



YACHTING AHEAD

The Indian boating industry is at a nascent stage, but is steadily making in-roads into a vibrant one. Vishal Chaudhry, Director, Aquamarine Leisure (P) Ltd., who represents UK based Princess Yachts in India, tells Asia-Pacific Boating more about the industry and its happenings.

WORDS: **SOUMYA JAIN**

IN GENERAL TERMS, HOW HUGE IS THE INDIAN BOATING INDUSTRY?

► The boating industry is pretty small at this point of time. We are currently looking at 100 or so boats in the leisure motoryacht industry, which is mainly centred in Mumbai. If you look at transactions in the past couple of years, we see the coming of 10-12 boats in the 40-200 feet range.

ARE THEY SELLING WELL IN INDIA?

► At this point of time we are all caught up in the economic slowdown. Though it has affected the yachting industry, there has been an increase in demand for larger boats and yachts from around the world. So there is an increasing interest, but it largely depends on the infrastructure. The absence of good marinas in India is a limiting factor in the growth of the industry.

WHAT IS THE ANNUAL GROWTH PATTERN OF THE INDUSTRY?

► It is very difficult to say. Any product which is there to sell in the leisure industry depends mainly on the growth of the high net worth individuals (HNWIs). Even yachts come under the



The Princess Yachts' V85 sails in the sea



The magnificent 95 Motoryacht by Princess Yachts

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luxury and leisure industry. So it is very difficult to give a specific growth pattern, but in the last two years, we saw a 100 per cent growth in the larger boat segment in India. In the last six months, however, it has been down because of the economic downturn. Also, there is a bit of negative sentiment in Mumbai because the use of marina facilities at the Gateway of India has been restricted and marinas that were supposed to come up haven’t been developed yet.

WHAT IS THE SCOPE OF THE INDIAN BOATING INDUSTRY, CONSIDERING THE FACT THAT THERE ARE NOT MANY MARINAS?

► Actually the potential is huge because our coastline is huge, but the scope gets linked with the timeline of the projects. Marinas should be coming up in Mumbai, Goa and Kochi. At this point, the facilities at marinas are not very conducive for people with large yachts or mega yachts. This, therefore, prevents people from enjoying the waters and tourism facilities at any of these destinations just because the entire yacht experience is not there. If you look at any other marina in the world, the marina lifestyle is accompanied by restaurants, shopping, real estate, but unfortunately we haven’t got any developments of that scale in India yet. Having said that, the opportunities are there and the potential is tremendous.

APART FROM THE MARINAS, WHAT ARE THE SECTORS WHERE THE INDIAN BOATING INDUSTRY NEEDS TO IMPROVE?

► Definitely the after-sales maintenance and management facilities need much improvement. There needs to be a significant amount of capital going into building and dry-docking for lifting the yachts out of the water, repairing, and monsoonisation (lifting the yachts out of the water during the three-four monsoon months). We don’t have locked-marina facilities. We also don’t have a strong management or service facility where boats of a larger size can be taken care of.

IS THE INDIAN GOVERNMENT HELPING TO DEVELOP THE INDIAN BOATING INDUSTRY?

► The government and tourism industry realizes that this is a sector which can be explored considering our vast coastline. There have been various initiatives which have been taken up in the past few years in Kerala or in Goa where the local tourism board has promoted cruising or are promoting facilities where smaller boats can be kept. So I think it is slow, but people have taken notice of it and we should see some improvements in the future.

DO YOU THINK THAT BOAT SHOWS/ RACES LIKE THE VOLVO OCEAN RACE WILL HELP IN THE GROWTH OF THE BOATING INDUSTRY HERE?

► These are totally different segments. Volvo Ocean Race is about people who are into serious sailing and take sailing as a sport, while the other is the leisure industry where motoryachts are owned by HNWIs



who don't necessarily know how to sail them themselves. So it is good that such high-profile events come to India and people get to witness them and participate in them, which will give us a certain impetus, but the in the leisure industry, HNWI's basically have yachts for entertainment and to cruise.

WHAT IS THE FUTURE OF THE INDUSTRY? BY WHEN CAN WE EXPECT IT TO BECOME MATURE?

► It is difficult to give a time frame since the growth is dependent on how well the infrastructure developments take place. If you see 200 marinas in Mumbai, 100 in Goa and maybe 100 in Kochi in the next couple of years, then you will definitely see the number of boats in pace with the facilities available. There are a decent number of transactions of boats in the 25-35 feet segment where people have day cruisers or small speedboats which they can park near their homes if they have properties in Alibaug or Goa or Kochi. In the larger boat segment, however, growth depends on the marinas and management facilities available.

WHAT IS THE MAJOR CRITERION WHILE BUYING A YACHT?

► Firstly, you have to decide on the size of the yacht depending on how many people you would have on board at a time and also from the entertainment point of view. Obviously that is linked to the overall budget that you have. People should also be looking into the build and the manufacturing of the yachts because like all products, boats do depreciate in value. There is a lot of deterioration, a lot of wear and tear, so you want a product that will sustain, especially in the Indian climate and the kind of water we have. The yacht should have a good strong build, designed well and something which should retain its value for at least a few years. People should give importance to established brands that have a proven track record and offers you different sizes and permutations, and the kind of customization that you want. Basically select a brand that has got a good reputation.

GETTING INTO TECHNICALITIES, WHAT KIND OF ENGINE OPTIONS, STEERING SYSTEMS OR WEIGHT SHOULD ONE LOOK INTO?

► Even in smaller boats, people want stability. Lots of boats come fitted with

- Marina facilities are available in Kochi
- Plans are atop to develop a marina across the harbour in Mumbai
- Two marinas are also planned in Goa
- Marinas in Chennai, Puducherry and Kolkata are in the offing



The exterior of 85 Motoryacht by Princess Yachts

stabilizers, which could either be fins or the gyroscope versions. It gives owners the freedom to enjoy the boat more because you are not subjected to the pitching or rolling which you would have to do in a boat without a stabilizer.

In terms of engine options, people in European countries go for higher specification engine options with more power, but I think in India with the kind of cruising we do and the kind of space we'll be looking at, I think a medium specification engine – not necessarily highly turbo-charged – is enough. People here go for just few hours of leisure cruise. So I think engine, size and power is not as much an issue for people in India. There are not many options in steering systems. Ideally, you would want to add a power thruster which allows you to steer your boat well. A lot of bigger boats come with a power and stern thruster as a standard fix, but in the smaller ones you have them as options. It helps to steer through the marina or a tight water channel.

WHAT IS THE EXACT CRITERION FOR BUILDING A MARINA?

► You obviously depend on what size boats you plan to have in the marina. You should look at

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With the main European builders, for the mid-30s range, you should be looking at a landed price of about Rs 2 crore. Going up to 100 feet boats, the landed price would be about Rs 35-40 crore.



The saloon of V62 by Princess Yachts

a minimum of 2 metre to 5 metre of draft available. A lot of larger boats may require more than that. Apart from a certain depth (which depends on the boat), you have to create a breakwater (breakwater is a natural or man made structure like a wall in the sea which creates a lagoon like area closed off from the sea waves/tides so that the water inside is like a pool which is calm and not choppy. All marinas have a breakwater which prevents the swell of the tides from affecting the water inside the marina).

IF THERE ARE NO MARINAS, WHERE CAN ONE DOCK THEIR BOAT?

► At this point, the boats are just kept at the moorings like at the Gateway of India which is allocated and managed by the Royal Bombay Yacht Club. There are similar places in Goa where there are moorings to keep the boats.

HOW MUCH INVESTMENT IS NEEDED FOR MAINTAINING A YACHT?

► It is entirely dependent on the size of the yacht, the crew that you have on-board and also the presence or absence of a marina. These are basically the three variants as far as the cost structure is concerned. On an average, however, it should come out to 8-10 per cent of the cost of the boat annually.

WHAT PRICE RANGE SHOULD ONE EXPECT WHILE BUYING A YACHT?

► With the main European builders, for the mid-30s range, you should be looking at a landed

price of about Rs 2 crore. Going up to 100 feet boats, the landed price would be about Rs 35-40 crore. (Landed price includes the cost of the boat, freight, customs and insurance)

ACCORDING TO THE STATE OF THE INDIAN BOAT MARKET, IS BUYING A YACHT BETTER OR OPTIONS LIKE FRACTIONAL OWNERSHIP AND BLOCK CHARTER BETTER CHOICES?

► I think it's a mix of both. For people who first want to try whether the whole experience will be good, fractional ownership will be better. Also, those who don't often go into the water but want to entertain guests once a while should opt for fractional ownership. People who have a property right by the waterfront, and have the ability to keep the boat, should probably buy it. 📌📌📌