

Good for now, but can it last?

DESPITE A WORSENING MACRO-ECONOMIC PICTURE, THE ITALIAN MARINE INDUSTRY HAS ENTERED 2019 IN A CAUTIOUSLY OPTIMISTIC MOOD OFF THE BACK OF RISING SALES BOTH AT HOME AND ABROAD

WORDS: ED SLACK



GENOA – BUILDING ON SUCCESS

The 2019 edition of the Genoa International Boat Show will take place in Genoa from September 19-24. Last year's event registered 174,610 visitors, with 951 exhibitors and 1,100 boats on display. The organisers have endeavoured to present a more specialised event in recent years adapting the layout into specific 'zones'. The 58th Genoa International Boat Show was divided into a Tech Trade Show for components and accessories, a Sailing Show (Sailing World), a Show for the outboard world (Boat Discovery) and a Show area for Yachts and Superyachts.

At the time of going to press 96% of exhibitors that were present in 2018 had already confirmed they would be back again this year. In addition, the Italian Ministry for Economic Development has also officially confirmed their support, through the Italian Trade Agency, in relation to incoming missions for international buyers and journalists.

On paper, at least, 2018 was a good year for the Italian leisure marine sector and despite a worsening macroeconomic picture and the potential for an escalation in trade tariffs, 2019 is shaping up to be another positive year. According to trade association UCINA's preliminary figures, delivered at its general assembly in Rome at the end of 2018, the Italian boating industry grew by 9.5% in 2018, with 63% of businesses expecting another increase in turnover for 2019. Some 14% expect an increase over 10%; 14% between 5%-10%; and 35% up to 5%. The growth is being registered across all sectors – motor, sail, superyachts and RIBs.

UCINA expects the boatbuilding sector to register an increase of around 10.4% and the equipment sector (accessories and motors) 7.8% in 2018.

The figures show a continuation of the positive trajectory the Italian industry has been on since 2014, with total sales up 12.8% rising from €3.44bn in 2016 to €3.88bn in 2017.

“The Italian boating industry has recorded a significant and consolidated recovery: starting from the lows of 2013, it registered an increase of 60% in just four years, a performance that perhaps no other industrial sector in Italy has been able to generate,” said UCINA president Carla Demaria.

Despite the final 2018 data not being available until March, UCINA told *IBI* that exports, as usual, were leading the market, with over 80% of boat production sold abroad. “Looking at the tendencies of the boat purchase leasing contracts (the most common financial contract for Italian buyers) the domestic market, after an outstanding 58% increase in 2017, has confirmed a good performance for the first eight months of 2018 both in number of new contracts and in overall value of the domestic sales,” Demaria added.

“The traditional markets – Europe and North America – are performing quite well in all the segments. The Gulf countries and some South Asian areas are showing a growing interest in the larger ➔

The very first figures of the 59th Genoa Boat Show:

19-24 SEPTEMBER 2019

S⁵⁹salonenautico



STATS & FACTS

COMPILED BY ARLENE SLOAN (Source:UCINA, IBI estimates)

Key statistics for the Italian boating industry

€3.9bn TOTAL INDUSTRY TURNOVER (+13%)

725 boatbuilders; 6,100 employees

€2.16bn boat production turnover (+13%)

2,000 inboard boats produced (est.)

€1.9bn in boat exports (87% of turnover; +13%)

379 superyachts on order (+7%)

37m avg. superyacht length

€773m equipment production turnover (+9%)

€400m in equipment exports (+7%)

BOAT PARK: 576,000

101,000 registered boats (-1%)

80.3% motorboats | 19.5% sailboats | 0.2% superyachts
54% boats < 10m

936 new boat registrations (+38%)

475,000 unregistered boats (est.)

7,821 boats per km/coastline

BOATING FACILITIES: 778

85 marinas

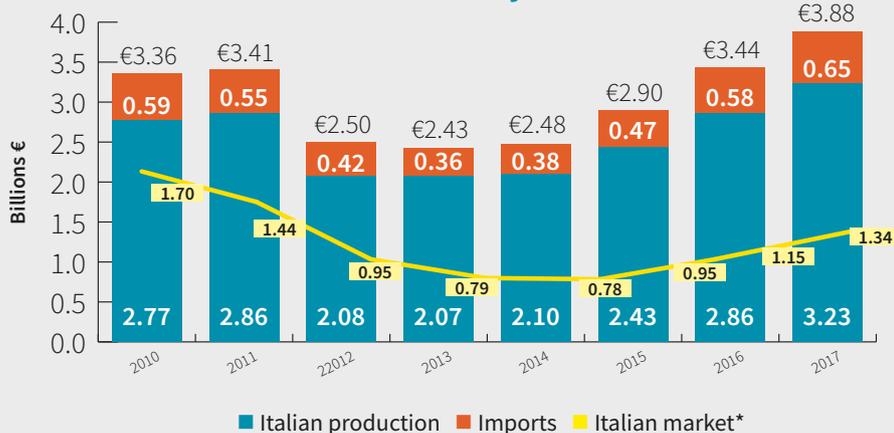
459 multi-purpose ports/docks

234 berthing points

159,300 berths

3 boats per berth

Total industry turnover



Italy's Top Boat Export Markets

COUNTRY	€ MIL
US	298.6
Malta	247.0
Cayman Islands	176.6
France	130.8
British Virgin Islands	127.7
Turkey	70.7
Hong Kong	54.8
UK	51.0
Cyprus	32.7
Marshall Islands	30.7
Germany	28.1
Spain	27.0
Japan	26.6
Jamaica	25.6
Singapore	25.3

67% - €2.16bn

Boatbuilding

2% - €72m

Engines

TOTAL
€3.23bn

Source: UCINA

24% - €773m

Equipment

7% - €221m

Yards (refit, repair, etc)

89.2% - €1.9bn

Inboards

0.2% - €4m

Small boats*

Boat production turnover by category

TOTAL
€2.16bn

Source: UCINA

6% - €130m

Sailboats

3.7% - €81m

RIBs/inflatable

1.2% - €23m

Outboards*

*Inboard boats include sterndrive and jet drives

*Small boats generally include all boats <2.5m, dinghies and racing sailboats, boards, canoes, kayaks, paddle and other sports boats

SEATEC 2019

Five specific business clusters will shape this year's Seatec show, the exhibition for boat technology, components, design and subcontracting organised by IMM CarraraFiere and dedicated to the Italian and southern European markets. Running from April 3-5 in Carrara, Italy, the organisers have identified five key business themes around which to anchor the event – Delivery (trade and logistics); Marina (particularly the opportunities for apps and internet to emphasize the products/services provided and simplify the management and user contacts); Refit & Repair; Building (the construction phases of a yacht: from design, to construction, to launching); and Sustainability - companies identified as “eco-sustainable” will be flagged up at the show.

Alongside the Business Clusters there will be the familiar showroom of products as well as the conference workshop and packed schedule of B2B meetings between suppliers and buyers with over 100 delegates expected from 25 countries across Europe, the Americas and Asia.



ALL EYES ON VENICE – NEW BOAT SHOW LAUNCHED

A new Venice Boat Show has been announced and will take place in the Arsenale, in the nautical heart of the historic city, from June 18-23. The announcement was made at the Düsseldorf boat show in a joint press conference that included representatives from three Venetian marinas, the mayor of Venice, Luigi Brugnaro, and Ferretti Group CEO Alberto Galassi.

The new show will be situated in the Arsenale, which features a 40,000m² water basin with 500m of wharfs and piers; up to 100 moorings and 100 ground standings. There's 5,000m² of indoor and a further 5,000m² of outdoor exhibition spaces. The announcement follows a failed attempt to launch a show in the city back in 2016 – plans that ultimately unravelled because of timing issues with ExpoVenice. The city is now actively looking to promote itself as a leisure destination for big superyachts. Venice is under increasing pressure from tourism with calls now for a more selective approach to its tourist initiatives – quality, not quantity appears to be the new mantra.

segment,” she added, noting that there was also potential for growth in the domestic market for mid-range motoryachts – a sector that pretty much vanished from 2008-2015.

The topline numbers reflect a market that's found its swagger again – but could the industry be finally hitting its stride just as the headwinds build again? At the beginning of the year Italy slipped into recession for the third time in a decade, while the economic fortunes of the eurozone's primary engines – Germany and France – also took a turn for the worse. Coupled with fears over the impact of Brexit and economic slowdowns in China and the US, it's little wonder the mood at Boot Düsseldorf was wary.

“For now there is no sign of a trade war impact in our sales, but we are certainly concerned by the escalation of the trade dispute between the US and the EU, which is now directly involving our sector with the inclusion of recreational boats in the EU counter-measures,” Carla Demaria told IBI, adding: “The main concerns we have to face are linked to the weak economic growth in Italy, if compared to the EU average, and to the continuing lack of consumer confidence. We will see how the macroeconomic context evolves.”

CONSUMER CONFIDENCE

They were sentiments echoed by fellow Italian trade association Nautica Italiana. “Quite frankly the risk of political instability and economic uncertainty are the two major issues of concern despite global market growth,” Lamberto Tacoli, president of Nautica Italiana, told IBI. “The small boat segment has suffered the economic recession immensely and, unfortunately, many smaller manufacturers struggled and eventually closed. Though domestic demand is back, and the outlook in 2019 remains positive, the market – as well as its manufacturers and service operators – still need time to build up confidence and create sales.”

Tacoli agreed that the impact of trade tariffs had so far been limited, but he added that there was a growing sense of “shared apprehension” about the possible export-related repercussions. “Considering the recent political upheavals in Italy,” Tacoli noted, “the government has been quick to pick up the issues regarding the sector and understanding the economic significance of the Italian boating industry. At present, though, we need a more prompt and proactive approach to the legislative system because the process is still too slow – especially in a moment of steady market recovery were operators need quick and conclusive answers.”

For a full review of how Italy's boatbuilders and equipment manufacturers are performing and their outlooks for 2019 and beyond, read on... **IBI**