

CHINA'S YACHT INDUSTRY IS BOOMING



Seemingly, China's yacht industry will increase the number of leisure boats in country from 3,000 to staggering 100,000 by 2020, with yacht business value estimated at around 50 billion yuan (\$8.16 billion).

The fact that government is supporting marine tourism is a positive signal for our industry, Zheng Weihang said, secretary general of China Cruise and Yacht Industry Association. He also pointed out the increase in infrastructure for yachts.

Industry insiders have openly said that yacht manufacturers are finding numerous ways to make boats simpler to use and operate.

Lars Petersen, manager of Jepsen Marine and the sole dealer of UK Fairline and Riva (Italian yacht brand) has stated that yacht industry in China is currently in first phase, but he is expecting that it will soon move to next stage in terms of different and more modern use of boats. Next stage would mean that customers will change their boats usage from primarily business purposes to various entertainment activities, Petersen said.

Private yachts are marking increased sales this year, which are also an indication of China's improved luxury patterns.

It has been stated, by Fortune Character institute, that total revenue of China's yacht market had reached staggering 1.76 billion yuan last year. **These figures are also showing that annual growth of country's yacht market was more than 7 times bigger than the one from 2006 to 2011.**

Currently, there are about 1.4 million Chinese multimillionaires who spend 1.56 mil. yuan every year on average. On the other hand, middle class is also expected to become common consumers of yachts in the near future.

Many European and North American yacht manufacturers are carefully watching over the Chinese yacht market. For example, Jepsen Marine is planning to set up 8 dealer ships in Beijing and few other mainland cities in the next three years. There are also numerous other yacht companies who are waiting for their entry on Chinese market.

CCYIA data is showing that the number of yachts and boats that are imported to China have increased to astonishing 63.5 percent in 2012. Industry insiders have said that UK and Italy are two most important exporters.

Also, domestic companies are beginning to acquire foreign players. For example, Weichai Holding Group Co Ltd has bought a 75% stake of Ferretti Group (Italian yacht makers) for 179 million euros (\$230 million). There have been numerous other leading yacht manufacturers that have expressed interest in production based in China.

In the meantime, most of the Chinese yacht manufacturers have exported their products in the past, while others have completely moved to domestic market before and grabbed their market share. However, some of the Chinese manufacturers are dealing with somehow dwindling sales, mostly due

to bad global economic situation.

Current situation can also be translated as a big business opportunity for certain Chinese investors. FCI has said that marinas are currently the most promising and most increasing investment in Chinese yacht market.

Date: 2013-06-24

Article link: <https://www.tourism-review.com/china-yacht-industry-is-growing-news3752>