

# The Superyacht

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# REPORT

## SAILING YACHTS REPORT

We examine buying patterns and gather industry opinion on this small but dynamic sector of the market.

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## A LESSON IN CRAFTSMANSHIP

Royal Huisman's shipbuilding skills are exemplified in their new 49m Spirit of Tradition ketch, *Kamaxitha*.

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## A STELLAR PERFORMANCE

Allowed unprecedented access to *Galactica Star*, we preview Heesen Yachts' largest project to date.

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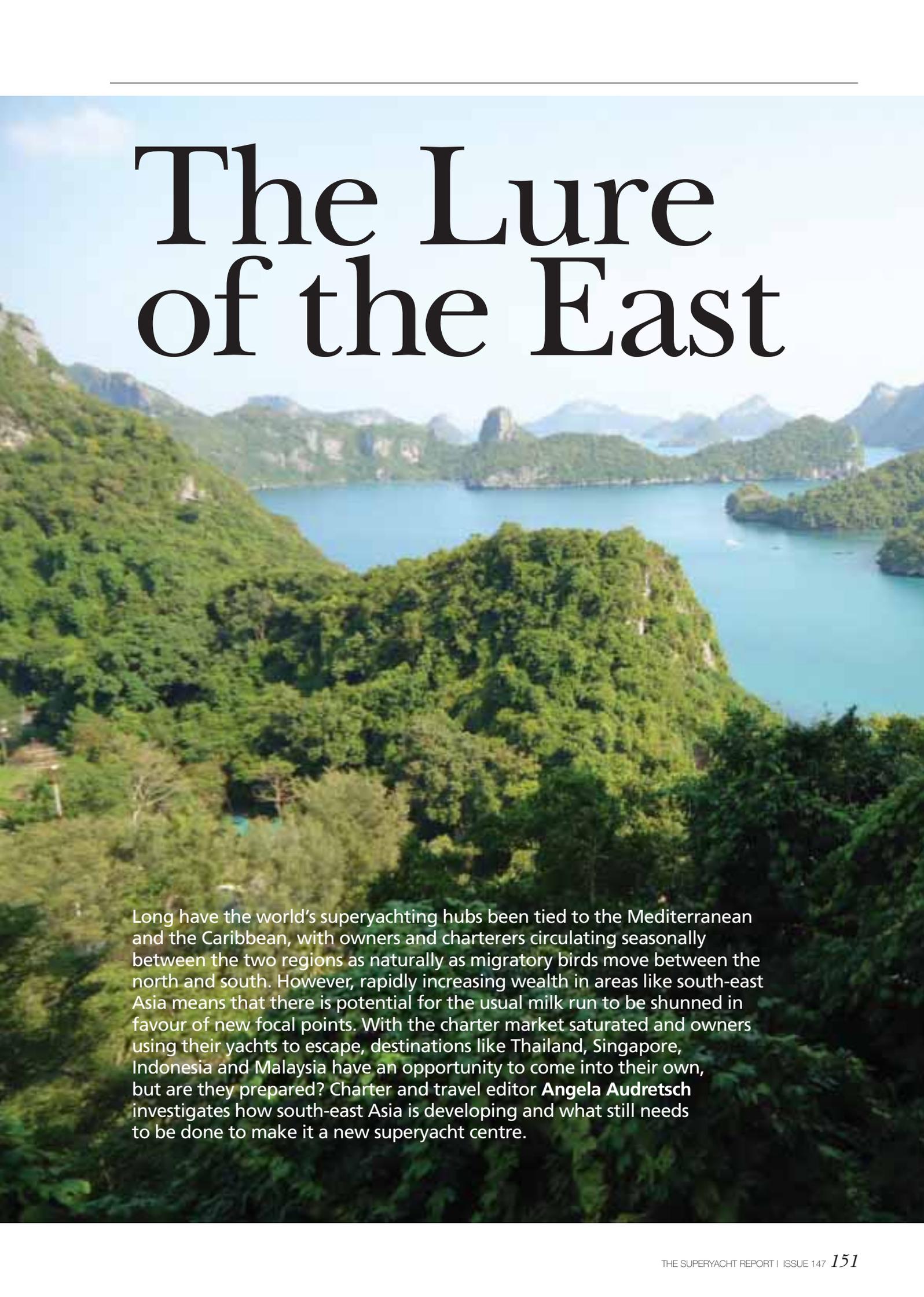
## A HYBRID THAT MAKES SENSE

With its racy exterior styling, Palumbo's new Columbus Sport Hybrid looks set to make an impact.

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# The Lure of the East



Long have the world's superyachting hubs been tied to the Mediterranean and the Caribbean, with owners and charterers circulating seasonally between the two regions as naturally as migratory birds move between the north and south. However, rapidly increasing wealth in areas like south-east Asia means that there is potential for the usual milk run to be shunned in favour of new focal points. With the charter market saturated and owners using their yachts to escape, destinations like Thailand, Singapore, Indonesia and Malaysia have an opportunity to come into their own, but are they prepared? Charter and travel editor **Angela Audretsch** investigates how south-east Asia is developing and what still needs to be done to make it a new superyacht centre.



Asia has been on the superyacht radar for a while now with the more intrepid owners and charterers, but it is still not a natural superyacht base, and cruising in the region is very much in its infancy. “Compared with Europe or Australia or North America, there are very few boats in Asia,” said Andy Treadwell, Singapore Yacht Events, organiser of the Singapore Yacht Show & Phuket Charter Show. “There are more yachts in one average-size marina in France than there are in the whole of Thailand, the main hub for the yacht charter industry in Asia.” While this dearth of large yachts in the region can be put down to several things, one of the primary reasons is certainly the lack of infrastructure.

There are more deserted islands, cruising havens and dive locations than in the whole of the Caribbean and the Mediterranean put together.

The region is one of contrasts. While location-wise south-east Asia is arguably matchless for what it offers in terms of cruising grounds, the standard of marinas can vary significantly from one to another and the basic superyacht services are considerably underdeveloped. Captain Philippe Cathala of M/Y *Calisto*, who has been based in Phuket since 1985, told us recently that while he rates the marinas in Phuket, Thailand and Langkawi, Malaysia, there is generally a distinct lack of harbours in the region to support superyachts. Indonesia, for

example, which covers an area the size of mainland USA, only has one marina, Bali’s Benoa Harbour. “We are short on facilities here in a big way,” agreed Richard Lofthouse of Asia Pacific Superyachts in Indonesia. “We have enough to get by, but it really is not geared for boats coming and staying to explore over a period of a year or more.”

Marinas aside, general superyacht facilities in south-east Asia are also patchy. Gordon Fernandes, who covers Thailand and Myanmar for Asia Pacific Superyachts, commented that there is a lack of yard facilities in Thailand and that the whole area needs decent yards that can cater for yachts. Steps are already underway to provide for superyachts, however, with Phuket-based Yacht Solutions announcing a deal earlier this year with ItalThai Marine to set up a 112,000sqm superyacht refit and repair facility just south of Bangkok. The facility will be a welcome yard option for resident superyachts and those passing through.

Right now, though, Malaysia seems to be the place to go for shore-based services. Wavemaster Langkawi Yacht Centre has haul-out and hardstand facilities for up to 500gt and can carry out custom refits, repairs, engineering and painting. “Lots of yachts are doing work such as stainless and paint work while they base themselves in the marina there,” Fernandes explained. “One of our regular clients, a 55m *Feadship*, is arriving early this year so that they can carry out work before the

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3. Refit
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owner arrives.” He told us that there is a high standard of stainless work, coupled with very competitive prices. For many, the draw of the region isn’t tied to its services and facilities though. “Infrastructure in remote places is still limited, but, perversely, that is part of the charm; it is precisely the reason visitors are starting to come,” said Treadwell.

Ask most brokers and they will tell you that privacy is one of the main reasons people buy or charter a superyacht. Exotic, quiet and unpretentious, south-east Asia is the antithesis of places like the south of France, and seclusion, adventure and untamed beauty can be found in abundance. There are more deserted islands, cruising havens and dive locations than in the whole of the Caribbean and the Mediterranean put together. When recently telling us about his time in Indonesia, Chris Lenz, owner of S/Y *Silverlining*, was quick to highlight this: “If you want perfection, go to Europe or the Caribbean; if you want adventure, beauty and the experience of a lifetime, go to Indo,” he said. “Expect and embrace the unusual, for that is why you are here.”

For those who prefer the security and facilities of a marina, developments are underway or in the pipeline in much of the region. In Thailand, following the announcement that it will be hosting Phuket’s first charter show, Phuket Yacht Haven Marina will be undergoing a major redevelopment that will add an additional 40 superyacht berths, 30 of which will be ready by December 2014. “For several years we have been aware of the need for a world-class superyacht marina in Phuket with all the facilities that experienced and discerning yacht owners from the Mediterranean have come to expect,” said proprietor Jean Phataraprasit. “We have finally been able to bring the Yacht Haven project to fruition, and we are thrilled to be able to play a major part in developing the yachting industry in Asia, with all the economic benefits that it can bring.”

Nick Coombes of Asia Pacific Superyachts Malaysia told us that there are always developments underway

in Malaysia and at the moment the government is building several sites, including Puteri Harbour, which will have 200 berths and be able to accommodate yachts up to 60m. In Indonesia, Andy Shorten, founder of The Lighthouse Consultancy, a superyacht consultancy group based there, revealed that a couple of marina developments are on the table in Bali,

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“It needs to be understood that if marinas were constructed in Indonesia, the fringe facilities of these projects are unlikely to support a significant yachting community in the remote areas.”

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as well as one in Lombok and several potential sites closer to the coveted cruising areas of Komodo National Park and Raja Ampat. All positive signs, but he warned that there are always challenges in getting the plans approved and funded. “Large-scale developments are often a challenge to get off the ground in our part of the world,” he cautioned. “It also needs to be understood that if marinas were constructed in Indonesia, the fringe facilities of these projects are unlikely to support a significant yachting community in the remote areas. The concept of marinas with multiple long-stay vessels, crew having a choice of restaurant, on-site chandlery, mechanic and engineering services and other requirements that the yachting community may be used to in Europe or the Caribbean is pretty foreign to the average local resident of Bitung, Sorong or Labuan Bajo.”

PHUKET, THAILAND – DRESS PARADE DURING ASIA SUPERYACHT RENDEZVOUS.





PHUKET YACHT HAVEN MARINA, WHICH WILL BE UNDERGOING A MAJOR REDEVELOPMENT THAT WILL ADD AN ADDITIONAL 40 SUPERYACHT BERTHS, 30 OF WHICH WILL BE READY BY DECEMBER 2014.

15 years ago the industry saw a flurry of activity of owners sending their yachts to Thailand and Malaysia, but the demand didn't follow.

The number of visiting charter yachts and locally based yachts in Asia is increasing every year, signifying a growing awareness of the region. "I can still remember when you could set your clock to mid-March and there would not be a superyacht in sight in Phuket after this date," Fernandes recalled. "Now more and more superyachts are basing themselves here, as owners are buying villas and staying here during the cold European winter months." Lofthouse feels that Phuket was really the destination that kick-started the growing popularity of the region and the rest of south-east Asia has followed suit. Shorten told us that Indonesia has seen a noticeable increase in the number of vessels, with around 50 superyachts visiting the region in the last year alone, and yachts in the 80m to 100m bracket becoming a more regular sight. For those based in south-

east Asia and witnessing the changes and developments taking place first hand, the outlook is undeniably positive, but how is the region perceived by outsiders?

Charter has always been an integral part of ownership for many – a way of offsetting costs – but today the market is so saturated that making your yacht stand out from the competition in traditional cruising locations is difficult. Does south-east Asia offer a solution and is this an opportunity to tap into a new pool of charterers interested in a destination off the beaten track? Most brokers are still undecided. While they are reporting that they are working with more yachts in the region that ever before, they are still reluctant to actively encourage owners to relocate for the purpose of chartering their yacht.

"South-east Asia is a growing market," said Tom DeBuse, charter manager at Y.CO, "but there still isn't the demand out there quite yet." Fiona Maureso of Northrop & Johnson described it as a "chicken and egg" situation, while DeBuse wondered if business follows yachts or if yachts follow business. "Owners won't take their yachts there unless there is a demand, but there won't be the demand unless there are the yachts," said Maureso who recollects how about 15 years ago the industry saw a flurry of activity of owners sending their yachts to



## MARINA FACTS

### MALAYSIA

- Rebak Island Marina**  
Dockage space for yachts up to 35m
- Langkawi Yacht Club**  
Berths for yachts up to 60m
- Tanjong City Marina**  
Berths for yachts up to 50m
- Admiral Marina & Leisure Club**  
Pontoon for up to four superyachts
- Sebana Golf and Marina Resort**  
Berths for yachts up to 80m
- Sutera Harbour Marina**  
Berths for yachts up to 55m

### SINGAPORE

- ONE degrees 15 Marina Club**  
Berths for yachts up to 50m

### Marina at Keppel Bay

Berths for yachts up to 75m

### Raffles Marina

Berths for yachts up to 100m

### Republic of Singapore Yacht Club

Berths for yachts up to 30m

### THAILAND

#### Royal Phuket Marina

Facilities for yachts up to 35m

#### Ao Po Grand Marina

Berths for yachts up to 80m

#### Yacht Haven Marina

Berths for yachts up to 80m

### INDONESIA

#### Benoa Harbour

Pontoon for three yachts up to 60m

Thailand and Malaysia, but the demand didn't follow. "I'm still very cautious in advising owners to take their boats down there because we can't guarantee the business."

Part of the problem undoubtedly comes down to legislation in the region. In Indonesia, for example, foreign flagged yachts are not permitted to charter, limiting the number of vessels cruising in the region. Similarly, Thailand's outdated laws and taxes on foreign yachts chartering in its waters are also restricting its growth. The result is that most yachts charter out of Singapore or Malaysia; good for the few in the short term, but significantly restraining the expansion of the region as a whole, something that is detrimental to everyone in the long run. "The problem is that it takes many different departments to change the law and so

**"When we brought in a superyacht for the first time [to the Jakarta Boat Show] with a helideck five years ago, she was classified as a military threat!"**

it's a long process," said Fernandes. It is well recognised within the industry that government support is central to the industry's development anywhere in the world – you just have to look at the effect Spain's matriculation tax had on its charter industry – and being in its fledgeling state, south-east Asia is even more dependent on its governments' support. At this year's Singapore Superyacht Conference, which looked at Asian expansion, it was

## PIRACY

**Piracy has always been something that, unfortunately, has tainted people's views of south-east Asia. Running between Malaysia and Indonesia, the Strait of Malacca has traditionally had a reputation as one of the ocean's pirate hotspots. While collaborative efforts since 2004 by the nations most affected, mainly Malaysia, Singapore and Indonesia with some cooperation from Thailand, have meant that the Strait is safer than before, caution is still advised. James Howard-Higgins, director at anti-piracy and maritime security consultancy group Orchid Maritime, commented:**



Piracy in south-east Asia is on the increase and superyachts need to be aware of the current trend. Today's threat to superyachts is one of general criminality and not the pattern of hijack and kidnap for ransom that we have seen in the Indian Ocean in recent years. There are isolated pockets of criminal gangs operating in the Indonesian archipelago, Vietnam and Papua New Guinea. With inadequate security in some anchorages and in many of the ports in Asia, superyachts should increase their normal levels of security watches and raise general security awareness amongst the crew.

Incidents of armed robbery to the east of the Singapore Strait are an ever present concern; unprotected or unalert superyachts provide criminal gangs the opportunity to board, putting crew members in danger of assault. There have been five commercial vessels boarded within 50nm of each other to the east of the Singapore Strait in 2013, and criminals armed with machetes and guns have assaulted commercial shipping crews in three of these incidents before stealing ships' equipment, cash and personal belongings. With no indication of increased security patrols of the area by local navies, it is likely this type of crime will continue.

When navigating in the South China Sea and the Singapore Straits, we recommend that superyachts fully implement anti-piracy measures and operate at a heightened state of readiness, maintaining a 24-hour watch. Extra vigilance is recommended during the hours of darkness. While at anchor or alongside in the ports and marinas of south-east Asia, all non-essential access points should be locked. Early assessment and detection will allow superyachts to take evasive measures to prevent boarding and provide ample time to request local naval or law-enforcement support, but in the event of a superyacht being boarded, the crew should try to remain as calm as possible, not provoking their attackers into the use of violence. ■

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highlighted that not only did each country need to lobby its government but also that collaborative marketing was key to selling the unique cruising grounds of south-east Asia.

Boat shows are a tried and tested way to market the industry, and over the last few years, boat shows in the region have evolved from slightly confused affairs run by yacht clubs for their members to professional, relevant boat shows looking to attract serious business. The Singapore Yacht Show in particular has come into its own as a serious yacht show, adapting and evolving over the last three years; this year alone it more than doubled its visitors. The Asian

*“We want to introduce the yachting lifestyle to the fast-growing potential client base here – there is a lot of wealth, but, as yet, little experience of boating.”*

Superyacht Rendezvous, Asia’s longest running superyacht show, welcomed 10 superyachts to Phuket last year, including M/Y *Helix*, S/Y *Twizzle* and M/Y *Calisto*, and continues to be a key focus of the show calendar in the region. This year also saw the first Jakarta Boat Show. “It is a great step forward,” said Lofthouse. “When we brought in a superyacht for the first time with a helideck five years ago, she was classified as a military threat!”

The latest addition to the south-east Asian show line-up is the recently announced Phuket Charter Show. “We see this huge region – from Myanmar and the Andaman Sea, to Australasia and the Pacific Islands – as being very important for the international industry,” said Treadwell, who is managing director of organisers Singapore Yacht Events. “This event is being launched with the support of all the local industry, and will help to showcase everything the Asia-Pacific region has to offer as a stunning charter and cruising destination. At the same time, we want to introduce the yachting lifestyle to the fast-growing potential client base here – there is a lot of wealth, but, as yet, little experience of boating.”

This is a crucial point if the south-east Asian market is to really grow: it must attract local wealth. Home to some of the world’s

fastest developing markets and sources of financial power, the region surpassed North America two years ago as home to the most millionaires. For our industry this means an ever-growing pool of potential owners and charterers. But unlike the west, there is little yachting tradition in the region, and consequently attracting them means understanding and adapting to their culture. “We find that Asian clientele prefer new motorboats and will take day cruises or short overnight cruises of two to three days, staying close to a main holiday resort,” said Treadwell. “Large motoryachts are still scarce and mainly used by their owners; the average is from 70-120ft and overnight cruises are not in demand so much.”

In previous years it might have been easy to condense the landscape of the superyacht market in this region into a short article, but it is telling that today we could almost fill the entire magazine with a regional report on south-east Asia. While the infrastructure isn’t quite there yet and there is still a way to go before it is a destination that will attract the same clientele that the Med or Caribbean does, it is developing rapidly. The undeniable superyacht strongholds at the moment are still Phuket, Singapore and Malaysia, but it is only a matter of time before the region’s sleeping giants – Indonesia, Myanmar, Vietnam, Borneo and Cambodia – come into their own.

The growth of the region’s superyacht industry is dependent on several intrinsically linked factors such as improving infrastructure, developing marinas, attracting local UHNWIs, and changing restrictive legislations. This certainly won’t be a short game, but give it time, and the region looks like it will come out as a winner. ■

**Image: courtesy of Asia Pacific Superyachts, Puket Yacht Haven Marina and Justin Ratcliffe/superyachtimages.com**

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