Superyachts / Pleasure Boats
Introduction

Malaysian Marine Leisure Industry has suffered since 1997 economic meltdown.

This paper is to highlight the issues and challenges of the Malaysian Marine Leisure Industry and to provide immediate remedial actions that will enable growth again.
Marine Industry

- Marine Industry
  - Marine Leisure Industry
    - Market
    - Support Services
      - Malaysian Market
      - Visiting Yachts
      - Superyachts
      - Charter
      - Marine Tourism
        - Support Services
          - Marinas
          - Shipyards
          - Resorts
          - Registration
          - Insurance
          - Training
          - Supplies
            - Crew
            - Boat Building
            - Repairs
            - Chandlery
REASONS to develop the Marine Leisure Industry:-

- Maritime Nation
- Long coastline
- Aseanarean – the new Frontier
- Multi-Billion Dollar Business
- Marine Tourism
- Asia - largest pool of HNWI in the world
- Develop **Highly Paid, Highly Skilled** Labour
History

- AMIM (previously known as ASROM, Assoc. of Shipbuilders & Repairers of Malaysia), together with Bank Industri proposed to the government to remove the then 35% import duty of pleasure boat.

- July 1988, the government approved the removal of import duty
Cont. HISTORY

- **1990 to 1997** - Malaysia’s pleasure boat importation grew significantly. At that time, Bank Kewangan provided financing for boat purchase.

- **Since the 1997 Asian Economic Meltdown**
  - There has been NO boat financing
  - The Malaysian boat market has suffered
In the 1990s, the development of Marine Leisure Industry were supported by the following activities:-

- International Boat Shows
- RM 700 millions allocated to build marinas
- **Regattas** - eg Royal Langkawi International Regatta, Raja Muda Regatta
These efforts, time & monies injected in the 1990s will go to waste if we, the industry players and the government do not continue to put effort to grow the marine leisure industry of Malaysia.
Growth of Marine Leisure Industry within the neighboring countries since 1997
Key Players

Financial Hubs
- Hong Kong
- Singapore

Marine Tourism
- Phuket, Thailand (fast becoming the largest marine leisure market)
Hong Kong
PROS

- First ASIAN Boating Nation
- Financial Hub (Foreign & Local)
- Strong High Net Worth Individual (Foreign & Local)
- Boat Financing
- Well run marinas
- Freedom of Culture & Lifestyle
Hong Kong

CONS

- Congested waterways
- Limited Boating Ground
Singapore

**PROS**

Financial Hub
- Strong HNWI (Foreigners & Locals)
- Boat Financing
- Well structured policies – license needed to drive a boat
- Well run marinas in City Centre
- International Boat Show
- Strong Government supports
- Charter Business - Growing
Singapore

CONS

- No Playing Ground
- Congested waterways
- 7% GST on imported boats
- Expensive to maintain
- Lack of repair facilities
**Thailand (Phuket & Pattaya)**

**PROS**

- Playing Grounds – Clear water for fishing, diving, snorkeling and cruising
- Reduction of Boat Import Duty – 200% to 7%
- Ease for foreigner to setup and operate local companies and own properties (eg. Royal Phuket Marina is owned by Benefon Group from London)
- International Boat Show (PIMEX)
- Regattas – eg Kings Cup, Phang Nga Bay Regatta
- Freedom of Culture & Lifestyle
- Marine Tourism eg boat charters & other activities
- Strong Government supports
Thailand (Phuket & Pattaya)

**CONS**

- Language Barrier (poor English)
- Expensive spares
- Short entry duration – 30 days for visitor and 180 days for boat
- Limited and expensive repair facility
- Foreign registered vessels are not permitted to charter
Malaysia

Why are we falling behind our neighbours?

What can we do about it?
Malaysian Marine Leisure Industry is suffering from a lack of MARKET
Market

The market is divided into the following categories:-

- Malaysian Market
- Visiting Sail Yacht
- Superyacht
- Charter
- Marine Tourism
Malaysian Market

Factors affecting the growth of Boating Industry in Malaysia:

- **Boat Financing**
- **High Individual Income Growth - Economy**
- **Marina Facilities**
- **Human Capital**
- **Culture, Traditions and Policies**
Visiting Yachts Market

- Marina Facilities
- Anchorages
- Safety and Security
- Ship Repairs
- Culture, Traditions and Policies
- CIQP
- Development of Playing Grounds
Visiting Superyacht Market

- **Marina Facilities**
- Anchorages
- Safety and Security
- Ship Repairs
- Culture, Traditions and Policies
- CIQP
- Development of Playing Grounds
Charter Market

- Good way for Locals to experience boating
- Leads to boat purchase & ownership

- First, to develop foreign clientele in boat charter
  - Bare Boat Sail Charter
  - Super Yacht Charter
Charter Market (cont)

- To develop Cruising Route & Destinations
- To develop Cruising Almanac to promote the boating destinations
- To attend International Boat Shows, to market this information to Charter Companies
- Pioneer Status given to charter companies
WHAT DO WE HAVE TO DO TO GROW OUR MARINE LEISURE INDUSTRY?

GROW OUR MARKET

HOW?
MARINAs

- Marinas – professionally & privately managed

- Visiting Sail Yachts & Superyacht Market
  - Identify which marinas are well located for this market
  - Equip these marinas to suit these market
  - Train the people who handles this market
  - Provide the right culture & lifestyle in these marinas
MALAYSIAN MARKET

- Boat Financing

- Organise International Boat Show for local market
  - Boat Show must be in strategic place
  - Provide key Industry Players to display without hassle

- Encourage Boat Charter
Marine Leisure Industry includes:-

- Boat Sales
- Boat Repairs
- Chandlery
- Financing – Loans
- Resorts
- Diving, Fishing, Snorkelling

- Boat Building
- Crew Supplies
- Insurance
- F & B
- Marinas
THANK YOU

Prepared by: Oh Kean Shen
Limbongan Batu Maung Sdn. Bhd.
204-B, Block ‘K’, MK 12
Batu Maung, 11960 Penang
Tel: 04-626 2628
Email: ksoh@pc.jaring.my
Aseanarean

- The word **Aseanarean** is coined to give a nautical connotation to the ASEAN region, to promote it as a single cruising destination, in the same way as the **Mediterranean** and the **Caribbean**.

- Aseanarean has the highest marine biodiversity and is acclaim as the best cruising destinations.
Map of ASEAN AREAN region
<table>
<thead>
<tr>
<th>Category</th>
<th>Monthly Salary (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Captain (Superyachts)</td>
<td>25,000 - 70,000</td>
</tr>
<tr>
<td>Skipper (40ft - 80ft yacht)</td>
<td>3,000 - 10,000</td>
</tr>
<tr>
<td>First Mate (Superyachts)</td>
<td>15,000 - 50,000</td>
</tr>
<tr>
<td>Steward</td>
<td>5,000 - 15,000</td>
</tr>
<tr>
<td>Engineer</td>
<td>15,000 - 50,000</td>
</tr>
<tr>
<td>Chef</td>
<td>6,000 - 30,000</td>
</tr>
<tr>
<td>Deck hands</td>
<td>3,000 - 10,000</td>
</tr>
<tr>
<td>Welders</td>
<td>2,000 - 5,000</td>
</tr>
<tr>
<td>Carpenters</td>
<td>2,000 - 8,000</td>
</tr>
<tr>
<td>Fiberglass laminators</td>
<td>1,500 - 7,000</td>
</tr>
<tr>
<td>Electricians</td>
<td>3,000 - 7,000</td>
</tr>
<tr>
<td>Mechanics</td>
<td>3,000 - 6,000</td>
</tr>
</tbody>
</table>
International Boat Shows

Fort Lauderdale International Boat Show
International Boat Shows

Monaco Yacht Show

THE BOAT SHOW INJECTS EURO 100 MILLIONS INTO THE MONACO ECONOMY IN ONE WEEK
Local Boat Shows

Pimex, Thailand
Boat Financing

- MOST important factor to grow local market
- Bank Negara to support this initiative

Issues:
- Marine Hull Insurance
- Registration – Langkawi International Yacht Registry
- Licensing
- Repossession
- Re-Sale Market
- Boat Driving License
Marinas

- **Location** – Need to build in correct location (geographically and demographically)
- Facilities – Restaurant, chandlery, hotels, repair facilities, club house, laundry, fuel supply & etc
- Support Services – CIQP, transportation
- Professional Management
- High standard of Maintenance
SHIPYARDS IN PENINSULAR MALAYSIA

**Langkawi**
- Boustead Yachts

**Kedah**
- Asia Slipway

**Penang**
- Limbongan Batu Maung (Island)
- Etamax (Island)
- Nautical Nova (Mainland)

**Perak**
- Grade One
- Boustead Naval
- Kim Craft
- Johor Shipyard
- Sumber Samudera

**Port Klang**
- Fadara
- DMS
- NGV Tech
- Muhibbah

**Kelantan**
- Semerak
- Tok Bali

**Terengganu**
- Kay Marine
- MSET
- Hj Abdullah
- Geliga

**Pahang**
- Majulkan Engr
- Prospect

**Johor**
- Dalac Marine
- DMS
- MMHE
- Johor Shipyard

**SHIPYARDS IN PENINSULAR MALAYSIA**
Human Resource

- Lack of Skilled People:-
  - Boat Repair for pleasure boat
  - Boat Driving Skills (COLREG)
  - Captains & Crews (tech, attitude & knowledge)
- Jabatan Laut to approve Boat Handling Training Schools
- AMIM to set up skill centers amongst shipyards
- Government to provide funds for such training
Safety and Security

- Piracy and Terrorism

- Giles Finlayson 58 yrs old at Telaga Harbour on 27th Dec 2009, is the victim of a hit & run incident. This news is now in Noonsite; and that Malaysian authorities has not put any effort to search for the villain. A damaging report for our industry in Malaysia.
Ship Repair

- Limited expertise to handle Pleasure craft, Sailing yachts & Superyachts
- AMIM to setup training school
- Develop highly skilled contractors to reduce the need for foreign labours
Map of boating grounds in Peninsular Malaysia, showing locations such as P. Langkawi, P. Payar, P. Pangkor, P. Sembilan, P. Perhentian, P. Redang, P. Tioman.
Skipper License

SAFE WATERS

Implementation of Boat Driving License for Pleasure Boat Handlers.

However, this initiative must be carefully planned with other ministries eg Ministry of Agriculture on the Fisherman Boat Driving Knowledge.
Marinas (Superyacht)

- **Location** – Need to build in correct location (geographically and demographically)
- Facilities – Restaurant, chandlery, hotels, repair facilities, club house, laundry, fuel supply & etc
- Support Services – CIQP, transportation
- Professional Management
- High standard of Maintenance
Regattas
Regattas