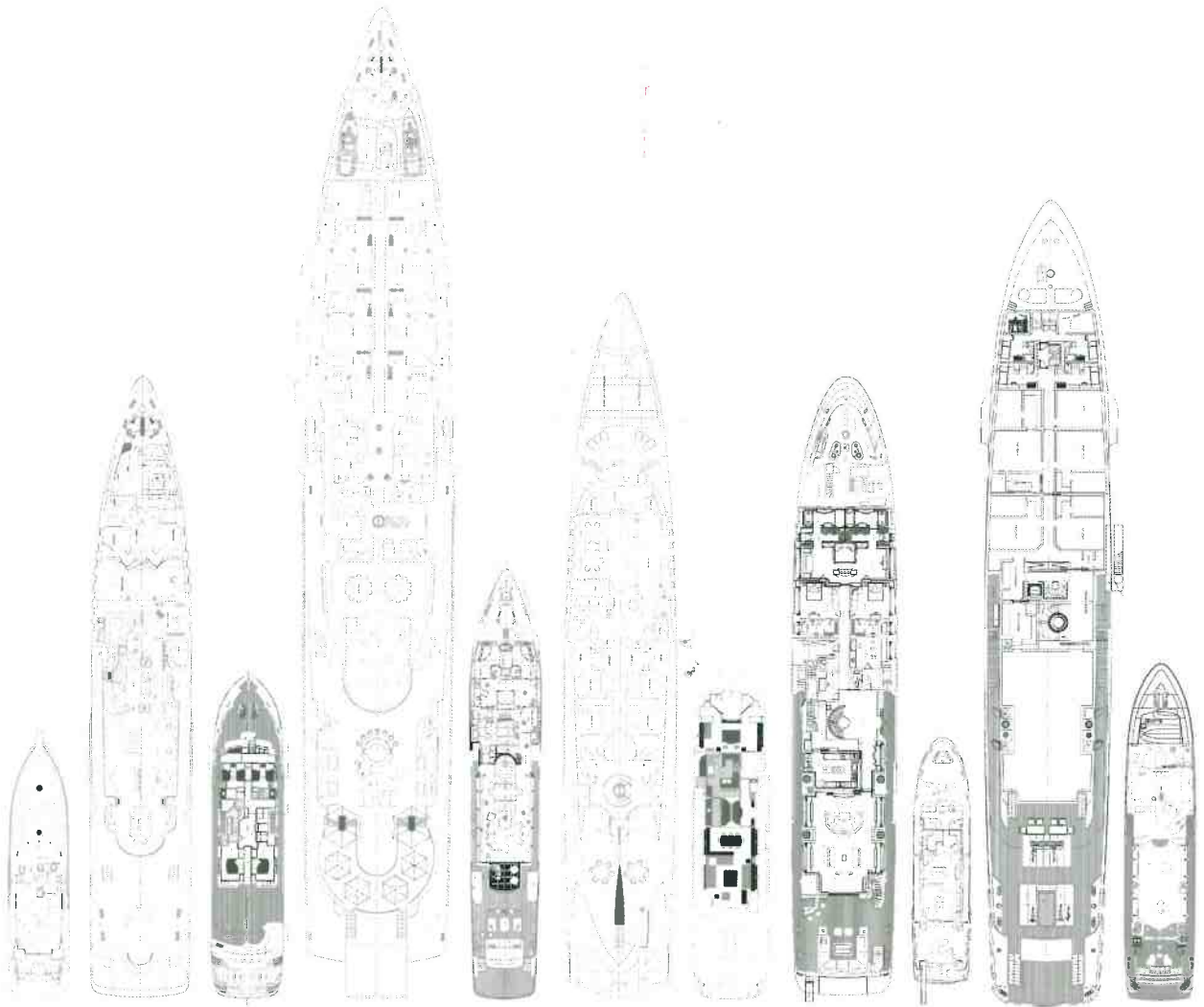


# The Superyacht

TRUTH • OPINION    KNOWLEDGE • IDEAS    AND EXPERT INDUSTRY ANALYSIS



# ANNUAL REPORT

THE YEAR IN VIEW  
A graphical showcase of 2013

COUNTRY REPORTS  
With detailed analysis and

incorporating

THE SUPERYACHT MARKET REPORT



# The United States of America

The state of the order book of the USA's core builders is a mixed bag, with some doing very well and others still struggling to secure orders. The USA is an important market base for the industry as a whole, both in terms of numbers of clients and in terms of major industry suppliers, brokers and new build and refit yards. The America's Cup did not drive the high levels of yacht tourism that was anticipated to the country, but nonetheless there was a definite surge of refit work for American yards for those yachts that travelled to the USA for the event. Focusing on 'Brand America' and promoting its benefits continues to be a goal for the American superyacht sector as it looks to grow.

## How do you think the superyacht sector in the USA performed in 2013? What were the highs and lows?

### JOE FOGGIA, CEO, CHRISTENSEN

As we generally operate on a global basis we are not really in a position to isolate the USA market. What we can say is that generally the USA has a passion, a tradition and a natural affinity with yachting whether as an owner or as a professional working in the industry and this is as healthy as ever. Certainly in terms of numbers involved, the USA punches above its weight in the superyacht industry. While it may be seen as disappointing that ownership of some of our manufacturers has passed overseas, this is a fact of life in a globalised world and it doesn't detract at all from the quality that is capable of being produced in the USA. The USA has always had a very strong maritime service sector tradition and there is no sign of this being eroded in any way.

### DERIK WAGNER, MANAGING DIRECTOR, MTN

As a service provider in the superyacht industry, MTN has seen business pick up in 2013, with consistent signs of recovery from the recession. More yachts entering US service and refit yards are performing long overdue maintenance. US brokers are registering more sales than in previous years, which is proof of a stronger market and we hope to see this uptick increase. One of the biggest highs in 2013 was the launch of *MY Invictus* from Delta Marine in Seattle. She is a 66m/216ft beauty and is one of only three yachts more than 61m/200ft ever launched in the USA since the 1930s. This elite list would include Delta's 73m *Laurel*, launched in 2006, and 86m *MY Cakewalk*, launched in 2010, from Derektor Shipyards in New York

Total yachts delivered to date:	817
Total LOA of yachts delivered to date:	30,920m
Average LOA of deliveries:	37.8m
Percentage share of delivered fleet:	17%
Number of yachts delivered in 2013:	10
Number of yards that made deliveries in 2013:	5
Number of yachts in build (as of 1 Jan 2014):	30
Total LOA of yachts in build:	1,414m
Average LOA of yachts in build:	47m
Percentage share of total GOB:	7.5%
Number of yards with orders (as of 1 Jan 2014):	7

### CARLOS VIDUIERA, VICE-PRESIDENT, RYBOVICH

The superyacht sector in the USA had a comeback in 2013. Demand from deferred maintenance was combined with new owners coming into the marketplace to create an overall increase in demand for maintenance and refit services.

## What are your predictions for 2014 and what will be the key challenges for your sector in 2014?

### JOE FOGGIA, CEO, CHRISTENSEN

After FLIBS and now going into 2014 we will see more contracts signed; at present, we are receiving inquiries from all over the globe, and I presume other shipyards are seeing the same activity. Some challenges for the USA shipyards are going to be securing prices for materials that they can count on, and re-establishing their brand through quality and being built in America.

### DERIK WAGNER, MANAGING DIRECTOR, MTN

In 2008, more than 275 yachts were delivered – a historical moment in the superyacht industry! Five years have passed since then and all these yachts are due for their five-year refit next year, plus all the 2003-2004 new builds are due for their 10-year refit. This will boost the refit business, and American refit yards have a great role to play there. So, I predict that the service and refit side of the business will continue to improve. On the new build side of the business, many Americans are also returning to their luxury pastimes and I think this is a great opportunity for US manufacturers. I would like to see them and even see how suppliers, such as MTN, can partner to help



JOE FOGGIA



DERIK WAGNER



CARLOS VIDUIERA

### CARLOS VIDUIERA, VICE-PRESIDENT, RYBOVICH

We are expecting the marketplace to maintain its 2013 levels throughout 2014. The key challenge for all refit yards will be to continue to improve the quality of service provided to the customer.

## Which country do you view as your biggest competitor and why?

### JOE FOGGIA, CEO, CHRISTENSEN

I don't view us as having competitors anywhere because when there are 'motivated buyers' Christensen sells yachts. When the world situation as a whole is perceived as stable, I believe there is plenty to go around for all pedigree shipyards that sell on the overall quality of the product and the experience, not on the basis of price.

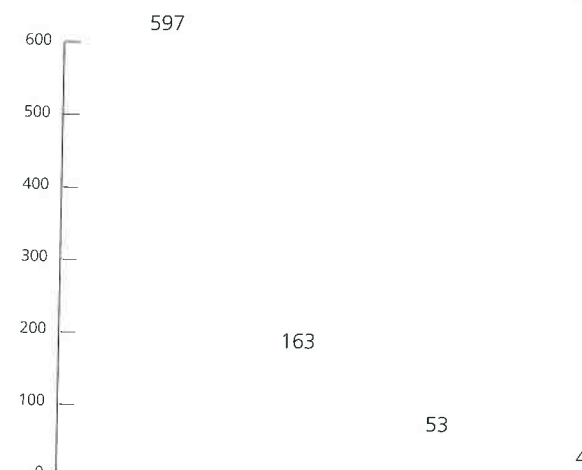
### DERIK WAGNER, MANAGING DIRECTOR, MTN

On the manufacturing side, I would say Germany is in a different league in building the largest yachts in the industry, while Holland is in the lead with more quality custom yachts being built every year. Italy takes first place for pure numbers, while Turkey and China are becoming bigger players with more orders in coming years. On the service and refit side, I would say Spain with MB'92 in Barcelona, and Astilleros and STP in Palma de Mallorca.

### CARLOS VIDUIERA, VICE-PRESIDENT, RYBOVICH

At Rybovich we believe that the yacht can receive the best service by returning to the original manufacturer. As a result, we see many of our customers returning to Holland, Germany and Italy for extended refit work. For more routine maintenance when cruising the Mediterranean, our customers most often find it convenient to utilise facilities in Spain.

## NUMBER OF DELIVERIES TO DATE BY SIZE CATEGORY



## Why should owners choose to work with professionals within your sector from the USA above all others?

### JOE FOGGIA, CEO, CHRISTENSEN

I am a firm believer that if the owners made the majority of their wealth in America (whether they are American or not) they should spend their money in America. The only way to make American shipyards better is to re-invest by putting American workers back to work, thereby enhancing creativity and technology, and emphasising that the purchase is based on quality and not price. Price and competitiveness must be emphasised through eliminating waste, which American shipyards must continue to improve if they are going to succeed.

“Some challenges for the USA shipyards are going to be securing prices for materials that they can count on, and re-establishing their brand through quality and being built in America.”

### DERIK WAGNER, MANAGING DIRECTOR, MTN

US suppliers have made incredible headway breaking into a global industry. They have proven they have the expertise and quality vessels to match, and in many cases exceed, what is seen coming out of non-US suppliers. With efforts such as the United States Superyacht Association (USSA) serving as the voice of the US Superyacht Industry, we have been able to focus on improving government legislation on national and regional levels. This is making it easier for yachts to come to the US without hassle or taxation issues. All things considered, more yacht buyers and yacht owners should be looking at how to take advantage of this value and benefit in the US market, and the great work and vessels we are putting out.

### CARLOS VIDUIERA, VICE-PRESIDENT, RYBOVICH

For routine maintenance, superyachts tend to choose facilities based upon proximity to their intended cruising grounds. For more sophisticated projects, certain facilities are uniquely qualified to complete specific types of work on time and on budget. Owners and their representatives should research the marketplace and choose the ideal facility for their intended work. In many cases, their due diligence

## How would you like to improve your business for the better?

### DERIK WAGNER, MTN

The superyacht world is all about the 'wow' experience and this is what we strive to provide our clients. We are on a mission to better serve, support and surprise our clients with innovative and easy-to-use efficient technology. The simpler our products and services are for our customers, the more they will efficiently support our customers' needs. Satellite communications can seem very complicated. We're here to create, drive and manage the technology and make it seamless for our customers.

### MATTHEW FISHER, DUBOIS YACHTS

I would like to see growth in Asia and South America both as a source of new clients and also as fantastic cruising grounds.

### JOE FOGGIA, CHRISTENSEN SHIPYARDS

Christensen Shipyards adopted "Kaizen" [Japanese for "improvement" or "change for the best"] over the last three years; therefore, Christensen has a culture of continuous improvement. By sustaining our culture we are always improving it.

### MARGIT BURSINSKI, PANTAENIUS

Continue to provide the highest level of service for our clients while increasing our business!

### ROB LUIJENDIJK, AMELS

Bring even more efficiency to our production processes and get the product to the market faster.

STAND OUT IN THE CROWD & MAKE A DIFFERENCE!

FAROUK NEFZI  
FEADSHIP

### FAROUK NEFZI, FEADSHIP

Feadship takes pride in building the best pure custom yachts based on new technology, innovation, skills and sophistication. We will keep looking for improvements in each area where efficiency takes centre stage. Our most important asset is to maintain our continuous investments in R&D to secure what Feadship has always done: building yachts with complicated technologies, but where all systems are integrated well with each other, enabling our audience to execute their dreams the way they are supposed to. Yacht building should be an amazing experience.

PROVIDING A CUSTOM SERVICE AS UNIQUE AS EVERY CUSTOMER!

DERIK WAGNER  
MTN

BUILDING A SUCCESSFUL BUSINESS IS FUN AND FULFILLING – I WANT MORE FUN!

JOHN WYBORN  
BLUEWATER YACHTING

### JONATHAN BECKETT, BURGESS

Our daily business world is constantly changing and one needs to be perceptive, agile, nimble, flexible, progressive, smart and quick to get ahead and stay ahead. Change is always difficult to implement. I would like to have the ability to make change from A to Z without having to go through the B to Y motions!

### JOHN LEONIDA, CLYDE & CO LLP

By increasing what we know about the industry and putting ourselves in a position to better explain it to others.

### Did you increase or decrease the number of full-time staff you employ in 2013?

INCREASE  62%

DECREASE  16%

REMAIN THE SAME  22%

THOSE BUSINESSES THAT INCREASED THEIR WORKFORCE DID SO BY AN AVERAGE OF 15%

THOSE BUSINESSES THAT DECREASED THEIR WORKFORCE DID SO BY AN AVERAGE OF 25%

### Do you plan to increase or decrease the number of full-time staff you employ in 2014?

INCREASE  70%

DECREASE  3%

REMAIN THE SAME  27%

THOSE BUSINESSES PLANNING TO INCREASE THEIR WORKFORCE WILL DO SO BY AN AVERAGE OF 16%

THOSE BUSINESSES PLANNING TO DECREASE THEIR WORKFORCE WILL DO SO BY AN AVERAGE OF 15%

## How would you like to change the industry?

**JIMMY FLOYD, BRADFORD MARINE**

In years past there seemed to be a lot more loyalty; I'd like to see a shift back towards that as well as an increase in professionalism.

CONTINUE TO OFFER OUR CLIENTS (NEW & EXISTING) THE BEST POSSIBLE PRODUCTS IN THE MARKET WHILE PROVIDING AN EXCELLENT CLAIMS SERVICE.

MARGIT BURSINSKI  
PANTAENIUS

**JOHN WYBORN, BLUEWATER YACHTING**

We would like to train crew to give them the tools they need to help our owners and charterers enjoy their yachting experience. The training that takes place on board is the most important of all, but currently the most neglected. It is imperative that we turn this around; senior crew must devote their time to encouraging and mentoring the newcomers.

**JONATHAN BECKETT, BURGESS**

The yachting industry is growing up. It was a cottage industry 25-30 years ago and now it is big business but with personality. We are gradually leaving behind the era when making a quick killing was par for the course by some players. I would like to see the professionals who make long-term commitments to growing their companies prosper.

**VINCENZO POERIO, BENETTI**

To become more professional, to give more strength to the associations of yards by supporting the captains and surveyors.

**ROB LUIJENDIJK, AMELS**

As a builder we are not in a position to change the industry, but within our supply chain we are continuing to optimise processes and stimulate product innovation and service to our end-users.

**ERIC ROBERT-PEILLARD, MONACO MARINE**

By reinforcing long-term relationships with customers so that we move towards real partnerships, where the refit shipyard becomes a back-up depository for any technical items on board.

**FAROUK NEFZI, FEADSHIP**

It would be good to put more emphasis on the pleasure of yachting as an industry, rather than profiling the product mainly in size, speed or expense. Entering the yachting lifestyle is all about adventure, dreams, relaxation, family, social time, etc. In the end, clients wish to enjoy their time on a yacht, with family or friends. We also need a media landscape to help our audience value the different brands.

KEEP ON DELIVERING ON OUR PROMISES!

ROB LUIJENDIJK  
AMELS

**JOE FOGGIA, CHRISTENSEN SHIPYARDS**

We will change in accordance to our customers' requests. I imagine the industry will do the same. Some forget that it is the customer that drives our industry.

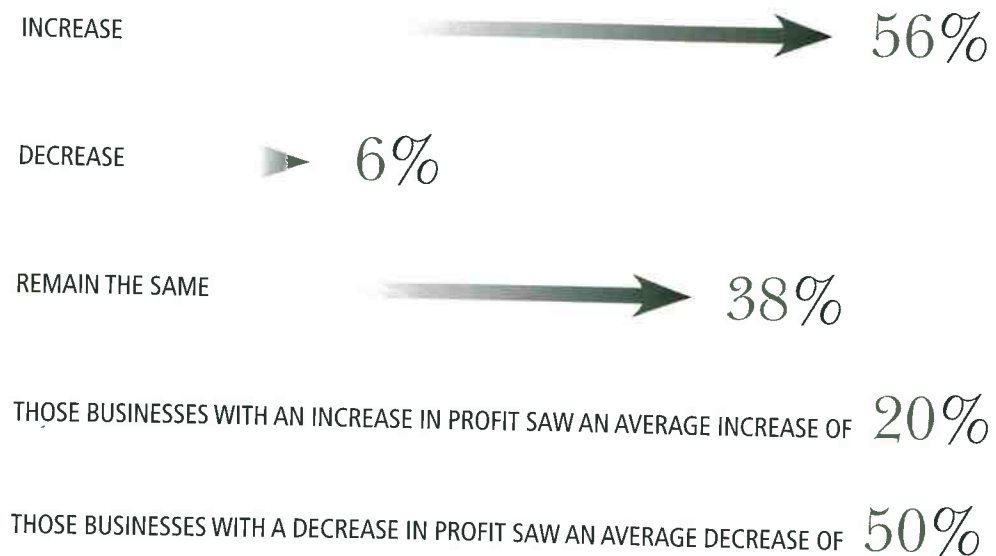
PASSION, PEOPLE AND A LOT OF DREAMS.

VINCENZO POERIO  
BENETTI

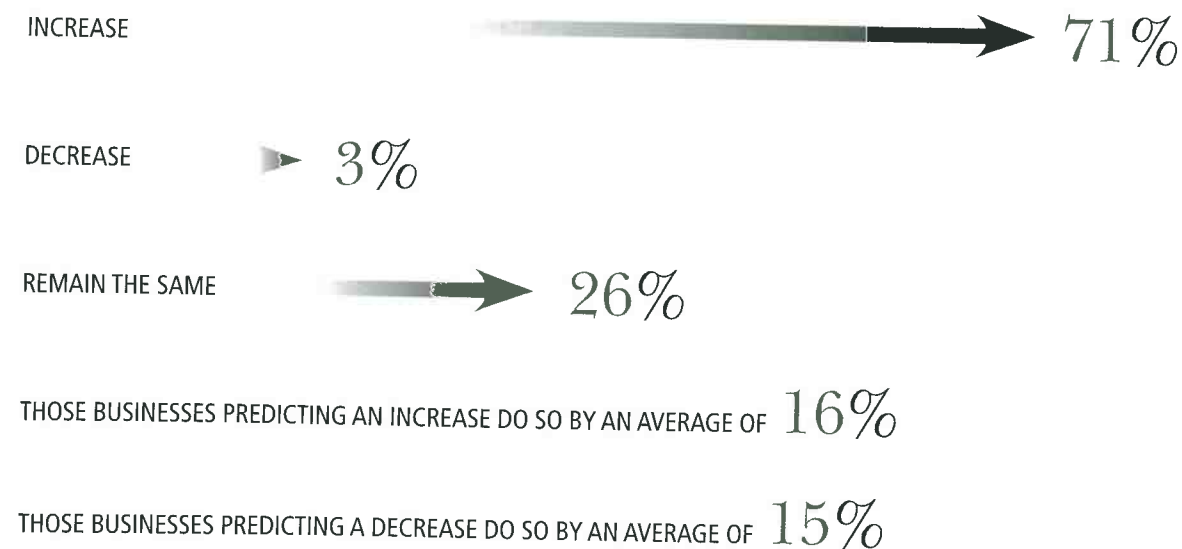
**PETER HÜRZELER, OCEAN INDEPENDENCE**

We do not need to change the industry, but we have to stay aware of the importance of the impression brokers are giving as a group of professionals to existing and new clients as well as other industry players like suppliers, captains and crews, etc. There are more superyachts now than ever before and clients are incredibly diverse. This naturally calls for a great diversity in brokers, but there is still a need to maintain a certain standard of business practices across the industry to ensure that inherent goodwill and fairness are not lost, as clients are understandably sensitive to this. So we hope that the various industry players will remember the need to (also) invest sufficient time in the long-term development of the industry as a whole, versus just going for the quick deals only.

### Did your profit (financial gain) increase or decrease in 2013 compared with 2012?



### Do you predict your profit to increase or decrease in 2014 and beyond?



## With so many new businesses entering the market, what advice would you give to new business players?

### MARGIT BURSINSKI, PANTAENIUS

The owner should be kept happy by all industry players. The focus should always be on providing the best possible service, maintaining a high level of professionalism and remembering who your end customer is.

### JOE FOGGIA, CHRISTENSEN SHIPYARDS

Know and solidify your costs on labour and materials before commencing with a contract.

### DERIK WAGNER, MTN

Think global but service your customers as if they were local.

### MATTHEW FISHER, DUBOIS YACHTS

Focus on the long game, listen to your clients.

### ROB LUIJENDIJK, AMELS

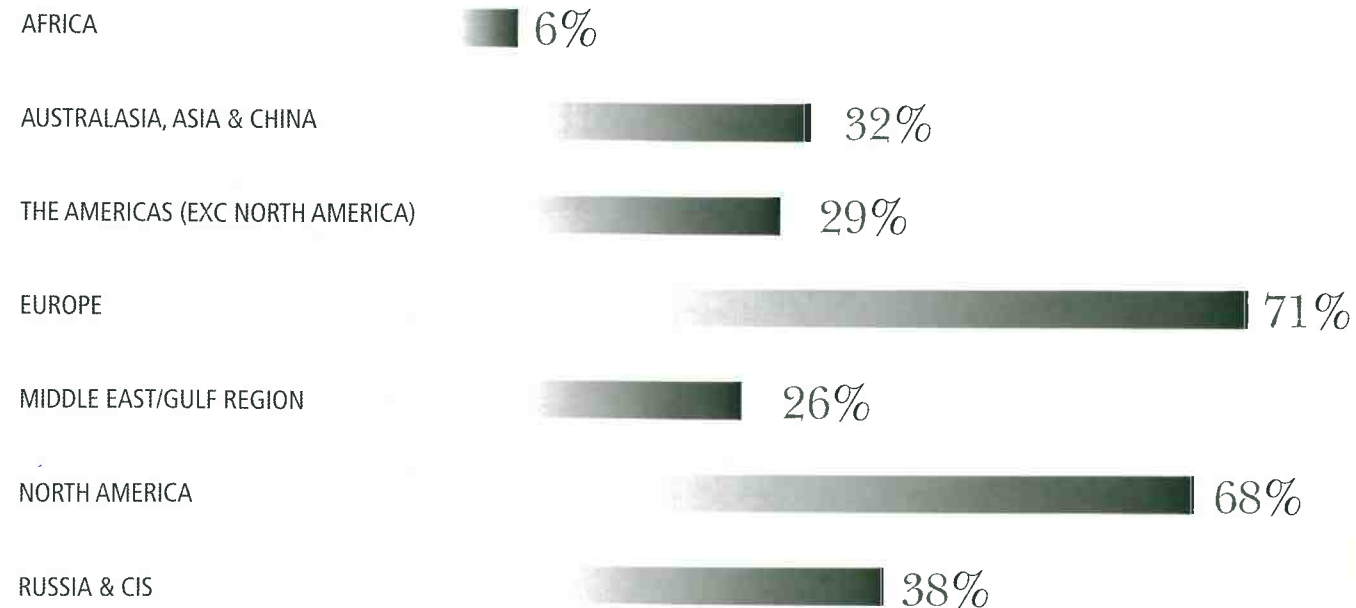
Beware, within the superyacht industry all that glitters is not gold! The superyacht industry is a global business but with strong local and cultural business ethics.

WORK HARD –  
PLAY HARD –  
& THEN WORK  
EVEN HARDER!  
BRING ON 2014!

JONATHAN BECKETT  
BURGESS

### Which geographical markets are most active for you now?

[Respondents could tick more than one answer]



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