

The Superyacht

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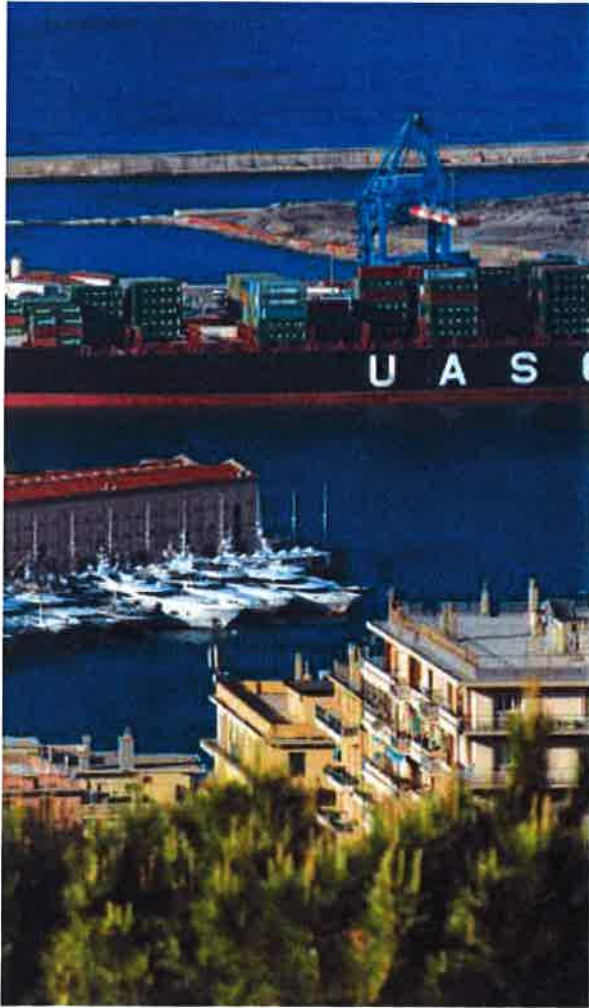
Rebecca Dark and Lulu Trask report on how the MYBA Charter Show was received by the charter industry and its status as a bellwether for this sector of the market.

An event like the MYBA Charter Show is the ultimate marketing campaign for the charter industry. It's not only the yachts that are for 'sale' for charter; it's also the crew. "The boats are all the same. At the end of the day, it's the crew that make everything," explained David Price, charter manager at Hill Robinson. "For me, it's a massive promotional tool to know that I've got a decent captain, a great chef, a chief stewardess who runs a really top inside and then a chief officer who can deal with ISM and all the safety and security, which is important for us as a management company."

A rarity at most other boat shows, the face-to-face time between captains and brokers was hailed as hugely beneficial by the captains. Captain Scott Kynoch of Trinity's 49m *Zoom Zoom Zoom* was attending the show for the first time and explained to *The Superyacht Report* how he appreciated the opportunity

to build industry relationships, and, for him, MYBA topped its Caribbean counterpart, the Antigua Charter Show. "My previous show experience has been in Antigua and I find this one a little bit more personable, just because of the fact that you've got one long dock and all the stands are on one dock. You're not spread out between three different places. When you get to meet people it's nice, you're not just another Captain Joe Bloggs," he said.

The size of the yachts at the show was a point of conversation, as were the number in attendance compared with last year's show: "Fewer yachts were present this year (a total of 54), which is probably about 20 yachts less than last year. There were also fewer really large yachts (70m+) present, but at the same time a very good cross-section of diverse yachts in different size ranges was on display," said Neil Moore, charter management director at Burgess. "As the majority of yachts were berthed on Molo Vecchio (with



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just a few on the 'Aquarium quay' and none located in another marina this year), it was practical and convenient for brokers to inspect all the yachts in the show with ease." Brokers and captains were impressed with the yachts in attendance, the show itself, and how its atmosphere differs hugely – and positively – from the Monaco Yacht Show that, for most, is arguably the most anticipated boat show in the industry's calendar. "We're not big enough to do the Monaco Yacht Show," Captain Nick James of Benetti's 37m *Dyna-R* explained, "and we're not for sale, so this show is perfect for us."

As with any boat show the competitive atmosphere is clear, yet the relaxed nature of this particular show allows yachts to enter the quest for bookings in their own way. "We're just doing brokers' lunches," revealed Captain James, sporting the much-talked-about Disney-font *Dyna-R* motif on his captain's uniform. "We're not doing the yacht hop as we're not that kind of boat. I market *Dyna-R* as a family boat, not a party boat."

A number of yachts attending the show boasted about summer bookings – *Dyna-R* and *Latitude*, for example, were already fully booked for the summer as they arrived at the show – so the test of the charter market's success was on those boats with bookings

ready to be made. So how did these yachts fare? "It's hard to say," said Captain Kynoch, mid-show. "We've had no bookings yet, but people have given very positive responses about the boat. We will have to wait to see what comes of it."

Unlike the sales industry, which can be easier to measure because new builds and sales are positively marketed when they take place, the same cannot be said for charter. In some instances it can be harder to track how this key area of the industry is faring; however, because of its atmosphere, the show allows time for discussion on this pertinent topic. "I think the show is a really good gauge," said LeAnn Morris Pliske, charter agent with International Yacht Collection (IYC). "The boats' calendars are a very good indicator of how successful the season is going to be and how booked up boats tend to be. We are in a day and age where bookings tend to be last minute. It used to be that everything was already booked. All the charter boats were chock-a-block for the whole season, so we had to think two seasons ahead, but now you can go over with a couple clients in mind that you still haven't been able to place with a boat and you can say there and then 'this is the best boat, I've just seen it and it's available'."



“Enquiries are plentiful, which is good news as it signals that charter holidays are still an appealing proposition, but the conversion rate is quite low and it’s taking considerable effort to get bookings across the finish line.”

– Neil Moore, Burgess

For the charter brokerage fraternity, it also offers the opportunity to spend some quality time inspecting the vessels and getting to know the crew so that they can then successfully match a vessel to a potential client. “I think that when charter brokers are, for example, touring a yacht, they are looking at very different things compared with a prospective client; [the crew] are focused on our needs”, said Morris Pliske. “If I was touring a boat and prospective clients came on board, of course the crew are going to cater to the prospective clients and I won’t get to see the things I need to see in order to feel comfortable booking that boat.” On the second day of the show, the MYBA Charter Seminar provided space to talk about changes to MYBA contracts. Discussed were the most relevant modifications made from the 2009 version of the contract, including the arbitration and handling of VAT in each EU jurisdiction. The main issue aired was the security aspect of the contract now being made available in electronic format, in light of the recent ‘Heartbleed’ bug and the possibility of being able to tamper with the document.

Following the seminar, Timothy Clark, senior charter broker at OCEAN Independence, responded for the Charter Committee that:

“The MYBA E-Contracts site has an SSL security certificate in order to protect confidential information. This involves encryption of transit data, encryption of the saved PDFs, the passwords and the fields containing confidential information within the document such as names of owners, etc. If the website is attacked all of this information will be illegible.

In addition, all drafts and the information contained therein are automatically deleted from the server 30 days after creation and definitive PDFs are deleted after 24 hours. As long as your contract remains in draft mode the information is stocked on the server, although accessible only to the user who created the contract and the facility IT developers. Furthermore, the developer has signed a confidentiality agreement with MYBA. The server does not store data after these delays other than the Agreement serial number and the date it was generated.

"Thanks to the serial number and the date on a contract, you can and should verify whether or not a contract you have been presented is a valid MYBA E-Contract. If doubt remains, contact MYBA and GEMEA will verify one last element. Pages 1 and 2 are modifiable, and pages 3-8 with the clauses are non-modifiable as it is an image and not a text."

It also provided a platform for services such as MTN to discuss their new 'Maestro' IT and communications system, as well as a chance for different destinations to promote themselves as favourable locations for the charter industry, such as Trieste and Porto Montenegro. "We now have charter brokers visiting Porto Montenegro on the basis that they were in the audience during the seminar and are excited to learn more," explained Becki Milton, marina sales manager at Porto Montenegro, who joined Kurt Fraser, sales and marketing director, Camper and Nicholson's Marinas, and Roberto Sponza, marina manager of Porto San Rocco, on stage. "We found the seminar particularly useful in spreading the word that embarkation in Montenegro is subject to zero per cent VAT, even if you cruise up to Croatia afterwards. Not everyone was aware of this."

While it can be difficult to gauge how successful a show has been, the term 'cautious optimism' is still being employed by the brokerage fraternity. "This is not to say it is a bed of roses. The level of bookings is currently ahead of this time last year, but it's fair to say that these are challenging times," stated Moore. "Enquiries are plentiful, which is good news as it signals that charter holidays are still an appealing

proposition, but the conversion rate is quite low and it's taking considerable effort to get bookings across the finish line. The VAT situation has not helped matters, as clients are very price driven."

Brokers themselves said at the show it's hard to predict trends and that bookings vary one month to the other, so the show's real success may only become clear towards the end of the season. ■



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