to the Norwegian market, or a region. This especially applies to strong brand names. Importers may or may not hold inventory depending on sales volumes and type of boat. U.S. boat manufacturers seeking to export to Norway are advised to target multiple importers to find the best suitable business partner. End-users in Norway sometimes also buy new boats directly from the shipyards/builders. As in the United States, a boat’s reputation is greatly dependent on the service level provided by the dealer. Most buyers want to make sure the seller is around for service over several years. When selling to the Norwegian market, participating at one or more of the largest boat shows will give a very good idea of what consumers demand. This is also an

excellent and efficient way to address a large and broad audience and test a new boat model. The U.S. Commercial Service in Norway will provide guidance should this be of interest.

Small Pleasure Boats

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

Trade Events

Norwegian International Boat Show

March 2016 • Oslo, Norway • sjoenforalle.no/information-in-english

Båter i Sjøen

September 2016 • bit.ly/1gabxJj

Associations

- NORBOAT (Norwegian Leisure Boat Association), norboat.no
- Kongelig Norsk Båtforbund (Norwegian Boat owner's Union), knbf.no/english-article

Panama

Overview

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

U.S. built pleasure boat imports account for over 70 percent of the local market. U.S. boat manufacturers turn out a broad variety of specialty crafts, and most U.S. boat brands and manufacturers are well known and accepted in Panama, both through long-standing commercial ties and high attendance at Florida boat shows. The used boat market is also strong. Local production is limited to small mostly fiberglass artisanal fishing boats. U.S. pleasure boats are exempt from import duties thanks to the U.S.-Panama Free Trade Agreement and would otherwise be subject to duties based on overall length.

Market

Current Demand

Overall demand for pleasure boats is expected to continue increasing by 5–7 percent annually.

Statistics

Capital: Panama City
Population: 3,559,408 (est. 2013)
GDP (est.): USD 36.25 billion (2012)
Currency: Balboa
Area (total): 75,420 km²
(land): 74,340 km²
(water): 1,080 km²
Coastline: 5,637 km
Language: Spanish

Contact

J. Enrique Tellez
Senior Commercial Specialist
Panama City, Panama
enrique.tellez@trade.gov
(507) 317-5080

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

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

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

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

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

Pleasure Boating Demand, 2013–15			
(USD Millions)	2013	2014	2015 (proj.)
Total Market Size	32	35	38
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	32	35	38
Imports from the U.S.	22	25	27

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

The market size for pleasure boats cannot be determined accurately due to the lack of more specific official data. There are approximately 2,000 yachts in Panama, and on average 70 yachts are registered in the country each year. Just in 2013, the AMP granted temporary entry permits to over 1,400 foreign-flagged yachts, many of these belonging to Panamanian

companies, businessmen and others, who for diverse reasons have preferred to register their vessels in other countries such as the British Virgin Islands (BVI).

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

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

Best Prospects

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

Competitors

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

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

Market Entry

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

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

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

Panama has an open economy and there are no specific protection laws for agency, representation and distribution. General commercial law and private contracts govern



contracts and agreements, as well as the commercial relationship between the vendor or supplier and the local representative or agent.

Panama has one of the most modern shipping registry and maritime laws in the world. Foreign flagged vessels can enter and remain in the country under a temporary one-year renewable entry permit without paying import duties.

There is practically no local production of boats in Panama.

There is a wide variety of buyers, including tourism and fishing tour operators; high-ranking corporate executives; law firms; construction and real estate companies; ex-pats from the United States, Canada, Europe, and South America; and wealthy locals.

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

Challenges

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

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

Trade Events

EXPOCOMER

March 2016 • Panama City, Panama • expocomer.com/en

Panama International Boat Show

2016 • Panama City, Panama • panamainternationalboatshow.com

Associations

- Panamanian Chamber of Commerce, panacamara.com
- American Chamber of Commerce in Panama, panamcham.com
- Ministry of Commerce and Industry, mici.gob.pa
- National Customs Authority, ana.gob.pa

Poland

Overview

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

Pleasure Boating Demand, 2011–13			
(USD Millions)	2012	2013	2014
Total Exports	282.9	317.5	316.5
Total Imports	14.8	13.8	23.8
Imports from the U.S.	0.8	1.2	0.8

Source: Data for HS 8903—Yachts and other vessels for pleasure and sports; Global Trade Atlas (GTA).

Market

Poland is one of the few countries in Europe bucking the trend with increased boat production each year. The annual production capacity of Polish yacht industry ranges at 22,000 units. Eighty five percent of local production is exported worldwide, mainly to Western Europe (Netherlands, France, Germany, Norway, Sweden, Finland), as well as Russia, United Arab Emirates, Saudi Arabia and the United States. Cost-effective labor rates, skilled workforce and excellent quality of Polish yachts have created an attractive base for boat building industry in Poland. Many world-known brands have established manufacturing facilities in Poland (Brunswick, Jeanneau-Benetau Group, Windy and Askeladden). Poland comes in

Statistics

Capital: Warsaw
Population: 38.5 million
GDP (USD): 525.965 billion (est.)
Currency: Polish Zloty (PLN)
Area (total): 322,575 km²
(land): 311,888 km²
(water): 10,687 km²
Coastline: 843 km
Language: Polish

Contact

Aleksandra Prus
Commercial Specialist
Warsaw, Poland
aleksandra.prus@trade.gov
+48 22 625 4374

second place in world production of yachts up to 10 meters in length (after United States). Every third yacht sailing in Europe was built in Poland.

An overwhelming majority of sailing yachts and motor boats produced in Poland is exported, and the local market is supplied in similar proportions by local and imported boats. The 2014 import achieved USD 23.8 million, and major categories were motorboats powered other than by outboard motors (USD 8.3 million) and sea-going sailboats and yachts with or without auxiliary motor (USD 7.7 million). With an import value of almost USD 0.8 million, the U.S. is the ninth largest import market of pleasure boats for Poland. The major category of pleasure boats imported from U.S. was motor boats of a length less than 7.5 meters (USD 260,000 in 2014.). Poland's export of pleasure boats were USD 316.5 in 2014 (14 times exceeded import), and included both sailboats and motor boats.

Best Prospects

Poland has adequate natural conditions for developing sailing and boating activities, and these activities enjoy popularity among Poles. Around 200,000 people are estimated to be engaged in water sports activities of various sorts every year in Poland. Polish coastline on the Baltic Sea is 843 kilometers long and there are over 10,000 lakes, including famous Great Mazurian Lakes region. There are 38 marinas and 1236 harbors in the country, including over 60 marinas and ports located on the Baltic Sea, with capacity to accommodate 3,600 boats. Inland ports and marinas located on various waterways and lakes can accommodate over 60,000 boats. About 100 yachts in Poland possess ocean certificates. During the last 40 years, 1 million sailing patents were issued in Poland.

According to the Polish Yachting Association and the Polish Powerboat Association, there were 3,500 new boats registered in Poland in 2014. The total number of boats registered in Poland is estimated at 27,000 (while the total number of boats stationed in Poland is estimated at 60,000). Motorboats represent the major market segment (80 percent of all boats registered in 2014), and pleasure boats of up to 10 meters dominate the local market (89 percent of all registered boats). Although the number of registered yachts of more than 10 meters long is increasing every year, small boats enjoy the best popularity. The demand for high-end yachts and motorboats is negligible.

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

are being built in waterways and lakes. Also, local authority strategy is to integrate existing waterways for better sailing opportunity.

Competitors

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

Market Entry

Poland is a member of the EU and pleasure boats imported into Poland from U.S are subject to applicable EU custom duties. These duties range between 0.0–2.7 percent, depending on the type of the boat (detailed information is available at bit.ly/1adGJUj).

A CE certificate is required for all EU market recreational boats. Additionally, sailing boats and motorboats used in Poland are subject to registration in the Polish Yacht Association and the Power Boat Association. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Trade Events

APJ Poland

September 25–25, 2015 • Ostroda, Poland • apjpoland.pl/en

Boatshow Poland

November 20–22, 2015 • Lodz, Poland • boatshow.pl

Wind and Water

February 12–15 2016 • Warsaw, Poland • wiatriwoda.pl

Associations

- The Polish Chamber of Marine Industry and Water Sports, polboat.eu
- Polish Powerboat Association, pzmwinw.pl
- Polish Yacht Sailing Association, ykp.pl

Russia

Overview

The Russian market for pleasure boats was rapidly developing as a result of the booming economy and rising income levels of the population since the 2000s. Recent fall in oil prices, economic sanctions and lack of economic reforms have led to a weakening economy and a sharp depreciation of the local currency against the dollar. Demand for imported goods and products has dropped, affecting the pleasure boats market as well.

Market

There are no reliable statistics on the number of pleasure boats currently in use in Russia. These boats range from small sailboats built during the Soviet era to luxury houseboats over 100 meters long.

During the past several years, many foreign producers have entered the market. There are more than 100 foreign yachts and boats manufacturers supplying products to the Russian market. Russian manufacturers are also trying to strengthen their position in this segment, especially now when the weakening of the local currency made all imported boats much more expensive for Russian buyers. There are over 250 pleasure boats manufacturers in Russia. About 50 of them are producing boats with stationary engines.

Most yacht clubs, distributors and showrooms are concentrated in Moscow and St. Petersburg. However, the distribution network into the regions is growing. International boat sellers report a growing number of Russian buyers coming from the Urals and the Russian Far East.

Most yacht owners (especially those with premium class yachts) prefer to keep their boats abroad or use them outside Russia, so manufacturers may find

Statistics

Capital: Moscow
Population: 143.6 million
GDP (USD): 1.175 trillion (2015)
Currency: Russian rouble (RUB)
Area (total): 17,098,246 km²
(land): 16,375,677 km²
(water): 722,569 km²
Coastline: 37,653 k km
Language: Russian

Contact

Lyudmila Ocheredko
Commercial Specialist
St. Petersburg, Russia
lyudmila.ocheredko@trade.gov
+7 (812) 331-2883

themselves exporting not into Russia directly, but to Finland, Turkey, Greece, Montenegro, and other nearby countries. Therefore, it is hard to identify how many luxury yachts have been purchased by Russians.

Current Market Trends

In the coming year, market players predict zero activity in the superyacht segment, little growth for medium-sized boats (up to 40 feet) and flat market for small boats (up to 20 feet).

Representatives of top brands working in Russia try to offer discounts and better sales terms to their customers. Some offer to save up to 20 percent when buying a ready-to-sail boat.

At the same time, the number of orders for second-hand boats has grown recently. Boat rental is also becoming increasingly popular.

Market Entry

There are two basic ways to enter the Russian pleasure boat market:

- Via a distributor—a foreign manufacturer may find a reliable Russian distributor to represent the company in the Russian market. The distributor may not be in a position to purchase the product and maintain an inventory but, rather, they will provide the expertise and the market knowledge to promote the product to their clients.
- By appointing a sales representative—a sales representative could be a viable alternative and may work to market, promote, search and communicate with prospective clients.

Challenges

Although more and more yachts are being purchased in Russia, the development of the appropriate infrastructure is lacking. Russia lacks yacht clubs, marinas, gas stations and service centers.

Imports tariffs continue to present challenges to importers. The current import tax for motorboats and yachts is 42 percent, and logistics expenses can add up to 5 percent to the cost. However, some Russian dealers offer to take up the logistics expenses upon themselves when purchases occur.

The requirements of the technical regulation for boats safety adopted by the Eurasian Economic Commission (valid in the Customs Union member states: Russia, Kazakhstan, and Belarus) must be observed in order to register a boat in Russia, even if the boat has the necessary safety certification issued in its country of origin. Many market players concur that the existent regulation is cumbersome and almost impossible to comply with. This has led to a situation when many, if not half of the boats currently in use in Russia operate without obtaining the necessary registration.

Trade Events

Moscow International Boat Show

March 8–13, 2016 • Moscow, Russia • eng.mosboatshow.ru

The Baltic Marine Festival

May 2016 • St. Petersburg, Russia • boatshow.lenexpo.ru/en

Moscow Yacht Festival

June 2016 • Moscow, Russia • m-yachtfest.ru

St. Petersburg International Boat Show

September 2016 • St. Petersburg, Russia • spibs.ru

Associations

- Russian Yachting Association, rya.ru



South Africa

Overview

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

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

Market

Boat-building in South Africa centers on the manufacturing of sailboats (mono- and multi-hulled), motorboats, inflatable craft (rigid and semi-rigid), kayaks, and canoes. The South African boat-building industry is principally an export industry, with 90 percent of production dedicated to exports. Export demands originate mainly from Europe and the U.S./Caribbean, with significant markets in Asia and Australia as well.

Despite having to compete with state-subsidized rivals overseas, the South African industry grew 49 percent in 2011, producing 10,000 boats, of which 80 percent were exported.

Statistics

Capital: Pretoria
Population: 48,601,098 (est. 2013)
GDP (USD): 350.6 billion (est. 2013)
Currency: South African Rand (ZAR)
Area (total): 1,219,090 km²
(land): 1,214,470 km²
(water): 4,620 km²
Coastline: 3,751 km
Language: English, others

Contact

Jaisvir R. Sewpaul
Senior Commercial Specialist
Cape Town, South Africa
jaisvir.sewpaul@trade.gov
+27 21 702 7379

Imports

Yachts, pleasure, sports vessels, rowing boats, canoes were South Africa's largest import of the sector in 2011, valued at ZAR 150 million. Floating structures (rafts, stages, buoys/beacons) (ZAR 38 million) and special purpose ships, vessels (ZAR 21 million) were ranked second and third, respectively.

Imports of Ships, Boats, & Other Floating Structures (2011)			
Rank	Destination Market	Value (ZAR Millions)	1-year Growth (%)
1	United States	328.0	36.7
2	Nigeria	184.1	705.5
3	Mozambique	92.3	821.2
4	Ireland	76.0	265845.9
5	Italy	73.6	-62.1
6	United Kingdom	72.3	-24.5
7	Spain	72.1	913.3
8	Australia	37.3	445.1
9	Seychelles	16.7	-36.7
10	United Republic of Tanzania	13.7	-22.1
Total Imports		1,092.8	49.2%

Source: Quantec, 2012

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

South Africa's boat-building industry faces challenges including outdated materials and processes, as well as lack of capacity to make large and complex tools and molds.

Exports

The United States was South Africa's largest market for pleasure exports in 2011, with a value of ZAR 328 million. Nigeria and Mozambique rank second and third valued at ZAR 184 million and ZAR 92 million respectively. The United States was also the largest destination market for

imports in this sector in 2011, valued at ZAR 82 million. Canada and New Zealand were ranked second and third valued at ZAR 17 million and ZAR 16 million, respectively.

Export of Ships, Boats, & Other Floating Structures (2011)			
Rank	Source Market	Value (ZAR Millions)	1-year Growth (%)
1	United States	82.1	34.2
2	Canada	18.7	-1.9
3	New Zealand	17.0	7607.0
4	China	15.7	-4.1
5	France	15.1	-13.7
6	United Kingdom	12.1	57.5
7	Thailand	10.7	70.9
8	Australia	8.7	98.6
9	Netherlands	8.3	-98.3
10	South Africa	8.3	-39.0
Total Exports		216.8	-69.5

Source: Quantec, 2012

Yachts, pleasure, sports vessels, rowing boats, canoes were South Africa's largest export in 2011 valued at ZAR 771 million. Passenger and goods transport ships, boats (ZAR 187 million) and special purpose ships, vessels (ZAR 51 million) were ranked second and third, respectively.

Domestic Builders

South Africa's boat-building sector produces a variety of high-quality boats. Around 85 percent of South Africa's boat builders are located in the Western Cape. The industry is characterized by a number of small entrepreneurs and dominated by a few large companies. The Western Cape sector growth is expected to reach 10 percent per year between 2008 and 2015, representing approximately 0.2 percent of the Province's GDP. However, over 90 percent of the production is export-based, making it a strong contributor to trade balance. There are over 40 boat-building yards in Cape Town supported by a wide range of supply and post-production services.



Trade Events

Cape Town International Boat Show

October 9–11, 2014 • Cape Town, South Africa • capetownboatshow.com

Johannesburg Boat and Lifestyle Show

August 14–16, 2015 • Johannesburg, South Africa • jhboatshow.co.za

Associations

- Marine Industry Association of South Africa, miasa.co.za

Spain

Overview

In 2014, Spain had a GDP of USD 1.4 trillion and a population of 48.1 million people. Spain is the fifth largest economy in the European Union and was the 17th largest importer in the world in 2014. Spain is still recovering from the 2008 recession, but in 2014 finally saw positive growth, with GDP increasing by 1.3 percent.

Market

In the first reporting period (between January and June) of 2015, 2,644 boats were registered, a 15.5 percent increase from the same period in 2014, when 2,389 boats were registered. The economic recovery has bolstered the sector, particularly in boat rentals and jet skis. Spain's 7,268 kilometers of coast, warm-temperate climate, large tourist industry in the world also bode well for the continued growth of the boating sector.

Current Market Trends

Demand is currently growing for all sized boats, those measuring 12–16 meters saw 17 percent growth in registrations, boats between 8 and 12 meters grew 13.8 percent and boats less than 8 meters grew 15.6 percent. In the first six months of 2015. Smaller vessels under 8 meters accounted for 89.3 percent of the total market. In the first half of 2015, 2,361 boats smaller than 8 meters were registered, compared to 2,042 during the same period in 2014. Boats ranging from 8–12 meters made up 7.2 percent of the total market, while boats over 12 meters make up 2.3 percent. Registration of boats larger than 16 meters has increased by 13.6 percent from 22 to 25. Other segments of the industry also saw rapid registration growth from 2014–15, notably jet skis (up 61 percent), the rental market (up 55.6 percent) and motor boats (up 13.6 percent). Inflatable folding boat registration

Statistics

Capital: Madrid
Population: 48,146,134 (est. 2015)
GDP: (USD) USD 1.4 trillion
Currency: Euro (EUR/€)
Area (total): 505,370 km²
(land): 498,980 km²
(water): 6,390 km²
Coastline: 7,268 km
Language: Spanish

Contact

Angela Turrin
Commercial Specialist
Madrid, Spain
angela.turrin@trade.gov
+34-91-308-1567



grew 12.2 percent, while sailboats grew 4.2 percent. The only sector that contracted was semi-rigid inflatable boats (down 7.4 percent). Geographic location of boat registrations fluctuated over the last year. The Balearic Islands grew 15.5 percent in registrations, making it the region with the largest market share at 16 percent. Barcelona grew 10 percent and represents 11.2 percent of the total market. Girona has the third largest market share at 6.9 percent with a growth of 30.9 percent over the past year. Registrations decreased the most in A Coruña (down to 76 from 88, a 13.7 percent decrease) and Valencia (down to 81 from 89, a 9 percent decrease).

Small Pleasure Boats

The market has really picked up in the last year, particularly in jet skis, rentals and smaller pleasure boats. The market demands more affordable, smaller-size or temporary nautical transportation. Demand increases during the summer, when the rental market is strong throughout the Spanish coast. The small pleasure boat segment is one of the most promising segments within the industry with 89 percent of the Spanish fleet being composed of boats under 8 meters. As many businesses see a growing demand of those who can afford to buy a small boat and those willing to rent them, the boating industry is also beginning to shed the elitist image of pleasure boats to attempt to reach the largest possible consumer base.

Market Entry

The Spanish Marine Trade Association (ANEN, anen.es), has announced that the Council of Ministers of Spain has done away with the matriculation tax on leisure boats operating for charters. Until now, leisure boats used for charter used to pay up to 33 percent in tax: a 12 percent registration tax (for boats over 15 meters in length) coupled with 21 percent VAT. The “tax package” announced, comprises the elimination of the 12 percent tax on leisure boats or nautical sport craft, new or used, dedicated exclusively to charter activities and above 15 meters in length. It follows the recent announcement that France will impose VAT on charters. Spain has traditionally been the only country in the region to apply not only VAT but also this special registration levy. “The involvement and support that we have received the past few years from Spanish Merchant Marine, has been fundamental in the achievement of this change,” said Carlos Sanlorenzo, ANEN’s General Secretary. “With the assistance of the current team managed by Rafael Rodriguez Valero, the Tax Ministry has approved the elimination of matriculation tax for nautical charter, hence understanding that not to penalize the activity will bring forward greater benefits for the economy beyond the collection of a tax,” Sanlorenzo added. Pleasure Boat International Resource Guide 69 ANEN explains in a statement that the matriculation tax will still be applied to pleasure boats over 8 meters intended for private use, however, as a result of the changes applied to the charter sector, “We understand that undoubtedly it will be a reference to continue modifying taxation in our industry and adapt our regulation to that of our neighboring countries.” In Spain, the recreational boating industry employs 107,434 (direct and indirect) and generates EUR 5.69 billion in net added value (as reported in 2012). The Spanish charter industry is primarily based in the Balearics. The 12

percent registration tax has traditionally acted as a deterrent for international charter players to operate non-Spanish fleets in Spanish waters. The elimination of this tax opens business opportunities in the larger (15+ meter) charter vessel segment.

Spain is a member of the European Union; therefore, all products entering the country must bear the CE Mark. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Trade Events

Barcelona Boat Show

September • Barcelona, Spain • bit.ly/1eEdPf9

One of the top three boat shows in Europe, in terms of both quality and attendance.

Associations

- Association for the Pleasure Boat Industry (A.D.I.N.), adin-scs.es/?lang=en
- National Association of Nautical Companies (ANEN), anen.es
- Spanish Association of Nautical Clubs and Marinas (ACEN), aeclubesnauticos.com

Sweden

Overview

Sweden's leisure boating market is rife with opportunities for U.S. companies of all sizes. With countless lakes, rivers and canals, Sweden is exceptionally well placed for utilizing leisure boats. The size of the market and the players makes it an ideal market for small to medium-sized enterprises wishing to internationalize.

Sweden has more leisure boats per capita than almost any other country in the world. In Sweden, the number of adults per leisure boat is around eight. Only our Nordic neighbors Finland, Denmark and Norway, as well as New Zealand, have as many or more boats per person. By way of comparison there are 18 people per boat in the United States, 40 in Holland, 130 in England, 185 in Germany and 450 in Japan. Sweden has over 11,600 kilometers of mainland coastline. Including the beaches in inlets and islands, the coastline is 386,000 km long, which is 9.5 times around the world. Sweden has some of the world's most extensive archipelagos comprising more than 60,000 islands. The Stockholm Archipelago alone has 30,000 islands. Inland, there are 95,000 navigable lakes and 1,000 km of canals. Over 8.5 percent of the country's surface is covered by lakes and watercourses.

Market

A survey on boating conducted in 2010 reveals that Swedish households with members aged between 20–74 own approximately 881,000 leisure boats.

Around 16,500 boats were sold in Sweden in 2014 (including used boats). Approximately 2,200 boats worth USD 55 million were exported. The largest export markets for Swedish boats are Norway, the United Kingdom and Germany. Around 12,700 boats at a total value of USD 106.5 million were imported. These came mainly from China, Finland, Norway, and the United States. Approximately 6,000 boats valued at USD 100 million were manufactured in Sweden in 2014.

Statistics

Capital: Stockholm
Population: 9,747,355 (est. 2014)
GDP (USD): 548.50 billion (est. 2014)
Currency: Swedish krona (SEK)
Area (total): 528,500 km²
(land): 407,300 km²
(water): 121,200 km²
Coastline: 11,600 km
Language: Swedish

Contact

Nancy Björshammar
Commercial Specialist
Stockholm, Sweden
nancy.bjorshammar@trade.gov
+46-8-783-5347

Percent of Boats by Type (2010)	
Type	Percent
Canoes and kayaks	6.0
Dinghies and rowboats, with or without motors	18.0
Open boats with motors under 10 hp	18.4
Motor boats with motors of at least 10 hp without cabin	32.0
Sailboats and dinghies without sleeping accommodation	2.6
Sailboats with temporary sleeping accommodation	2.2
Motorboats with sleeping accommodation	13.6
Sailboats with sleeping accommodation	7.2

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

Best Prospects

The Swedish leisure boating industry's complexity and maturity means that there are a multitude of areas where U.S. companies can enter the market.

In 2014, leisure boat sales (incl used boats) in Sweden were the highest since 2011. With a country so naturally suited through its geographical makeup to take up activities on the waters, boating continues to grow as a popular hobby among all ages. Leisure boats of other rigid type (not sailboat or motorboat) have been growing in popularity.

Furthermore, in Sweden, leisure boats designed for longer trips number over 200,000. This provides possibilities for companies specializing in providing products and services for comfort and accommodation at sea to enter the market.

Best Prospects

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

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

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

Competitors

Hallberg-Rassy, one of the largest producers of leisure boats on the Swedish market, produces yachts of many types, from large long sailing cruisers, to the small family Sunday trip. In 2010, Hallberg Rassy won European Yacht of the Year in the luxury cruiser category for its Hallberg-Rassy 372. The company is best known for its center cockpit boats, but the majority of their boats produced are aft cockpit boats, and this was the largest ever built.

Nimbus Boats is one of Scandinavia's leading manufacturer of leisure boats for cruising and sport. Nimbus is one of the foremost and most respected boat builders in Europe. In 2009, Nimbus Boats won the Best Environmental Motorboat award in Sweden with the Nimbus 27 Nova S. Storebro is a Swedish boat manufacturer of high quality boats, both for civilian and military use. In 2014, Storebro acquired the Nord West Yachts brand.

Market Entry

Sweden's many domestic producers provide market entry opportunity though becoming a supplier. Another option is partnering with, or selling to, one of Sweden's distributors. With over 800,000 boats, there is a constant demand for sailing and boating equipment.

The Swedish leisure boating industry mainly complies with EU regulations. As Sweden is a country of only 9.7 million people, it may be wise to consider entering multiple Nordic countries simultaneously. Often, any market issues and obstacles found will depend on the product sold, and will have to be dealt with in a case-by-case basis.

Sweden is a member of the European Union; therefore, all products entering the country must bear the CE Mark. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Trade Events

Båtmässan

February 6–14, 2016 • Gothenburg, Sweden • batmassan.se

Allt För Sjön (Stockholm International Boatshow)

March 5–13, 2016 • Stockholm, Sweden • alltforsjon.se?sc_lang=en

Allt på Sjön

Summer 2016 • Gustavsberg, Sweden • alltpasjon.nu?lang=en

Associations

- Båtbranschens Riksförbund (SweBoat, The Swedish Leisure boat industry association), sweboat.se/this-is-sweboat.aspx
- SeglarFörbundet (Swedish Sailing Federation), svensksegling.se
- Svenska Kryssarklubben (Swedish Cruising Association), bit.ly/1Nkk20K

Taiwan

Overview

Taiwan is the largest yacht manufacturer in Asia with more than 20,000 luxury craft constructed on the island now cruising the world's oceans. Taiwan's yacht production ranks number one in Asia and in the top six globally. In Taiwan, there are 35 active yacht manufacturers, 19 of which are located in the Kaohsiung area of southern Taiwan where there is a well-established industry cluster in the vicinity of Kaohsiung Harbor.

Market

The United States is typically the largest market for yachts manufactured in Taiwan and is also one of the biggest suppliers of components used by Taiwan yacht builders, especially engines.

The biggest recent development in the industry is the changes in Taiwan's luxury tax for yachts. The new rules stipulate that only yachts over 100 feet would be subject to the 10 percent luxury tax.

The previous rules stated that any yacht over TWD 3 million (approximately USD 93,000) in value would be subject to the luxury tax. Local industry experts claim this will open the domestic market to U.S. yacht builders that specialize in ocean going yachts under 100 feet.

Statistics

Capital: Taipei
Population: 23 million
GDP (USD): 489 billion
Currency: New Taiwan Dollar (TWD)
Area (total): 35,980 km²
(land): 32,260 km²
(water): 3,720 km²
Coastline: 2,007 km
Language: Chinese

Contact

Daphne Fan
Commercial Assistant
Kaohsiung, Taiwan
daphne.fan@trade.gov
+886-7-335-5006

Best prospects include:

- Engines and generators
- Sprinkler systems
- Hi-test chain
- Steering control systems
- Stabilizers
- PVC foam
- Air conditioning systems
- Bow and stern thrusters,
- Search lights
- Vacuum and marine toilet systems
- Paint
- Other deck hardware
- Water makers

Market Entry

Most new-to-market exporters entering Taiwan begin by finding a local partner to serve as an agent, distributor, and/or representative. Agents are the most common partnerships used by foreign companies to gain their initial foothold in Taiwan. The vast majority of Taiwanese companies are small and medium sized enterprises (SMEs). They are active in trading and manufacturing and offer a large pool of prospective trade partners that can capably represent U.S. companies in Taiwan.

Taiwan's banking and international remittance systems are well developed, and there are no foreign exchange regulations that would significantly hamper a U.S. exporter from receiving payment for goods shipped and services provided. Irrevocable letters of credit are widely used and "L/Cs" from leading Taiwan financial institutions are usually confirmed by U.S. banks.

Trade Events

Taiwan International Boat Show

March 10–13, 2016 • Kaohsiung, Thailand • www.boatshow.tw/en_US/index.html

Taiwan held its first international boat show in May 2014. The show attracted more than 70,000 visitors (including over 2,000 overseas buyers) and generated the sales of 32 yachts worth of USD 33 million during the show.

Associations

- Taiwan Yacht Industry Association (TYIA), taiwan-yacht.myweb.hinet.net

Turkey

Overview

Turkey is surrounded by water on three sides: the Aegean to the west, the Black Sea to the north and the Mediterranean to the south. Additionally, the Marmara Sea, the Dardanelles and the Bosphorus straits are also located in Turkey. There are approximately 290 shore facilities on Turkey's 8,333 km (nearly 5177 miles) of coastline; 171 ports can accommodate ships of over 500 gross tons.

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

As of March 2015, Turkey ranks 10th in the world; however, it ranks fourth when only ships over 24 meters (78.7 feet) of length are considered. It is ranked first in European ship building, with the help of its advantageous geographic situation. Additionally, Turkey is the sixth most visited country in the world and yachting has a remarkable share in this ranking.

The Turkish yacht industry has been developing a strong reputation since 1960s, especially among European customers, with the traditional production of wooden gullets from Bodrum. Investors and high quality products made Turkey third in the

Statistics

Capital: Ankara
Population: 77,151,750 (est. 2015)
GDP (USD): 822.1 billion (2015)
Currency: Turkish Lira (TRY)
Area (total): 783,562 km²
(land): 769,632 km²
(water): 13,930 km²
Coastline: 8,333 km
Language: Turkish

Contact

Berrin Erturk
Senior Commercial Specialist
Ismir, Turkey
berrin.erturk@trade.gov
+90-232-441-2446

world for mega yacht production. Currently, some companies located in Turkey are focusing on sophisticated engineering skills, instead of relying on a cheap work force to win business from more expensive markets in the West.

Turkish buyers are also very receptive to U.S. products. U.S. suppliers are known for their high quality and technologically sophisticated products.

Between 2004 and 2008, the leisure boat building sector enjoyed significant foreign investment with a number of the world's higher profile yacht builders looking to Turkey to set up production facilities either as subsidiary companies or by working with partner companies. Examples include Vitters, Nedship, Oyster and Perini Navi.

The growth in the yachting industry also brings the need for new marinas. In 1984, there were only two marinas in Turkey, with a total capacity of 435 yachts; however, today, 46 marinas exist and including municipal docks and related infrastructure, the capacity reaches 25,199 yachts, and further growth is expected. Turkey is one of the fastest developing countries in this industry. Approximately 1 million yachts regularly tour the Mediterranean; Turkey's aim is to meet 5 percent of this demand, which adds up to approximately 50,000 yachts.

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

Market

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

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

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

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

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

Best Prospects

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

- Super yacht (over 50 feet): The super yachts and mega yachts are custom designed and custom manufactured according to the needs of the customers, in specialized boat yards.
- Pleasure Craft (up to 50 feet): Turkey specializes in building super yachts (24–40 meters long) and mega yachts (40 meters and longer), and currently ranks third in the world for mega yacht building.
- Pleasure Boat Accessories: There is significant production in some parts, such as generators used for boats, and deck equipment of anchor windlass, steering systems, capstan, deck cranes, boarding ladders, gangways, and related.
- Luxury Yacht Charters: There are many private companies serving luxury yacht charters.

Best Opportunities for U.S. exporters include:

- Yachts of up to 24 meters (approximately 80 feet) in length are primarily imported, since there is limited local production of small leisure boats.
- Pleasure Boat Parts and Accessories outside of the categories manufactured in Turkey, both for the consumer market and the boat building manufacturer market.

Competitors

Modern yacht production is relatively young in Turkey; however, industry benefits from the high quality and cheaper labor force, resulting in very competitive prices and more foreign companies transferring production to Turkey. Yacht producers are spread around the country, continuing their production in small facilities. Most builders have been involved in the boating

business for generations; however, in the last decades they have converted their family production facilities into more modern production facilities, and commenced exporting to other countries, such as the United States, Netherlands, Germany, Italy, Greece, and France. Production lines grew tremendously from classic to modern product lines. Depending on the order, these facilities can also provide CE marking, which is very important for sales to Europe.

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

Market Entry

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

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

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

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

Trade Events

Istanbul International Boat Show

October 6–11, 2015 • Istanbul, Turkey • boatshow.com.tr/en

Eurasia Boat Show

February 2016 • Istanbul, Turkey • cnravrsyaboatshow.com?ln=2

Associations

- Turkish Chamber of Shipping, www.denizticaretodasi.org.tr/en-en
- Federation of Yacht and Boat Industries (YATEF), yatef.org.tr

United Kingdom

Overview

The UK marine industry as a whole is currently healthy, with the economic downturn making the market leaner and more efficient. The gradual improvement in overall marine business activity in the UK continues, with 51 percent of companies responding to a survey conducted by the British Marine Federation (BMF) reporting an increase in activity over the last six months, up from 37 percent the previous year. 58 percent of the respondents reported an increase in turnover, with 48 percent reporting an increase in profitability. Confidence in future sales continues to rise as the global financial crisis abates, and 50 percent of respondents considered that future growth was likely.

Total activity in watersports remains high in the UK despite slight dips in the last two years. Participation in overall watersport activities, as estimated by the BMF, fell slightly to 26.8 percent of adult UK residents, 2 percent down on last year's figures. This figure suggests, as a best estimate, that around 13.1 million UK adults currently participate in watersports of some variety.

Market

The UK leisure, super yacht and small commercial marine industry reported incremental increases in business performance over the last six months. BMF figures suggest that USD 437 million was spent by UK residents on motor cruising, with an additional USD 247 million spent on powerboating. The total industry revenue from powerboat manufacturing was USD 1.2 billion. Although the domestic market remained flat for most of 2014, UK manufacturers indicated that it began to stir in the last months of the year, and benefitted from a strong foreign market in the U.S. and Russia.

Statistics

Capital: London
Population: 63,742,977
GDP (USD): 2.678 trillion
Currency: Pound sterling (GBP/£)
Area (total): 243,610 km²
(land): 241,930 km²
(water): 1,680 km²
Coastline: 19,717 km
Language: English

Contact

PJ Menner
Commercial Specialist
London, England
pj.menner@trade.gov
+44 (0)20 7894 0470



Unable, or unwilling, to go head to head with the high volume output of some manufacturers in continental Europe, British yards are focusing on yachts aimed specifically at global buyers willing to pay a little extra for a semi-customized finish. Customers ordering a new build in the UK, even at the lower end of the scale, generally expect to have some input into how it is finished.

Sailboats

UK sailboat manufacturers continue to focus on stylish and seaworthy yachts over high volume, low quality output. Revenues for new sailboats touched USD 155 million, and the value of training people to sail was USD 93 million in 2014.

Superyachts and Motorboats

The UK superyacht sector continues to be dominated by two companies, Sunseeker and Princess Yachts International. Sunseeker reported a loss of USD 46 million on revenues of USD 532 million for the 17 months to January 2014, but attributes the losses to one-off accounting adjustments from a takeover. Princess Yachts achieved sales of USD 386 million in 2012, a 20 percent increase on the year before, and averages one boat a day in production. Both companies report that they expect to grow as they reach new markets in Asia.

Best Prospects

- Semi-custom as standard
- Greater use of wood during build
- Highly technical navigation instruments
- Motorboats under 25 feet in length
- Accessories
- Powerful outboard engines
- Competitors

The UK's top three motor boat manufacturers are Sunseeker, Princess and Fairlane, who continue to hold a strong presence in the global market by catering mainly to the demand for superyachts and motor yachts. Supplementing the output from these yards are the more specialist producers such as Broom and Pearl, while an increasing number of sailboat manufacturers are also introducing motorboats to retain brand-loyal customers. At the smaller end of the scale, niche builders such as Williams Performance Tenders focus on the superyacht sector, and report steady sales globally of more than 700 boats a year.

Market Entry

There are very few barriers to imports in the UK. The key to exporting to the UK is through partnering with a local manufacturer or distributor to help facilitate market acceptance. Quality and safety improvement are critical factors in domestic and international business development. Increasingly important is the ISO 9000 Standard Series. Growing demand by both buyers and regulators within and outside the European Union for conformity to ISO 9000 requirements has made these standards and their usage an important concern to U.S. companies.

Equally important is the CE Mark. In Europe, the Recreational Craft Directive (RCD) 94/25/EC, as amended by Directive 2003/44/EC, details the compliance requirements and modules for recreational craft manufacturers. All craft and components covered by the Directive must adhere to its requirements and bear the CE marking if mandated. For more information about CE marking, please refer to Austria's Market Entry section on page 10 of this book.

Trade Events

Southampton Boat Show

September 11–20, 2015 • Southampton, England • southamptonboatshow.com

The London Boat Show

January 8–17, 2016 • London, England • londonboatshow.com

Oceanology International

March 15–17, 2016 • London, England • oceanologyinternational.com

Associations

- British Marine Association, britishmarine.co.uk
- UK Marine Industries Alliance, ukmarinealliance.co.uk



Contacts

For more information about how we can help you, please contact one of our trade specialists. For detailed contact information, please visit export.gov/usoffices.

U.S. Trade Specialists—Marine Technology Team

Alabama

Birmingham

Robert Stackpole
(205) 731-1333
robert.stackpole@trade.gov

Arizona

Phoenix

Martin Herbst
(602) 277-5223
martin.herbst@trade.gov

California

Central California

Glen Roberts
(661) 637-0136
glen.roberts@trade.gov

Los Angeles

Cynthia Torres
(760) 333-8551
cynthia.torres@trade.gov

Los Angeles

Delia Valdivia
(310) 235-7203
delia.valdivia@trade.gov

Orange County

Kristin Houston
(949) 660-7103
kristin.houston@trade.gov

Orange County

Jason Sproule
(949) 660-7105
jason.sproule@trade.gov

San Diego

Aron Davidson
(858) 467-7038
aron.davidson@trade.gov

San Diego

Julie Osman
(858) 467-7037
julie.osman@trade.gov

San Jose

Joanne Vliet
(408) 535-2757 x105
joanne.vliet@trade.gov

Connecticut

Middletown

Anthony Sargis
(860) 638-6954
anthony.sargis@trade.gov

Colorado

Denver

Danielle Blakely
(303) 844-3247
danielle.blakely@trade.gov

Florida

Clearwater

Dan Bjerk
(727) 464-7347
dan.bjerk@trade.gov

Fort Lauderdale

Eduardo Torres
(954) 356-6640 x15
eduardo.torres@trade.gov

Jacksonville

Jorge Arce
(904) 232-1270
jorge.arce@trade.gov

Miami

Mohmoud Chikh-Ali
(305) 526-7428
mohmoud.chikh-ali@trade.gov

Idaho

Boise

Amy Benson
(208) 364-7791
amy.benson@trade.gov

Iowa

Des Moines

Patricia Cook
(515) 284-4590
patricia.cook@trade.gov

Kentucky

Louisville

Brian Miller
(502) 582-5066
brian.miller@trade.gov

Louisiana

New Orleans

Brittany Banta
(504) 589-6702
brittany.banta@trade.gov

New Orleans

Crystal Mills
(504) 589-6546
crystal.mills@trade.gov

Maine

Portland

Jeffrey Porter
(207) 541-7430
jeffrey.porter@trade.gov

Maryland

Baltimore

Bill Burwell
(410) 962-4539
bill.burwell@trade.gov



Massachusetts

Boston

Maryanne Burke
(617) 565-4303
maryanne.burke@trade.gov

Minnesota

Minneapolis

Matthew Woodlee
(612) 348-1637
matthew.woodlee@trade.gov

Mississippi

Jackson

Jessica Gordon
(601) 373-0784
jessica.gordon@trade.gov

Missouri

St. Louis

Margaret Gottlieb
(314) 260-3786
margaret.gottlieb@trade.gov

Nevada

Las Vegas

Hector Rodriguez
(702) 388-6694
hector.rodriguez@trade.gov

New Hampshire

Portsmouth

Justin Oslowski
(603) 953-0210
justin.oslowski@trade.gov

New Jersey

Central-Southern

Debora Sykes
(609) 896-2734
debora.sykes@trade.gov

New York

Syracuse

John Tracy
(315) 453-4070
john.tracy@trade.gov

North Carolina

Raleigh

Frances Selema
(919) 281-2753
frances.selema@trade.gov

Oregon

Portland

Scott Goddin
(503) 326-5156
scott.goddin@trade.gov

Pennsylvania

Philadelphia

Tony Pu
(215) 597-6120
tony.pu@trade.gov

Rhode Island

Providence

Keith Yatsuhashi
(401) 528-5104
keith.yatsuhashi@trade.gov

South Carolina

Charleston

Phil Minard
(843) 746-3404
phil.minard@trade.gov

Tennessee

Nashville

Brie Knox
(615) 736-2223
brie.knox@trade.gov

Texas

Fort Worth

Matt Baker
(817) 684-5349
matt.baker@trade.gov

Houston

Brendan Kelly
(832) 431-7371
brendan.kelly@trade.gov

Washington

Seattle

Karen Taylor
(206) 553-5615 x234
karen.taylor@trade.gov

Spokane

Janet Bauermeister
(509) 353-2625
janet.bauermeister@trade.gov

Washington, D.C.

Giancarlo Cavallo
(202) 830-5634
giancarlo.cavallo@trade.gov

Jason Evans
(202) 482-4416
jason.evans@trade.gov

Jim Rice
(202) 482-1176
jim.rice@trade.gov

John Vanderwolf
(202) 482-0348
john.vanderwolf@trade.gov

Russell Adise
(202) 482-5086
russell.adise@trade.gov

Ann Ngo
(202) 482-0010
ann.ngo@trade.gov

Wisconsin

Milwaukee

Damian Felton
(414) 297-3475
damian.felton@trade.gov





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