



## Asia Boating Dialogue: Final session reinforces resilience of boating markets across Asia

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The second and final session of the Asia Boating Dialogue (ABD), supported by *IBI*, saw 150 delegates participate today in a two-hour intensive dialogue of the North East Asian markets.

A key conclusion from the two sessions of the ABD was the strong bounce back of the Asian markets from the Covid-19 crisis, reflected in increased boat usage with boat sales and charters currently very strong – especially with smaller powerboats and sailing yachts.

Organised jointly by Lawrence Chow, chair of the Hong Kong Boating Industry Association (HKBIA), and YP Loke, chair of the Singapore Boating industry Association (SBIA), the online event was moderated by Udo Klienitz, secretary general of ICOMIA, and was made possible by industry sponsors including Asian Yachting Academy, BASCO, Fountaine Pajot, Groupe Beneteau, Mercury, ONE° 15 Marina, Simpson Marine and Volvo Penta.

Today's event provided reports on seven key North East Asia markets – China, the Chinese market of Hainan, Hong and Macau, Japan, South Korea, Taiwan and Vietnam. Key outputs from the presentations were:

- Vietnam – The country report was presented by Sam Do from the Saigon Yacht Marina. Do revealed that Vietnam's population of 95 million people are starting to embrace leisure boating although government officials still treat leisure boating like the commercial boat sector, resulting in a strong 'no entry message' to visiting yachts. However, as a new activity boating is considered 'trendy' by the Vietnamese and attracts interest from VIPs and celebrities. The first marina in Vietnam, Ana Marina, is scheduled to fully open in October this year. While there is a Vietnam Sailing Association, there are no public marinas or facilities. Key boating areas are Ha Long Bay in the north, which is a large

centre of marine tourism, Nha Trang and the southern city of Ho Chi Minh City. Import duties for boats is relatively low at 10%, although there is a luxury tax of 30% for all boat sales locally made or imported.

- China – The presentation was delivered by Zheng Weihang, representing the China Cruise and Yacht Industries Association (CCYIA), who estimated the number of leisure boats across China as 20,000 made up of 6,000 leisure and business yachts and boats together with 14,000 sailing and leisure fishing boats. The number of boating clubs are estimated at 140 with a membership of 15,000 people. Key areas for boating are the cities of Shenzhen, Xiamen, Sanya and Shanghai, with Zhuhai having the largest concentration of yacht builders. Key strengths are an existing network of 100 marinas, a strong yacht and boat manufacturing sector, and 20 yacht and boat shows across the country. Weaknesses include a lack of cost-effective marinas to develop boating and that yachts are considered a luxury by the government and the people. Opportunities are led by strong government support for marine tourism and boat manufacturing.
- Chinese island of Hainan – Although part of China, Hainan was presented separately in the ABD with a report by Stuart Hu, a consultant for the Sanya Central Business District Administration. Hainan currently has 609 registered leisure yachts and boats and is forecasting a considerable increase by 2025. Because Hainan is one of the main domestic tourist destinations (due to the semi-tropical, year-round climate) chartering is extremely popular. The free trade status of Hainan Port is planned to allow, in the immediate future, the importation of leisure boats and yachts for use in Hainan to be tax-free as well as offering advantages for boat and equipment manufacturing. Hainan is one of the major centres in China for boat ownership – one of the key strengths highlighted by Hu along with the year-round boating season. Lack of a marine leisure culture and shortage of industry professionals are weaknesses, alongside the threat of slowing economic growth.
- Hong Kong and Macau – Presented by Lawrence Chow, chair of the Hong Kong Boating Industry Association. Chow confirmed that Hong Kong is a mature boating market with 10,269 registered leisure boats and 49 in neighbouring Macau. There are over 2,000 berths in Hong Kong's nine marinas and boating clubs. While boat numbers have increased, berths have reduced slightly, leading to one of the major market weaknesses – lack of berthing. Macau has two marinas with 90 berths. The market strengths include no tax on boats and a well- developed infrastructure to support boating. Opportunities mainly relate to increasing the berthing capacity and building new marinas to reduce the high entry cost of boating.
- Taiwan – Virginia Chung from the Taiwan Yacht Industry Association (TYIA) described the market. Historically Taiwan has a very strong yacht building culture with 33 builders now active mainly focused on exporting to the US market. Only in recent years has boating been allowed on the sea. Currently 1,113 yachts are registered with 765 berthing spaces. Restrictions to the growth of the domestic market are mainly with the lack of berthing, although new marina projects are under way. A

lack of understanding from the coastguard about leisure boating is another weakness. Opportunities include opening up the south of the island, which has a very attractive coastline for boating.

- South Korea – One of the strongly growing markets in Asia, the market report was delivered by Dr Choong-Hwan Kim, general manager of the Korea International Boat Show. Market growth is shown by the boat park increasing by an average of 12.1% over the last eight years with a current total of 28,821 registered leisure boats while boat and yacht driving licenses issued reached 246,669 in 2019. Strengths of the market include a large coastline with many estuaries, rivers and lakes and a strong leisure fishing culture. The boating sector has been very strongly supported by government over the past 12 years, resulting in 37 marinas now operational and plans for a total of 70 by 2029. Weaknesses include that leisure boating is perceived only for the rich and a lack of expertise in the industry.
- Japan – The largest Asian boating market with 560 marinas and 33,000 berths was described by Kenta Inaba from the Superyacht Association. Japan has followed the trend of other markets in experiencing a boom post-Covid-19 lockdown with the market for 20m-30m yachts increasing, although a weakness is the lack of berthing for this size of yacht. Another key weakness is the long-term decline in registered boats and yachts from a peak in year 2000 of just 450,000 boats and PWCs to just under 250,000 in 2019, while threats include population decline and slow economic growth. Opportunities relate to the growing number of inbound visitors and the potential to increase marine tourism.