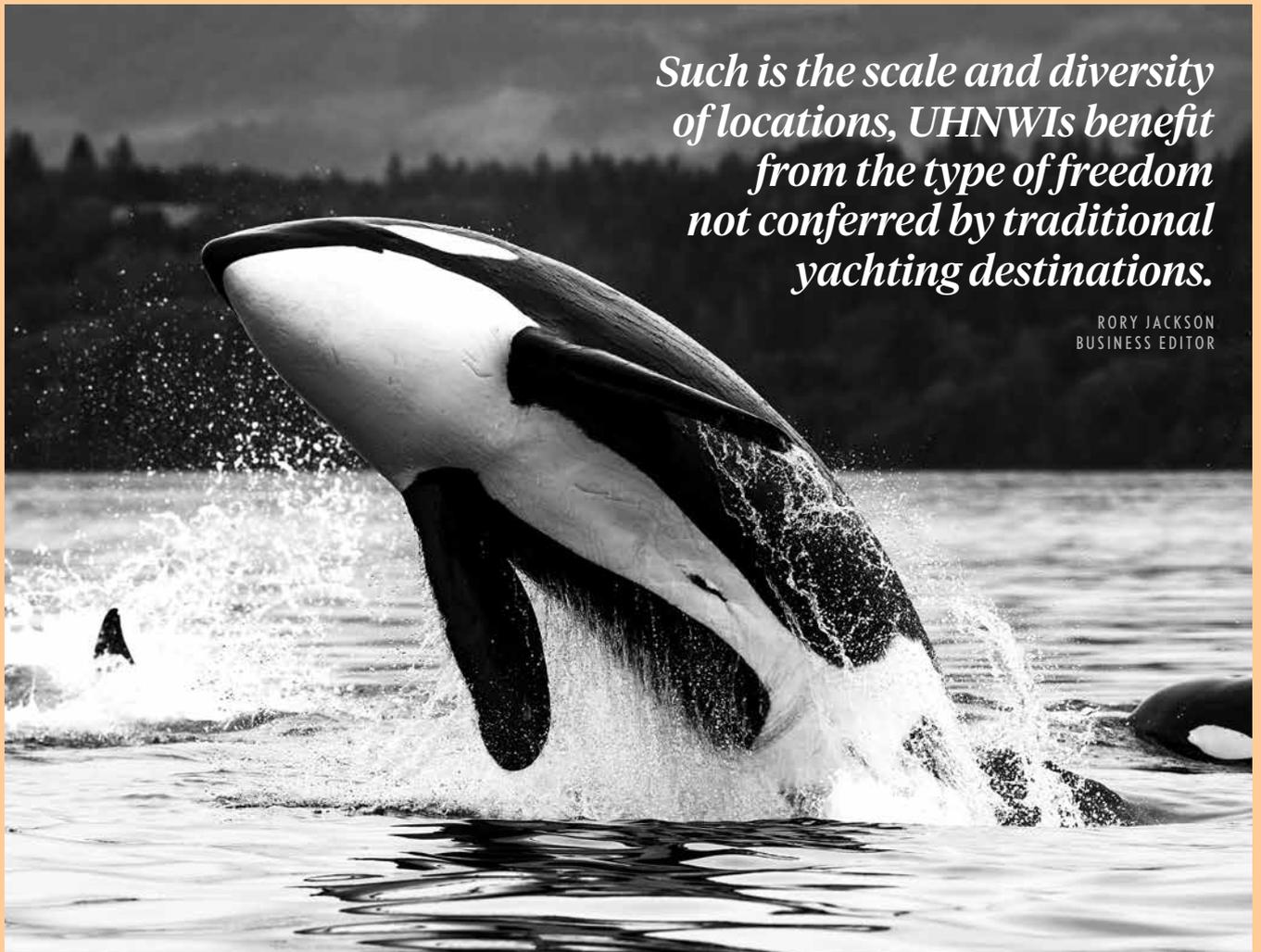


# The Pacific Superyacht Report



*Such is the scale and diversity of locations, UHNWIs benefit from the type of freedom not conferred by traditional yachting destinations.*

RORY JACKSON  
BUSINESS EDITOR

The logistical challenges of cruising the vast and varied Panama Canal – Alaska coastline

The realities of Asian market dynamics and buyer behaviour trends

Infrastructure and regulatory developments within the cruising hubs of Oceania

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# GETTING SPECIFIC ABOUT THE PACIFIC



BY WILLIAM MATHIESON

*William Mathieson discusses the narrowing down of subject matter when covering an expanse as vast as the Pacific Ocean and its coastline.*

Compiling our Pacific report is, at once, both a joy and a headache. A headache because being located in the UK makes corresponding with key stakeholders in various time zones not aligned to our own something of a logistical challenge. However, this practical inconvenience is dwarfed by that of the pleasure our team draws from researching, documenting and crystallising the most pertinent points from such a fascinatingly diverse portion of the globe.

With approximately 32,000 words to play with, this particular adventure was always going to be an exciting one. And although the pandemic has put paid to any hope of visiting these territories in person for this particular issue, we have still metaphorically traversed a vast expanse of land and sea.

This is the second time we have published a Pacific report, and the first time since autumn 2019. And now, as then, it's been a joy from start to finish. It reaffirms the truly global scope of today's superyacht fleet and the near-endless possibilities that exist within the world's oceans. But it also shines a spotlight on quite how broad the reach of the shoreside superyacht industry is, and how interconnected hubs of expertise have become to service yachting clients across such a huge area.

I'm always a little reticent to write

such things for fear of coming across as a typically patronising European. After all, the builders and brokers were once admonished for their western-centric sales and marketing strategy when moving into the nascent Asia-Pacific market 15 years ago. And it could also be argued that the yachting media has been traditionally similarly western-centric in its positioning and reportage.

Therefore, I have always felt it important within our editorial mission statement to provide as holistic an overview of the industry as possible – acknowledging that, while the Mediterranean is the industry's primary market, there are self-contained superyacht markets all over the world. And this publication is something of a homage to that fact.

The number of Pacific 'markets' is so myriad that we could not hope to cover all of them with authority among those aforementioned 32,000 words. And that is why we will be reinforcing our efforts to cover Pacific territories in our online reportage throughout the year, both through our editorial team and our invitation to contributors throughout the Pacific to report on any issues specific to their region that are of relevance to the industry as a whole. 'Our door is always open', as they say, and interested parties can contact me at [william@thesuperyachtgroup.com](mailto:william@thesuperyachtgroup.com) **WM**

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Justin Hofman/EYOS Expeditions

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# The Superyacht Report

04/2021

For more than a quarter of a century, *The Superyacht Report* has prided itself on being the industry's most integral source of information and insight. Having continually invested in the most respected journalists and analysts, with complementary areas of expertise that span the whole industry, we firmly believe we are the only source of independent and honest opinion. Our editorial team and our industry contributors stand by their words, and that is why *The Superyacht Report* is the industry's most trusted report: A Report Worth Reading.

## Editor-In-Chief

Martin H. Redmayne  
[martin@thesuperyachtgroup.com](mailto:martin@thesuperyachtgroup.com)

## Editorial & Intelligence Director

William Mathieson  
[william@thesuperyachtgroup.com](mailto:william@thesuperyachtgroup.com)

## Business Editor

Rory Jackson  
[rory@thesuperyachtgroup.com](mailto:rory@thesuperyachtgroup.com)

## Research Editor

Clare Sidwell  
[clare@thesuperyachtgroup.com](mailto:clare@thesuperyachtgroup.com)

## Technical Editor and Intelligence Analyst

Bryony McCabe  
[bryony@thesuperyachtgroup.com](mailto:bryony@thesuperyachtgroup.com)

## Operations Editor

Jack Hogan  
[jackh@thesuperyachtgroup.com](mailto:jackh@thesuperyachtgroup.com)

## INTELLIGENCE

### Head of Intelligence

Russell Cockerton  
[russell@thesuperyachtgroup.com](mailto:russell@thesuperyachtgroup.com)

### Data Analyst

Dennis Leung  
[dennis@thesuperyachtgroup.com](mailto:dennis@thesuperyachtgroup.com)

### Data Analyst

Trevor Seymour  
[trevor@thesuperyachtgroup.com](mailto:trevor@thesuperyachtgroup.com)

### Intelligence Marketing & Business Development Executive

Giacomo Guglielmini  
[giacomo@thesuperyachtgroup.com](mailto:giacomo@thesuperyachtgroup.com)

## DESIGN & PRODUCTION

### Designer & Production Manager

Felicity Salmon  
[felicity@thesuperyachtgroup.com](mailto:felicity@thesuperyachtgroup.com)

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# THE PACIFIC NORTHWEST TO THE PANAMA CANAL



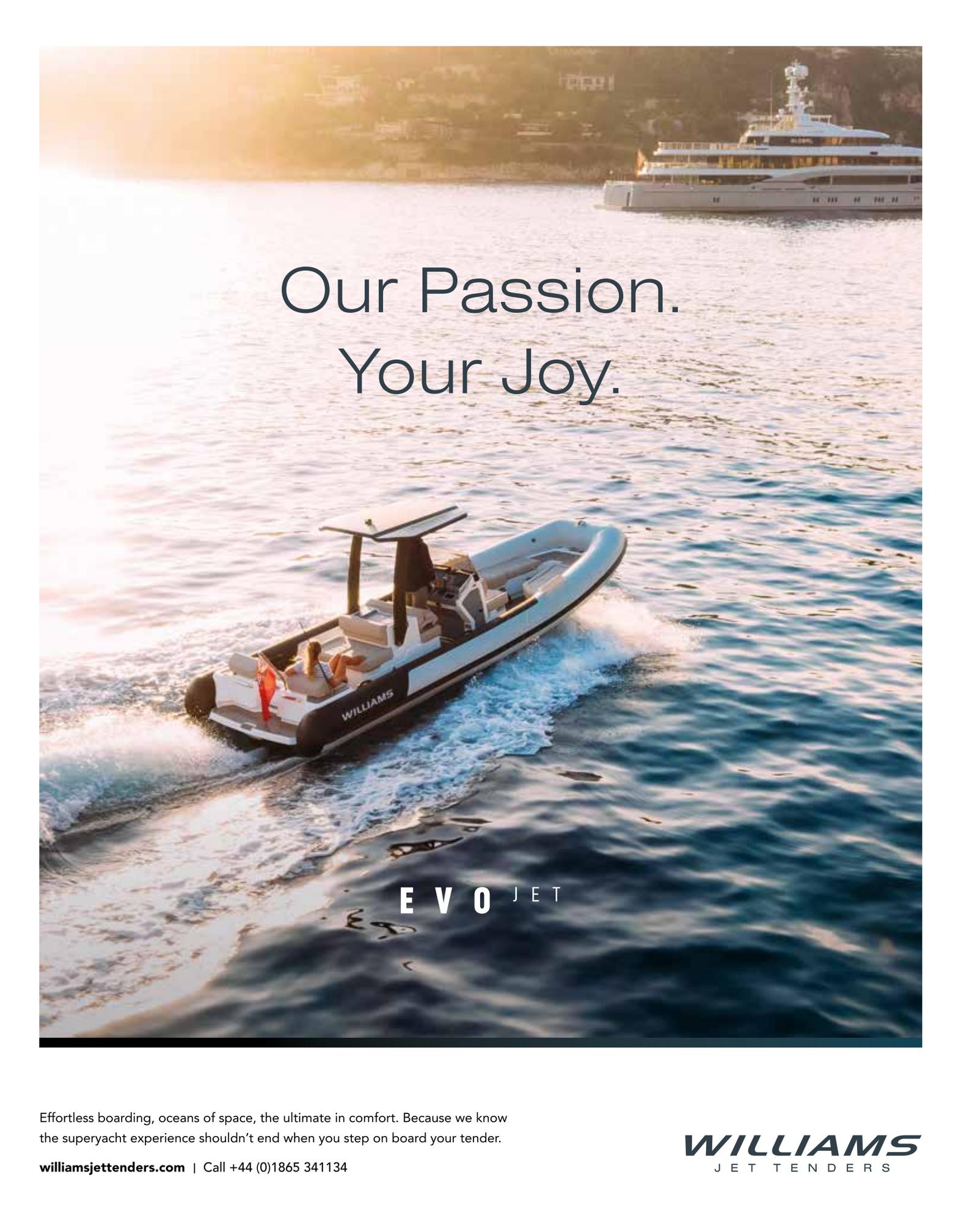




# Into the wild

*As the market continues to discuss the trend in superyacht exploration and the growing desire of owners to travel further afield, the Pacific Northwest is increasingly emerging as a superyachting paradise. But she is not one for the faint of heart.*

BY RORY JACKSON



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To this day, the Pacific Northwest remains one of the superyacht world's best-kept secrets. As superyacht owners and guests continue to talk about their desires to explore, be at one with nature and experience genuine privacy, regions such as British Columbia and Alaska will continue to appeal to more and more individuals. Supported by the fact that superyachts today are more autonomous and able to carry out extended voyages in variable conditions, the desire to visit these places is now matched by the capability.

"I believe that western Canada and the Pacific Northwest are some of the most beautiful cruising grounds in the world," says Steve Sidwell, owner of 34m *Ascente*. "But, I would say it is a wilderness adventure experience on the water and a far cry from the typical Mediterranean and Caribbean style of yachting. Every day we see a tremendous amount of wildlife – whales, dolphins, bears – you name it.

"The scenery is outstanding and there is so much to do. Every day is an adventure and that is exactly how we approach our time there. When we are out on the boat, we are adventuring 100 per cent of the time. We get into areas where superyachts may never have been and we go for days without seeing so much as another boat, and that is exciting. There is never a dull moment."

In recent years, much has been made of the rapid growth of the exploration superyacht sector and the desire on the part of superyacht owners and charter guests to explore increasingly remote and wild locations. Invariably, when one considers exploration vessels, the discussion jumps straight to polar exploration and ice-class requirements, all the while forgetting the riches that locations like the Pacific Northwest boast for an owner who is willing to get off the beaten track.

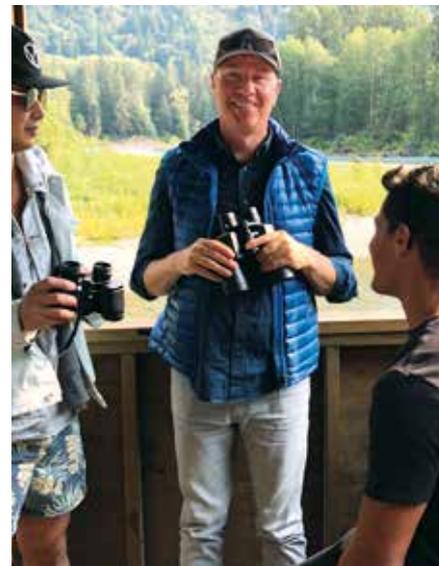
"The difference between the Mediter-

ranean or Caribbean from here is worlds apart. Although I like doing the Mediterranean and Caribbean for short stints, it is not something that I would want to do for long periods of time," continues Sidwell. "When we go out it is a family experience, we don't even have satellite television on board and that is the way we want to keep it. Cruising in the Pacific Northwest is about adventure and our time there represents the best family experiences we have ever had. It is about developing a close connection with nature, family and, in a way, spirituality."

It's fascinating really that when one imagines the typical superyacht experience, references to family, friends and shared experiences are unavoidable. Equally, when one reads any contemporary description of superyacht design, they all, without fail, reference 'oneness with the ocean' or 'proximity to the water', and yet so much of the technology on board is designed to draw attention away from the surroundings.

"It is very common for chartered superyachts to highlight the size of their cinema room or boast about how the vessel features the latest and greatest (and often most complex) AV/IT systems. Sidwell, and by extension his family and *Ascente*, espouse a form of yachting that places nature at the very centre.

"We aren't craving technology while we are on board. In some of our favourite places there is no internet and no phone signal; there is zero potential for us to connect with the outside world, and we crave that," says Sidwell. "It is a point of relaxation and connection with nature that most people simply don't get to experience. But, when you have experienced it, it is something that you will want to return to. With the popularity of adventure yachts growing, I fully expect the Pacific Northwest to see significantly more superyachts visiting in the near future."



*Steve Sidwell (centre), owner of Ascente, with deckhand Omar (left) and chef Eugene (right) on a bear-spotting tour at Bute Inlet.*



One of the most desirable characteristics of cruising in Canada and the Pacific Northwest is the isolation. Unlike cruising in the Mediterranean, Caribbean or Florida, owners and guests may go days without seeing another vessel, let alone another superyacht. Such is the scale of the wilderness and diversity of the locations, UHNWIs are able to benefit from the type of genuine isolation and freedom that simply cannot be conferred by the world's most popular destinations.

"I have worked in Europe previously and the first thing I noticed was how restrictive it was," says Captain Skip Sethmann of Northern Lights Yacht Management. "You can't just go anywhere you want to go, you have to have a permit, and you have to be in constant communication with the coastguard and all this stuff. In Washington State we have the San Juan Islands that are very popular, very beautiful places to go, but in terms of crowding it is nothing like Europe. British Columbia is absolutely endless and it is my favourite place in the world to go cruising. You could cruise all summer and never be in the same anchorage at night."

Sethmann, who previously captained a 47m superyacht owned by the Boeing Company, describes a career that has seen him cruise all over the world, but he firmly believes that (proximate bias aside) the Pacific Northwest simply cannot be beaten in terms of the quality of the cruising. However, he does note that there are certain characteristics associated with cruising in this region that may not necessarily appeal to all superyacht users.

"I think the biggest drawback is that people believe it is bad weather all the time – that it is cold and rainy," adds

**“British Columbia is absolutely endless and it is my favourite place in the world to go cruising. You could cruise all summer and never be in the same anchorage at night.”**

Sethmann. "Granted, the further north you go the bigger the problem becomes. The south-east of Alaska, for instance, has one of the highest rainfalls in the world; it even rains a lot in the summer. The first time I took a boat up there, I researched the area to find out the best time of year to go and from the climate information I learned that the two driest months of the year are May and June ... and then it rained half the time anyway. You are not going to lie out in the sun all day every day, but that is not the point of going to these areas. The biggest drawback is certainly the rainfall, but the other problem that does sometimes put people off is the pilotage restrictions for foreign-flagged vessels."

Pilotage rules are common for foreign-flagged yachts in the Pacific Northwest, from Washington State to Canada and Alaska. However, it is worth understanding exactly how these rules apply to any given yacht because, more often than not, it will be possible to apply an exemption or waiver that not only vastly reduces the cost of having a pilot on board, but also allows any given owner or group of guests far greater freedom to explore than they might expect under such circumstances. In Canada, for instance, it is supposedly compulsory for all pleasure craft over 500gt entering Canadian waters to have a pilot on board.

"When a foreign vessel enters Canadian waters they have to have pilotage and the pilots can be incredibly expensive," explains Duncan McCallum, owner of BC Yacht Waivers and Commanding Officer in the Canadian Coast Guard. "Even for superyachts, \$10,000 a day is incredibly off-putting and that doesn't include the need to pay for transport, provide them with their own



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*Ascente in Khutzeymateen Inlet.*

cabin and so on. However, having a pilot on board, contrary to popular belief, is not strictly necessary.”

McCallum explains that when a sufficiently qualified individual is registered to the vessel as a ‘deck officer’, and has conduct of the vessel, the Pacific Pilotage Authority may grant a ‘Waiver of Compulsory Pilotage’ to the vessel in question. The vessel, therefore, will not be required to have a pilot, therefore avoiding the astronomical fees and pilotage limitations.

“If I am on board, or another individual like myself, then the superyacht can get a waiver. Typically, we charge around a tenth of the price of the pilotage fees, and we are able to stay on board for the duration of any voyage, unlike pilots who will only work eight hour days and are required to be switched every couple of days,” adds McCallum. “If I come on board, I essentially become part of the crew. Additionally, when pilots are

on board they are required to stick to their set routes, which really defeats the point of cruising in the Pacific Northwest. I can take guests to the various nooks and crannies, and beautiful anchorages that make the Pacific Northwest so special, as well as being able to take the guests fishing and hiking or arrange helicopter trips for them. Part of our service is to work with the captains and owners ahead of time to work out ideal itineraries for the vessel. Compared with the limitations of pilotage, it really is night and day.”

While having a pilot on board, or indeed someone such as McCallum, may sound slightly restrictive, there is good reason for acquiring local knowledge. The simple fact of the matter is that in the Pacific Northwest, cruising is more dangerous than it is in the world’s most popular superyacht destinations. While the natural beauty in the region is immense, nature in those parts of the



*Aerial view of the Pacific Ocean Coast taken near Tofino, Vancouver Island, British Columbia.*

world can also be a cruel mistress. With rapid currents, huge tides and loose rocks the likes of which wouldn't be found in the Mediterranean and Caribbean, having a local on hand to navigate the waters safely is essential.

"In British Columbia especially, you really have to understand the tides and currents," says Sethmann. "The fun in British Columbia is getting off the main routes and going to the places where the pilots won't go. There are a lot of passages that have white water at certain points of the day that change to calm and then reverse and go the other direction later in the day. They are called tidal rapids and British Columbia is full of them, and they are dangerous. In Alaska on the other hand, it is more about the tides than the currents. You have 25-foot tides in some places. It is incredibly dramatic, but as long as you are aware of all that and you respect it and you know how to deal with it then you are absolutely fine.

There are a lot of dangers, a lot of rocks, a lot of shallow water and narrow passages, so local knowledge is essential."

Another factor to consider is that cruising for extended periods in many parts of the Pacific Northwest requires a greater focus on organisation and preparation than one might expect in various hotspots around the world. While throughout much of Washington State and parts of the US, the vessel will have ample access to groceries and provisions, the same cannot be said of the genuine wilderness that accounts for the most interesting cruising grounds. One could argue that much of the Mediterranean's success is owed to the infrastructure and services that have been built up over the course of its yachting history. Indeed, in the Mediterranean especially, a vessel is never really too far away from provisions, society or spare parts, but that is not true of the Pacific Northwest.

"Without a doubt, in the Mediter-



**“The combination of the British Columbian coast and Alaska really is the ultimate. We have spent years in the area on our yacht and I honestly feel like we haven’t scratched the surface of it yet.”**

anean or Caribbean you have decades, if not hundreds of years, of built-up infrastructure and support for ships and yachts. We simply do not have that on a comparable scale. It is more difficult to get a refit or maintenance, as well as general support in the area,” explains Sidwell. “If you have trouble up the coast, you are probably going to need parts flown in from Europe, to Canada, to Vancouver and then via float-plane to your yacht. You need to be well prepared for an adventure and make sure you have all the necessary spare parts. Otherwise, there is the risk of long delays.”

While potential delays, inclement weather, strong currents and 25ft tides may be enough to put off the faint-hearted, Sidwell, Sethmann and McCallum all agree the rewards far outweigh the risks. If a spot (or a lot) of rain is enough to convince an owner and their family, or a group of guests that cruising in the Pacific Northwest is not for them, then quite frankly, they are probably right. While sunbathing, clubbing and visibility have their place in the yachting world, that place is not the Pacific Northwest.

“If I was coming up from Mexico, I would spend a couple of days in Vancouver because it really is a beautiful city,” says Sidwell. “Then I’d go to Desolation Sound.

It is a unique and beautiful area and has some of the warmest waters north of Mexico. Something that is an absolute must is the Great Bear Rainforest, where you have wildlife in abundance, waterfalls over black granite and 5,000ft mountains framing the fjords. Then, of course, you have to do Alaska, you can’t do all of this without doing Alaska. The combination of the British Columbian coast and Alaska really is the ultimate. We have spent years in the area on our yacht and I honestly feel like we haven’t scratched the surface of it yet.”

Increasingly, the superyacht community at large is learning to respect that superyachting is not a one-size-fits-all industry. One could argue that, for too long, the yachting fraternity has been too quick to try to fit owners and guests into the types of yachting models that they already understand, to the detriment of opening their eyes to a whole host of other possibilities that may actually be better suited to their client pools. The Pacific Northwest remains, to this day, one of the superyacht world’s best-kept secrets. For owners and guests who truly value privacy, adventure and nature, there are surely few places in the world that offers all three in such abundance. **RJ**

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**Come see for yourselves**  
Craig Norris, CEO of Victoria  
International Marina,  
provides an overview of the  
well-established service  
and infrastructure network  
in place to support intrepid  
voyages along North America's  
north-western coastline ...



*Craig Norris*

The Canadian West Coast and the US Pacific Northwest (PNW) have been a refuge for marine travellers for thousands of years. Located almost halfway around the world from the heart of European boatbuilding, it is not surprising that this region continues to carry the stigma of being 'remote' in the business; however, this very fact may be a good reason to consider it an important node for global industry growth. Internationally recognised shipyards like Westport, Delta, Nordlund and Crescent, which already call this region home, lend obvious proof to the existence of a robust and sustainable supply chain, but there are also hundreds of other businesses and shipyards that together provide an entire yacht-lifecycle of services.

As US Superyacht Association president Kitty McGowan so eloquently relayed to me in a recent conversation about yacht support in this region, "The Pacific Northwest is the US's largest remaining bastion of superyacht building. When I review all the resources the PNW has to offer the superyachting industry, from yacht building right through to world-class owner experiences, it's often met with disbelief. There is a vast potential for growth that many in the yachting industry have yet to fully experience."

The large international centres of Seattle, Vancouver and Victoria are home ports to hundreds of large yachts and provide a solid base for full-service provisioning, charter, refit and maintenance. Although the entire coast is dotted with service centres, it is true that they become fewer and farther between the further north you go. However, providing services to remote areas is something this region has spent more than 100 years getting pretty darn good at. A fleet of over 1,000 amphibious planes and helicopters are on hand to deliver or transport you and/or supplies to anywhere a yacht can venture and within hours. Built on the back of an enormous resource industry, the coastal transportation service network rivals the best the world can offer. The number of

yachts arriving on transporters is on a steady rise, making it easier and cheaper to get here as routes become more established and economies of scale are realised. With an expanding, massive accumulation of private wealth on the Pacific Coast, established supply chains, a foundational service network and growing consumer demand for our new type of yachting experience, it is certainly time to seriously consider finding your place here.

Supporting the economic development of the region's yachting sector are several well-established organisations, some specific to the recreational yachting world and some with overlap in both the industrial and small-craft sector. A gateway to getting information and assessing your best fit in the region is through the Superyacht Canada Association and/or the US Superyacht Association who work in partnership with each other and in collaboration with several other groups including Boating BC, Superyacht Northwest, the Association of BC Marine Industries, and the Northwest Marine Trade Association. Each of these organisations work on behalf of their more than 1,200 members to support a rapidly growing market in a region complicated by vast amounts of coastline and cross-border activity.

The Captain's Group at the Superyacht Canada Association, based out of the Victoria International Marina, is a great resource for hands-on experience in running superyacht excursions up and down the west coast. When asked about yacht support up the coast, member Captain Duncan McCallum, of BC Yacht Waivers, says, "The support is very good; there are so many towns along the inside passage with support for vessels, you really want for nothing. A few major hubs like Shearwater, have excellent facilities and a boat yard. Prince Rupert, of course, has it all. It's made for boating! A true Gunkholers paradise."

"Having transited the waters from Washington State to Alaska many

times," says member Captain Skip Sethmann of Northern Lights Yacht Management, "this has always been a very doable and enjoyable trip. We usually stock up for the season ahead of time but there are several large cities along the way with large box-store grocers and thousands of specialty suppliers. As far as shipyards and repairs are concerned, this is also available. Parts and supplies are also available by float plane or helicopter as one gets on to the North Coast of BC where it gets more remote, but again, very doable."

Moving north along the inside passage from the southern metropolitan centres of Tacoma to Seattle, to Victoria, to Vancouver, to Nanaimo, to Campbell River, to the hundreds of anchorages and marinas that pepper the warm waters of Desolation Sound, and through Discovery Passage to the Broughtons and the Great Bear Rainforest, and on to Prince Rupert and Ketchikan, then Juneau and beyond, this region is unbelievably vast, yet unbelievably accessible.

We have seen the same story unfold a hundred times and counting: a slightly nervous captain and crew arrive at the Victoria International Marina and prepare to fulfil an owner's seemingly crazy request to explore the Inside Passage to Alaska. Always slightly sceptical on departure, they inevitably return later that summer with a compendium of delightful stories they can hardly wait to regale – captain, crew, and guests. It's not often a trip goes off without a single hitch, but captains and crew are always pleasantly surprised at how close help was when they needed.

The number of resident and transient yachts in this region continues to grow each year as stories are told to others and they in turn take up the challenge to explore. It seems that the best way to convince the sceptic is for them to come see for themselves. So, I challenge you, come see for yourselves, this region is ready. **CN**



# Pacific pursuits

BY BRYONY MCCABE

*The Pacific incorporates a range of extreme weather, climate and geographical conditions, presenting unique challenges for any yacht cruising the region. TSR speaks to those with experience about how such conditions can impact a yacht from a technical standpoint, and what the main considerations should be when building a yacht that is suitable for undertaking Pacific cruising with ease.*





*Opening image: M/V Pioneer enjoys the tranquil waters of Indian Pass in south-east Alaska.*

**F**rom the icy and hostile landscapes of the Northwest Passage, to the tropical paradise of French Polynesia, the Pacific has it all. And all the different elements encountered when cruising the breadth of the Pacific can have various implications for a vessel. As such, there is a lot to consider when building a yacht capable of cruising the region.

While there is no universal definition of an explorer or expedition yacht, there are certain technical features that, when incorporated at the design and build stage, can make exploring the Pacific by superyacht a whole lot safer, easier and more enjoyable. One of the most important considerations when cruising the Pacific is the need to be autonomous, meaning the ability to spend long periods at sea without having facilities nearby to refuel, provision or discharge waste.

Nick Cutler, captain of 39m S/Y *Vagrant*, is a veteran of the Northwest Passage, having cruised the region while he was captain of 46m M/V *Pioneer*. During this time, he learned that a full range is an “absolute must” for any vessel wanting to explore the region. “There are good refueling opportunities on the east coast of Greenland, but once up into Northwest Passage, it’s imperative to be self-sufficient on fuel,” he recalls.

“A very important add-on to this is the realisation that main engines and gensets were rarely shutdown. The distances are huge, so it was comforting to know we had range, and in the early weeks of our adventure we quickly realised that traditionally anchoring for the night in a suitable-looking bay was short-lived. Ice and smaller bergs travel fast in the current and we often found ourselves

hauling anchor at the most inconvenient times of the night to avoid incoming ice. We also found that the weather and wind direction can change instantly. We, therefore, spent our evenings with the main engines in idle and the bridge manned and ready for manoeuvre.”

EYOS Expeditions has organised trips for superyachts all over the Pacific aboard a variety of different vessels and knows only too well how one can encounter every kind of condition imaginable. Understanding that most yachts that are designed for only Mediterranean and Caribbean cruising can be impractical in the more demanding locations, EYOS works with shipyards to incorporate features for expedition operations during the design phase and increase the capability of the yacht.

Recently, EYOS worked with Damen Yachting to provide advice for its SeaXplorer range, including a ‘wish list’ of features based on its experiences taking yachts to regions throughout the Pacific. “We looked at every aspect of what would make a superyacht more capable and enjoyable in remote areas and put forward 150 design criteria,” says Tim Soper, co-founder of EYOS Expeditions, agreeing that range is one of the most important requirements for any vessel cruising around the Pacific. “There are some big distances to cover if you don’t want to be limited to the most-travelled routes between islands.”

Soper cautions, however, that autonomy is not just about fuel range. “A lot of explorer yachts are advertised with 5,000 or 10,000nm ranges, but this can be misleading,” he adds. “Not only is this calculated on a certain economic speed, but one also needs to consider range in

terms of endurance for everything else. To cover the big distances in the Pacific you need a lot of storage capability for provisions, garbage, and anything else, since supplies can be limited away from the larger islands and ports. We notice that a lot of yachts are really short on storage, particularly traditional Med-Caribbean yacht designs that are being adapted to explorer yachts by simply adding some fuel capacity and changing the lines.”

Enrique Tintore, Damen Yachting’s design manager for SeaXplorer, agrees that storage helps a yacht to be more versatile. “You want the yacht to have enough storage to be able to handle long periods of time at sea, especially in remote areas,” he says. “Whether it’s storage of spare parts, food or garbage – all the items that we take for granted on a regular yacht – the amount you have will determine how long the boat can be out of port, and that is how you determine the autonomy of the vessel in combination with the fuel capacity and consumption.”

Another important factor for Pacific cruising is how to optimise the yacht’s interior layout, with specific considerations depending on region. “With 24-hour daylight and the very long passage times [in the Northwest Passage], we found that many of our guests would be ‘up and about’ at odd hours, some wanting to visit the bridge for a chat and others simply disorientated by the light,” adds Cutler. “If I was building a boat then a dedicated library or viewing room would be a must – a communal space where guests, guides and senior crew can spend time taking in the panoramic view, listen to safety talks or nature lectures, or

**“Whether it’s storage of spare parts, food or garbage, the amount you have will determine how long the boat can be out of port, and that is how you determine the autonomy of the vessel in combination with the fuel capacity and consumption.”**

simply chat over a coffee and recap the drone footage of the day.”

This is a feature that was included in the 72m *Cloudbreak* – a yacht built with exploring regions in the Pacific in mind. On the yacht’s main deck is an itinerary-viewing room at the entrance of the saloon, where low seating faces a row of screens. The 77m SeaXplorer *La Datcha* also features a protected observation deck in the nose of the bow.

Another interior space that Cutler recommends is a dedicated wet room or entry hall. “This is to act as a transition room from the outside world to the warm interior,” he explains. “We had our lazarette and stern platform dedicated for this. Considering the 19 sets of muck boots and Arctic shell clothing, then it’s a must. We had big drop curtains made up, housing everyone’s gear in numbered pockets. A big mug of hot chocolate and a warm hose to get all the muck off made it a blessing for the interior team as all the guests would re-enter dry and clean.”

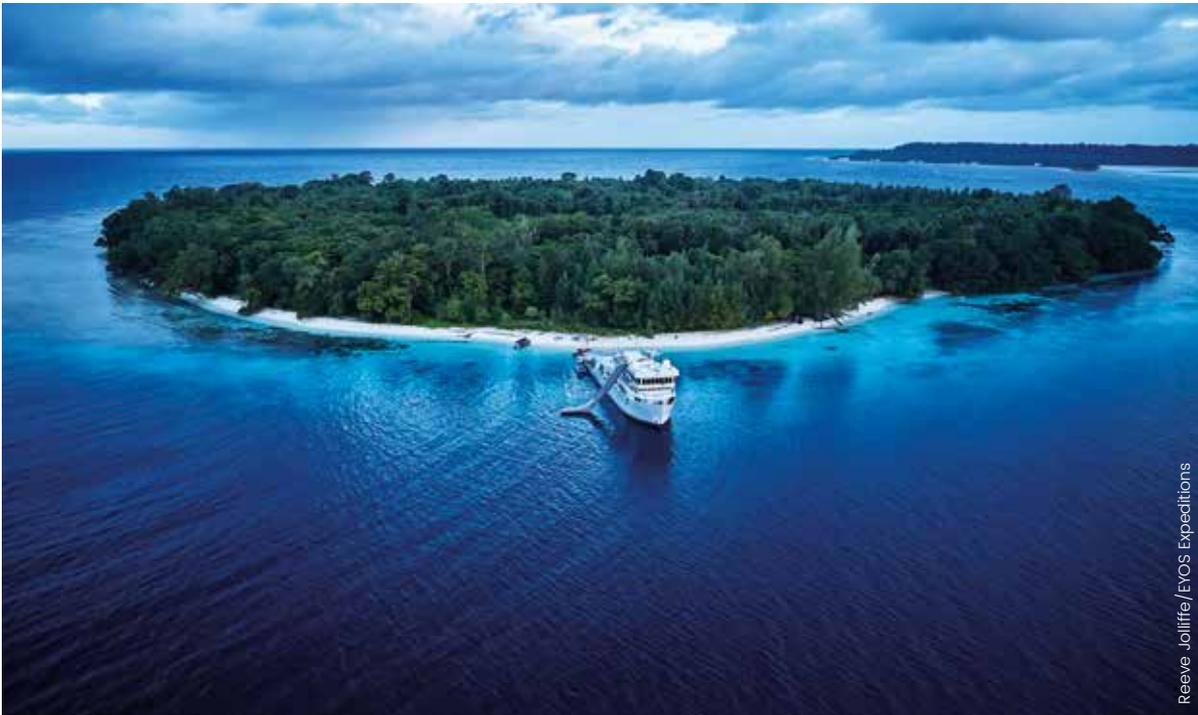
Extra berth space for mission-specific personnel joining a cruise to a remote area is also a major consideration. “If you are going to cruise the Inside Passage and Alaska, you will need to have pilots on board if operating for a certain number of hours and the yacht is over a certain size,” advises Soper. “And a guide is always wise when going ashore in bear country. Often, yachts are used to the model where they bring a guide on board for the day but, if going to really remote areas, you might need one or more on board for the entire trip. It seems like you can never have enough berth space.”

If the guests are going to properly explore all the different regions of the Pacific, they will also need access to





Ken Burton/EYOS Expeditions



Reeve Jolliffe/EYOS Expeditions

*Top: Icy Bay on the Gulf of Alaska as seen from M/Y Arctic P.  
Above: M/Y SuRi at anchor in New Ireland, Papua New Guinea.*

## **“Having a comprehensive idea about how refrigeration, air conditioning and heating is going to work in extreme temperatures is important because HVAC chill water systems struggle when the ambient sea water temperature drops below 4°C or rises above 28°C.”**

an array of equipment. And one of the most important pieces of equipment that needs to be considered at a yacht’s design stage is a tender. Winston Joyce-Clarke, captain of M/Y *Seawolf*, has extensive experience cruising the Pacific and understands how crucial a tender is to a yacht’s operations in these areas.

“The big obvious in terms of technical design is the access to the water via the tenders on board,” he points out. “I’m not an advocate of towing tenders across open ocean, so the vessel should be able to house them on board. If the yacht doesn’t have a helicopter, then it’s wholly dependent on a tender programme, which should be really versatile. You want a tender that is open-water capable as well as flexible – it has to be the dive boat, the fishing boat and the resupply boat – with the primary vessel acting as the hotel ship and the tender being used for most of the exploring.”

With the extreme weather conditions found in the Pacific, it is also important that all equipment is stowed correctly. “Clients may want to have expedition ribs, helicopters and snow scooters on board,” adds Tintore. “And all the tenders and toys need to be well protected from the elements to ensure that they function properly. This means thinking about

incorporating garages for the equipment at the beginning of the build and design process.”

The various weather conditions can also have an impact on the vessel from an operational standpoint. “The ice and also the manual work of removing the ice build-up does take a toll on the yacht’s gloss,” says Cutler. “Although we kept the vessel ‘shipshape’ at all times with owners on or off, one must be realistic and remember that it was simply too cold to have the deck team exposed to the elements for any traditional chamois routine. Owners should be realistic in their expectations of gloss retention and paintwork for deck-side house-keeping – shipshape and tidy rather than waxed and bladed. The snow and ice are quite gritty and we found a lot of pumice and stone making its way back on board.”

Joyce-Clarke would encourage minimising the amount of brightwork that a boat has, and prefers light-coloured exterior finishes. “There is a lot to be said for painting the boat a pale shade of grey rather than dark blue, and even pure white ends up being a maintenance issue,” he explains. “In addition, you want to try and consider the elements of construction that would help minimise the crew’s time spent on aesthetics

and allow them to only focus on basic cleaning and maintenance.”

Joyce-Clarke adds that the extreme temperature and weather conditions can also have an impact on the heating and cooling system on board. “Having a comprehensive idea about how refrigeration, air conditioning and heating is going to work in extreme temperatures is important because HVAC chill water systems struggle when the ambient sea water temperature drops below 4°C or rises above 28°C. So the yacht will need to have a proper heating and cooling system for multi-region cruising.”

For cruising in the icy regions of the Pacific, some might also consider ice class or an ice-strengthened hull. For Soper, the need for ice class depends on the client’s intentions. “If you are building an expedition yacht to go everywhere, then an ice-class hull makes sense, but we always consider the mission and what the client wants to do,” he says. “There is a lot of talk about ice class, but for a private vessel the class is somewhat secondary to the yacht’s actual capability. What is more important is the real-world capability of the yacht; it is possible to have ice strengthening without an ice class, which would allow you to do things in a private application that you wouldn’t otherwise be able to do.”



Justin Hofman/EVOS Expeditions

*Humpback whale breaching in the Chatham Strait, Alaska.*

It is important to note that an ice-class hull can compromise on performance in ice-free waters. The correct hull shape and construction, while also considering protection for stabilisers and propellers, may result in enough capability for what the client wants to do in ice, even if it's not technically ice-rated.

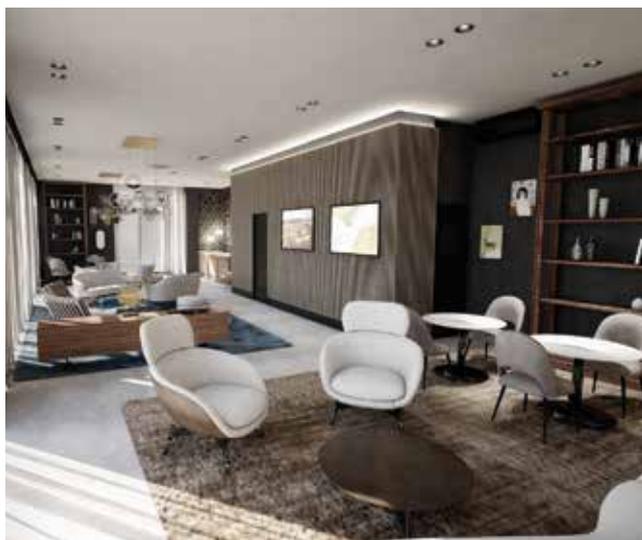
Joyce-Clarke agrees. "Building to a high level of ice class for year-round operations in polar regions, when the yacht is only likely to go cruising at high latitude during the summer season, is not necessary. The yacht should take into account that the majority of time will be spent in the tropics, and will be able to tread lightly for those few weeks it ends up going to cold destinations that

are genuinely ice-choked. It would be preferable to have retractable stabiliser fins, but most competent ice pilots will take exposed fins into account when manoeuvring in close proximity of ice."

At the other end of the spectrum, cruising in French Polynesia, yachts will encounter lots of atolls with shallow lagoons, many of which need a relatively shallow draft to get into. But, as Soper points out, a shallow draft compromises the comfort of the vessel on open-ocean crossings. "If you are setting out to explore the whole Pacific, a deeper draft is preferable, so the vessel is comfortable for long voyages," he says. "And while it may not be able to enter some of the smaller lagoons, you can have tenders or

a helicopter on board so that the yacht can stop outside and then use these tools to explore the lagoon."

The new-build market is flooded with designs labelled as expedition or explorer yachts – with many incorporating some or all of the aforementioned features and others simply featuring rugged lines – which could cause confusion for prospective buyers. The fact is, however, that exploration is subjective and, in terms of cruising the Pacific, almost any yacht can be an explorer. What matters is what the yacht can do when it gets there and whether it has the right design and tools to enable guests to enjoy the destination to its full potential. **BM**



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*Peter Schrappen, Tomas Segovia and Monique Webber*

## **Location, Location, Location**

Peter Schrappen, Tomas Segovia and Monique Webber of Superyacht Northwest co-author a *modus operandi* of sorts for this regional representative body ...

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## More than 25,000 miles of pristine coastline, 6,000 islands and 500+ protected anchorages connect the US and Canada via Washington State, British Columbia and Alaska.

If you look to the northwest corner of the United States, you will find an unrivalled esprit de corps. Why, you ask? Thanks to more than 30 businesses coming together in Washington State, British Columbia and Alaska, this coalition, called Superyacht Northwest (SYNW), has formed to increase awareness of the unmatched cruising grounds and services that are available in the Pacific Northwest. The mission is straightforward: member businesses have come together to educate yachting professionals, lobby state and federal government for positive changes to laws, to enhance the voice of the recreational boating community in the Pacific Northwest and to showcase our region to visiting vessels from around the world.

In a short amount of time, the payoff has exceeded even the group's outsized expectations. Members have helped launch the region's first maritime high school, which opens in autumn 2021 with a class of 40 freshmen, and where student learning will centre on the environment, marine science and maritime careers working on or near the water. It is the first critical step to help pass our maritime legacy to the next generation. By graduation, students will have the necessary skills to launch a maritime career and will be ready to continue in a two- or four-year college.

Members were also a critical voice for the recreational maritime community during the recent pilotage tariff rate increase hearings. SYNW members effectively explained how a 100 per cent increase in the current tariff over three years would negatively impact the entire region. At the end of the 10-month hearing process, the tariff was increased by only four per cent over a two-year period.

Their work is just getting started.

Currently, SYNW is working on House Bill 1107, which is a big piece of legislation singularly focused on increasing the cruising magnet that is Washington State. This measure would allow non-Washington State-registered yachts, up to 200ft, to cruise Washington waters for more than 60 days each year. The bill passed through the Washington State House of Representatives with a vote of 97 to 0 and has moved to the Senate as we go to press. If passed, 1107 would also allow non-Washington State-registered yachts, under 200ft the ability to provide captain and crew for charter trips.

At its core, SYNW is a group of businesses that serve the region's maritime community. Recently, SYNW completed a rebranding of our association along with a new website and social-media platforms to better showcase their services and support for yachts cruising our waters. Developed as a one-stop shop for their clients, members work side by side to be a complete resource for virtually any service a superyacht may need – from moorage and maintenance to provisioning and charter management and everything in between. The Puget Sound region is rich with maritime history and is home to North America's largest fishing fleet that has produced some of the most skilled maritime craftsmen and service providers in the world and has some of the only freshwater superyacht moorage options on the West Coast.

But from the beginning, SYNW has worked to raise global awareness of the unmatched cruising grounds the Pacific Northwest has to offer. More than 25,000 miles of pristine coastline, 6,000 islands and 500+ protected anchorages connect the US and Canada via Washington State, British Columbia and

Alaska. Heading north from Puget Sound one can cruise through the San Juan and Gulf Islands and enjoy the elegant inner harbour of Victoria B.C. Then visit the truly international city of Vancouver and enjoy its unique offerings in arts and culture, shopping, and dining. Continuing north between Vancouver Island and the British Columbia coastline, one can discover the endless fjords, inlets and straits that are dominant features of the British Columbia coast. Then visit destinations like Desolation Sound, where summer water temperatures are consistently 24-27 degrees centigrade. Or discover First Nations history by visiting SGAang Gwaay at the south end of Haida Gwaii, a UNESCO World Heritage Site. Fish for salmon and halibut, pick fresh oysters off rocky beaches, drop crab pots, observe abundant wildlife and orca whales, fly fish, hike ... the possibilities are endless. But it pales in comparison to a trip to Alaska. The Alaskan coastline extends 6,640 miles, a distance greater than all other US states' coastlines combined. Frederick Sound will afford opportunities to see humpback whales in the summer along with orcas, sea lions, Dall's porpoise and harbour seals, all surrounded by the snow-capped peaks of the Coast Range. Rugged mountains, deep valleys and towering waterfalls are the norm, along with bear, deer, mountain goats and eagles; the experience will be truly unforgettable.

Our motivated group of member businesses will continue to teach our next generation, advocate for positive changes to local laws, give voice to the recreational boating community and share the best our region can offer to visitors around the world. If you want to stay on top of all of this momentum, or enquire about visiting our shores, you can find Superyacht Northwest at [www.SYNW.org](http://www.SYNW.org) PS, TS & MW



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# PACIFIC CONSIDERATIONS

BY JACK HOGAN

*The Pacific is big ... really quite extraordinarily,  
inconceivably big ... the numbers get a bit silly  
to try to comprehend, but here are some  
to get started with anyway ...*

**710,000,000 km<sup>3</sup>**

TOTAL VOLUME

**165,250,000 km<sup>2</sup>**

IN AREA VS

**148,000,000 km<sup>2</sup>**

FLAT LAND AREA ON EARTH

**135,663 km**

OF COASTLINE VS

**40,075 km**

CIRCUMFERENCE OF THE EARTH  
AT THE EQUATOR

**T**he media industry has deservedly dedicated generous focus to the incredible vessels that are leading the way back through the Pacific. The new raft of exploration vessels are technologically advanced enough to spend extended time away and leave a minimal footprint, but for the vast majority of the fleet, it will involve adjustments to the way they operate; not as glamorous, but these changes will make a difference.

Summarising exactly what a vessel needs to take into account when operating on this magnitude is an oxymoron. I did, however, have the chance to speak to some of the most experienced Pacific operators during the course of my research for this issue. Considering the ungodly time zone difference while phoning from a London in lockdown, why not take the time to ask each interviewee if there was anything conspicuous that they have noticed that needs more attention for the fleet heading in the direction of this vast expanse?

Rodolphe Holler, from Tahiti Private Expeditions, is undoubtedly one of the most experienced guides in the Pacific, having led expeditions on more than 130 superyachts. As he told me wryly when we spoke, “The Pacific is easy, all you have to do is prepare. A lot of boats coming from the Caribbean and the Mediterranean are ‘anti-agent’. When you are experienced and also comfortable you can sometimes feel like agents are basically pointless because you know the area very well. But that’s the big difference, I would say, between traditional destinations and adventurous destinations. You need someone to assist you.”

Holler stressed the importance of local knowledge on board at all times, not just to help with the shoreside logistics, but also to open up the

experience as a whole. “I’m based in Tahiti and also travelling a lot on superyachts to Galapagos, Cocos Island, Palau and Indonesia etc. – all this world-class diving around the world. Every single time, even if I know the area very well, I’m taking a local guide also. This is crucial.”

Captain Doug Rae, who has operated in the region for over a decade, highlighted the importance of understanding scarcity. “Once you actually get into the Pacific and you start cruising, it’s beautiful, but initially, the biggest thing is produce, just getting your produce. Getting your vessel’s chef to really understand because a lot of these guys are coming from vessels in Europe or the Caribbean. When you get out of the Pacific there’s no running to the supermarket for a dozen eggs. If you can find someone who’s got the experience of remote places, you hold on to them with both hands.”

Rae recalled an experience in one of the most isolated regions, which highlights the underlining fragility of the outer reaches of our supply network – the Marshall Islands. “Amazing destination. Yes. Logistically ... probably the hardest place I’ve ever had to cruise,” he warned. “One example. We were flying myself and two stewardesses to Hawaii for fresh produce, and we would get to the airport at four in the morning and the plane would only be leaving at eight and we’d have 15 boxes of refrigerated goods and extra luggage ... it was the only way!”

Our metric for the range of a vessel, assuming it can run its watermakers, is its fuel capacity. Cold storage volume for rubbish should run a close second. In my experience a vessel would run out of garbage space on a charter a long time before we have seriously troubled the bottom of the fuel tank. What unfolds is the tendency to offload the rubbish whenever an opportunity presents itself.

There are many innovative tech-

nologies that sort and store rubbish on board. Glass crushers, vacuum sealing and compactors remove any excuse not to have everything as organised as can be reasonably expected. There is, however, a major weak point in this system: what happens to this (albeit clean and well-sorted) boatload of rubbish?

If you carefully wash the plastic wrap from your lunch, rinse the takeaway coffee cup and flick the food scraps out of sight, it is still an issue if you leave this pile on your neighbour’s doorstep. A tidy problem is still a problem.

Captain Claud Akers has lived and chartered in French Polynesia for 15 years and his advice was simple. “Captains in the Pacific need to tread lightly, respect the locals and we will always be welcome. There is not enough understanding of what it means to drop this mountain of trash off a small island. It’s devastating to the people that live there. Although it’s not the easy option, I refuse to leave anything somewhere like the Tuamotus on a charter when I know we are returning to somewhere like the big island of Tahiti that can process it.”

Rae also further highlighted just how vital dehydrators have become for long-range voyages in the Pacific. “We’ve taken out our refrigerator garbage storage off the boat completely and we now have two dehydrators running 24 hours a day, effectively reducing our biological waste component to zero. It has been so successful that we are looking to install another as redundancy.”

Understanding this interplay between the accessibility of supplies and understanding the full impacts of what it means to have them in remote regions is vital. We should ensure that our supply lines are circular, as the cost for our failure is not borne by those on board. The yachting footprint in the Pacific, in this case, is literally what we leave behind. **JH**

# Once you hit the Pacific, turn right...

BY JACK HOGAN



*I remember the excitement of passing through The Panama Canal into the wide expanse of the Pacific for the first time ... along with the inescapable feeling of separation and isolation. The West Coast is evolving, and we spoke with some of the stakeholders in the region about how my memories of insecurity may actually be a dated misconception.*

**T**he heading that takes you the majority of the way through the Panama Canal from the Caribbean to the Pacific is roughly south east. The counter-intuitive notion that one must travel further east to complete the passage from East to West is the first of the many adjustments that operating in this part of the Pacific forces you to make.

The idea of breaking away after years of operating on the more conventional yachting routes and heading West is exciting and a little daunting. However, there has always been infrastructure with a strong maritime heritage on the Pacific West Coast. The network of expertise and facilities stretching from Panama to the northern cruising grounds is evolving to support the influx of superyachts that may not have ventured this far before but are tentatively doing so now.

Golfito Bay is a sheltered corner of the Golfo Dulce, itself protected from the temperament of the Pacific, making this the ideal place to clear in and out of Costa Rica. Fittingly, it has long been a popular destination for yachts of every size. With significant investment in the marina facilities continuing to develop, the sheltered bay is ideal for 100m figure docks, an 80m fuel dock and pump-out capabilities. Bruce Blevins, founder of BB Seas Maritime Services, has watched the evolution of the Golfito Marina, and the mindset of those visiting, change over the past 25 years.

“Years ago, you felt like you were pioneering over here because you really had to be self-sufficient. There are many more facilities to pull into that can accommodate larger yachts now, and it makes it a lot more user-friendly for superyachts to be able to rotate guests and crew and keep the cruising comfortable.”

‘Keeping the cruising comfortable’ involves an increasingly complex list of services beyond just the personnel.

There is a Pacific reticence that, perhaps somewhat reductively, can be thought of as a form of ‘Med separation anxiety’. In this increasingly connected part of the world, there is an understanding of this and a willingness to find the solutions needed, as Blevins explains:

“Firstly, it is a short flight from Fort Lauderdale if you need to bring in specific parts. Specific technicians can be brought in to get things up and running and keep things in motion for the season. We bring technicians down for specific systems, from Seakeepers to electronics ... the MTU teams, as well as the Caterpillar teams, can come down fairly easily as well as outboard technicians for tenders. Our local canvas is of very high quality. There are a lot of services that can be accomplished that you wouldn’t necessarily associate with Golfito, even a few years ago.”

This model of local skill and imported niche experience is replicated throughout the Latin American West Coast. The close ties to the United States are represented by the ever-present fleets of sportfishers. The continued development of the Mexican coast to meet the demands of the increased numbers of superyachts, combined with the expertise pathways pioneered by the existing smaller marinas, underpins the capacity for the repair and refit work that is so vital to operating in this region.

Oliver Edwards, from MHL Services, based out of Ensenada, has been transporting vessels along the coast for 17 years and is very well placed to comment on the trend in the movement of vessels along with market trends more generally within the Americas. “For very large haul-outs up to 2,500t, there is, of course, Gran Peninsula Yacht Center in Ensenada. We’ve also seen the developments along the coast for all-sized superyachts; things are certainly progressing. La Paz and Mexico now is really starting to boom. For example, Marina Costa Baja, they’ve got a huge

**“Years ago, you felt like you were pioneering over here because you really had to be self-sufficient. There are many more facilities to pull into that can accommodate larger yachts now, and it makes it a lot more user-friendly for superyachts to be able to rotate guests and crew and keep the cruising comfortable.”**



*The expanding Marine Group Boat Works' yard facilities in Los Cabos (below) and complex in downtown San Diego (bottom).*



yard, and the cruising conditions are fantastic. The focus has shifted.”

Edwards also further reinforced the West Coast system of utilising the US flight pathways for bringing in what is needed for the superyachts along this coast. “There’s a wide range of facilities all the way down the coast of Mexico that is oriented around the marine industry and supported by US clients. They bring in expertise and the equipment they need for any sized vessel,” he explains.

There is probably no other US city as universally beloved as San Diego. It makes for a welcome crossing point. San Diego has also continued to develop its position as a marina and refit hub for the increasing number of vessels staying in the region year-round. As Todd Roberts, president of Marine Group Boat Works and Fifth Avenue Landing, highlights: “Even prior to the COVID-19 pandemic, we have seen a continuous increase in the presence of superyachts throughout the Pacific, year after year. Superyachts are seeking destinations further afield, with Alaska being a major area of attraction for many superyachts.”

San Diego has a close association with Mexico, and Marine Group Boat Works has helped reinforce the network along the coast. “When heading north from mainland Mexico, Marine Group Boat Works has a boatyard in Los Cabos, the southern tip of Baja California Mexico, where vessels can receive dockside service, top up on fuel and provisions before continuing to San Diego,” says Roberts. “There are several shipyards and dry docks on the Pacific West Coast. Marine Group Boat Works has the capacity to lift up to 665 tons and the capability for in-water work on vessels up to 106 metres across our two locations in San Diego and Fifth Avenue Landing, and our additional boatyard located in Los Cabos.”

The network of connections north of the Panama Canal can now legitimately go some of the way to mitigating the anxiety of the 3,000-nautical-mile steam north from the Canal to US waters. The cold California current flows down the coast relentlessly, making for some depressingly slow speeds over the ground, and the journey north can be daunting after a few seasons in the Tropics. But you are not facing it alone; the support is there to continue the development of a year-round regional proposition for Latin and North America. JH

# New Brand. New You.



With the reinvigoration of boat shows in the Autumn, everyone will be vying for attention, reinforcing their brand proposition and reinvesting in their marketing and communications. So, the big question is -

## **How will you stand out from the superyacht crowd?**

The first half of 2021 is the ideal time to rethink, refresh and revitalise yourself, your brand and your messaging, so if you'd like to have a chat and let us share our thoughts and ideas, get in touch on [hello@thesuperyachtagency.com](mailto:hello@thesuperyachtagency.com), and we'll show you how we can help.

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## EXHAUST AFTERTREATMENT SYSTEM

Compliance with IMO Tier III regulations, in terms of its strict limits on Nitrogen Oxide (NOx) emissions for vessels operating in Nitrogen Emission Control Areas (NECAs), is a major challenge for the superyacht industry. Diesel-propulsion engines cannot be modified to deliver the required reduction in emissions and, as such, these limits can only be achieved by incorporating cumbersome selective catalytic reduction (SCR) systems for exhaust aftertreatment – adding considerable volume and weight to the engine room.

At Lürssen, we wanted to develop our own exhaust aftertreatment system that would significantly reduce NOx emissions while also reducing space, weight, noise and vibration. The fundamental idea was to incorporate the silencer as part of the SCR structure – a solution that wasn't available elsewhere on the market – and create an extremely compact exhaust aftertreatment system.

In 2015 we started with the partners HUG Engineering and Nießing Anlagenbau the R&D and implementation process, which was funded by the Federal Ministry for Economic Affairs and Energy. In only two years, the concept had been developed and successfully tested. Based on these results we then started designing the

first exhaust aftertreatment system for project Opus.

It required a lot of manpower and collaboration between the shipyard, our two engineering partners and the classification society. The challenge was that, due to the newness of the IMO regulations, we did not have any prior experience of designing such a solution to draw from, so extensive testing was undertaken to achieve the optimal results and final certification.

The end result, however, is an innovative and extremely compact exhaust aftertreatment system that filters out 90 per cent of the NOx emissions, as well as reducing space and weight by 30 per cent, cost by 20 per cent and minimising noise and vibration. This means Lürssen clients can have more interior volume for themselves, while also being able to enjoy their yachts in a more comfortable and healthier environment.

Different combinations of the exhaust aftertreatment system have also been developed, so that we are always able to offer the best solution for each individual client and project's needs, independent of the engine manufacturer and engine room design. Due to its variability and compactness, the system is also an ideal solution for refit projects.

The exhaust aftertreatment system is now being fitted on all Lürssen yachts with keels laid after 1 January, 2016 and the 142m *Nord* is one of Lürssen's first projects to feature it on board. The yacht has been built with a diesel-propulsion system with four main shafts – each main shaft has a diesel engine, a gear box, propeller system, a diesel particulate filter and an external exhaust aftertreatment system.

With our unique exhaust aftertreatment system, Lürssen is able to build yachts that are as innovative on the inside as they are on the outside and deliver the best solution for both the owner and the planet.





## THE LÜRSEN THINK TANK

New environmental legislation is changing the way that superyachts are being built, and Lürssen is paving the way with a pioneering exhaust aftertreatment system that achieves significant reductions in Nitrogen Oxide emissions as well as added benefits for its clients. Daniela Backhaus, head of mechanical engineering at Lürssen, reveals the details behind this state-of-the-art system.

  
The difference.



# The Pacific Research Project

*The Superyacht Agency is undertaking  
an ambitious crowd-sourced project  
... and we need your help*

This year's edition of *The Pacific Superyacht Report* is a watershed moment, signalling the start of the official count-down to the first edition of The Pacific Superyacht Forum, to be staged at Victoria International Marina in Canada's stunning western province of British Columbia.

This gathering of key Pacific market stakeholders, investors and C-suite executives will be underpinned by the delivery of the industry's most ambitious and far-reaching economic analysis of superyachting's impact on Pacific coastlines, officially unveiled here, now as **The Pacific Research Project**.

This economic impact study will be undertaken by our in-house research

team over the coming months, to be presented at the Forum, and then published to the wider industry as the most comprehensive source of information on the potential of yachting in the Pacific to date.

**So how can the industry get involved in this project?**

- 1. We want to know which types of data and key metrics you would find useful to the development of your business or to support your own strategic move into the Pacific.*
- 2. We want to hear from interested parties who want to play a role in this project, contributing their data and/or information to this collective cause. After all, this is a crowd-sourced project, and its success*

*will play an important role as a catalyst to greater understanding of opportunities within Pacific markets.*

In the coming weeks, we will be engaging key regional stakeholders and representative bodies to begin this process. But as a project whose output will be for the public good, we want as many interested parties to engage with this process as possible. After all, the more data that is shared and curated, the greater its veracity.

So if you are interested in playing a key role in the development of the Pacific superyacht market, please contact **william@thesuperyachtgroup.com**, stating 'Pacific Research Project' in the subject line.



**Water Revolution Foundation column**

*with Tim Schommer  
and Kirsten Cottrell-Conacher*

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## **The building of superyachts – increasingly environmentally friendly?**

Clyde & Co partner Tim Schommer and associate Kirsten Cottrell-Conacher are the authors of this issue's Water Revolution column.



Thanks to the efforts of the Water Revolution Foundation and its partners, superyachts – often criticised as wasteful polluters – are becoming increasingly environmentally friendly. The Foundation’s sophisticated analytical tools make it possible to measure (and therefore improve) their environmental sustainability.

Much of the push to improve the industry’s green credentials has come from shipyards seeking innovative ways to improve construction methods and materials selections. By doing so, competitors are co-operating for a mutual goal that benefits the wider world. But, in other industries, we often hear of competitors co-operating to fix prices, pressurise suppliers or limit consumer choices.

Such actions typically fall foul of competition law, so is there a risk that more worthy co-operations between competitors in the superyacht industry could fall foul of laws intended to thwart cartels and price-fixing?

#### **EU competition law**

Most major yards are based within the EU, so our focus here will necessarily be on EU competition law. Yards based elsewhere (such as Turkey or the UK) will be subject to local law.

Article 101 of the Treaty on the Functioning of the European Union prohibits agreements that have the object or effect of restricting, preventing or distorting competition within the EU. This can be actual or potential but does need to be more than trivial and must affect trade between EU member states. Article 101 (2) declares that agreements caught by this prohibition are unenforceable (although depending on how the agreement is drafted, non-prohibited provisions may remain valid). In addition, there are broader potential risks from non-compliance in terms of fines, negative publicity and increased regulatory scrutiny.

#### **What is the ‘relevant market’ for superyachts?**

This is a complex, long-winded process but fundamental to understanding and

applying Article 101. The ‘relevant market’ takes into account concepts such as the substitutability of certain products if the product were to have a small (5–10 per cent) price rise. In the case of food or beverages, or even cars, this is, if not easy, at least possible.

It’s much more of a challenge for superyachts. If a prospective owner finds the increased price of a 90m fully-custom motoryacht from a German yard too expensive, might they commission a 70m semi-custom vessel from the same yard or seek to construct a 90m vessel in Italy or Turkey, where labour costs are lower?

#### **Negative impact on competition?**

Would agreements, for example sustainability cooperation on materials to be preferred or avoided, impact trade between EU member states? This is simply a jurisdictional requirement: if the answer is ‘no’, the issue is solely one of domestic competition law.

The circumstances of a yacht-building contract are highly international: the major shipyards, subcontractors, suppliers and customers are located across Europe and beyond. It’s therefore easy to see how provisions in a yacht-building contract agreed between a group of shipyards could affect trade between two or more EU states.

To infringe Article 101, an agreement must have ‘the object or effect of preventing, restricting or distorting competition’. Although the object in our scenario is not to restrict competition, it may still be the case that the effect of an agreement infringes this provision if, on analysis of the factors involved (market shares, wider industry, etc.) it has an appreciable effect on competition in the relevant market. This is a question of fact but, predictably, not straightforward.

If a shipyard unilaterally decides to blacklist certain materials, this won’t distort competition. However, if a number of competing yards enter into an agreement to blacklist certain goods, this might impact competition,

particularly because it reduces competition in the relevant supply market. Since competition can also be affected by well-intentioned cooperation between competitors, it’s advisable not to agree on any conduct without thoroughly examining the possible legal consequences.

#### **Exemption for a legitimate goal?**

Assuming certain behaviour is deemed to be an unlawful restriction of competition, it might still comply with EU competition law by way of an exception under Article 101 (3) if the anti-competitive activity is necessary for a legitimate objective. The crucial question is whether promoting increased sustainability is such an objective, but there is no simple answer.

In our view, it’s highly likely in the context of the ‘European green deal’, and new considerations accompanying this, that the EU and national competition authorities will look favourably on attempts by our industry to ‘clean up its act’.

#### **The way forward**

Rather than risking breaching competition law by simply agreeing to certain collective behaviours and practices, the solution might lie in starting a dialogue within the market with the aim of reaching an agreement on standards. Agreements on certain industry standards generally do not qualify as having restrictive effects on competition provided a full participation in the standardisation process is offered to the involved parties and the procedure for the adoption of the standard in question is designed transparently.

Since every project, however well-intentioned, carries a risk as long as it potentially falls within the scope of competition law, the industry may also be advised to seek close cooperation with the EU Commission itself to implement its good intentions in a legally unobjectionable manner.

There’s no doubt that Water Revolution Foundation is well-placed to take a lead in this. **TS & KC**

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# JAPAN TO SINGAPORE

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# The Asian buyers' market

*Where are the major buying hubs in Asia  
and how is the market likely to develop  
over the coming years?*





BY RORY JACKSON

In recent years much has been said about the development of the superyacht market in Asia. For many it has been a source of frustration that, as wealth has grown rapidly in Asia, the superyacht market has not been able to convert the growing number of UHNWIs into active buyers. That said, could it be that the market has been more active than many have given it credit for, and that because of various domestic restrictions, both political and infrastructural, it has flown under the radar because the market is dominated by the use of production vessels? Furthermore, could the additional geographical restrictions placed on UHNWIs as a result of the COVID-19 pandemic have a catalytic effect on the domestic superyacht market? And if so, in what direction?

“I have been selling boats in Thailand for 25 years, after I sailed my small sailing boat here from Australia in 1996,” says Joshua Lee, founder and managing director of Lee Marine Thailand. “When I went through Bali at the time there were no yachts; in Singapore, there were maybe one or two in Raffles Marina, which was the only marina there in those days. I then made my way to Phuket where there was only Boat Lagoon Phuket marina with 20 or so small cruising boats. Equally, in Singapore, there were only one or two power boats, and in Hong Kong there were perhaps between 40 or 50, so the market really was in its infancy at that time.”

While many are quick to point out that the ‘Asian market’ has yet to become the golden goose that many believed it would be, Lee would argue that if one considers the rapid evolution that the market has been through over the past 25 years alone, then the sky really is the

limit for the future of superyacht sales in Asia.

“There has been a rapid evolution in yacht ownership. In the 1990s, there was a strong domestic sailing scene, which developed from small cruising boats to more substantial vessels to be used in regattas. However, people soon decided that they loved being on the water, but they didn’t particularly want to sail,” adds Lee. “Powerboats really began starting to emerge in the late 1990s, but it was still a tiny portion of the domestic market. Fast-forward to the mid-2000s and the expat community started buying larger motoryachts; in came the Rivas, Azimuts, Sunseekers and Ferretti Group products, and the domestic market began to follow.”

To discuss ‘the Asian superyacht market’ is to perhaps paint a slightly skewed image of the reality. Much like in Europe, or anywhere else in the world for that matter, the Asian superyacht market is dispersed across multiple heterogeneous hubs. For most qualified regional experts, the most dominant region in Asia for the superyacht market is Hong Kong, followed by Thailand, Japan and Singapore, with Malaysia also growing in terms of its facilities and superyacht activity.

“Hong Kong really came to the fore in the ‘90s and started growing for sailing boats and then powerboats took off in a big way; it has been the largest market in Asia ever since,” explains Bart Kimman, commercial director of Camper & Nicholsons Asia. “Firstly, there are a lot of rich entrepreneurs in Hong Kong, there are a lot of IPOs, and the public companies are structured in such a way that the families retain control of the majority of the company and raise such huge amounts of capital that the

wealth in Hong Kong is genuinely astronomical.”

In Hong Kong it has become relatively common for the ultra-wealthy local community to buy yachts and keep them in Hong Kong or nearby, with the typical model being to buy new, amortise over a period of five or so years, after which point they upgrade. The size of yachts seen in Hong Kong, and indeed within the other Asian hubs, has grown gradually since the 1990s, starting with 40ft yachts and working through the size ranges up to around the 100ft mark.

“Anything under 100 feet is kept in Hong Kong because for anything over 100 feet it becomes far more difficult to find convenient moorings,” says Kimman. “We have a number of marinas in Hong Kong, but altogether they may only have around 100 berths for larger yachts and they are all pretty much filled. This is not to say that demand for these larger yachts does not exist, but most of the entrepreneurial set in Hong Kong who buy these projects keep them in the Mediterranean and have their sub-100ft yachts domestically.”

Typically, anything owned by the Hong Kong entrepreneurs above 500gt has been kept in Europe under incredibly strict, almost secretive, management due to the fact the largest proportion of these owners are in fact Chinese nationals and, therefore, ownership of such vessels has been kept away from the scrutiny of its notoriously authoritarian central government. Additionally, however, ownership of sub-500gt yachts simply makes sense for the domestic market. Unlike the Mediterranean, where large-yacht usage usually entails spending a week or longer on board and visiting a number of locations, yachts that are kept in Hong Kong are commonly used as day



# INTELLIGENCE

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\* **Intelligence** is understanding how the trends and performance of your target market impact your strategy.

\* **Intelligence** is identifying new opportunities for your business and identifying the value of your brand.

\* **Intelligence** is quantifying the economic value of a market and its impact on an area.

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SMARTER TOGETHER



## Lester Lam, chairman, Camper & Nicholson's Asia, offers his unique insight into the evolution of superyacht ownership in Hong Kong, China and Asia.

Overall, interest in yachting in Hong Kong has traditionally been strong due to the natural environment. Hong Kong is surrounded by beautiful cruising grounds, and both sailing and motor boating are very popular. China has seen an increase and it's certainly favoured by the local government, which has been very focused on building infrastructure that would further encourage industry development.

We launched Camper & Nicholson's in Asia four years ago and we have been a part of the growth in Hong Kong, China and the broader continent. Demand for larger new-build and brokerage yachts is increasing due to owners upgrading, and demand for more entertaining areas and comfort for overnight stays.

Ten years ago, a 100ft yacht would be considered large. Today, 40 metres is the starting point. The pandemic has driven owners to stay on board with their families more, as a means of isolation. And I have observed owners' acceptance of spending a weekend on board their yachts nowadays, whereas before they were used primarily as day cruisers. To me, this is a progressive lifestyle development and discovery of yacht ownership. As a yacht owner, I have been telling fellow owners that the yacht is a second home away from home.

For the Hong Kong market and the yachting industry to grow, there must be a change in approach to the development model. Hong Kong,



a deep sea port with many beautiful bays and coves, lags behind in infrastructure development, from public marinas to shipyards, and repair to crew training schools, to technical support services. If we look to mature markets and their ports, this is an industry that attracts tourism and provides plenty of job opportunities for locals. For the Chinese market, the yachting industry will benefit from further infrastructure development, development of suitable cruising grounds, a lower tax environment for yachts based in China and a tax-free environment and simplified entry and exit paperworks for visiting yachts.

boats. However, there are suggestions that this model may be changing and that the COVID-19 pandemic has hastened this next stage of the superyacht evolution, and this has been reflected in the sales figures for 2020.

"It is not brand new that Asians are owning superyachts, albeit it has been for a much shorter time than elsewhere in the world, but it was frequently under the guise of them not actually owning the yacht," explains Lee. "However, over the last five to 10 years, owners are increasingly taking public ownership of their yachts. They are corporate-owned, they are a tax write-off, the anti-corruption restrictions in China have lessened and there are now various travel restrictions. Billionaires are being told they cannot move but that will not stop them enjoying themselves. [UHNWIs] in Asia are getting bored; they can't visit their various properties around the world and the anti-corruption horse has seemingly run its race. Provided the banking, compliance and taxation is above board, they feel no need to be quite so secretive."

"There is also a younger generation of [UHNWIs] who are clearly using their boats differently from those who came before them," says Kimman. "This was the first winter where I have seen the main four or five bays in Hong Kong being used as anchorages. Usually the season is from May to October but this year, because of the pandemic, people felt like being on the water was their best opportunity to have fun. They kept their yachts going all winter, using various watersports toys, and this could well be the trigger that changes the yachting model in Hong Kong in the future."

As further proof of this phenomenon, Hong Kong experienced record yacht sales in 2020, with most dealers and brokers selling out of their products, although this was predominantly for yachts up to 80ft, with occasional 90-100ft sales being made throughout the year. Perhaps unsurprisingly, the same

brands that dominate the European production markets also dominate the Asian markets with the likes of Azimut Benetti, Sanlorenzo, Ferretti Group, Sunseeker and Princess proving to be ever-popular brands. Perhaps most tellingly of all, however, was that the Sanlorenzo sales from Simpson Marine accounted for 25 per cent of all Sanlorenzo sales in 2020.

“There is now probably a unit or two a year coming into the Asian market now above 50m,” adds Lee. While these numbers certainly appear small at this point, it is nevertheless indicative of the fact that wealthy Asians, especially the Chinese contingent, who account for the majority of wealth, are becoming less circumspect about owning their wealth. This is a clear indication that these owners are increasingly willing to continue through the size ranges, but not only in the Mediterranean. What we have discussed so far has all happened over the course of 25 years. What do you imagine the market will look like in another 25 years?”

Unlike Hong Kong, which has grown and become dependent on its domestic market, other hubs have developed as a by-product of their ability to attract foreign yachting communities. Of the other superyacht hubs in Asia, Phuket is the most prominent. Whereas Lee led his short introduction to the Asia market by describing the single marina in Phuket, Thailand’s yachting hub now has seven major marinas, all of which, according to Lee, are full.

“Phuket has always been a true haven because a lot of the boats from Europe go to Phuket for the winter and then they go on into the Pacific or they go back to the Mediterranean,” says Kimman. “The marinas in Phuket are suitable for very large yachts, even up to 110 metres.”

“We are seeing a real change in Thailand, the local wealthy community is really getting into their boating,” adds Lee. “South East Asia has been a little slower than Hong Kong, but the

**“We are seeing a real change in Thailand; the local wealthy community is really getting into their boating.”**

production market is really kicking off between 50 and 80 feet. But I imagine it won’t take long for people to grow through the size ranges and because Phuket has the ability to take large superyachts, that is where they will be kept. The one major hold-up in Asia, though, as it stands, is that there is simply not the maintenance infrastructure to support larger yachts.”

Berthing in South East Asia for large yachts is not a problem, according to Lee. Equally, the service mentality and skill level of the local community are strong and the area is competitively priced. However, maintenance and refit for yachts above 40m is a challenge. While Lee believes that as the superyacht market grows in South East Asia the development of large refit infrastructure may present a business opportunity, he concedes that this is unlikely to happen any time soon, and that the best option for superyachts is to make use of the facilities in Australia.

Both Lee and Kimman agree that, in the coming years, the UHNW community in Asia will be increasingly looking to invest domestically. With the Hong Kong entrepreneurial contingent clearly demanding ever-larger superyachts and feeling increasingly confident that they are able to use their vessels publicly without incurring the wrath of the Chinese government, it is highly likely that yacht sizes in Asia will continue to creep up. “If the berthing restrictions were up to 120 or 150 feet, or they built new marinas here, people would buy bigger boats straightaway,” says Kimman.

However, the problem remains that there do not seem to be any concrete plans to develop major superyacht infrastructure in Hong Kong. Could it be then that other Asian nations, such as Thailand and Malaysia, which are both popular cruising and charter destinations in their own right and have the capacity for large superyachts, will become the focal point for the next evolution of the superyacht community in Asia? **RJ**

# Talk to the Yach Chartering, Buy Ownership in C

With our parent company based in Hong Kong, some of the most expert brokers who have been working in Asia for decades and investors who have several years' experience in owning and operating large yachts in the region, Camper & Nicholson's is the perfect company to help clients and potential buyers to maximise the opportunities in this incredibly exciting market. Whether you are looking to relocate your yacht for charter in Asia, would like to market and sell your yacht in China or have a potential client in the region, who would like to understand how to get the best out of ownership, then talk to us.

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# Designing for the Asian market

BY CLARE SIDWELL

*TSR speaks to Marnix J. Hoekstra of Vripack about designing for an Asian market, whether such a concept is feasible and how he has already shown how it's done in the region.*

Vripack has been building yachts of distinction since 1961 and has arguably been leading the European charge on designing superyachts for the Asian market for more than a decade. Marnix J. Hoekstra, partner and co-creative director of Vripack, has insights into the idiosyncrasies and nuances of designing for this market – one so rich and diverse, yet often misunderstood by the yachting industry.

While other yacht designers may be able to identify specific jumps in the number of projects they are working on for the Asian market, Vripack's commissions have been strong and steady for many years now. "Personally, from the perspective of this studio, I can't really identify a huge jump or enlarged interest from Asia," says Hoekstra. "We began designing for this market in the late '90s to early 2000s, and our jumping board was definitely Singapore. So we could say we started off in Singapore and from that we really got a good chance to do more in Hong Kong and then from Hong Kong to Mainland China."

When it comes to the topic of discussing if there are any key differences that stand out to Hoekstra when recalling their designs for this market compared to other clients in different parts of the

world, Hoekstra emphasises the even more specific approach that Vripack takes with each of its projects – regardless of the market. "In our work we design very individual, bespoke, unique yachts and they are always tailored to the requirements and the needs of those clients," explains Hoekstra. "Arguably, those of Asian- or Buddhist-influenced 'older' cultures have such different tastes compared to those in New Zealand or Australia, or even America and South America. Everybody is unique in that sense. So the only right answer is and will be yes – there are differences, but just as there are in any part of the world."

There are many reasons to own a superyacht, including their capability to accommodate spectacular long-distance journeys or entertain friends and business interests, or even the indulgence of a passion for watersports – and every owner has their own motivations. However, Hoekstra believes that these differences cannot be applied wholesale from market to market and are more often a case of owners following various idiosyncratic trends.

"We have, of course, noticed differences within this market regarding the end-purpose of the vessel. But again, this has to do with the social and cultural



*Designs by Vripack  
for Nordhavn 80 –  
(top to bottom) sky  
lounge, interior salon  
and stateroom.*







*M/Y Ocean's Seven by Vripack in Hainan. The vessel was seen as a seminal moment for yachting in Asia on her delivery in 2012.*



habits of the people there. The people based in the Hong Kong region often have a very strong British connection,” says Hoekstra. “This might be through university or it might be through family. Britain also has connections all the way up to Canada due to the Commonwealth link. Because of this, these markets seem to have a more traditional orientation towards the idea of yachting. This might not be because of taste or culture in particular, but just because of upbringing and having seen yachts of friends and having an understanding of how that works.

“Also, in Hong Kong, there is a very active sailing community and they actively sail, which, for mainland China, is also a very, very distant concept. Yes, we have designed the occasional entertaining vessel, but we have also done so here in Friesland where our studio is located, so I can’t really pinpoint that out as being so different.”

Reassuringly, Hoekstra believes there is certainly a continued appetite for environmentally conscious design throughout the Asian market. “I’m very, very happy that the industry is now reaching a state where it’s not even a question anymore if we will be better at taking on sustainable initiatives than we have been previously. Our whole DNA at Vripack, from day one, has been inspired by, and involved in, sustainability at large. We are one of the few yacht designers who specifically has parts of their website orientated to this. We want to inform our clients of this and actively design solutions for clients even unasked, and we do this for Asian clients as much as for American or European clients. I can’t say that the Asian market is specifically more conscious of this than the rest of the world, but there is

**“There are definitely global habits that we see from the Chinese clientele and the Asian market in a broader theme, and those are focused on health, spirit and consciously living in nature.”**

a feeling that it’s because they acknowledge that they are part of this global world. And the current zeitgeist, luckily, is towards sustainable practices.”

When it comes to the buying patterns of this market, Hoekstra reveals the areas of high interest that his work has uncovered. “There are, of course, first-time owners, but particularly in the smaller-boat segment. There are quite a high number of smaller-boat owners, and cash-buying of up to five or six million dollars is definitely an active sector in the Asian market because people have such large numbers of cash readily available to spend on, for example, buying a new hotel or buying another house somewhere, or indeed buying a yacht or a boat. You can see that in more emerging markets, of course, but you can definitely see a rise in this in Asia.”

At present, Vripack is working on a very exciting project in which they have designed the interiors. “The project is a Chinese-built Nordhavn, and it’s interesting because we are pushing them to use more European techniques in constructing and finishing the interior, which is very different from their own cultural habits and tradition,” reveals Hoekstra. “This is, of course, challenging and not just because we’re not able to travel!

“I would say one of our most exciting projects was *Ocean Seven*, formerly known as *Project Star*, which was the highest-classified yacht at the time to be built by Kingship. That was very exciting because for us it was a completely holistic design. We did the interior and the exterior, as well as the underpinning by our naval architecture and engineering teams.”

Built in 2015 to great acclaim across the industry, the 41.9m yacht was something of a trailblazer for Europeans working in the region, and her design seems



*Opposite: M/Y Maharani and interior details on board by Vripack. Above: M/Y Al Waab – renderings by Vripack.*

to focus on the use of natural light as its *raison d'être*. According to the team at Vripack, the overall goal was to design a yacht that makes its owners feel at home, “whether cruising along with the cool winds of the Nordic fjords or luxuriating in the warm breeze of the Fiji islands”. This connection to tranquillity and a sense of being at one with nature and one’s surroundings is one of the global trends that Hoekstra believes has been wholeheartedly adopted by the Asian market, and one that he thinks will continue to be popular for years to come.

“The *Ocean Seven* project has meant that we have travelled to China maybe 17 to 20 times, and it’s really when you’re travelling to such far and remote places in the world, and spending a long time there that you allow yourself to fall in love with those places, particularly the people and their culture and habits,” says Hoekstra.

In terms of developments to the requests and commissions from the Asian market over the next five to 10 years, Hoekstra believes there will be few dramatic changes. “It’s not a fast, rapid, exponential growth we foresee there. It’s a steady, continuous, conscious, slowly but surely increasing pace. We have about five boats under construction there now – most of them are more on the production-orientated side.

“At present, they are not very large boats, around 30 metres plus, and I think that’s also a sign of the times. They’ve wanted it, they’ve invested in it, they’ve also seen it’s very difficult to get it to the level of quality and finish as expected by everyone. It’s a challenging clientele, it’s a challenging market, and it’s something that will happen but which will require time, effort and capital, just as it did in Europe and the Americas and everywhere else.

“There are definitely global habits that we see from the Chinese clientele and the Asian market in a broader theme, and those are focused on health, spirit and consciously living in nature. That idea is all across this market. It’s really not that much different from any other beautiful place on our planet, which I hope everybody will protect as well as we’ll try to do.”

Perhaps, based on Hoekstra’s comments, it is fair to say that some brokers and yacht designers in this industry occasionally overcomplicate things by segmenting owners from different parts of the world into various target markets. Vripack’s approach of being client-specific, rather than market-specific, has served them well for 60 years, so while it is important to acknowledge global and regional trends, it is evident that a large percentage of owners will have been exposed to, intrigued and indeed influenced by ideas from all over the world – thankfully. This allows design studios such as Vripack to incorporate elements from differing cultures, ultimately enhancing the overall quality of both the vessel and the experience.

This reflects The Superyacht Group’s current rhetoric, developed and refined during a world in lockdown, of ‘One industry, One vision’. The approaches that designers take, and the resulting trends that are developed, have a direct impact on the overall vision and reputation of the industry. Hoekstra believes that, at present, this is fortunately resulting in more sustainably minded yacht designs, based on the global trend towards sustainable living. This will hopefully ensure that clients around the world can be the best possible ambassadors for superyacht ownership in a modern, eco-conscious world, regardless of their location. **CS**

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**Asia is coming of age!**  
Nigel Beatty, chairman,  
Asia-Pacific Superyacht  
Association, summarises  
the key developments  
underway in this vast,  
diverse superyacht market.\*



The strong performance of the Asian yachting market is a fact. After many years of media hype, it is now evident that Asia is establishing itself as a major player in the superyacht arena. Asia-Pacific is the epicentre of global wealth. As of July 2020, AsiaPac is home to 83 per cent (831) of UNHW individuals in the world, controlling \$3.3 trillion, according to Swiss bank UBS's new *Billionaires Insights Report 2020*.

Wealth is just one of the indicators of the growth of the yachting markets – but when it is accumulating in already established yachting communities such as Japan and Hong Kong it does mean that the superyacht industry is on the cusp of something big.

Japan is the world's third largest economy and has a registry of around 200,000 recreational vessels enjoying the extensive and well-organised boating infrastructure that has largely been in place since the '70s and '80s. It is a boating mecca, unknown outside the country to all but a very select few. Yes, visiting superyachts are starting to go to Japan, but most of the yachting is focused on the domestic audience, who happily enjoy this fantastic cruising destination. There are almost 7,000 islands to explore; Japan has 50 per cent more coastline than the USA and 15 per cent more than Australia. There are endless options for yacht owners to sail all year round, with a central Japan climate akin to the Mediterranean and Southern Japan similar to The Bahamas. Once the word gets out, the market will rapidly expand. It's only a matter of time.

Hong Kong is home to the world's sixth-highest population of billionaires. The UBS report lists mainland China as the region's top market for wealth creation (415 billionaires), followed by India (114), Hong Kong (65), Taiwan

(40) and Australia (39). In just the past 12 months, Hong Kong sales of new Sanlorenzo yachts have been particularly buoyant, with agent Simpson Marine signing deals on 17 yachts over 24m in 2020. Simpson took over the Asia dealership for Sanlorenzo in 2015 and reports that the Asian market accounted for 23.5 per cent of Sanlorenzo's global sales in 2020. With the planned development of Hainan as China's international tourist centre, the yachting market can expect to see further development of Sanya as a first-class port tourism destination, providing a window with which to display world-class yachts and innovation within the global yachting industry.

Asia-Pacific continues to play an important role in Azimut Benetti Group sales, thanks to its longstanding presence in key countries in the area. Reporting total sales worth over €150 million for the past 12 months, the group is a top performer in the superyacht arena, despite the rigours caused by the global COVID-19 pandemic.

Azimut Benetti reported a 10 per cent increase on results posted for Asia last season, with Benetti alone nearly doubling the number of units sold. In 2020, Benetti sold five units and Azimut Yachts sold and delivered eight yachts from the brand's flagship Grande Collection (four 32 Metri, two 27 Metri and two 25 Metri), with five more units in the same collection to be delivered within the next six months. One particularly important milestone was the sale of a 65m Benetti to a Chinese client in June 2019 – the first yacht sold by an Italian yard to fly the Chinese flag and be certified by the China Classification Society.

Thailand is often quoted as being the perfect charter destination for superyachts. The Thai Yachting Business

Association (TYBA) recently announced changes to customs regulations that will allow superyachts to charter in Thai waters under simplified and clarified VAT and import arrangements. Yachts will now be allowed an extension of the temporary import allowance, changing from '6 plus 6 months' to '2 years plus 6 months'. These new regulations will no doubt encourage new charter opportunities, and the knock-on effect will be good for the region as a whole.

Sandwiched between the Maldives and Tahiti, the boating hubs of Thailand, Singapore and Indonesia have remained mostly open, and although regulations are different for each destination, the region is perfectly placed to welcome superyachts that wish to stay and explore these extensive cruising grounds. As a result, the Asia-Pacific is likely to emerge from the post-Covid period even stronger than before.

With superyacht manufacturing also on the rise in Asia, the industry is being seen by governments as an up-and-coming enterprise. Asian businesses are now consistently outperforming a number of the market's most respected yards, meaning that Asia is looking stronger by the minute in this sector. Asian shipyards delivered only one less project in 2020 (17) than they did in 2019 (18), and with 29 projects scheduled for delivery in 2021, it certainly appears that superyacht manufacturing in Asia is ramping up.

As Asian ownership of superyachts grows at a steady pace, the combination of wealth and locally available destinations may be the key that opens the doors to cruising and chartering in Asia. **NB**

*\*Additional reporting by Suzy Rayment (APSA).*

# China and Hong Kong: market dynamics

BY BRYONY MCCABE

*As China's billionaire population hits record numbers, the superyacht industry is still trying to grow this budding market. TSR explores the current dynamics at play in the Chinese superyacht market from a buyer perspective and assesses the potential that China and Hong Kong present to the superyacht industry.*

There are few geographical markets that present the superyacht industry with the same opportunity for growth as the Chinese market. Still at a relatively early stage of yachting development, in terms of domestic infrastructure and ownership, China certainly has a large, and growing, pool of potential superyacht buyers. Knight Frank's 2021 edition of *The Wealth Report* recently set out its list of top-10 risers – the 10 countries that saw the biggest increase in their UHNWI population in 2020 – revealing that China saw the largest increase, at 16 per cent.

Furthermore, according to Hurun Report's *Hurun Global Rich List 2021*, China has outpaced the United States to become the first country in the world with more than 1,000 billionaires. The publication reveals that, at the beginning of 2021, China had 1,058 billionaires with their wealth denominated in US dollars. "Despite the trade war with the US, China adds 259 billionaires and

becomes the first country with more than 1,000 known billionaires, surpassing other countries including the US, India and Germany," the report says.

## Market dynamics

"There is definitely an upward trend in the superyacht market in China, as the wealth of the mainland Chinese increases," says Joe Yuen, of Lodestone Yachts. "The Chinese tend to purchase new superyachts from production yacht dealers, but now you see more and more Chinese buying semi-custom or full-custom superyachts through professional yacht brokers. The production yacht dealers have done well with their marketing in the region, and you are also beginning to see larger semi-custom superyachts cruising in the harbours."

When talking about the Chinese superyacht market, it is important to distinguish between the Hong Kong market and mainland China market. As Rock Wang, Feadship's Asia repre-

sentative, explains, "Hong Kong is already a very mature yachting market, so there isn't much potential for growth. While mainland China is already very active, it will be growing rapidly in the next 10 years."

The reasons for these two markets being at two very different stages of yachting development are well documented. While Hong Kong may have a longer history of a yachting culture than mainland China, the most obvious barrier to the growth of the domestic Chinese market is its weighty import duties on foreign yachts, compared to tax-free Hong Kong.

"The matter of taxation has been a major limiting factor," says Mike Simpson, managing director of Simpson Marine. "There is a very high import tax on yachts, it has been 43.65 per cent, but that has recently been reduced to 38.1 per cent on motoryachts and 35.6 per cent on sailing yachts over 8m [at the time of writing]. The tax has been a big deterrent for a lot of people – when you

## China's billionaire population over time



Source: Hurun Global Rich List 2021

are spending a large amount of money to buy a yacht, no one is very happy about spending nearly 50 per cent more for the privilege of bringing it into, and flagging it in, China.”

For Simpson, however, the biggest barrier to the growth of the domestic market is the perception that super-yachts in China are going to attract a lot of attention. “Currently there are only about 30 yachts over 30m in southern China altogether (excluding Hong Kong), so any new yacht is going to stand out, and this is not always very welcome. Normally, the wealthy try and keep a low profile,” he continues. “There is plenty of wealth in China, but there is a fear of attracting attention by any obvious displays of wealth.”

In both the Hong Kong and mainland China markets, buyer habits differ depending on the size sector they are buying into, and whether they are buying for domestic or overseas use. According to Wang, because the majority of marinas in Hong Kong offer berthing

up to 35m, both the 30-35m new-build and brokerage markets in Hong Kong are very active, with most clients keeping their boats in Hong Kong and using them as day or weekend boats for local cruising. For the larger size sectors, however, clients tend to enjoy their boats overseas due to the berthing limitations of Hong Kong’s marinas.

Wang observes further intricacies in the 35m-plus sector depending on size range, with Hong Kong clients generally preferring to buy new over second-hand. “Buying a yacht is more expensive in the 35-60m size range, so clients spending this much money tend to want something new,” he explains. “About 60-70 per cent of these clients will choose a new build. Most clients also don’t want to wait too long for their yacht, but thankfully many shipyards offer production or semi-custom models in this size range, which shortens build time.”

According to Wang, this preference for ‘something new’ augments even further in the 60m-plus market. “The vast majority

of clients want a new-build when buying a yacht over 60m,” he adds. “Every yacht of this size has a very specific personality and, because of this, many of the clients I have worked with feel that a second-hand yacht of this size does not and would not belong to them.”

In terms of the market in mainland China, there are other dynamics at play. With government restrictions on the import of second-hand yachts older than one year, as well as a lack of brokerage agencies and surveyors to advise clients on second-hand purchases, there is virtually no second-hand brokerage activity within China, even in the 30-35m sector, where berthing is easier.

According to Wang, however, the mainland Chinese ownership in the 35m-plus market is similar to that of Hong Kong. “Except that the mainland Chinese prefer to buy new builds even more than Hong Kong clients,” he says. “It is the Chinese mentality; if they are spending 20-30 million euros, they want something new.”



# MARINAS AND CRUISING HOTSPOTS

In a recent webinar hosted by the Asia Pacific Superyacht Association (APSA), Mike Simpson identified the best cruising areas for superyachts in China, which included Hong Kong and Hainan. "Hong Kong could be the Monaco of the East if the government would only wake up to the possibilities," he commented. In such a small area, Hong Kong has beautiful coastline and a myriad of islands, yet it suffers from a pronounced lack of berthing for large yachts, with most marinas either full or membership-only. The only marina accepting visiting yachts with no membership is Lantau Yacht Club.

The hope is for Hainan to become the main boating hub for China, with the central government announcing plans for the development of the whole of Hainan Island as a Free Trade Zone, and a particular emphasis on opening up the city and surroundings of Sanya to marine tourism. A free trade port system focusing on trade and investment liberalisation and facilitation will be "basically established" in Hainan by 2025 and becoming "more mature" by 2035, according to the plan jointly issued by the Central Committee of the Communist Party of China and the State Council.

City	Marina	Total berths	Superyacht berths	Status
Hong Kong	Lantau Yacht Club	150	39: 16 x 30-40m 13 x 40-60m	Berths available
	Gold Coast Marina	200	5 x 50m+	N/A
	Club Marina Cove	270	15 x 30m+	Full
	HK Marina	200	10 x 30m	Full
	Aberdeen Marina Club	170	20 x 30m	Full
	Clearwater Bay	120	5 x 35m+	Full
Sanya	Serenity Coast Marina	325	10: 7 x 30-35m 2 x 50m 1 x 65m	Berths available
	Clearwater Bay	299	12: 7 x 30-40m 5 x 50-60m (2021)	Berths available
	Visun Yacht Club	425	4 x 40-50m	Berths available

Source: Simpson Marine  
Correct at the time of writing.

SHENZHEN  
ZHUHAI  
HAINAN

## HONG KONG



## SANYA





## “From the crew to the brokers and designers, every sector of this industry is lacking Chinese professionals. As an international community we should look to find Chinese talent.”

### Market potential

The industry often bemoans a lack of yachting culture in China as a barrier to the development of the superyacht market, but Simpson does not see this as an issue. “One thing I have noticed in China, as the country has developed, is that tradition does not hold people back,” he explains. “The Chinese are adventurous and they are quick to pick up on new ideas and develop them. Chinese buyers quickly appreciated that yachts were great for entertaining friends and business associates, but with the growth of watersports, the ability to carry tenders and toys has become increasingly important. The adventurous nature of the Chinese has also led to interest in expedition yachts.”

For the superyacht industry, the Chinese market is huge in the same way that the country’s population is huge and, in light of the country’s rapidly growing population of UHNWIs, Wang is very optimistic about the future potential of the market in mainland China. He puts it simply: “It’s human nature. When you have a lot of money, you want to enjoy life and yachting is one of the best ways to enjoy life.”

For Wang, the greatest potential lies

in China’s younger generation. “The generation of wealthy that are now 45-55 years old are the majority of the market for myself – they have more international exposure and experience of yachting. Then, the younger generation of wealthy Chinese – the 30- to 40-year-olds – are the future. They were born rich and are used to spending money very generously. Many in this group own private jets, are already chartering and have plans to buy a yacht in the next couple of years.”

While Wang is very optimistic about the future potential of the Chinese market for the superyacht industry, he believes that there are certain changes that could be made in order to help stimulate growth. One barrier for Wang is the scarcity of Chinese representation in the industry. “From the crew to the brokers and designers, every sector of this industry is lacking Chinese professionals,” he says. “As an international community we should look to find Chinese talent. If there were just 15 to 20 Chinese brokers, the market would change. Shipyards also need to have marketing material in Chinese because the majority of Chinese clients feel more comfortable reading Chinese than English. It is something very basic

that the industry can do today that will have a significant impact in the future.”

Simpson agrees that a lack of qualified local crew is certainly a limiting factor to the growth of the Chinese market. “Owners accept that they will have to hire qualified foreign crew for now, but many Chinese owners don’t speak English and they would rather have at least some crewmembers who can communicate with them in their own language,” he says, adding that optimism lies in the MCA-approved Galileo Maritime Academy in Phuket, Thailand. The Academy offers training courses to the Asia region, which will help to get more local crew trained up and qualified to work on superyachts in the future.

More infrastructure to attract visiting yachts would also help to give the superyacht industry more visibility in China, and possibly attract the attention of qualified buyers. “When there are more marinas and professional crew, this will help increase the popularity of superyachts,” concludes Yuen. “The Chinese government is also promoting various types of tourism, including yacht tourism, in the Free Trade Zone of Hainan Island and The Greater Bay Area. I hope this will bring more charter yachts to the Far East.” **BM**



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# OCEANIA



# The legacy of AC36

BY BRYONY MCCABE

*With strict coronavirus rules keeping out superyachts and their owners, New Zealand missed out on its expected turnout of visiting superyachts for the 36th America's Cup. With the next Cup set to return to Kiwi waters, what will be the lasting impact of the 2021 event?*



*Emirates Team New Zealand,  
winners of the 36th America's Cup.*



Emirates Team New Zealand





When Emirates Team New Zealand defeated the 35th America's Cup defender Oracle Team USA in Bermuda in 2017 – bringing the Cup back to New Zealand – the Kiwi yachting community had high hopes for a large superyacht turnout when the time came to host the event. However, these hopes were dashed when the COVID-19 pandemic struck in early 2020, leading to the eventual closure of New Zealand's borders as part of the government's strict response to the pandemic, therefore rendering most superyachts unable to enter the country in time for the 36th America's Cup (AC36).

“Unfortunately, due to border restrictions in New Zealand, a huge number of yachts decided against visiting,” explains Ben Osborne, director of 37South. “Owners with close connections to the America's Cup syndicates were able to enter the country, which resulted in it being a fairly standard level of superyacht traffic across the summer.”

“There were around 160 superyachts booked in or on their way to New Zealand for the America's Cup, but we saw about 110 turn around and head back to Europe or the USA, as well as cancellations for the yacht transport ships that were booked in with additional superyachts,” adds Peter Busfield, executive director of NZ Marine Industry Association. As it happened, New Zealand welcomed around 20 visiting superyachts, transforming a forecasted colossal summer season into a season like any other.

A full calendar of events had been organised by the Royal New Zealand Yacht Squadron (RNZYS) and NZ Marine in the lead-up to, during and after the America's Cup, which included many superyacht-focused events. While the J Class regattas and superyacht fishing competition were cancelled, the RNZYS Mastercard Superyacht Regatta in Auckland and the NZ Millennium Cup Superyacht Regatta in the Bay of Islands were both able to go ahead.

“Whilst the AC36 can be deemed a success for Auckland and New Zealand, there is no doubt that COVID-19 had



Andrew Delves

*Miss Silver watching the America's Cup racing.*

*The Mastercard Superyacht Regatta in Auckland.*



Jeff Brown/BREED Media

serious implications on the wider events,” says Aaron Young, commodore of RNZYS. “Initially we had a significant shortage of berths for superyachts, but by late 2020 we had seen this demand subside to around a third of what was initially projected. The RNZYS had realistic plans and agreed details for a 25-yacht superyacht event, J Class World Championships, Youth America's Cup and a Sydney-to-Auckland race, to name a few, but these all had to be cancelled or downsized.”

The decline in superyacht attendees was a blow to not only the local yachting sector, which would have directly benefited from an influx of superyachts, but also the local economy in general. For a country hosting a major event such as the America's Cup, attracting superyachts to its waters that wouldn't otherwise be in that part of the world can shower the economy of a host city, and its surrounding areas, with money – key to justifying what a government spends on infrastructure upgrades and event organisation to serve as host.

In fact, in a 2017 economic assessment produced for New Zealand's Ministry of Business, Innovation and Employment (entitled *36th America's Cup: High Level Economic Assessment Evaluation*), superyachts were referenced as one of the biggest contributors to the economic impact of the AC36. The report estimated that, in the best-case scenario, a total of 159 superyachts and their owners would come to New Zealand for the America's Cup and their direct spending to the local economy would reach more than NZ\$300 million. Furthermore, the assessment concluded that the event would act as a catalyst for several sectors within the economy, and that the “long-term effects of infrastructure investment that is required to host the event will ensure that the Auckland superyacht refit and charter sector is able to grow significantly”. The revenue projection helped to justify investment from the government and the Auckland Council into waterfront upgrades in preparation for the expected superyacht numbers.

With such high stakes for the country's yachting industry, organisations such as NZ Marine and RNZYS spent much of 2020 lobbying the government to allow superyachts – and their owners and guests – into the country. The lobbying had some success as, from July 2020, the government announced a provision that allowed for vessels, including superyachts, booked in for repair or refit works in the country worth more than NZ\$50,000 to apply to enter the country's maritime borders. However, only the crew were permitted to sail in on these boats, shutting out the owners and guests eager to come to watch the races.

For the local marine industry, however, there were many positives that came from hosting the AC36, even if the superyacht turnout didn't meet initial expectations. "There was a lot of direct business for the local marine industry in the two years leading up to the event," reflects Busfield. "A lot of the support boats were built in New Zealand, Emirates Team New Zealand employed around 50 boat builders to build their boat, and the likes of Southern Spars built the rigs for the challenging syndicates. I think the international broadcasts of the racing will also have given New Zealand promotion as a destination."

Furthermore, the investment into infrastructure ahead of the event saw upgraded facilities at the waterfront area in Auckland, with superyacht berths increased up to around 80, additional restaurants and the area generally smartened up, all of which will be beneficial to superyachts visiting

Auckland going forward. Much of the infrastructure has a 10-year permit and is reserved for America's Cup activity, so it is ready to be used again.

"Improvements to local infrastructure, which included an increased number of berths for 30m-plus yachts, will help to lock in the presence of superyachts in the central-city marinas," says Osborne. "We believe that the success of a scaled-back AC36 in 2021 will encourage both public and local investment towards the next regatta here in New Zealand."

For Young, the upside of the AC36 for New Zealand was that the event was able to be hosted in a basically COVID-free environment. "The shame, however, was that borders were, and are, tight," he adds. "Having superyachts and visitors come and spend money, not only within the marine and tourism industry but in the wider economy, reduced dramatically. The long-term impact may be that, because some yachts didn't make it to New Zealand for 2020/21, they may choose to stay away next time around. We hope not as New Zealand has a lot to offer the superyacht world."

At the time of writing, it is not yet known when the 37th America's Cup (AC37) will be held. The RNZYS has, however, accepted a Notice of Challenge from the Royal Yacht Squadron Racing (represented by INEOS TEAM UK), which will act as the Challenger of Record, and announced that the protocol governing the AC37 will be published within eight months. There are a number of different options, but it is intended that the

venue for the match will be determined within six months and the dates of racing will be announced in the protocol, if not before.

Busfield is optimistic for the next edition. "As long as the borders are open to allow superyachts to enter, we expect there to be huge demand for yachts to visit New Zealand," he says. "And even if the Cup is not defended for a while, we are anticipating a big demand from superyachts wanting to come and cruise here because we are probably the most COVID-free country in the world."

"If border restrictions can be eased and the next regatta takes place in Auckland, the city now has the infrastructure to handle much more superyacht traffic," adds Osborne. "As well as private use, the processes to allow foreign-flagged superyachts to charter in New Zealand provides a genuine commercial opportunity for yacht owners – especially if more syndicates become involved and a greater number of international travellers choose to attend."

For the AC36's remote spectators watching around the world, such a high-drama sporting event unfold in front of Auckland's beautiful backdrop with virtually no COVID-19 restrictions in place was like witnessing an alternate universe. While many superyacht owners and guests will have been disappointed not to have been at the event, such a display will only add value to New Zealand's image in future, and perhaps attract more attendees for the next edition when the pandemic will be (hopefully) a distant memory. **BM**



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An aerial photograph of the Great Barrier Reef, showing the vibrant blue and turquoise waters of the reef system. A small boat is visible in the middle of the water. The sky is a clear, light blue with some wispy clouds.

# Can superyachts truly visit the Great Barrier Reef in a responsible and safe way?

*TSR poses this question to Dr Andy Lewis of the Coral Sea Foundation and Captain Welwyn Gamble, Australian Reef Pilots ... and receives surprisingly reassuring feedback.*



BY CLARE SIDWELL

Listed as a UNESCO World Heritage Site in 1981, the Great Barrier Reef is the world's largest coral reef system and is located in the Coral Sea off the coast of Queensland, Australia. Spanning a length of 2,300km along two-thirds of the coast, parts of the Great Barrier Reef region have become increasingly protected as part of the Great Barrier Reef Marine Park since the late 1970s.

In 1990, because of the cultural and environmental significance of the Great Barrier Reef, the International Maritime Organization decided it should be the world's first Particularly Sensitive Sea Area (PSSA) to protect it from the negative effects of nearby shipping. "This designation allows the Great Barrier Reef Marine Park Authority and the Australian Maritime Safety Authority to apply specific measures to control maritime activities within the area such as routing measures, strict application of MARPOL discharge and vessel tracking and reporting," says the statement of management arrangements in the Great Barrier Reef Marine Park for superyacht operations.

As an area of unparalleled natural beauty, the destination is understandably on the bucket list of many people, and on the itinerary of many superyacht owners. However, as humanity voyages its way through another decade focused on climate change and reducing the carbon footprint of all industries, we must ask ourselves: can we still cruise these extremely sensitive ecological parts of the world in a truly responsible and safe way?

In order to tackle this topical question, it is important to consider how different the cruising experience in the Great Barrier Reef is now compared to the past five or ten years, to see if changes have

already been made to make visiting more eco-compliant. "I would say it is better, given the steps that have been taken by the Government to facilitate superyacht visits," says Dr Andy Lewis, founder and executive director of the Coral Sea Foundation. "In terms of the physical locations, not much has changed in the major yacht cruising destinations, apart from the dynamics of coral cover on the Great Barrier Reef, with the Far Northern section declining in cover compared with a decade ago due to the effects of the 2016-17 bleaching events, but the Central and Southern sections have probably improved over the same period."

From a navigational perspective, it is argued that the reef has not changed in the stated time frame, but that the cruising experience has now actually been enhanced significantly. "Advances in navigational surveys and equipment have permitted pilots to take vessels into areas not previously accessible. This has meant that the GBRMPA have felt more comfortable in allowing vessels to access these newer areas and hence the number of appropriate anchorages has increased," says Captain Welwyn Gamble of Australian Reef Pilots. "The GBRMPA have shown a willingness to consult with industry, pilots and owners with respect to considering specific requests for individual passages. So long as the strict environmental criteria are met, these requests are often approved."

A significant increase in the involvement of traditional owners has reportedly enhanced the visitor experience, and better insights into the area have also positively impacted the destination. "A much deeper knowledge of the ecology of the reef by available qualified personnel, for example, Master Reef Guides, has led to an increased

**A significant increase in the involvement of traditional owners has reportedly enhanced the visitor experience, and better insights into the area have also positively impacted the destination.**





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interest by guests of all tourist vessels. Reef Pilots (some are also Master Reef Guides) play an important part in this guest interaction with the reef environment,” adds Gamble.

Although the IMO identified the area as the world’s first PSSA, the infamous IMO Tier III restrictions do not actually apply to the Great Barrier Reef. “However, it is most unlikely that the modern superyacht visiting our

shores would not comply since they are designed for world-wide operation and could expect to be in the EMC areas at some time during their operating lives,” argues Gamble.

Over 11 weeks towards the end of 2020, a research flotilla consisting of tourism and dive boats, superyachts, fishing vessels and even a tug boat were mobilised with a mission to capture numerous survey images from all over



the Great Barrier Reef. In this instance, superyachts were taking part in The Great Reef Census, and indeed being used to help pave the way for a better future for the coral reefs.

“The Great Reef Census is designed to pilot new ways of capturing large-scale reconnaissance data from across the Great Barrier Reef, helping to support research and management,” reads [greatreefcensus.org](http://greatreefcensus.org). “The Great Reef Census will trial innovative ways of capturing reconnaissance data from across the Reef using citizen science. This critical data can help scientists and managers improve their ability to locate some of the most important sources of coral recovery,” says Professor Peter Mumby of the University of Queensland’s Marine Spatial Ecology Lab.

Beyond this example of research, do our industry peers truly believe there is a safe and sustainable way for superyachts to continue to visit these incredible sites? “Of course,” says Lewis, reassuringly. “The main local impacts of a visiting superyacht on the marine environment relate to the damage to the benthos from the anchor and chain, and there are anchoring regulations and moorings in place to manage those impacts. On the scale of the whole reef, anchor damage is insignificant compared to damage from crown-of-thorns starfish, cyclones, bleaching and coral-eating parrotfish.”

“In the long term, rising sea temperatures and changing ocean chemistry linked to human carbon emissions pose a significant threat to all coral reefs, including the GBR, and superyachts will inevitably need to move toward low-emission forms of propulsion and power in order to do their part in addressing the problem.”

“Superyachts are amongst the most technologically advanced vessels in



Image Courtesy of Mike Veitch

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**“Given the numerous benefits of Australia and Queensland as a cruising destination ... I don’t believe that environmental regulations designed to minimise pollution and safeguard the very environment that superyacht owners come to see will significantly reduce the number of vessels coming here.”**

the world and are able to comply with the strictest environmental controls necessarily applied,” adds Gamble. “So long as superyachts continue to embrace the latest technologies, I cannot see any reason why they should not continue to be welcomed to our beautiful GBR and indeed encouraged to visit.” This emphasises how these yachts represent the most technically advanced vessels in the world.

“With equipment such as dynamic positioning, electric or green power generation, retention of all discharge and waste disposal, they leave the smallest footprint, if any, of all vessels. They should, and will, be welcomed to our waters because they also contribute significantly to the economies of the region,” says Gamble.

Bearing in mind all of the comments thus far, and considering the great efforts being made by a number of stakeholders of the superyacht industry who are researching, for example, alternative propulsion methods or green materials, one wonders if the greatest barrier of all is the owner. Is the mindset of a superyacht owner sustainably focused enough

to accept the changes (and resulting extra costs) that need to be made to their yacht in order for them to visit safely, or will ongoing regulations and changes put them off?

“Ongoing regulations have always been an impediment to the presence of superyachts on our coast. I believe that these impediments are being reduced – perhaps not as much as we [the industry] would like an improvement anyway,” says Gamble. “However, consultations are always ongoing. My understanding of the superyacht owner is that they want interesting, if not unique, experiences, being able to live in their luxurious circumstances and enjoy experiences which are only available to intrepid day-trippers. This is often most special for them.” I have not detected any significant increase in limitations from the myriad of bureaucratic entities with which a superyacht must deal. Most are appreciative of the need to attract these vessels to our shores, so it does not need owners to be malleable. So long as any outlandish expectations are realistically considered and tempered before their arrival for

their sojourn onboard, they have always demonstrated to me and my pilots their complete co-operation with any specific requirements placed upon them in respect of protecting our beautiful environment.”

Lewis concludes: “I don’t think one can generalise about the mindset of superyacht owners in this instance. Certainly, there are some very progressive and eco-conscious thinkers amongst superyacht owners, and given the numerous benefits of Australia and Queensland as a cruising destination in the current global pandemic, I don’t believe that environmental regulations designed to minimise pollution and safeguard the very environment that superyacht owners come to see will significantly reduce the number of vessels coming here.”

On this basis, it could be said that the superyacht industry should not wait for restrictions to dictate how and where they can or can’t travel, and should instead focus on continuing to make technological breakthroughs in the field of propulsion, or sustainable designs by our naval architects, leaving itinerary options open, staying one step ahead of the rules and regulations, and keeping pace with the modern world.

The carbon footprint of our industry is under serious scrutiny, and whether or not its long-term effects are directly visible at present on the Great Barrier Reef compared to the immediate effects of coral-eating parrotfish, as Dr Lewis summarised, climate change linked to human carbon emissions poses a huge threat to all coral reefs.

Ultimately, the fewer destinations there are like this left to visit, the less desirable it will become to own a yacht if the view from the sundeck is a mass of decaying coral. Thankfully, as identified by Lewis and Gamble, there are ways to work with those who are caring for the Great Barrier Reef, to avoid such a situation. **GS**

*Images supplied by Dr Andy Lewis, founder and executive director of the Coral Sea Foundation.*

# The Anzac angle

*TSR speaks to the principals of Australia and New Zealand's respective representative superyacht bodies, for their take on this regional market's trajectory...*

BY RORY JACKSON

## AUSTRALIA

It has long been accepted that Australia and the wider South Pacific region have much to offer the superyacht community. Whether it is beautiful cruising grounds or top quality maintenance services, the region really does have it all. However, there is still much work to be done to ensure that all the various developments that are required to create a cohesive market complement each other in such a way that superyachts, owners and guests feel confident to take their superyachts there for extended periods of time.

"Until the Special Recreational Vessels Act was passed in 2019, our lack of ability to have foreign flagged vessels chartering in Australia was acting as a road block," says David Good, CEO of Superyacht Australia. "Now the chains are off, we can do a lot more. Somewhat surprisingly, however, we have had a better response from superyachts that were able to charter here anyway. We've had a number of Australian owners bring their boats back from the Mediterranean."

In order to take their superyachts back to Australia, owners have to import them but, according to Good, many of them had been labouring under the misapprehension that they would be required to pay Goods and Services Tax (GST) in order to import their yacht, which has never been the case for commercial vessels. If the vessels were private, how-

ever, they would be required to pay GST. In fact, there is no duty to be paid for commercial vessels and, conversely, the vessel will actually be generating GST on behalf of the government by operating commercially. While the change in charter regulations had no actual impact on these superyachts, the change proved to be the spark that encouraged these superyachts to return.

"It was a slightly surprising by-product of the charter updates and one that was certainly aided by COVID because they wanted to use their superyachts while it was winter in the Mediterranean," adds Good.

Good explains that during a typical COVID-free year, Australia operates at a net tourism loss of around AUS\$20 billion, with Australians spending AUS\$65 billion a year on overseas tourism while income from visiting tourism only accounts for AUS\$45 billion. In addition, Australians have the highest cruise penetration of any country in the world, with recent figures suggesting that around 5.4 per cent Australians book cruise ship holidays annually.

"The market is sitting here frustrated because they can't cruise at the moment," says Good. "However, what we also discovered is that there is also a large contingent in Australia that spends up to AUS\$100,000 on ski chalets, private islands and luxury cruises. Australians have got the most holiday and the highest

average earnings of almost any country in the world. We discovered, as a result of COVID, an Australian cruise ship stuck in Argentina that was almost entirely populated by Australians who had paid between AUS\$56,000 and AUS\$78,000 to be on board. It seems crazy given that for AUS\$100,000 you could charter a quality 35-40m superyacht. What we have been missing is an entry point to the superyacht industry for this domestic market."

The lesson from what Good described is that the superyacht community at large seems determined not to learn. In order to attract new demographics of clients to the market, the way the industry promotes itself must change. Part of the appeal of the luxury cruise industry is undoubtedly the ability to pay upfront and enjoy a stress-free, all-inclusive experience, yet the yachting community seems determined to stick to outdated practices, such as Advance Provisioning Allowance (APA). That is not to say that APA should be abandoned entirely, but newer more simplistic models could certainly be introduced.

"We are trying to encourage some of our brokers to do all-inclusive packages," says Good. "One thing that has frustrated the hell out of me, particularly this year, is that there has been no opportunity to bring in guests from abroad to charter in Australia. The only market is the domestic market and still the charter brokerage community

is determined to keep its prices in US dollars; it makes no sense. The market is not changing to suit their clients, they are just sticking to the same way that it has always been done and if the clients don't like it, then tough.

"The strange thing is, where people have used all-inclusive packages, the client has actually ended up paying more because they used hardly any fuel and not touched the caviar and so on, whereas, if they had used APA they would have received money back. But they were prepared to pay for the model that they understood and felt comfortable with."

One of the most important elements of developing Australia as a superyacht destination of repute has been focusing on the development of the wider Asia Pacific region. With the number of high-end infrastructure developments that are ongoing in Australia at the moment, it has been paramount that other regions such as the Pacific Islands, New Zealand, Thailand and Indonesia have developed their regulations and infrastructure in such a way that superyachts, owners and guests are able to spend extended periods of time in the region and enjoy a varied superyacht experience. Development in isolation, unfortunately, is not enough to guarantee growth.

"First and foremost we are sticking with the idea that we need to promote the entire South Pacific," adds Good. "We believe that there is greater strength in offering opportunities with our neighbours, rather than just promoting Australia. Thailand has recently had their charter laws passed, and in order to help, I provided every document that we used in order to get our own laws amended.

"In my view, there is only one piece of the puzzle missing at the moment and that is Indonesia. Once Indonesia becomes open for charter we will have covered all the best cruising grounds in this part of the world and it will be far more attractive for the brokerage houses to print over their fleets. I believe that once COVID is dealt with, it will be possible to achieve success in Indonesia within 12 months. We now have strength in numbers and the Indonesian government will grow to appreciate they are missing out on easy income."

As well as promoting itself and its neighbours as a cruising location, Australia is going a step further and setting itself up to be the premier service and mainte-



**"First and foremost we are sticking with the idea that we need to promote the entire South Pacific. We believe that there is greater strength in offering opportunities with our neighbours rather than just promoting Australia."**

*Above: David Good, CEO of Superyacht Australia.*

nance location in the South Pacific. It is all well and good boasting excellent cruising grounds, but without a bone fide service network it will simply not be possible to attract superyachts to the region for the extended periods of time that are required to stimulate impressive growth. With the passing of the charter bill, Australia has given itself every opportunity to stimulate demand and, as a result, investment has continued to pour into superyacht infrastructure.

"We needed to create demand and the passing of the charter bill gave a lot of people the confidence to invest," explains Good. "There is Rivergate Marina and Shipyard that has put in place a AUS\$250 million expansion plan that includes a syncrolift that is able to lift vessels up to 90 metres. BSE was bought by Austal, a listed Australian company, in October 2020 and they have a new 1,080-tonne travel lift that is capable of lifting boats up to 80 metres. BSE's neighbour Norship Marine was acquired in February 2021 by another listed company, Varley Group."

In 2020, Gold Coast City Marina and Shipyard was awarded AUS\$20 million by the Queensland government to undertake Stage II of its expansion project. Upon completion, lifting capacity at the refit facility will increase to 1,200 tonnes and the site itself will double in size. Elsewhere, The Boat Works invested AUS\$120 million, including a 300-tonne travel lift, The Yard Brisbane has undergone significant expansion and substantial investment is underway in Darwin, making it the ideal starting point for cruising in the Kimberleys and the link between Australia and Indonesia. Echo Yachts and Silver Yachts, both located in Henderson near Perth on the West Coast, have now also increased their refit output in recent years.

As it stands, Australia is well placed to be the region's premier service and maintenance hub, spoiled as it is with an embarrassment of riches in that department. What remains is for all the various developments ongoing in the region to continue apace – be it capitalising on the domestic market, introducing more foreign-flagged vessels to the region, completing infrastructure developments or ensuring that all cruising grounds are open for business – to fall into step. Given how proactive the Australian superyacht community has been, this should only be a matter of time.



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[www.silveryachts.com](http://www.silveryachts.com)

## 6 RIVERGATE

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  - 300-tonne travelift
  - 12,000sqm hardstand and refit complex
- [rivergate.com.au](http://rivergate.com.au)

## 8 THE BOAT WORKS

1 Boatworks Drive, Coomera, Gold Coast, QLD 4209

- 300-tonne marine lift
  - 15m-high refit sheds
  - 45-tonne hydraulic sealift
- [theboatworks.com.au](http://theboatworks.com.au)

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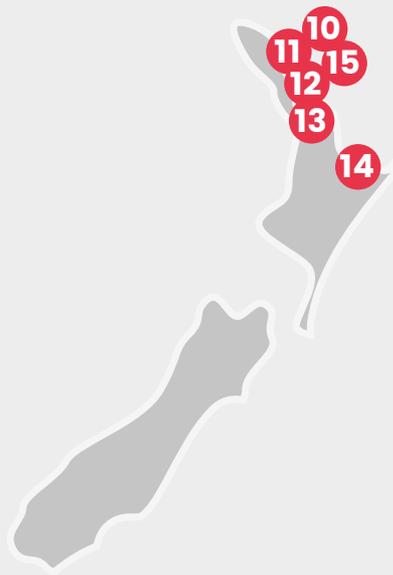
Orams Marine Village, 142-160 Beaumont St, Auckland 1010

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## 15 YACHTING DEVELOPMENTS

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  - 9 superyacht deliveries – <39.5m; 1,551gt
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All figures quoted are current as of 31/03/21.



## NEW ZEALAND

New Zealand is at a point in its superyacht development that it already has premium infrastructure in place, charter regulations that allow foreign-flagged vessels to operate in the area and an embarrassment of natural riches. However, in order for the Kiwi industry to move to the next level, in terms of superyacht visitation, greater cohesion is required with its neighbouring countries and better understanding is needed on the part of the market.

“As far as infrastructure is concerned, we’ve been working on this project for over 20 years and now, I am pleased to say, it is essentially completed,” says Peter Busfield, executive director of NZ Marine Industry Association. “For the Far North District, the superyacht marina and shipyard facilities in Whangarei are complete. Auckland, perhaps more so than any other city in the world, has done the unthinkable and brought the marine industry back into the centre of the city with the Orams Marine Village. The yard has a 720-tonne travel lift and a specialist superyacht yard right in the heart of the city.”

The America’s Cup in 2021 has provided an excellent opportunity for New Zealand to implement a number of the infrastructure developments that would be required to grow the superyacht industry in the region over the longer term. As well as the aforementioned facility at Orams, a new 320-tonne travel lift was added to Vessel Works in the Bay of Plenty. In fact, within the past three weeks (at the time of writing), Busfield explains that even in light of the COVID-19 pandemic, Vessel Works has had more superyacht business than it has in its entire history.

“Finally, we had all the necessary infrastructure in place and we were ready to receive 160 superyachts in New Zealand for the America’s Cup, but because of the pandemic the vast majority were unable to come,” adds Busfield. “Fortunately, however, because Team New Zealand were victorious the \$250 million investment in

infrastructure is ready to be used again. Thanks to Team New Zealand defending the America’s Cup, the syndicates will be back and so will the superyachts.”

That most superyachts were unable to enter New Zealand for the America’s Cup has much to do with the nation’s strict border policy in light of the pandemic. However, while this undoubtedly had a negative short-term impact on New Zealand’s ability to welcome guests, with COVID almost entirely eradicated from the country, the strict measures are likely to pay dividends in the not-so-distant future as other superyacht hotspots continue to struggle against the disease.

“At the moment, a superyacht can come to New Zealand for a refit within a minimum value of \$50,000 and we have already had 20 superyachts come under that regime. Now we are working with the government to enable owners to join the yachts, perhaps through the air borders with Australia and Fiji,” explains Busfield. “We are slowly working towards getting more people to New Zealand. With the profile that the America’s Cup has generated in line with the nation being COVID-free, we believe we will be in a strong position. Owners can think of New Zealand as a safe haven.”

While New Zealand is certainly known for the strength of its refit and maintenance sector, not to mention being renowned the world over for its expertise in sailing-boat construction, Busfield acknowledges that it is a stretch to expect superyachts to travel the large distances to New Zealand purely for a refit. However, New Zealand as a destination has much to offer in itself, and when you accept this fact in conjunction with its maintenance prowess and the allure of its neighbouring nations, the New Zealand proposition quickly becomes a rather attractive one.

“Superyachts will come to New Zealand because of the destination itself and the people,” says Busfield. “But, while they are here they are able to conduct a serious refit that is equal to the very best



*Peter Busfield, executive director of NZ Marine Industry Association.*



*The Millennium Cup is now one of the industry's most established regattas.*

in the world. We are confident that private superyachts will visit New Zealand purely based on the strength of its offering as both a location and a maintenance centre. However, where we have perhaps struggled in recent years is attracting charter business to the wider region. If a superyacht is in this region, they could spend the summer in New Zealand and then during winter travel to Fiji or Tahiti. Equally, they could go to Australia, Thailand and onwards to Indonesia. The problem that we have is that the charter community, especially in the US, struggles to sell a proposition they don't fully understand."

It goes without saying that New Zealand and a number of the nations in its vicinity suffer from an embarrassment of riches when it comes to potential cruising grounds. The likes of Fiji, Tahiti, New Zealand, Australia, Thailand and Indonesia offer everything that the superyacht charter sector could hope for. However, given how dominant the Mediterranean, Caribbean and Florida have been for cruising, one could argue that the charter community, as a whole, has been somewhat lackadaisical in

its approach to the development of alternative charter experiences. This is not to say that such experiences do not occur, because of the very fact that chartered superyachts have visited these locations. Nevertheless, it is fair to say that the majority of the charter brokerage community find it more comfortable and less risky selling into experiences that they are well acquainted with.

There is work to be done in New Zealand and its surrounding regions to set the minds of charter brokers and various other stakeholders at ease. After all, these locations are no strangers to UHNW traffic, it just happens to be the case that the majority of this traffic has traditionally been land-based. The South Pacific nations are in need of a cohesive charter strategy that includes all the various regions in play. This does not simply mean the development of charter plans highlighting the best and the brightest. It requires the creation of business plans that make chartering superyachts in the region for extended periods of time financially viable and, ideally, financially attractive to the owners of the yachts.

"When I spoke to superyacht agents

in Fort Lauderdale with 160 people in the audience, only two of them had been to New Zealand and they said, 'How can we send clients who spend \$300,000 a week to a place where we haven't been and we can't guarantee the quality of the service?' You need the boats and you need the agents to understand the proposition," concludes Busfield. "We were hoping that the America's Cup would be the platform from which we would be able to launch the next stage of the market's growth here, but this has naturally been delayed because of the pandemic."

New Zealand is being positioned as a destination for the more active and adventurous owner and guest. Indeed, with the growth of the explorer superyacht market, it would be incredibly surprising if activity in New Zealand did not expand organically. With empty pristine beaches, fishing, diving, skiing, stunning scenery and all manner of other activities, New Zealand has so much to offer. But in order to capitalise on its opportunities, greater understanding is required on the part of wider market and a cohesive business plan needs to be formulated for the charter market. **RJ**

# Regional Report: Fiji and Tahiti

BY JACK HOGAN



*Cruising Tahiti-Iti.*

*The spectacular islands of the South Pacific have become beacons of best practice for managing the COVID pandemic, and are now legitimate superyacht growth markets in their own right, as TSR discovers.*

In a season like no other, New Zealand's South Pacific neighbours have been met with envious eyes, except this time for more reasons than the usual suspects such as the hospitable climate and the isolated beaches. Lessons in leadership and pragmatism in their handling of the pandemic also shine through. There is no perfect solution nor guidelines in place for such once-in-a-lifetime problems. As an industry, however, we can learn from the region and apply these lessons as the superyacht fleet continues its re-exploration of the Pacific.

Tahiti and Fiji have not only salvaged a season but also broken new ground towards growth for the region. And while such small territories may not seem immediately relevant to the old guard of Europe, evaluating the situation in this relative microcosm helps plan the eventual return to normal during the vaccine roll-out, and it also raises important questions in a broader sense: how do we operate in these destinations long term? And what makes for a successful season in challenging circumstances?

Tahiti has long been the first destination for superyachts bound for the South Pacific from the Panama Canal. A growing subsection of the sailing yacht

fleet that cannot meet the Panamax air draft considerations (62.5m passage at low water) is also approaching after rounding Cape Horn. This is an exciting growth indicator for the fleet and the requisite journey up from 55 degrees South adds a new dimension to the yachting story.

The natural beauty of the French Polynesian archipelago has made this coincidence of geography a welcome one for the industry, and many vessels will not only stop off there but will spend an entire season exploring the outer reaches of the islands. As such, the infrastructure of Tahiti has grown to accommodate this inflow of vessels.

Christelle Holler and her team at Tahiti Private Expeditions have been presented with myriad challenges in their 15 years of operating in the region. Of course, 2020 caught everyone off guard and circumstances have dictated that many vessels have spent far longer in the region than a traditional Pacific season; vessels that would otherwise have continued their journey west have been forced to reevaluate.

Holler says, "The average charter and owner trip has been much longer than usual – over three weeks, sometimes more, when it's usually 10 days to two weeks. From what we all noticed – agents,

provisioners, brokers – there has been a strong desire from the guests to get away with their families or close friends and make the most of it."

The will to explore the South Pacific and take advantage of this splendid isolation has meant, ironically, a very busy season for all involved in Tahiti. "In the end, we had a very good season, but we are very, very busy. Everyone in the team usually works from June through to September, but this year, we were incredibly busy until the beginning of 2021," adds Holler.

In a uniquely busy season for French Polynesia, Holler has witnessed an evolution in the attitudes of the guests they have worked with. "There was evidently a will from clients to come into the Pacific because, yes, it's a little bit far for most of them but it's quiet," she explains. "It's very safe. The whole situation is making a lot of people realise that even though the South Pacific is remote, being remote is becoming an asset."

Tahiti Tourisme has worked to develop the island's central role in the cooperative development of the Pacific as a year-round yachting destination. Tahiti's ability to remain open, and its long-standing position as the key eastern Pacific hub, have helped the region as a whole, Manoa Rey, research and niche

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*Cruising some of Fiji's 300-plus islands.*

## “We’ve been speaking about regional cooperation for a long time across the Pacific and into Asia. There is a lot of good news and it continues to be more attractive to go to the region.”

marketing coordinator, says, “We had some regular updates with our friends in the Pacific, in New Zealand, Australia, Fiji ... a situation where they said that, thanks to Tahiti and Fiji, who remain open, a lot of superyachts have been able to stay in the Pacific.”

As with any yacht that visits the French Polynesian archipelago and experiences the natural beauty of the South Pacific, eventually, your attention is drawn further west to the multitude of other islands that scatter the vast expanse that reaches 8,000 miles over the horizon. Rey remains confident the momentum shift will continue, and perhaps go even further by reinvigorating the South Pacific connectivity. “We’ve been speaking about regional cooperation for a long time across the Pacific and into Asia,” he explains.

“There is a lot of good news and it continues to be more attractive to go to the region.”

Tahiti had to make the tough decision to close its borders in February 2020, with the regulatory oversight from the French government forcing the issue due to the unfortunate proliferation of Covid variants. Tahiti’s shutdown had a ripple effect through the region, and the loss of the first port of call for yachts crossing from Panama has tested the logistical capabilities of the fleet, as well as the conventions of a South Pacific season. It is an entirely different proposition for vessels to sail the extra 10 days to bypass French Polynesia.

David Jamieson, of Yacht Support Fiji, explains: “In our experience, almost everybody who comes to Fiji has been to Tahiti. And without French Polynesia,

it’s a long way from Panama, especially if you are planning to go back again. For a lot of superyachts, that’s just not practical.”

With more than 30 years’ experience living and working in Fiji, Jamieson is well placed to react to the challenges presented, and he believes the means by which the solutions were integrated into Fiji’s evolution as a destination are multilayered.

In a challenging year, Fiji may provide an example of what is possible with the right amount of foresight and cooperation between the government and private stakeholders. As with yachting destinations in the Caribbean and Mediterranean, where tourism accounts for a disproportionately high percentage of annual turnover relative to the global average, the pressure to open borders

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*The proliferation of life at the famous White Valley dive site, Tahiti.*

can compound the situation. There is no perfect way to handle issues such as this, and balancing it with risk mitigation is important.

Jamieson recalls his thought process when the reality of Covid was becoming apparent in early 2020. “We put our thinking caps on with the federal government and we went to the minister and the prime minister and said, simply, ‘we can see a window by which we can have the superyacht industry operating in a safe manner’.”

‘In a safe manner’ is no longer just about those on board the boat. It is a holistic metric that encompasses the whole country. As an industry, we have always strived to hold ourselves to the highest safety standards, and now we apply those standards further beyond the bulkhead.

Fiji’s Blue Lane initiative allowed for the passage of vessels to the country and the completion of quarantine, where applicable, while at sea. As the traditional start of the South Pacific season approaches, many vessels are looking towards the region, and the prospect of completing the quarantine at sea is

advantageous. When considered in the context of the standard crossing lengths from neighbouring hubs, a more reasonable road map through logistical hurdles can be drawn.

Jamieson highlighted the effective use of this crossing period: “With the distances in the Pacific, such as if you came from Tahiti to Fiji, you are most likely spending around 10 days at sea. Therefore there are just four days in quarantine at anchor and then your vessel is at it and you can cruise anywhere in Fiji.”

Fiji Tourism and the local authorities have played a key role in facilitating these developments and initiatives. Their direct involvement and hands-on approach has helped keep Fiji operating.

Jamieson adds, “We’ve got this mechanism whereby an owner can fly in on a commercial or private jet and you can be escorted directly to your superyacht and you can commence cruising immediately and you can go anywhere in Fiji, with monitoring, to maintain ‘cruising in quarantine.’”

As with anything in the Pacific, a key factor has been planning and participa-

tion from the local authorities. The interaction with the people of Fiji is a major contributing factor as to why it has remained such a popular destination for tourists and superyachts. The reevaluation of the significance of this interaction is a key foundation of the Fiji strategy. As Jamieson points out, the word 'pandemic' lives strong in the memory of the Pacific. "The grandparents and great-grandparents in our community can remember when cholera wiped out a significant percentage of the population," he says.

"The pandemics are very, very real in the Pacific. Between Tourism Fiji and the Fiji navy, everybody's been really good at going out around the villages and out to remote areas and explaining to people what's happening. You will see some yachts but they're going to be safe. You'll see this flag and then you'll understand that's safe. It has worked really well and we have had a great response from the Fijians in the more isolated villages."

Fiji's system adds a practical element to the experience of any vessel. The physical act of raising a burgee flag is steeped in maritime tradition, and the visual significance for the Fiji islanders, is also evident. Robert Thompson, acting CEO of Fiji Tourism, explains: "I think Fiji, certainly, we've risen to the challenge and shown innovation. The burgee flags were an example of that. It's a way of reassuring, to be assured that vessels that have hoisted those flags have safely passed through quarantine and are safely and legally entitled to be travelling throughout Fiji waters."

**"This was a challenging time for any country. It was impressive how open the Fijian officials were to the discussion of how to make it work safely, and their realistic approach."**

The testimony of a busy yacht that experienced the Blue Lane system firsthand is the true test. Captain Trent Jones, who spent the 2020 season in Fiji, says, "Yes, it worked very well. Arriving with the yacht, we were glad to hear that sea time counts towards the crew's quarantine and after this, for the crew, it was like any other year ashore. We had no delays or hold-ups with guest arrival. Guests were able to test on board the plane then go directly to the yacht and start the trip. We had an excellent trip. Other than Covid testing on arrival, the guest trip went as it would any other year.

"In mid-2020 the Fijian government and ministry of health were working hard to find safe procedures to allow yachts into Fiji to help recover a sector of tourism. This was a challenging time for any country. It was impressive how open the Fijian officials were to the discussion of how to make it work safely, and their realistic approach."

As we continue to explore and push the boundaries of where superyachts transit ever further, it is imperative that the systems we have in place recognise the wider implications of our presence. The pressures of the 'COVID season' have also revealed the capacity for our industry to operate efficiently and respectfully, and shown the path forward within these hospitable guidelines. We are guests in these regions and, with careful consideration, we will always remain welcome. **JH**

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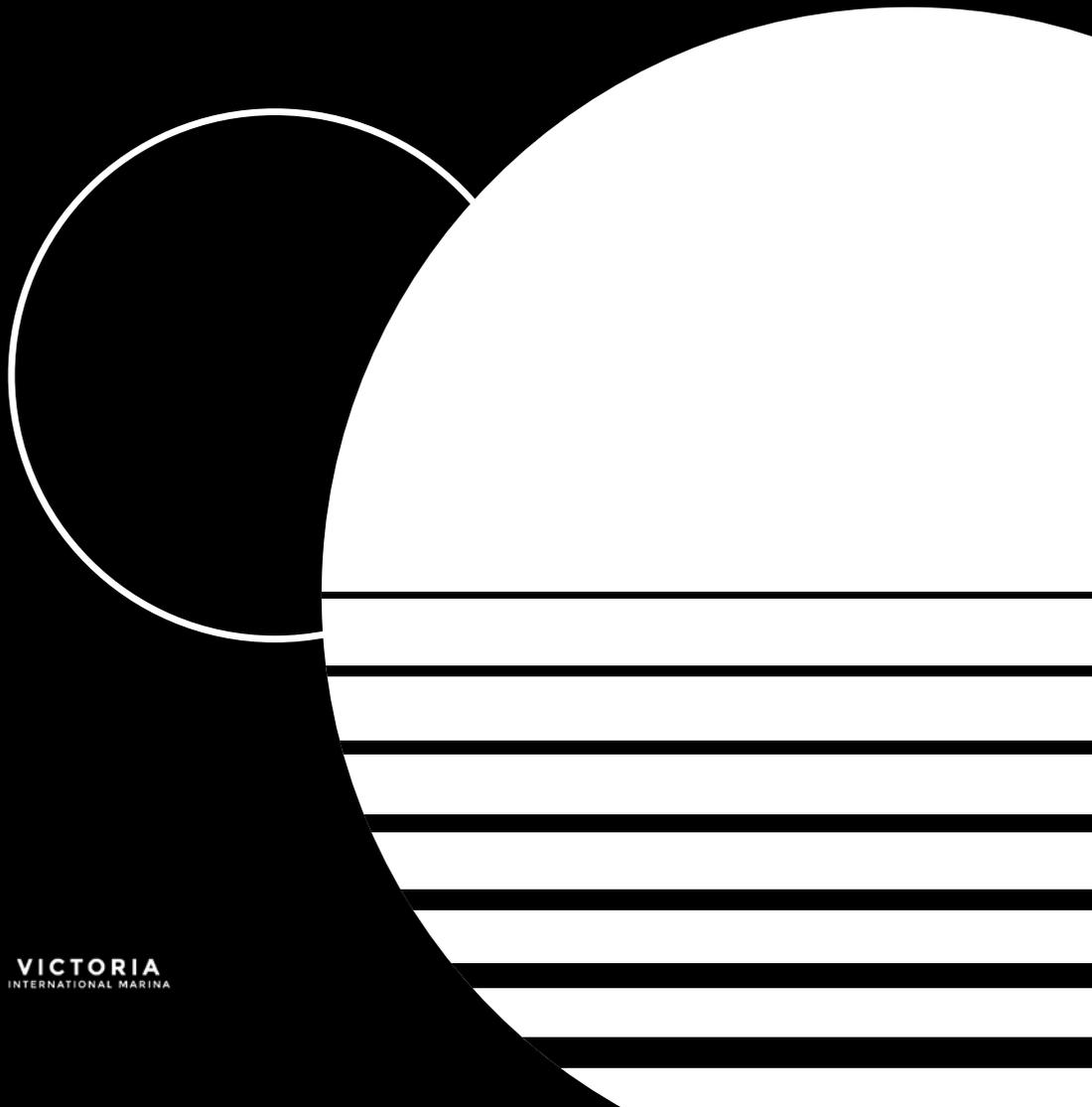
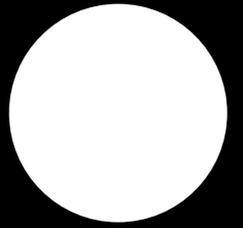
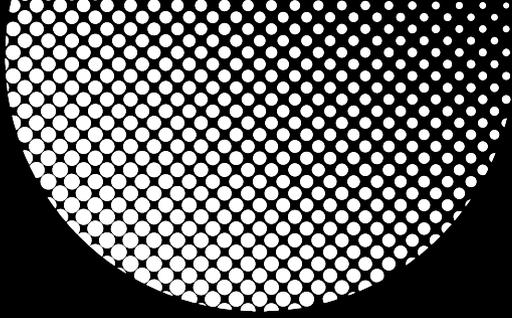
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# CARPE DIEM

## *Jack Hogan opens his TSR account with a call for all of us to take control of our collective destiny ...*

I am sitting in the only restaurant currently open in Abu Dhabi airport and it is close to midnight, close to March. I am halfway through my transit to the Maldives to join a superyacht and bring it back to Spain, a journey that will be all-encompassing for the next three weeks or so.

I have never seen an airport as empty, although, I hasten to add, it is not entirely empty. I guess, at a long stretch, I can count myself as part of capitalism's skeleton crew. I can also see the first green shoots of a return ... not 'a return to normal' as such because the baseline of what is considered 'normal' has shifted beneath our feet, but at least in the surroundings of that beacon of globalisation – the international airport – a return to something resembling normality.

Our industry has undoubtedly strengthened over the past year, defying what many of us feared or projected when the madness first began, and reinforced by our own metrics of success. The order books are healthy, the infrastructure was bent but did not buckle, and our communication networks have never been so connected. This will continue to impress balance sheets and board reviews for some time, but we now live in a fundamentally different world.

As a sector, we have led the way for the maritime industry in many aspects of technological development for decades, but the past year was particularly inspiring because we also led the way in creating literal safe havens on board, and yacht visitation still flourished in parts of the world through extraordinary times. But the speed limit for innovation has been raised and expectations of social responsibility likewise.

So among my musings, what am I trying to get at in what is my *TSR* debut?

I guess it's that we are in an enviable collective position and one that, after so much suffering, we should work together to capitalise on. After a frenetic decade ground to halt, via an unprecedented reset, there is now a groundswell of positivity and ambition. We trust the scientists again and evaluate data critically. We expect depth to answers and detail to solutions. We believe in our abilities and our cooperative potential. The rising tide will lift us all, but we are an industry that prides itself on exceptionalism.

We must exemplify this change and stay out in front, cutting out the overcomplication of technical solutions. Maybe it's time for us to move fast and fix things. **JH**



BY JACK HOGAN



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