



SAILING THE HIGH SEAS

The leisure marine business in India is growing rapidly as affluent Indians are acquiring small boats and luxury yachts and take to weekend sailing in a big way. A report by **Arjan Bharadwaj**.



STROLLING along the historic Gateway of India in Mumbai, one will come across a surfeit of boats off the coast, bobbing up and down along with the waves. The presence of scores of vessels symbolises the emergence of the leisure marine segment in India, with a growing number of affluent individuals acquiring speed and luxury boats, not just for the convenience of getting to that holiday home built across the harbour in Alibaug, but also as an object of envy and desire.

Buoyant economic growth in India has seen a spurt in spending on luxury lifestyle, including acquisition of multi-million-dollar yachts and speed boats. International boat-makers are consequently drawn to India, as demand for luxury boats is on the rise. Tecnomar, a leading Italian luxury yacht-maker, participated for the first time in the Mumbai International Boat Show (MIBS) in February 2010.

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anchored at any given point in the Mediterranean,” points out Francesco Carbone, worldwide sales director, Tecnomar, who attended the boat show. “With so many

Indians being featured among the richest people in the world, this is a market we cannot ignore.”

Carbone expects to sell at least one luxury boat in India this year, priced at between US \$4 million and US \$20 million or even more, depending on the size.

The four-day event in Mumbai featured powerboats, speedboats, kayaks, jet-skis and luxury yachts among others. Almost 50 brands, including 15 international, were present at the boat show. International yacht marquees such as Azimut, Drago, Larson, San Lorenzo, Sealegs and Sunreef were prominently featured at the show.

Leisure sailing has become increasingly popular in India in the last five years. According to boat dealers, Indians bought around 200 leisure boats in 2009. According to industry estimates, the number of luxury vessels in service in India will increase eight-fold over the next decade.

Ashim Mongia, managing director,

THE ULTIMATE LUXURY YACHT

INDIA has indeed emerged on the global luxury and leisure marine business map. And a telling sign of this was the presence of some of the top bosses of leading Italian yacht-makers in February 2010, at the Mumbai International Boat Show (MIBS), where they launched some of their premier products at glittering events.

Leonardo Ferragamo, the scion of the Italian luxury-goods maker – and son of the founder, Salvatore Ferragamo – introduced the ‘Bentley’ of yachts, the Nautor Swan. Ferragamo diversified

from the family business – of making luxury goods including footwear – by acquiring Finnish luxury boat-builder Nautor in 1998.

The custom-built and hand-crafted Swan yachts are sold at prices upwards of US\$ 670,000. Nautor has tied up with Ocean Blue Boating, a leading Mumbai-based yacht-maker, which also has a joint venture with leading auto-maker, Mahindra & Mahindra Ltd, for the production of fibreglass powerboats.

“India has witnessed an upswing in the luxury boat business,” remarks

Ferragamo. “There is a growing awareness and interest in sailing, coupled with the desire to own the best that the world has to offer.”

According to Malav Shroff, ceo, Blue Ocean Boating, the company is in talks with several private equity funds to help it finance its expansion project. Mahindra Ocean Blue, the joint venture with the Mahindra Group, has set up a manufacturing facility in Goa. Shroff says that in 2011, the company hopes to build about 100 boats in the US\$ 35,000 and US\$ 135 million category.



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Leonardo Ferragamo,
head, Ferragamo Group

West Coast Marine Yacht Services expects to sell more than 10 yachts (in the 40-ft-plus category) in 2010. The company sold seven leisure yachts, in the price range of US\$ 100,000 to US\$ 2.5 million, in 2009.

Malav Shroff, one of the founders and organisers of MIBS – and ceo of Ocean Blue Boating – estimates that 50 to 100 small and medium-sized yachts (in the range of US\$ 45,000 and US\$ 112,000) would be sold in 2010.

Most buyers are from Mumbai, India’s financial and commercial capital, though there are a few buyers from Goa, Kochi and Chennai. There are about 150 moorings in front of the Gateway of India, which are

HUGE POTENTIAL FOR GROWTH

INTERNATIONAL boat-makers are confident that India would emerge as a significant market for their luxury yachts over the coming years. The reasons are apparent:

- The luxury goods market in India is growing at 25-30 per cent annually
- A 2009 Merrill Lynch Cap Gemini report estimated that the number of people in the country with over US\$ 1 million in assets is around 85,000
- About 13,000 new Indian US\$ millionaires were added in the past year alone – a 15 per cent increase over the previous year
- India's 10 richest families have a net worth totalling almost US\$ 92 billion



LAUNCHING NEW MODELS

ITALIAN luxury yacht-maker Azimut Yachts made a foray into India in 2007, at the time of the first Mumbai Boat show, to meet the growing needs of the leisure marine segment. And for the third edition of the show, Paolo Vitelli, founder and chairman of the Azimut/Benetti Group, was present in Mumbai, hosting an exclusive party where the entire range of Azimut yachts was launched.

Vitelli introduced the eight new models that were launched internationally in 2009, including the flagship in the Flybridge range, the Azimut 116, and the Azimut 120SL, the flagship in the S-range. Over 200 high net worth individuals attended the exclusive presentation.

The Azimut founder notes that India, with a long and beautiful coastline, is now a major market for luxury yachts.



packed with luxury crafts. Mumbai has a strong boating culture - the 160-year-old Royal Bombay Yacht Club, located in the vicinity of the Gateway, is the third oldest yachting club in the world. Some of India's best sports sailors, including Mongia, Farouq Tarapore, Ramachandran Mahesh and Nitin Mongia are also from Mumbai.

The growing popularity of sailing has resulted in the setting up of marinas. The first marina is coming up in Kochi in the state of Kerala, being built at a cost of US\$1.8 million; it will have a capacity for 50 yachts, and will also include a museum, recreation and convention centres.

"As Indians with disposable income are travelling around the world and are exposed to the sailing culture of Europe, the concept is catching up here," says Captain Mathew Cherian, president, Nautilus Yachts, which has offices in Kochi, the Middle East and Africa. "With

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the marina in Kerala coming up and Goa next in the pipeline, big yachts can travel between these two places." Why would anyone buy a luxury yacht? The answer is simple, says Cherian. "It is the same reason someone would buy a Rolls Royce or a Rolex."

Carbone elaborates: "Among the rich there is an aspiration. They have the power to buy and they want to compete. It's a status symbol and addictive, as even after they have bought a boat, they want to keep buying something bigger."

It's not just that people buy boats for their own use. Charters are big business in Europe and several experts believe this would happen in India as well. So it is not just the super-rich who would afford to go out sailing; even professionals and other businessmen would afford to share the costs of a luxury yacht and throw a party for their clients in the high seas. 🌊