

# VERTU SELECT



## **China, ahoy: big boats are in fashion**

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This year's Shanghai International Boat Show marked the end of an era. With capacity at the high-water mark in its present location of the Shanghai Exhibition Center, from 2012 it will be held on part of the former World Expo site. Now in its 16th year, the Boat Show has come a long way from its humble origins in an underground car park. In many ways, the sales of luxury boats have mirrored this.

Much of the space at this year's show was occupied by luxury cruisers and yacht-building companies Beneteau and Ocean Alexander both report sales doubling each year over the past few years, while Jeanneau claims a trebling (although this is all from a very low starting base).

For American company Ocean Alexander, China was initially seen merely as a manufacturing base, until orders started coming in from the mainland. Johnny Chueh, the company owner, claims 'the first buyers had got bored with buying Lamborghinis.' Boats sold to the wealthy elite are predominantly 40-60ft motor yachts. 'Whereas the typical customer in the US and Europe is 50-plus, in China they are aged 30 to 40, so significantly younger,' says Chueh.

Customers are largely entrepreneurs and government departments; one of the main reasons for purchase is entertainment. François Rodrigues, managing director of Beneteau Lagoon China, says: 'Chinese customers pay much more attention to the size of the boat and how many VIPs can be invited to party on board.'

The market is still very much in its infancy, however. China has not had much of a seafaring tradition since the great voyages of the general Zheng He in the first half of the 15th century and this point is not lost on Jeanneau's general manager, Jean-Paul Chapeleau: 'Owners here have limited experience of yachting, but they are all demanding businessmen, therefore they need to rely on a professional service to enjoy their boats carefree.'

In the future, China is likely to be one of the major centres of the yacht market. It is already Jeanneau's largest Asian operation and the company took the step of moving its Asia-Pacific headquarters to Shanghai back in 2008. All three manufacturers agree, though, that segmentation will occur as wealthy customers demand larger boats and the richer middle classes start buying smaller vessels.

With March's Boat Show sales hitting almost \$150m and the show moving to a larger site next year, the market shows no signs of keeling over.

Mark Andrews writes for the South China Morning Post, Sydney Morning Herald, and Japan Times



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