

GSF 2007
12-15 November 2007 Amsterdam

MARINAS & THE ENVIRONMENT

Michael Horrigan	Island Global Yachting
Nick Maris	Camper & Nicholsons Marinas International Ltd
Oscar Siches	ICOMIA Marina Committee

Chairman— Martin Redmayne

OK, good day. They're still filtering in; I'll give them 2 more minutes then get the session on track. This session is a new addition to Global Superyacht Forum, previously known as Project. We've talked about berthing and marinas for decades; we've also talked about berthing problems and the environment and all these things that link to that coastal need of where can you park your boat? The three gentlemen to my right are fairly involved in this market, which is an understatement. Michael Horrigan and Nick Maris are two of the biggest—what they call investors—in this market, both of whom are developing some significant marina projects around the world. And then Oscar is a newcomer to the panel because our previous panellist who is a consultant for the West Coast of America—oh my god I'm back on the screen—they forgot to do this in the early days of yesterday, which I hate in fact, but it's basically part of this dynamic TV filming of the event. It makes me look very distinguished, someone said, but I'm not sure that's true. Maybe the glasses help. And the tie helps, I'm sure.

Oscar is here from ICOMIA—International Council of Maritime Industry Associations—this is the body that has been very instrumental in the development of the small boat market and who are now getting heavily involved in the large yacht market. And ICOMIA have a marinas committee meeting which happened yesterday—it's happening now, Oscar's allowed out of the meeting to be here. But essentially they're discussing the marinas issues as well. Can we close the doors, girls, so we can get the coffee thing removed.

Michael Horrigan will start the proceedings with a quick presentation from Island Global Yachting, giving the state of the market from the IGY perspective, then Nick will follow with his short, incisive, exciting, surprise-filled presentation, I believe. And Oscar will then close. Then we'll open to the floor.

Michael Horrigan Island Global Yachting

Thank you very much. Good morning, ladies and gentlemen. It appears that marinas don't attract the same amount of attention as some of the boat issues, so I hope we add a new perspective to what you've been thinking about in the last few days. As was said, I'm director of development for Island Global Yachting, based in Dubai in the United Arab Emirates. My team in Dubai is responsible for all our marina developments in the Mediterranean, the Middle East and Asia, so we cover a very large geography. I think it's worth pointing out that when we talk about development we're talking not only about the marina berths but what is an increasing percentage of upland development that supports these facilities. As the marinas get more and more complex there's a more complicated upland requirement for infrastructure utilities, amenities, on the upland. There hasn't been very much discussion about the

needs of the crew in the upland facilities for when the boats are home ported so I think that's something for us to bear in mind. The main reason I bring that up is that the first thing I'm going to admit is I'm a total landlubber and my team always shudder when there's any chance that I'll get in a situation where someone will ask me about boats.

In my 35 year career in the development sector I've seen a very wide ranging attitude to what generates a successful development. In the early days of my career it was very much the margins, the returns, the profitability of a project that determined whether it was regarded as a successful development. In those days a grove of trees never got in the way of a decent parking lot. I think the one thing that has happened is we've acquired a far more conscientious development attitude. And I think that's what I want to focus on today. One of the things I thought about when I was invited to join the panel—I had two simultaneous thoughts, which doesn't happen that often—my first thought was that there were far more qualified people to talk about environmental issues for marinas from our team in IGY. But at the same time I thought it's an opportunity to broaden our thinking as to what environmental issues are, what we consider and what needs to be considered, in developing a successful marina. More than anything, what we see at the moment is our marinas becoming far more complex and mature, which has a direct correlation to the customers that we're servicing and the development locations where we're bringing marinas on line. It's demanding more and more expertise from our teams. As service providers we provide for a range of clientele that go from middle income families and the smaller boats all the way to industry leaders and political figures, and the megayacht owners, who have a very exacting and knowledgeable awareness of what they need in a facility and an amenity to support the large investment they bring to the marinas. I think this was reinforced by Steve Rattner's video conference yesterday for anyone here who saw it; I found that very enjoyable largely because it supported our business plan to a great degree but also he was someone who really understood what he expected out of the marinas where he took his megayacht. So when we talk about environmental considerations, as marina developers I think we would all agree that environmental issues are a no brainer in developing a marina. We're very much at the edge of the market where the natural product that we're supporting and developing is our core product to the market. But I also think when we talk about water quality it's sort of a no brainer. For us to not maintain the water quality in our marinas would be like a New York taxi driver who never serviced his car. Eventually his asset would deteriorate and he'd no longer have a living. So we're all very focused on certain aspects of the environment but today I'd like to challenge that concept a little bit and broaden what we should be considering as an environmental issue.

Preserving the environment is never really questioned. But the focus is often restricted to water quality, as I said. It's equally important in our operating environment to consider air, noise and visual environment. They are all things that we are bringing to the market as part of our amenity. Our development standards and design and execution of these facilities need to target a much broader environmental concept. It goes without saying that one of the charms for me, and I've built all around the world, but being in the marina industry we operate as developers and operators in the some of the most beautiful and pristine areas around the world. I don't think there'll be a single person in the room who brings marinas to the market who doesn't intend that their marina would enhance and become an attribute to that visual experience. So I'd like to extend the framework of this question even further and give consideration to the some of the markets in which we operate, particularly in the Mediterranean, where there are long maritime histories and traditions where our developments will be taking place. I think what happens when you work in those

areas, you have an archaeological and a heritage relevance that I like to think of as intellectual environment that we need to embrace. So it is critical that when we consider these environmental issues related to our developments that we delve deeper into what it actually means. My challenge to the forum is to expand the thinking even further to include socio economic, cultural, heritage and community environmental issues. They're all things that will determine a successful marina. In many cases in the emerging markets in which we're working, we're creating entire new coastlines where traditional beachfront or headland competes with reclamation and re-profiling. As our projects get larger and more complex, as we service larger marina populations, as the technical requirements to operate our marinas become increasingly sophisticated then more and more do we impact the residents and communities that surround our developments. Our current marinas in emerging markets may target as many as 1,000 wet and 1,000 dry berths, and hubs for offshore recreation, tourism and residential developments. As a consequence the traffic generation, the utility demands, rebalanced demographics and visual skyline changes to the environment represent an enormous implication for old and often even ancient communities. This often, or perhaps always, offers many direct benefits for increased employment and transient spending, improved public amenities. It also equally presents a significant change in the living environment for the original inhabitants. Many of our new developments are located within mixed residential, retail and commercial activities where there is an interdependency between the communities across the board. These interdependencies with the surrounding communities include factors such as heavy utility demands, increased traffic densities, public transportation and services, and even things like waste disposal are enormously changed for the mainland communities. These environmental responsibilities must be given equal priority if, as developers, we are going to be responsible, contributing members of the community in which we work. In many cases we drive the direction of the macro environment through the sheer scale of the marina facility. In others, we'll be a small component of the larger cityscape. In either case, the balance in architectural, civic, and commercial factors are critical components for integrating our developments into their environments. I think in my experience—I was originally an architect urban planner before I started building marinas—there are many ways in which these broader environmental issues can be inherent in our development and our operational phases of the projects. I think our challenge to the forum today is to consider the broader issues from the outset of project development, through all operational phases, and many factors enhance our ability on these issues and I'd like to suggest a few to you.

Engagement of local architects and contractors enable you to integrate the development into the local vernacular through use of materials, local architectural forms and sensitivity to the community or the town that surrounds it. An intensive due diligence phase of the sites and the locations, ahead of commencement of works, will ensure that the project is conceived with the fullest respect for all of the environmental factors that I've outlined. Working with municipal authorities to have integrated strategies for the development of both internal and external infrastructure will mean benefit to both your own development and the city that surrounds your development. Communication is paramount. Public awareness policies during the development and operation will assist the local populace with an understanding of upcoming activities and events. The marina's support for local initiatives and action groups will mean that the ongoing life of your marina will be very much integrated with the community. And finally I think that this probably happens more often than not, employment and on the job training of local residents at all levels of operational readiness will ensure that your marina and the community in which it works is an integrated activity. So I hope this isn't too esoteric for someone who wanted to talk

about water quality and issues of that type but I think that this is part, for me at least, and for IGY, of a very successful marina development. Thank you very much.

Martin

Thank you Michael. Nick?

Nick Maris Camper & Nicholsons Marinas International Ltd

A very good morning to you, ladies and gentlemen. As you've heard, my name is Nick Maris, I'm with Camper & Nicholsons Marinas, we invest in, operate and offer consultancy services in marinas worldwide. I'd like to just touch on one or two areas that we might want to discuss today. I've been helped in this presentation by a Dr Jake Cavanagh and some of the slides which I'm going to show you are of a somewhat technical nature; I hope you'll be able to follow them.

Let me start by asking if superyachts need marinas at all. As we can see here, we have a yacht registered in NFA, No Fixed Abode, and to emphasise the point she's looked after by the Salvation Navy for homeless yachts and she's buying the largest anchor she can find. And it's our way of saying as marina operators that we think yachts not having a home port is a bad idea. So if having a home port is a good idea where should you locate these ports? Well we think it's not a good thing to locate these places in areas of outstanding natural beauty. It destroys the very places that we want to cruise to. So we'd like to put them in what planners call brown field sites, and let me share some of our current thinking with you. Here is a marina in the Piazza San Marco in Venice. Also probably not a very good idea. So we need to start thinking of places outside the customary. Here is a view, a very customary view, of planet Earth. There is a corresponding one from the United States, it's quite difficult to find berths in these places. What I'd like to ask the industry professionals that are here is to look more broadly—there are many good places in the Mediterranean, in the Caribbean, in the States and elsewhere where yachts can be home ported and it's wrong to focus entirely on a very small number. What will, and what has happened, is that due to the over demand in these places and the difficulty of creating new supply, berth prices have risen, it's very difficult to find berths there at all, and although I think this will spread geographically as indeed it has, it will happen less rapidly if yachts consider all the alternatives open to them. I'd like quickly to look at how marinas should be laid out, here is a skipper's view—as you can see, he is the only yacht in town, there's a place for his helicopter and the limousine and there's some services there as well. This is more how a marina operator would like to lay out a marina. We've not been greedy here, we're only going too high. But this is a real tension. Marina operators make their money in part by renting the water area and the more boats they can put in the more money they make. Equally it means that yacht owners considering marinas should consider how much space they're getting. There's a great focus on the length of a berth, but berths also have widths and they also have manoeuvring areas. Now before showing you the rest of these slides I should tell you that I have the highest regard for owners and managers, brokers, captains, engineers and crew. But each of these groups has a long list of demands and expectations from marinas and in this rather light hearted approach I just touch on some of them. For example it's not uncommon that owners do not want to be in places where there are aggressive tax regimes, or where they're implemented aggressively, and perhaps they want to be close to where their villas are, and so on. As for skippers they're probably the most demanding people of all, quite rightly. They carry great responsibility and there's a very wide range of things they require. Maybe one of the most important is knowledgeable and helpful marina staff who can be the doorway to all the other things that they require. And where would superyachts be without cooks and without their engineers, both of which also have their particular requirements. And lastly this is the male of the species, the very foundation of the

pyramid that we occupy the upper echelons of, the crew. They also have requirements of marinas. What I'd like to say out of all this, it is very light hearted and we do take things more seriously, what I'd like to say is this. That a good home port for a yacht can contribute very materially to the morale and the performance of the crew and the maintenance and condition of the yacht. Now if you look around you today, you will see that this is one of the less well attended sessions. This is entirely in keeping with my experience. Marinas are very low down the pecking order and what I'd like people to do is perhaps start to give them that attention which they would give to the choice of a shipyard or the choice of a refit yard or the choice of a designer. Thanks very much.

Martin

Nick, thank you. Oscar, please. The floor is yours.

Oscar Siches ICOMIA Marina Committee

Good morning. A short word about what ICOMIA is. It is a body that helps governments and other international and national bodies with creating papers and making suggestions, lobbying, to achieve rules and regulations that will help the nautical business. ICOMIA has different committees like the engine committee, security committee, sign committee, and obviously one of those committees is the IMC Marina committee of which I am part. The ICOMIA Marina committee is formed to find a way of establishing a certain kind—I wouldn't have called them exactly rules, but guidances of how we can cope with the problem the whole industry is having now. We are in the global superyacht forum, we're talking superyachts here, but the problem is not only ours. Small boats have problems to get access to the water; the middle range, very popular in the Mediterranean, 18-25 metres, very hard to find places for them, both as a home port and when they go cruising in the Summer, unless they have these 350 anchor and that no-place registration that Nick showed us in one of his slides! Recently ICOMIA realised that the superyacht marina problem is becoming really big, and decided to create a sub committee within the committee just to address the problem.

ICOMIA feeds itself from delegates which are from national marina federations, individuals and in a very—I would just remind you of the words of one of the previous panellists—in a very democratic way. Now that democratic way brought some smiles and little murmurs in the crowd; the democratic way could be that they are elected by an amount of other people, could also be taken as that there is no shooting in the sessions of the committee! We do absolutely depend on people feeding information to the committee. Most unfortunately if I ask myself the question that was also placed by a member of the public I think—who really knows what a big yacht needs when it arrives at the harbour or a marina. You have some blank faces, you know, a complete void of any way to respond to that question because very unfortunately it is a very very few people in the marina business who have been on the other side and know what a yacht user, small medium or large is really willing to see and find when they arrive in harbour. We have to change that, but we cannot change that if you people will not feed us back with information and that is a thing we have to change the chip in general. We cannot decide things if we do not know what is wanted. And to know these things we need people. Again, from the other side, to give us that practical knowledge. Luckily enough I've been—I won't say superyacht, because my latest boat was 41metres. At the time it was big, in '92. Now it is almost a serious boat. But at the time it was a big yacht. And after that I've run a marina for 7 years in Mallorca where I berth boats from 20 to 60 metres, so I know a little bit how to deal with those situations, I wouldn't call them problems, every day, especially superyachts have very particular needs. They are—I qualify them as aliens from

outer space, sometimes. The approach of people coming in on a superyacht. And there was a big laugh in the audience. But there is a lot of truth in that. Everybody that has been on the practical side of this business and has been on a superyacht carrying about a client who pays a fortune to be there for a week or a fortune just to be able to enjoy those 20 days a year with his 8 or 10 or 14 crew members. You're not playing by the same rules and you're not playing on the same grounds as the rest of the world. The "No" doesn't exist, you have to do really everything possible to get things done, and in the most proper way. The whole yachting industry has to understand that. We are going to try and help that happen. That's all I will say for now, and from now on I think we are just going to exchange a few questions and answers and ideas with you. But please, let's start now, feed us with all that information we need so we can do a proper good job for you. Thank you.

Martin

Oscar, thank you very much. OK. Tork?

Tork

I was going to say, speaking of feeding us, my email box is empty so get tapping.

Martin

Or put your hand up. At the front here please Sylvia.

[From the floor]

I have a question for Michael and Nick. What percentage of the berths presently in Dubai are devoted to superyachts or vessels over 30 metres and what do you expect coming on line? And then as far as the rest of the world, are there any areas of particular focus geographically for marina development?

Michael

It would be difficult for me to put it as a percentage of what exists; it's such an emerging market. I think if I can answer it more as to where we're going rather than as to where we are the moment. We would cumulatively—we have a total projection of 20,000 berths coming on in Dubai as a maximum over the next 5-6 years. I think whether that full number is achieved will depend on how the market develops and fulfils that potential. Aside from the 20,000 that are projected and sort of on the drawing boards, there is a full commitment to 5,000— by the end of next year there will be upwards of 2½ with the following year another 2½ committed. So we know 5,000 are coming online. Out of that is 250 megaberths in the next 2 years and I would say the potential would exist to double that. But it's really going to depend on what the uptake is as we go to the market with the berths. We're making adjustments as each marina comes online. Obviously we did an analysis and research before we started but the real proof is when you get the leases of the berths in place. They're going very well and very quickly because there's not a lot of competition at the moment, so it'll start to flatten out. But we're already adjusting boat sizes. So each of our main developments along the coastline, each harbour 75-100 megayacht berths. So I think that's what I see for the next two years but ask me in a couple of years as to how we adjusted beyond that. Did that answer your question?

[Can you give me the price per foot?]. I'm sorry I don't know that, that comes out of the sales team rather than the development team. I could find out for you if you want to put it into the email.

Martin

Nick, do you want to come in on that?

Nick

Let me start with the price per foot a moment if I may. I have a problem with that as a pricing system because if you look at boats, their length is one parameter, but the water area they occupy obviously varies scales to the square, and the cost of the boats as we all know scales approximately to the cube, so there's something fundamentally wrong about pricing per foot unless you're also willing to band pretty much per foot. So that's just a comment on pricing. In terms of split of superyacht berths to other boats, what we find is it's wholly dependant on the location of the marina and it's conceivable to have a marina which has nothing over 25 metres and it's conceivable to have a marina which has nothing under 50 metres. If I take one of the marinas with which we're involved, which is in Malta, approximately half of the water area is dedicated to superyachts, which is officially over 25 metres. Process wise we've got stats for several hundred marinas berths mix and we compare each marina with that to see how far we're deviating from the norm.

Tork

Can I perhaps ask—how far behind the current demographics of yacht size is the development of marinas to match them?

Nick

I think it's ahead, not behind. It's ahead if you look at demand for superyacht berths. As we know now, the fleet on order is about 780 boats to be delivered. It's very easy to make local surpluses of superyacht berths. If I take an existing commercial harbour and I lay it for superyacht berths I could probably accommodate all the 80 metre boats that are under construction in the world in one port. The shortages express themselves by not having availability in the places where people want to put their boats. Where they want to put their boats by way of habit or where it's suitable to place their boats. So I think in some ways we're ahead but we're behind in matching where people want their boats to be.

Michael

If I could just add something to that about the Dubai market. What we're experiencing there is a sort of pent-up demand that we think once the berths come on line there's going to be a far greater number of boats of all size evident in the market for a two fold reason. The Middle East lacks destination places for the boat owners to go, so berths is one of them and destinations to cruise to is the other one. So I think you'll find as more berths come on line there'll be more orders for all size boats including megas, certainly in the Middle East, and as there are destinations for them to cruise to it'll enhance the cruising experience. So we're experiencing that as marinas are now starting to be committed and coming on line from early 2008 that the Boat Show in Dubai next year will probably exhibit a very high number of orders.

Tork

So in fact what you're saying is that in that particular region you need to actually build transient marinas for somebody to have somewhere to go because there's no natural cruising ground?

Michael

Yes, all the marinas there have to have a combination of both. I mean even just in the Dubai coastline which you see on the maps there will be within 2 years 5-6 destinations that they can cruise in that distance. So each of those marinas has to have the transients as well as the home berths.

Martin

What do those destinations offer though? Compared to the South of France or Palma or whatever?

Michael

Well, for anyone who's lived in Dubai, you know you'd go out and watch paint on the wall dry for something to do. They offer the hotels, restaurants, I won't say bars, but the coastline is very straight and we're creating artificial coastlines and places to go so I think people will move backwards and forwards. But extending it further to Abu Dhabi, Qatar, there's more and more destinations for them to both house their boats and amenities on land for them to go to.

Martin

OK. Oscar?

Oscar

On two points. One, what Nick said before. We are very spoilt, wanting to be exactly at the right time in the place where we want for a decent price and without any problem. Everybody has a right of owning a superyacht. Or a megayacht. Like everybody has the right to owning a home. But you would not expect to be able to find the perfect place in London or Paris for a home, one place per block, to be waiting for you and having no problems with it. That is exactly what is happening with this industry now. We've been able to do it for a certain amount of time, but we'll have to change the chip on that matter and realise that we'll now have to accommodate and to be in some place at some time not to existing facilities but the ones that might be expanded. I'm an advocate of not creating a complete array of new harbours in the areas where people would like them to be for their use from the boatside, because you spoil the places completely. If you look a little bit in the past we can see the disasters that have been created in beautiful places on the coast. I mean tell me honestly who would like a complete full swinging marina in Portofino? I want Portofino to stay like that for ever, if possible. I want Cala di Volpe to stay like that for ever. Let's keep the 3 marinas that are around there, but let's not expand with massive amounts of concrete and hotels and things. Because then there will be no more beautiful places to go. So what I think will happen is maybe, I say maybe, governments will start limiting the amount of time that a certain yacht of such huge size can spend at any one time in any one place. Just to be able to allow others to come. You'll say yes but that's a limitation on the rights of free navigation and being where you want. Yes, but this major study of Sardinia, started with something 2 years ago, it's working there. I mean they are fighting in the Supreme Court in Italy but it's still going on with that. For some people, I mean and then you come on very dangerous grey ground—for the smaller boats it's very expensive, for the bigger boats there are a lot less people there and they have more space, they can be a lot more comfortable and actually those 10 or 15,000 euros it costs, it's like crew pay for a day on one of those big yachts. So it does not matter on the expenditure of that boat in that region but it opens the door. I don't know if this is the right place, well probably the right place, certainly not the right way to start, but we'll have to start thinking of alternative ways that we haven't thought of up till now to accommodate that problem to not being a problem any more, but being a solution. 12 or 13 years ago captains were not really welcome at the building stage in shipyards, especially not on the big boats. Now look what's happened in the last 10 years. Shipyards would probably not even consider not having a building captain, just to help them go through the whole construction thing. He's the eyes of the owner, he will not take decisions by himself but he can bring that extra view that actually will affect every single moment of the boat when it is commissioned. And we have to achieve that I think in our business too. We are far from being there but we have to work on that.

Tork

I think pragmatically speaking though to some extent what you're saying is it's easier to persuade the owner to go somewhere else than to persuade the region to allow you to build a marina. I'm not sure that's actually true. And I'm also not sure that a marina is *per se* inherently going to spoil the environment. In Portofino it certainly would, but there are places where a properly designed, environmentally benign or even beneficial marina could actually enhance certain places. And I can think of at least one place, without going into specifics, which would benefit from it, yet it's blocked at a political level. So I'm not sure that's it's easier to persuade the billionaire than the mayor. But who knows?

Oscar

We're not going to persuade the billionaire. I mean of course not. We know that. But in my view human nature has no limits to 'I want, I want, I want'. You keep on wanting more. And when you get to the point you wanted, you go to something else you want. And there should be a way of controlling that and coming to a compromise. I think compromise is a key word in all this. Because obviously governments and ideal situations will have to give up some things. We from the industry will have to give up some other things just to come to a balance of what we need and what we can get. Definitely there are areas where marinas can be developed, I mean Croatia is one good example, I think a little bit south of Monteneros also, there are ex Navy bases, there are commercial harbours that can still be transformed and be made into fantastic places. They are just across from Italy—I mean all the facilities, if they don't have them in place will be very close by. What I mean is, the boat that is at Monaco or in Antibes for the whole year to be used 20 days, maybe will have to be forced to spend 6 months somewhere else and be there only 6 months just to open that gate to someone else to occupy it for 2, 3 or 4 weeks.

Michael

Can I just add a comment to what you were saying about an advantage. I mean we're not bulldozing Greek temples to develop these facilities. A lot of it is regeneration in places like Croatia which was mentioned, there's a lot of waterfront demobilised industrial facilities in absolutely marvellous areas whereby bringing in these facilities it's an asset to the community, it's a visual asset to the city and the investment is going in both at the country level and at the commercial level. It's a win-win situation all the way around, so I think you have to look at individual opportunities and approaches. That's what I try to emphasise. It should be an all-in consideration not just a commercial consideration.

Tork

Michael I know it's one day ahead of announcing it but I know that IGY is also involved in a new marina at Sibenik with NCP. It's a pretty area. How do you approach getting the permission to do that, in that area? Overall, in a broad brush sense. I mean, what's the—do you touch on the benefit you bring to the area and so on?

Michael

Sibenik is a particularly good example of the spirit of what myself as director of development and IGY is trying to achieve. Croatia is just a beautiful cruising ground, Sibenik is the middle of the coast, it has a wonderful harbour, a wonderful approach and there is demobilised industry all along the waterfront to the southern side of the harbour and one peninsula in particular which was an old naval facility which closed down a long time ago. It's absolutely squalid visually, it's unhealthy for the communities that live in the area because there's a whole range of things there that

need to be cleaned out, so we're going in with the approval of the government—and this is where the all-in thing comes in. Croatia is lacking hotels, it's lacking high quality destinations that are in line with the beauty of the country, and the spirit of the people, so Sibenik which is being announced tomorrow is 2 hotels, it's a retail village, it's a 75 berth adjacent to an existing small to mid boat marina and a maintenance yard. For me it's a very exciting project that exemplifies what we're trying to achieve. It's something that's good for the city, we're putting in a lot of infrastructure; they're supporting us on their side, many of the things I wrote in my speech demonstrate what can be done if you go in with the will to do something for the country and the city and something for your investors as well. I truly believe it's a win-win situation and Sibenik will be a flagship for us in the eastern Mediterranean.

Nick

I just want to say that there are plenty of Sibeniks in the Mediterranean. In the Caribbean and so on, where when you look at the before and after nearly everyone will say the after is very much better. And equally I was with a very famous marine architect the other day and he told me that some of the places he is being asked to design marinas for now, it makes him feel sick to consider the destruction that will take place if that happens. So we really should be demanding of ourselves and not do the easy thing every time. In terms of can you persuade a billionaire more quickly than you can persuade a mayor —my experience has been this. If you look at a place like Turkey, it's typically taken around 10 years to go from concept to breaking ground for a marina. And it's not because the mayors are not supportive. They may be highly supportive. But the coastlines are very sensitive places, the legislation is highly detailed, you have to move through every phase of the bureaucracy, and at each stage there are many vested interests that you have to cater for. So it's not speedy. A billionaire—he can make up his mind quickly, he can find a yard quickly, if you told him it would take him 18 months to commission a design and place an order with a yard he'd probably think you were over estimating time wise.

Martin

Eric — I think you have a question out there, don't you?

Eric Goldring Goldring & Goldring

Yes, it's related to the comments that have been made about using brown field or environmentally challenged sites and basically cleaning them up, which is a wonderful concept. On the other hand, the owners are going, "I've got these yachts because I want to show them off—and I have nobody home to show them to". But with all of this development that needs to go on and the clean up processes that you're talking about as opposed to doing marinas in the areas where everybody wants to be, the costs are actually potentially higher for the yachts to berth in these places because the development costs are higher. How do you deal with that issue as opposed to the issue of putting marinas where the yacht owners want to be but everybody on land wants to look out and see the beautiful ocean and not the yachts.

Michael

That perhaps is a reference to what I was saying about cleaning up the Sibenik site? Was that the one you're referring to?

Eric

Well actually Nick was the one that tipped me off originally when he used the term 'brown field' which you don't usually hear too much in the yachting industry. So you were both sort of talking about it.

Nick

Let me say two things. The areas of course that I know about, and let me talk per square metre. If I go in and buy a berth in Tunisia I'll spend about €700 per square metre and if I go to Palma, to Port Adriano I'll spend about €8,000 per square metre of water area. Now these sound very high numbers so I'll just put it on a foot basis. If I go to Atlanta in high season I'll pay about \$7 a foot. That means that my 100foot boat is going to cost me less at that marina than renting a mid size hotel room. It's my way of saying that actually marina berths are still cheap. They're cheap regionally—if you go to the right places you can get them for a small fraction of the most expensive places. They are cheap by comparison with real estate in the areas in which they find themselves and they're cheap on a casual visitor basis. So I don't think cost is the issue. Now when we come to what makes the composition of a marina cost it really gets complicated, case by case. Do I have large breakwaters, do I have a government that wants to be paid a very high rent or an existing owner that wants a very high purchase price and these things tend to dwarf things like do I have an industrial site that I've got to clean up.

Michael

If I can add, from my point of view—I would say that we have more of that problem with existing marinas that we're trying to upgrade, where the acquisition costs are higher than what you'd look for than if it's a new development site. We would never take on a site that had any sort of levels of environmental pollution that were going to be expensive to remedy. I would say the costs that we find a challenge in our feasibility studies to bear are the need to bring in roadworks, utilities, services to the site that were never catered for—a sophisticated facility, like a megayacht marina and its upland facilities. So where I was talking about Sibenik in particular it was more just old buildings that were falling down, rather than environmental pollution or anything expensive like that to remedy.

Oscar

Nick just spoke about in Turkey, probably passing 10 years in between the concept and the marina starting to take shape. I was 3 weeks ago in the US on a conference about retro fitting and renewing of marinas and we were analysing a case of a marina that has waited for 18 years in South Florida for the permission to be built. 6-7 years is a very very normal occurrence and we are talking USA, Florida. Which has almost let's say the biggest concentration of yachts in the US. So it is a problem that is not only from the eastern Mediterranean, it's seen in many places around the world.

On the cost of marinas in an ideal or less than ideal area actually that was discussed in quite a depth last Friday in a meeting in Paris of marinas and the French Federation of Leisure boats. And in the Mediterranean we are tied obviously to the length of the concession. I mean nobody owns a piece of coast in the Mediterranean, in the western Mediterranean, let's say. The coast is the property of the state, it will always be the property of the state. You are granted the use of a particular piece of water. That's all you have. In Spain for instance legislation is that no concession can be longer than 30 years. When you play a little bit with it, and then you extend a couple of years until the final let's say certification of the harbour as being in full use you can earn 2-3 years—let's say you can bring it to 35 years. Now depending on the investment in that marina it makes it affordable or less affordable. In France it's different because the law is a little bit more vague and says that the amount of time, the length of the concession, will be as necessary as to justify the economic programme that will sustain that marina and its operation. So it's better. They have problems, I mean on the environmental side they are a little bit tougher on some other matters, but let's say that for the money side it's a bit more feasible. In Italy, the

marina in Rimini, which is about 1,000 boats, got a 99 year concession and that was 5 or 6 years ago. So obviously you can make different planning, you can charge different prices, you can adjust the amount you pay to the government every year, your programme of investments, so when you are going to build up a marina this factor of how long can you be there, in which condition, is a capital input where you have to pay a lot of attention and it will tell you if you can make it or not.

Martin

OK. Any more comments? Tork, please.

Tork

I've actually got 2 email questions which I'm going to try and work into one. The first question is: Do any of the panel see potential for development in the Black Sea, as in Varna. And that's tied into the second question, which is a question for Nick. It says here: We know there is a shortage of superyacht berths in traditional locations. Have you seen the owners start to look further afield for home ports, and if so, what are the 5 most important requirements that will influence the decision making process. A nice easy question.

Nick

Owners are looking further afield. I mentioned Tunisia, superyacht berths have been sold in quantity in Tunisia. We've had interest in Egypt. These are non-traditional places. In terms of the 5 most important things—it really is horses for courses and it depends on the use of the boat and so on. Some vessels are highly tax driven, which makes it impossible to be in one jurisdiction and desirable to be in another. Other vessels, it's at home port very rarely, other ones actually are based out of there, they want to be close to their cruising grounds, others want to be close to technical support. So I don't think there is one list of 5. We have a list that goes to several hundred requirements that when we evaluate marinas we go through in some detail.

Tork

I just wondered if it would be like a restaurant— location, location, location.

Nick

Yes. Location but with a little bit of thinking out of the box.

Oscar

I would add to that—the marinas are not any more, for quite a while now, they are not any more parking places for yachts and should not be considered or looked to be that. Marinas should be destinations for themselves. The 3 golden rules when you are going to think about a marina is how do you get there, where do you go from there and what do you do with the land around there? And that will give you the 3 possibilities that either will bring the people in and your possibilities to make money out of it.

I think that creating a destination is the key factor nowadays for any size marina. The small ones will not be glittery and fancy and everything but I mean there are some places that need marinas for very small boats because that's what the people can afford that live around there. And they have the right to have them. There are some other marinas which will profit fantastically from that middle sized boat very typical in the Balearics, for instance, 18-24 metre is very popular. Those people they start on about 12 metres and they stop at 25-26, then they go back to 22 because they really see that is what they can afford and enjoy and they don't need any crew and not many services and they can drive the boats themselves. But there should be a

destination. I cannot see creating a marina in a place just because it's good for tax reasons, and just basically grounding the crew almost forcibly in a place where there's absolutely nothing around for their leisure. I mean the quality of living of that whole mini community which is a big yacht, should be there and should be provided for. So when we look at the marina for a superyacht, the thing is, then the amounts involved by all means makes probably even interesting for that little bit undeveloped place, at least on the touristic nautical side, just to create that new environment and that new destination that will cater for those yachts that actually will just retrofit that area that was created. It takes time, but there are a few cases already. I mean again, 15-20 years ago, who would even have dreamed to go to the area of La Spezia for a repair? I mean it was the worst that people could tell you, if you had to spend two weeks there. Because you came out with a slick of oil about 2" thick on your waterline and having to probably paint the boat completely over just because you went there to make an engine repair or a small refit for 2 or 3 weeks. Well nowadays a lot of the big yacht companies took places and the whole area is reacting to the needs of those guys instead of to the shipyard workers that used to be the common work there. And the place is shifting towards a very good place to have these jobs done.

Michael

If we're talking further afield, if you look at the Australasian market as well, I think over the next 5 years you'll see a very strong emerging trend up into South East Asia and up the east coast, perhaps as far as Shanghai. I think that's one of the strong markets in the future; it's not there yet, some of the fundamentals need to be sorted out but I think it's going to be a pretty interesting market.

Tork

As a destination market, not as a home port?

Michael

I think it could be a combination of both. There was discussion in yesterday's session about the emerging Asian wealth—there's certainly a lot of wealth there, there's a lot of interest in boats, but they use their boats—I shouldn't generalise—but they use them very differently to what we're accustomed. I think that will change as the cruising patterns are more established and there are places to go. So I'm not sure how quick it will be or whether it will be the sort of market we're used to, but I certainly think the greatest change after the eastern Mediterranean is going to be in Australasia in the future.

Martin

Thank you. Antonio, please.

Antonio Zaforteza Porto Adriano

I would like to comment on some of the things that you've been discussing during the morning. One thing is, to get boats to move to other places, we do not only have to convince the owner of the boat but specially the crew and the skipper, which are key prescribers for the position of a mooring. In Mallorca for example we have many crew that have a house there, have a family established there, and they don't want to move the boat out of there. So crew is a key prescriber for that. In terms of licences I don't think mayors are to blame for giving or not giving licences, it's the marina developers have to work below mayors and we have to go to them with the problem solved. And I mean people against the marina—because they don't know exactly what you're going to do, they don't know how much benefit they will get from that—and that links a lot with the transparency of the industry because there's no

information on how much benefit a megayacht will put on the place. And that's something that we have to work at, and that we have to deal with in Mallorca. In terms of the prices of new marinas and how expensive is one place or the other, the new marketing conditions are making possible projects that were not feasible some time ago. Our case is one example—I mean at the Malta price we would not have been able to build our marina. Probably it's the most expensive marina which have ever been built because we're building at 12 metres—it's extremely complicated but as the market is in this situation we can do it. And probably there are more projects out there that can be done in this way. And finally in terms of the price of the moorings, I don't think the concession length is a problem for the market because it's quite surprising in this market that today even though every year there is one less year of use for the mooring the price is still going up every year. So above 20 years I would say the numbers of a marina should be economic and profitable.

Martin

Thank you. Nick?

Nick

Well I'd say two things. Yes, berth prices do continue to rise, even though the residual term of the lease is falling, and that's because of the supply demand situation. It's meant that berths have been a very good investment, I think they'll stay that way. Where I find that the short term of the concessions has an impact is on things like the quality of the construction that you put in. Because if you're going to be on the scene for 25 years as an operator, why would you do anything which has a longer life than 25 and a little bit years? I think it's highly unproductive for governments to have these very short-term concessions. How long does it have to be? Well the longest concession I've obtained was 125 years from the Crown estates in the UK. That may be too long. But actually 99 years is not a crazy number, to encourage high quality architecture, high quality construction.

Tork

Nick, is that something though that we can achieve by working within the political or lobbying process? Can we change the habits of Italy, Spain, and France?

Martin

Let's try it!

Nick

I don't know. I write very often to Prime Ministers and every time I meet a Minister I bend their ear on this point. There are other practices which are very unhelpful to marinas. For example most coast laws put very severe restrictions on the buildable area in a marina. Marinas are naturally high density places. You can get people on foot early on and what you want is a high density. For some reason equally people don't want to see residential near the waterfront. I think that's entirely logical when you look at your whole coastline—it's wholly illogical when you look at a marina. A particular thing that I like to see is these horrible great big breakwaters, including the one that the gentleman mentioned at Port Adriano, they're ugly from seawards, they're ugly from landwards and they're almost wholly useless except in the one function of stopping waves. What a great thing to put some really interesting architecture, residential, on that, with a seaward view on one side and a marina view on the other. Absolutely impossible with planning regulations as they now stand.

Oscar

I'll just go back to the previous question because we did not respond to one part of it, which was the Black Sea. Marinas in the Black Sea. I did a project in Romania, in Constanza, which was for small boats but I was amazed at—I had the picture of the Black Sea because of the name, but it was like a stinky dark muddy water piece of sea just lying there somewhere. And I was amazed at the even not clear at all so far but the very, very clear waters around the harbour of Constanza which is a huge, huge, harbour. And the beauty of the delta of the Danube, very close by; the beaches they have around—I think there's a hell of a potential there. It's going to take a long time because they are very hot with the matter but they don't know how to do it or what to do with it. At this moment in Romania they are sort of trying to get some concessions going on but it's more—we want we want from the government, the facilities for the people starting with the concessions are not there yet but it's going to come, because the place does have a fantastic potential—the amount of people living around those coasts is huge.

OK coming back to Mr Zaforteza from Adriano I know the place very well, I used to work there for 4 years when I was technical manager of Sunseeker. OK about the captains and the crew—that's what I meant. You need to create destinations because if not, owners want to keep their crews reasonably happy and that reasonably happy means if they're going to have to change crew every Winter because they're going to be displaced for 6 months to a place where they are not happy, that's not the way of enjoying your multi-million euro yacht.

On working with the municipalities and the government, I totally agree but we are never going to be the good boys. We will always unfortunately be a lot more on the side of the bad boys. Big money, big show off. You know, how many people can you feed with one of those boats. Not so much with the Latin approach in the Mediterranean, a lot more in northern countries like here where it's a lot more sober, the approach to life. But we are never going to be the good boys. Now the fact is there, one of these megayachts brings an enormous amount of money to the local economy and makes the life of many hundreds of people per boat a lot better. But the guys that are voting those guys to be in office, they may be the superyacht owners, but for each of the superyacht owners they have another 50,000 guys who are considering us the money spenders, and the luxurious use spenders and so on. And what we have to do I think is to start to try dressing ourselves up a little bit on the other side like, if you are going to make a marina, incorporate a sailing school in that. Incorporate something that will give something back to the community. Not just for the look of it, do it really, improve the thing and make it work. And that they can use not to lose those votes, most unfortunately, at least on the Mediterranean that is what drives the politicians to stay in the office they have to have the votes. The votes they are not going to have from crew members and yacht owners, they are going to have them from the other millions and millions of people. So we have to give them solutions and tools to be used in our favour, and it's very much in our hands to do that.

Tork

Oscar, all of what you say there is absolutely correct. Can ICOMIA actually aggressively pursue promoting the value that yachting brings to any given place, and what it can additionally offer? Such as you say, a marina that incorporates facilities for the local people. I mean is that part of your organisation's role to do that and if not, can we not as an industry pursue that more aggressively purely—not even at a specific level—but simply to promote the value of yachting to coastal regions.

Oscar

By all means, yes. It's one of the things that we have to do, are doing. Actually the two best examples I've seen so far which is actually the same example on this matter is the Association of Marine Industries in the US, and the Australian Marine Association. They both took a fantastic study from Professor Ed Mahoney from Michigan University who developed a way of analysing really thoroughly the economical impact of yachts in any community. If you address the website of the AMI.com you actually can enter, just to make a test with it, you say well a marina with so many boats, in such and such an area. When the Australian Marine Association had the visit of Prof Mahoney in June we had marinas 2007 there in the Gold Coast, close to Brisbane, and two days later I was amazed and somehow relieved to see that things could go that way because they made a deal with him that he would study the local markets there, especially the superyacht one, just to adapt the study to their area and to be able to give the government the tools, and demonstrate what the impact is, and how seriously should we treat it. So yes, that is going on and is one of our tasks to bring it to the right authorities and international bodies to implement it.

Michael

Oscar brings up a couple of interesting issues there in the girth of what he was talking about that I'm surprised hasn't come up more, at least yesterday. It's the demand on the upland facilities of the megayachts for crew facilities on the land, storage demand is huge, we had a workshop in Dubai recently with the megayacht captains from Dubai about some upcoming megayacht marina berths and admittedly most of our owners are Middle Eastern, so there is a specific requirement from Middle Eastern megayacht owners for privacy, they want to be exhibited but they don't want to be seen, they don't necessarily want to see between boats, they want to be able to take large cars and trucks to park at their boat. There's a whole series of upland issues for megayacht marinas that I'm surprised the captains weren't bringing up more yesterday for crew amenities on the shore, for affordable recreation venues—many of the cities that they'll berth in, and the locations in which they'll berth in those cities have very expensive recreation venues nearby. I'm surprised there wasn't more about the recreation, the amenities on land, the accommodation on land, the storage requirements, the access to the boats, they're things that are pervading both the cost of our megayacht marinas and satisfying the captains, which is why we had this workshop.

Martin

Thank you Michael. One question in the middle there, and then I have a comment to make.

[From the floor]

My question is, through the conversations this afternoon we haven't really, or it seems like we haven't really, touched on—I think the next most problematic of berthing. The 90-160metres. And they're coming—you're shaking your head, yes you know, they are coming. We're building them at a very fast pace and one of the things that—and I don't know if it's Mr Siches that would be the person to address this—the cruise ship industry seems to have somehow lobbied and gained a power over what used to be what we would call normally commercial special anchorage areas, Villefranche, as one example has dedicated cruise ship moorings, which of course you know would give us a lot more flexibility. You mentioned Cala di Volpe, you mentioned Portofino. From an environmental point of view would ICOMIA not be in a better position in assisting us in possibly trying to find either seasonal moorings or possibly something that could be structured into an artificial reef study, and then again that's sort of going sideways to try to get to it. But you keep saying that the marinas are not just places to park boats—well, you know, in fact if the marinas

themselves had some sort of long arm that extended out into the bays that would give us, if you want to call them holding pattern moorings or something to say well this vessel's leaving tomorrow, of course you can have it tomorrow and let me talk to the other captain—I think between operators we already do quite an amount of networking in regard to trying to facilitate, whether it be charters or owners' visits. So that you know, valuable berth space isn't taken up. But again, I think that while the argument to the larger vessels is that we all have DP or we all have electronic anchoring, I think any captain, regardless of what equipment he might have, would probably be very grateful and would welcome a good secure mooring in a good location that again, he can say to his client possibly we can get a berth tomorrow or the day after. But it would still allow us to arrive. Because if you've seen Cala di Volpe, if you've seen the bay of Cannes, or St Tropez—all of these places could benefit from an organised mooring system that would give us all turning radiuses that would optimise the locations. And again, I don't know if ICOMIA are the people to speak to about that. And just one last comment to Mr Siches—he said if you don't give us the information, you can't design for us. Well somehow Mr Siches not to be offensive but you must be basically designing in a vacuum. The people next to you, Camper Nicholsons, are management groups. You yourself are in the Mallorca area. All you have to do is talk to an agent—if you want to know what a superyacht needs, talk to an agent. He can tell you by date exactly what the people are buying, meaning flowers, deliveries in the form of provisions, any of that. And it'll be well documented. Also Camper & Nicholsons as they run management could tell you exactly where the money is being spent and how.

Martin

Nick, thank you for your comment. Oscar please?

Oscar

Oh yes.

Martin

Can you own a mooring?

Oscar

I have some good news and some bad news for you. The good news is I'm a big defendant on the buoys solution, I think it's a thing that will come out as one of the possible solutions. It's not a mooring ashore, but it's a fantastic alternative, it's very respectful of the environment and it's amazing what you can achieve with a buoy in terms of service, if you do it seriously. I'm contributing in Mallorca with a programme with control buoys that basically will just tell when a boat is approaching and how long it has been there and there will be a two way communication with the buoy, it will be able to be reserved and so on. So it's in the very early stages but it's going to happen and I believe it's one of the things that will happen in the future. And it is one of the ways of finding solutions.

The bad news is I tried to go to the superyacht colleagues. I must say the colleagues never fail me, I must say that. And I do that quite often, and that's why I try to go to conferences and gatherings of captains. And I speak with them quite often too, especially the ones that come swearing to me because there is something going really wrong with us (my marina). And one day I said well OK, what I will do is I will make a very nice form with specific questions and I will just send it over to captains of boats over 25-27 metres. So I got hold of a very good friend of mine, who runs a publication, and said could he just do that for me, give me a hand, and I will donate let's say \$2,000 or €3,000 to a charity and for each answer that I get, €1 will go that

charity, and you administer it, just to make it crystal clear. His answer? Oscar, you're not going to get 5 answers. It doesn't work that way. You have to go and knock on the door. So obviously, I don't know if he was right, we did not run the thing. I keep on getting very good response when I ask in this forums and conferences, I get a lot of mail afterwards and I try to answer each one of them. But a little bit of let's say automatic cooperation from the field would be appreciated—we are going to arrive at it, but there are very few people knowing or being a little bit closer to the core of the problem, within all these organisations and until we get more people and until we get to explain to them, and let them feel what really happens, because you have to tell them the whole story of how the boat operates, it will take a lot longer time than if we get that feedback. If we get 150 or 200 comments in a year addressing a particular matter they will start looking seriously at that. Like they do in governments and municipalities.

Tork

Oscar—if you send us that form, we'll circulate it on our website. And see if we can get you some answers.

Oscar

It wasn't you I was talking about!

Cruise ships and large yachts—yes, the cruise ship is an industry that grew incredibly in the last years but again, a cruise ship looks very fancy, glitzy, luxurious and the whole thing but almost anybody for €1,000 can have a decent holiday on that boat. So it's a lot more socially acceptable than a superyacht or megayacht. And therefore like Barcelona became the no. 1 harbour for passenger cruise ships in the Mediterranean now, and they keep on developing and giving them facilities, they are not doing badly with superyachts because with Barcelona 92 and the whole thing, I mean there are these fantastic logistics now. And there are many more to come—the Catalonia government is very keen on doing a proper job on that matter and very happy about it. But they are more acceptable socially than superyachts. And actually one of those cruise ships with 3,000 crew members and being able to fit 6,000 passengers costs about 115% of an 80metre yacht which will carry 10 or 12 people.

Tork

But Oscar, isn't it also true that the actual per capita spend of a cruise ship when people are in town is minimal at best, and certainly in comparison to the overall spend of a 50metre yacht is nothing.

Oscar

Absolutely. But that's why we have to work on both sides and all this, in the particular looks of a harbour, is a lot to do with what Michael said in the beginning—there is an administrative, political expression which is the integrated harbour city. It looks like absolutely void of any power but is for me a key thing. When you can bring the city to a harbour, like Barcelona or like Genoa, I mean those guys in the last 15 years made it so that it is a pleasure, and it's perfectly feasible for people from the city to go and enjoy parts of the harbour even when they are just made for yachts and superyachts. And they are not interfering because they are separated in a very clever way. But there was an integration made, so it's a lot more acceptable, so it's a lot easier just to get the next step going.

Martin

OK. We have one question over there in the middle.

Hugo Modderman DVB Bank

Just to reply to what has just been said. The expenditure of a passenger of a standard cruise ship with 2,000 passengers is indeed minimal and is like €10 or €20 a day. So that is minimal, but when you look at the luxury cruise ship like Silver Sea etc you easily achieve at least €100 a day which with 300 or 400 passenger vessel means €30,000 to €40,000 a day. Which is probably more than a superyacht would spend on a daily basis.

Martin

But that depends on the crew!

Hugo

But my main question is really I have been missing a discussion on climate and environment. I don't know which of you has ever had a yacht sitting in a marina in Dubai or Fujairah for an extended period. I have had a yacht sitting there for a couple of years and it may be an interesting area to visit but I can tell you it is definitely not the area to park a boat. First of all, the climate is extremely aggressive so any so-called stainless steel will start rusting sooner or later and secondly the growth of barnacles in that area is such in the Indian Ocean and the Gulf that specially now with the let's say traditional aggressive and good anti-fouling being phased out, you have to move your ship the whole time to keep it self polishing otherwise you in fact risk that your charter or your clients will kick the vessel out of the charter because of not being able to attain speed any more. I just want to say that this is a point I have missed so far and I think the Croatian coast and the Black Sea sound great from that point of view. The Middle East is a very dangerous area to park a yacht, in my view.

Martin

Any comment from the Director of Development?

Michael

We also have a very strong seasonal residency in Dubai that's emerging from European home owners—part of what I mentioned in my presentation was about dry stack storage which is going to predominate obviously. That only deals with certain boat sizes. But I'd say that 75% of our developments along the coastline will have significant dry stack storage to respond to that exact thing. I mean many of the residents will be there for 3-4 months out of the year and they will want to get their boats out of the water for that very reason. It doesn't help with the bigger boats but we think it's going to be a very good business.

Martin

Oscar, please?

Oscar

I do cooperate doing some work with IGY and I'm quite familiar with the situation in Dubai. Especially from a very practical point of view. I think you are right, the meteorological weather conditions in the area are not exactly ideal for a megayacht to be spending a lot of time there, especially when you have 48° in the summer with the sun just hitting like that, every third day a sandstorm and the growth. Definitely not ideal. Still they are planning to make something that is called Dubai Maritime City which will be basically a service point for shipping but with a huge yacht sub area and there will be a couple of synchro lifts there and so on. So the market that I see for superyachts and megayachts in that area is obviously a lot of the Gulf which will go to Dubai just because it's easier and it's better to be seen to have your big yacht in Dubai than for a Qatari to have it in Qatar or a Bahraini in Bahrain. It's just 350 miles, they just go easily, Dubai is very well known as almost the Las Vegas of the Gulf. So

that already is a market that I think is going to prosper and very quickly. Then maybe some of those people will charter those boats and then maybe big megayacht charters of the Mediterranean will just risk taking a week there and seeing what happens, and eventually decide that they can pop out and spend a certain amount of time, not especially on the side of Dubai, but using Dubai as a base and just going around and cruising Oman, which has a fantastic coastline, beautiful bottom. It's a country that has been signing every single treaty for protection of maritime life from the very beginning, very much the first Arab country to do that. So dolphins are protected, whales are protected, reefs are protected. And that is quite unique and that could trigger some people to go there. If I were the Dubai government and I wanted to attract these boats—obviously I will just provide them with some of the things to be able to cope with those downsides of the local weather and maybe tell them OK, someone comes from Spain three months here will just get 2 lifts on the synchro to clean the bottom for free. They can afford that. Basically Dubai shouldn't exist as it is now. They are pushing the thing because they have the means to do it. And if we can lobby and convince them that there is a right way to do it, and get some results, it probably will happen so everything is depending on what the market can give you and how clever you are to make that attractive for people that normally would not be attracted to it.

Michael

I'm sure that Sheik Mohammed is seeking the title of the Las Vegas of the Middle East there!

Oscar

I hope he's not listening live to this!

Martin

Nick please?

Nick

I'd just like to go back to the issue of buoys and having designated areas in season or otherwise where yachts can find a buoy. I think that's a very important pointer about the future, because we're used to freedom of the high seas and going anywhere we want and dropping anchor—but there are the odd places now like Cabrera where you've got to get a permit and some other places on the chart where you're told not to enter or anchor, and these come as a bit of a shock and a restriction on what we can do. But I think the reality is that in season in some areas we'd be much better off to get it organised just in the way you describe, and this is something that, again, in our contacts with government we pitch regularly. It's quite a difficult concept for them to understand; marinas is already specialised, this is a specialisation of a specialisation. It's also rather difficult to justify spending a lot of time on it because the benefits are indirect. You're not going to make money, or it's not so clear how you'll make money by promoting something like that. But I would love to have other people in the industry send me little notices that this is something that they're seeking because when I do speak to governments then it gives me the chance to say this is not just my opinion, it's supported by different sectors.

Martin

Well, essentially surely there must be 200 owners with 70metre plus vessels that could quite happily lobby them, as buoy systems for their own personal use?

Nick

Well, this is novel to me, the concept of getting lobby groups like this together. But it would be welcome.

Martin

Any further questions from the floor before we break for lunch?

Tork

Just to say that for those who sent things in that I didn't use, thank you, they all go to the Forum.

Martin

One little question. Is the problem driven by the people who operate the boats that don't want to migrate to new locations because they have expensive real estate in the South of France, illustrated behind you?

Nick

It's not only a problem of mindset. Because if you go to somebody and say you have your kid in school, you're used to the language, you own a house, you've patterned your vacations—why don't you uproot all that away so I can give you a berth in Mauritius? It's not a reasonable demand to make. What I'd like to ask is give the question of berthing your yacht real attention, and weigh up all the factors. It has a material impact on the crew and how efficient they can be and on the condition of the yacht and the use to which you can put the yacht. And if I have a complaint of the industry, it is marinas are the Cinderella. We come after all the other decisions have been taken—very often people say and where are we going to put the boat now? So I've honestly seen more time spent on the pizza oven location on the upper deck than I have on where the boat's going to be put. And I've been on both sides, I've run a shipyard so I've been in on those discussions with the owners.

Tork

A thing like that actually illustrates what's been coming up all through yesterday and all through today. It is that to improve the industry, to make it more professional, is that the interrelationships of everything have to be considered. Because while you may not want to move from Antibes—I have a text here from a captain, who's based in France, *you may not want to move to Montenegro. However if you have a crew rotation system then the whole thing changes*—and that directly affects whether you can sell the usage of a marina if you have a rotating crew then you can probably base in Montenegro half the year.

Martin

One more question from the floor.

[From the floor]

Thank you. Just a quick comment on the topic we talked about before in regard to the buoys. My name is Jan, and we've got some experience last year through the season with the buoys. I think it depends on the planning. We had some very good experiences and some pretty bad, almost accidents, as well. So I think if it's developed well and thought through very well it can be, depending on destination, a very very good alternative. Thank you.

Martin

OK. Gentlemen, thank you very much indeed for your time. I enjoyed it.

We're going to break for lunch now until 2.30 when we'll be looking at under the water, with a submarine session, followed by the glass technology panel.
