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**SYBAss — One year on**

Michael Breman	Lürssen Yachts —SYBAss (President)
Theo Hooning	SYBAss (Secretary General)
Fabrizio Sgariglia	Perini Navi — SYBAss (Vice President)

**Chairman— Martin Redmayne**

Theo, Fabrizio and Michael Breman, you're going to come on stage and talk about the next 12 months and what's happened over the last 12 months in the world of SYBAss—the Superyacht Builders' Association, officially announced last year here. Sorry about that, it was what is called a shipyard delay. Can whoever has the camera on my head, please take it off the screen. I realise I'm going to have to have a strict diet. OK, Michael, you're going to kick off, I believe, with a very short synopsis of your achievements and visions.

**Michael Breman** Lürssen Yachts —SYBAss (President)

Good afternoon. I'd like to thank the previous panel for informing us that we're the ones that take in the large amounts of cash and get the biggest piece of the action. I'd like to dispel that—we're the ones that run the risk, in fact we run all the risk. And precisely taking that into account, a few of us got together, Mark Cavendish, Hein Velema and myself and we got together to get this organisation started and we came here last year to talk to you about it. It's a very dangerous job, it's a bit like ten little Indians, Hein has left, he's gone and found a new career in the other part of the world which we call the dark side, Mark has gone and left his employment and become a dealer of boats and so I'm the last one left. Actually I'm the President of SYBAss now but it's really by default because I was just sitting in and watching things unfold. But now I actually have something to do. Fabrizio joined the Board to step in and strengthen it and will be making a few more changes over the next few months and then all will be revealed in one form or another. But it's actually not so important for any of you.

What have we done in the last year, since we were here? Very simple—we got organised. We are now a fully certified registered homogenous organisation set up in Monte Carlo, which is great, because we go there regularly for meetings and we've actually had our first annual meeting just before the Monaco Show, which I have to say was a very positive event because it showed the desire from all the members for them to participate in this new venture. Now, what we want to do will become apparent over the next month because now that we have this organisation we have to fill in the blanks. I see a gentleman sitting here in the audience who is very worried that we're making a cartel, we are not making a cartel. We are simply trying to organise ourselves in such a form that we can be a good conduit for the interests of the superyacht builders, to represent these interests with people like MCA or at the IMO level, or with other international bodies to make sure that we don't get bowled over when people decide things and they have a tremendous effect on us, rather than on them. And that fundamentally is the core thing. There are a few other things which have appeared over time, which Theo will explain a little bit what we have started, and I need to point out we are very keen to hear what things we ought to be

doing, if there are other shipyards or people working in this industry that think that there's something that should be of interest to us, we are most interested to hear that and to look at that as well. Have I forgotten anything? So someone can take the ball from here.

**Martin**

Fabrizio?

**Fabrizio Sgariglia** Perini Navi — SYBAss (Vice President)

Michael actually said pretty much everything; I can only emphasise what he just said, basically. With the current increasing of market demand it is extremely important that we are organised and this is only possible by working all together, that's why we decided to associate all of us. So far we've all been very well represented by all our national organisations but we've never been represented worldwide like we are now trying to do with SYBAss. And I must say if there is a value for associating a number of shipyards, important shipyards, which are building motor yachts there is even better value for shipyards who are building sailing boats. As a matter of fact the market for sailing yachts is much much smaller than the motor yachts market and the technicalities we are faced with are bigger, so there is an even greater benefit for us to be associated. Actually SYBAss also created a platform for sailing boat builders to discuss amongst ourselves to discuss about technical issues, and to discuss about even marketing strategies for all these events which we all attend like sailing events, regattas, or even possibly other events we might like to attend. To cut a long story short I think we have everything to gain from this association and nothing to lose. Our strength is important and as Michael was saying, we have a big responsibility and at the end of the day if we are more efficient, if we work better together it is a better service for our clients as well. I think I've probably said everything.

**Martin**

Theo? You come and stand at the podium.

**Theo Hooning** SYBAss (Secretary General)

Good afternoon all. I'm very happy to be here again on the stage. I have a very short presentation which gives you the highlights of what SYBAss has done in the past year. We have had already discussed why we founded SYBAss but I want to focus on who is SYBAss and what does SYBAss do, because that's of course one of the main issues you want to hear from us.

First of all, who is SYBAss? Very simply, these are the members at this moment—to be clear about that, to become a member you have to have built at least 3 yachts in the last 10 years over 40 metres. So in that way you have a grouping here of shipyards who have in that way a proven track record. There are 3 exceptions; we got 3 candidate members which are now in the process of building their third 40-metre and in that way as they have been involved right from the start with SYBAss they now have the status of candidate member and probably will be next year full members. You can see that members are all over the world from New Zealand to US and of course quite a focus on Europe. Statistics? What does this represent, these 19 shipyards? They represent 55% of the total yacht production of the last ten years, of yachts over 40 metres and for sailing yachts it's even 66%. So in that way we can say that we are a majority of the yachts sailing around are represented within SYBAss. Why not 100%? Very simple, there are quite a lot of shipyards who never built 3 yachts, but only 1 or 2. For example we've got 58 shipyards—some have built only one yacht over the 40metres and to be honest quite a lot of these shipyards do not exist at this moment any more. The Board, as you see, we've got 3 of them on the stage—has quite a variety of Europe, the US, sailing yachts, motor yachts, and

then in that way also we try to balance all the interest in different regions and different backgrounds and as you've been told, Mark Cavendish is still functioning as Treasurer but he will be replaced in a short while as he has left the business of Benetti.

I want to focus on three parts of our activities; the three pillars. That's promotion, regulation and professionalism that are the main items that are of interest for our association. First, promotion. We do look at two things, existing events and one example has just happened, you see a picture of it. We were at Fort Lauderdale present with a SYBAss welcome pavilion which provided an easy and private entrance to the show to guests of our members, secondly we had the SYBAss all access pass which could be used also on separate entrances to take care of an easy way of entrance for guests of our members. We had a private tender service who brought the people from outside the exhibition to this area and in that way they could park their car and didn't have the hassle of getting into all the traffic or any problems to get into the show; they could very quickly go in and out. Secondly we are looking at new events; we looked not at shows but more at kind of set up as a visit for only invitation only, we do face problems with that because of the availability of yachts, as the owners at the end decide, so at this moment we are looking into the possibility of having an event in Sardinia but for the moment we have not enough security of yards which will be present, so I just want to mention it at the end that maybe not this year but later on we will look for a possibility to have an own event focussed on just these clients which are of interest for our members.

Regulation—it's an issue which has been talked about a lot already in these sessions. This is quite a lot of text but I needed to put it on, because it gives a kind of starting point for us. And it starts with issuing rules, it's not a goal on its own and sometimes that is forgotten by regulators; they love to produce lots of rules and that's also the problem, the rules are sometimes absolutely not targeted at superyachts, they are just rules from the commercial shipping and in that way translated or even just put straight forward onto the superyacht market. A third issue is that you can make all kinds of rules but it has, of course, consequences for the price of the yachts and also that has been in the past forgotten, especially if you look at MCA rules etc. They were implemented and they cost a great deal of money for the industry. And the last part is that we must be careful that we don't get all kinds of rules which are implemented in different ways all around the world, also an issue which was mentioned this morning. And the bottom line is that we have to support a level playing field, especially if we talk about safety rules, then it must be clear that what is mentioned in a safety rule is all over the world the same.

Where do we focus on at this moment? ISO—it's something that also will be talked about after this session. For us ISO could be especially a means to get this level playing field, to have ISO rules that are in that way standard—you can get why we are worried about the amount of rules which are now popping up, all the different aspects, which are popping up and we want to reduce the amount of projects especially so that we can focus on it because otherwise you will get all kinds of people who have a very high knowledge of the techniques but you have no feeling for the industry itself. To be honest, we have 19 members so if we want to man all these different working groups it will be an enormous task. So focus first, make sure you get some rules finished that you can show also the industry what ISO can do for the industry and then move on to the next phase. MCA—you probably know MCA is looking at internationalising their large yacht code, SYBAss is formally an observer to the flag state meetings and in that way we are in close contact with what's happening over there. And then a very important part is the environmental issues, one of the major ones is the volatile organic compounds discussion with the paint job, we are in

that heavily involved together with ICOMIA and the paint industry to have a coordinated lobby—and I mentioned the cooperation with ICOMIA in that way because we think that especially in lobby you must be efficient so that means that together with ICOMIA that you only spend as little as possible to achieve your goal and you must be efficient. One of the dangers is if you have too many players in the field a regulator can pick out who he's going to listen to, so that's why we want to have a very strict way that we speak with one voice to regulators on these points.

Going to the last point, professionalism—now we have made statistics, reliable and up to date, for our members, that's also why we can have some comment on what's happening at this moment within the industry, secondly we have projects which is called compensated gross tonnage—that's a way too for comparing sectors within the industry and then especially comparison between the commercial shipbuilding and yacht building, because you see quite often that they say OK you've built a yacht of 50 or 60 metres and we built a tanker of 150 metres so we are twice as big now. In the compensated gross tonnage that is a reflection of the complexity and in that way also the economic value of your activities and it works with special factors which are used in formula, and that's one of the projects we have started with the University of Delft, to also include yachts within this system of compensated gross tonnage which is basically a system of the USO. Then a last point I want to mention is the client representative course—I just touched on it last year very quickly; we have worked on that, we heard also now quite a lot about client representatives. Client representatives have a crucial role in building a yacht. What we want to avoid is that client representatives know sometimes a lot about sailing a yacht but less about building a yacht. And in that way we have looked into this issue and came up with a three way approach—first of all is ship design, which we are in negotiation with the University of Southampton to have a course not how to design a ship but at least you've got the basic ideas of how a ship works, as we just heard about, making a ship, half a year, and then it has to do something with the speed also of the yacht. Secondly the management skills, communication, in that way, know how to run project management, how to also communicate with the owner, how to communicate with the yard and also important of course, if there is a conflict how do you handle a conflict. We are in that way in negotiation with flag ship to see if they can provide that part of the course. And then the main thing, and that's really where SYBAss comes in, that is shipbuilding. The idea is that then you get the client representatives visit several SYBAss members to see how in practice yachts are built, and also in that way to enhance the communication and also the understanding between client representatives and the shipyards. That's in very short what we're doing and what we have done, and what we will do in the future. It's made clear, also as I said yesterday, we are an open association, in two ways, we are looking for contacts with other associations and other groups who represent important parties within this industry and in that way I would like to talk with clustering these interests on specific topics which are of importance to all of us, secondly we are an open association and we welcome members who meet the requirements as mentioned before. If you want to know anything more about our association we've got our website on the air since our last general assembly in September, so have a look at that and you will find the things I've just pointed out in more detail. Thank you very much for your attention.

#### **Martin**

Theo, thank you very much. As per Michael's request we have now run out of time, there's no time for questions! No sorry. Any questions, please, from the floor? Yes, at the front here, please?

#### **Hugo Modderman DVB**

What's the status of the owner's association, I believe the superyacht owners once got together in Monaco in the yacht club and set up some association but we haven't heard much from them, have we?

**Martin**

Is that a question for me? I'll answer that question very simply. The number of people who joined the association now totals about 65 owners, however I need to make time to run the association or to find people who can do it for me. And I want to talk to Theo about this, because talking to Steve Rattner the other day about it, there are lots of people who are showing a lot of interest and all I can say is, when I have more time watch this space. John Munford—what about a designers' association—DBAss?

**John Munford** John Munford Design

Well I thought SYBAss was something you ate. It's not really a question, more of a comment to say thanks chaps. Because as designers we'd be absolutely useless without you, to produce it, and have all the skills you have. So I'm indebted, and grovel. But it is quite incredible, when you think of the number of skills that are involved, and you combine the whole lot. So, great stuff. And I like the idea that you're having this association, because the Dutch anyway have an association, which they seem to get together very well, so why not basically the whole world. Thank you.

**Martin**

Perfect, John. Any other comments from the floor? Tork has three questions.

**Tork**

The first one—I presume the first sentence is said in jest. Why do you call brokers the dark side when they bring you a lot of business. The second question which I presume to be the serious one, is: What about the Holland Yachting Group, so in other words presumably how do you relate to HISWA and associations like that?

**Michael**

The dark side was a pun, actually. Probably a bit silly, but it was a pun, which applied to Hein, and he took it in good banter and went on his way and will be very successful I am sure.

**Theo**

How about national associations? As I already said, the nationalised associations, they are represented worldwide by ICOMIA so we have close relationship with them and in that way we also financially contribute to the projects also they started. If you look at the promotion, then yes, you could say there are parts of the national membership associations who are tending to see more that they want to have a SYBAss face instead of a national face. This business is getting more and more international so why wave your national flag if we can group ourselves as SYBAss members, as shipyards, with a proven track record. And that is something that I have discussed with these groups, and this morning I have talked to the Holland Yachting Group about it—that we will see that we do it in a proper way and in a way that we are not trying to confront each other with decisions and to make life miserable for both organisations, but that something is going to change, that's a fact. Because this business is changing rapidly, at this moment; it's getting more and more complex and is getting more and more international, so the national pavilions which groups also the suppliers etc—in a short while I think you will see different kind of expositions and shows.

**Tork**

I've got another 2 questions here from a gentleman from Maren. The first question: For yachts ranging from 20-40 metres, would it be worth, from your point of view, to create an equivalent association? And the second question with specific reference to SYBAss is: Are Far East yards welcome, or is SYBAss aiming at strengthening the leading European and USA position like CESA is doing? (I'm not familiar with CESA, perhaps you could explain the acronym for me).

**Theo**

As I said, we are an open association so I think in a while you will see Far East members and we will see members from Turkey. But again, three yachts, delivered, and also if you look at that rule, at the moment they are not there. But it will happen, this was talked about yesterday also. If they have this proven track record, they are welcome. About 20-40 metres, I think we see a shift that yachts are becoming bigger and bigger so the formerly superyachts are from 24 metres and up, and we see there a lot of serial built and also semi customs, and I think they can function very well with the whole idea, but also ICOMIA is representing them. With ICOMIA we made a division in that way that the short range yards according MCA rules, that is ICOMIA and then in the restricted yards they are taken care of by SYBAss, and in that way you see already that it's two groups, and I don't see the need to have a third group again because we are focusing purely on you have the custom build yards, the yards where the whole system with owner representative, owners who have their influence etc, that is working. And now when we talked about these markets like the Sunseekers etc, it's completely different. And they tend to be having the same interests as the yards under the 24 metres.

**Tork**

Just to clarify then, Theo— actually it's not 3 yachts over 40 metres, it's 3 MCA LY2 full range yachts over 30 metres.

**Theo**

No I didn't say that. We just stick to the 40 metres.

**Tork**

But you were just explaining that the short range were also dealt with by ICOMIA

**Theo**

Yes but we do that for the lobby. If you have regulators you have to explain who is standing for which interest, and they understand this difference within the MCA, so that's why we focused on that difference, to get ICOMIA and SYBAss have their own interest and can work together and not let's say have a conflict of interest, who is representing who.

**Fabrizio**

If we want to embrace the 20-40 metre range as well, we would need to change the name as well. It wouldn't be superyacht anymore. Jokes aside, they are faced with different problems as far as technical problems are concerned. We are more custom yacht builders, which I think is the shortened question.

**Martin**

Any further comments? One more small email.

**Tork**

This one was actually asking whether your stats and figures would be made public.

**Theo**

No.

**Martin**

Is that legal?

**Theo**

Yes. Because I can explain it to you as luckily we have other providers like Synfo.com who also provide statistics; if we were the only providers, yes we have a legal problem. But luckily we don't have that. And yes, the members decide in an association, and they have decided that they keep this information to themselves. And in that way I'll stick to that.

**Martin**

Are you exchanging price information within those statistics?

**Theo**

No. It's even that we do not exchange gross tonnages, for example. Because there are shipyards who also said we don't want to have that. We need gross tonnages for example for the compensated gross tonnage discussion. We got these gross tonnages from the secretary but we do not even distribute them amongst our members and prices, that's even—because that would be something that is illegal and we will not do that, absolutely. Because there are too many legislators looking.

**Martin**

Tork, one more quick one?

**Tork**

This came in two parts. The first part says: Does SYBAss intend to be their own yacht show organisers? If so, would that work alongside brokers, or would it give back to brokers the space they've lost at the Monaco Show? The second follow up says but they're eager to discuss that with Michael after the session.

**Michael**

I didn't understand the second question. Can you run that past me again.

**Tork**

The second question was that the person who sent it said he's eager to discuss it with you after the session.

**Michael**

Inside, or outside?

**Martin**

Behind closed doors!

**Michael**

When we discussed it in the beginning the whole idea was, having decided that we'd try to pool our brains together to say what are we going to do, and one of the things that we could do, for instance, was to champion the cause of the members in a little bit more strong way with the organisers of boat shows and the like. And because we kind of felt that we'd got pushed back a little bit and have to sit there with our boats and our stands, surrounded by people selling carpets and other elements, they were certainly trying to do their business but not necessarily be the environment where we'd be around. And this discussion led to the idea being floated, oh let's do it

ourselves. And we said well why not. And we thought about it, and decided to organise an event, which we did, we did it in Moscow, and it was not a very successful event, it goes to show that I think we overestimated the impact we would have in Russian society— oh here come all these boat builders and we're all going to have a talk to them. It was maybe a little bit naïve, it was an interesting weekend, we lost money, and we learned that, as I said, we needed to be a little more humble, we need to identify properly what it is we were trying to do. We've decided to give it one more shot, we will be deciding at the end of the year whether we will go ahead with that, and the idea is to create a platform, to have an event, where the owners can literally see only boats, only specific boats, and these owners and possible clients will be invited by the shipyards themselves, a little bit like taking a very beautiful woman to the Oscars, you've got to be very careful there, but I believe that if we have an association between us builders, we also have to learn how to trust each other and I think one thing we learned from the Moscow event was that it does work, and we'd like to capitalise on it and see what happens. But again, we don't know if we will be doing it, when we do, what happens with the brokers, the ideas that this event would be a client only event, and no suppliers, no tenders, nothing, just simply between a shipyard and its clients, to be able to show a boat in an intimate showing. Very much along the lines of the Rodriguez Rendezvous, or the Jungert Rendezvous, or the Huisman Rendezvous. Something like this, but not brand related, but industry related. So having said all that, the answer to the question is, is it our plan to do boat shows on our own, no.

Which part of no did you not understand?

**Tork**

Well, apart from the one you just described.

**Michael**

That's not a boat show.

**Martin**

It's a showing of boats.

**Michael**

English not my native language!

**Martin**

OK, we're going to wrap it up on that so we can finish off with the last 30 minutes of the ISO standards session. I'm calling David Ralph and Luigi Scarpati to the stage please. But in the meantime Esther has a little present for Theo's office. Esther please enter stage right.

**Theo**

Who am I to look for afterwards?

**Martin**

It's a little picture we did for Theo's office in commemoration of the year of SYBAss.

**Theo**

Thank you very much.

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