

 TAIWAN INT'L BOAT SHOW

show REVIEW

MARCH
10-13, 2016

2016 Taiwan International Boat Show:

Large crowds descended on
Kaohsiung once again for the second
edition of Asia's biggest indoor boat show



www.boatshow.tw

Kaohsiung Exhibition Center
Horizon City Marina



ORGANIZED BY



BUREAU OF FOREIGN TRADE, MOEA



KAOHSIUNG CITY GOVERNMENT

IMPLEMENTED BY



TAIWAN EXTERNAL TRADE
DEVELOPMENT COUNCIL (TAITRA)

SUPPORTED BY



TAIWAN YACHT INDUSTRY
ASSOCIATION (TYIA)

台灣國際遊艇展

2016 TAIWAN INT'L BOAT SHOW

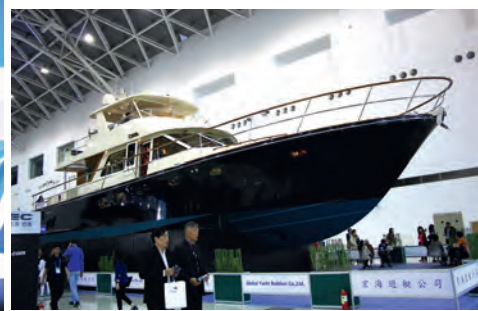
開幕典禮

OPENING CEREMONY



Taiwan's VP-elect Chen Chien-Jen (centre right) is a firm TIBS supporter

The TYIA's Charles Chang at TIBS



2ND TAIWAN INTERNATIONAL BOAT SHOW

A triumphant return

ASIA'S BIGGEST INDOOR BOATING EXHIBITION DREW LARGE CROWDS TO KAOHSIUNG

The 2016 Taiwan International Boat Show (TIBS) returned to Kaohsiung in March for its eagerly-awaited second edition. The four-day event drew just over 70,000 visitors (roughly on par with the inaugural show in 2014), with curious locals queuing for up to three hours to climb onboard the 64 yachts displayed at the Kaohsiung Exhibition Centre and nearby Horizon City Marina. Demand for space meant that the total exhibition area had to be expanded to 26,874m² in order to accommodate 166 exhibitors and 1,005 booths.

The event opened with a welcome ceremony to mark the return of Asia's biggest indoor boating exhibition to Kaohsiung. Chen Chien-Jen, Vice President-elect of the Republic of China (Taiwan), officially launched the festivities by addressing a string of local dignitaries, government officials and industry players in their home market. "Kaohsiung is a vibrant industrial city and our yacht builders continue to move forward in terms of manufacturing and engineering excellence," he said. "We are proud of their efforts to improve and compete in a global market."

Yachts built in Taiwan are globally praised for their high-quality craftsmanship. The evidence could be seen not only on the show floor, but

also in the country's rise up the ranks of *Showboats International's* Global Order Book. In 2016, Taiwan overtook the US and Britain to become the world's fourth largest builder of yachts over 80ft in length and the biggest in all of Asia. Two of the country's shipyards – Alexander Marine and the Horizon Group – are among the top 10 builders in the world.

CLIMBING THE RANKS

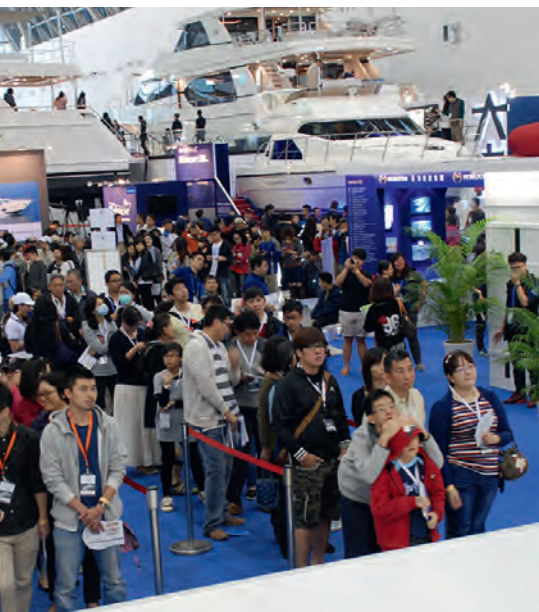
Alexander Marine made its TIBS debut by displaying three yachts from its Ocean Alexander range (an OA 72, OA 85 and an OA 100 Sky Lounge), while Horizon used the event for the global debut of its FD85 fast displacement motoryacht. "Many buyers came to see our newly developed model," says Horizon CEO John Lu. "At this stage, we are working on at least 10 clients."

Horizon also managed to turn heads with the RP120 raised-pilothouse superyacht, which, at 120ft, was the largest yacht at the show. Just as important, however, was the presence of the Horizon E56 motoryacht – a model that specifically targets the local market. Priced at just NT\$42m, the JC Espinosa-designed yacht is one of Horizon's most popular introductory models. "I'm proud that Horizon played a leading role at TIBS yet again," says

Lu. "We had the biggest booth and showcased more than US\$20m worth of new luxury yachts."

"Although the second time is always fraught with difficulties and challenges, the results achieved at the 2016 Taiwan International Boat Show were extremely encouraging and will further contribute to the development of Taiwan's recreational yacht market."

According to Charles Chang, chairman of the Taiwan Yacht Industry Association (TYIA) and director of Kaohsiung-based Global Yacht Builders (GYB), the government has gone to great lengths to support the local industry. As well as building new marinas and yacht wharfs, Taiwan's Executive Yuan has relaxed harbour entry and exit controls, making it much easier for visiting yachts to clear customs and immigration. The move is part of Taiwan's strategy to help build a yacht-friendly environment that will encourage more locals to embrace leisure boating. In December 2014, the government also eliminated a 10% luxury tax on all boats under 100ft in length that are built and sold in Taiwan – a measure designed to help boost domestic production. TIBS, of course, is another strong indicator of the government's commitment to the industry sector.



Curious locals out in force

Despite being a small island nation surrounded by sea, Taiwan still lacks the necessary infrastructure needed to develop a leisure marine lifestyle of its own, making boatbuilders and equipment manufacturers particularly vulnerable to global unease. Developing a strong domestic market is therefore imperative.

TAIWAN YACHT EXPORTS

Boating is a lucrative industry that, if developed fully, could bring great benefits not only to the local populace, but the national economy too. Charles Chang says the dollar value of exported yachts to the US, Canada, Japan, Singapore and Hong Kong grew for the second consecutive year in 2015, rising by 3.5% to reach US\$178.7m. Export shipments were up by 5% to 126 units. The increase in activity at Taiwanese shipyards is driven in part by economic recovery in the US and the trend towards larger, more expensive, custom-built yachts that has caused export values to reach their highest levels since 2010.

Cadcam Marine, builder of Morningstar aluminium boats, is looking to enter the North American and European markets for the first time this year. The company's primary export market is Australia, followed by Thailand, Vietnam, Japan and South East Asia. Speaking to a gathering of press at TIBS, Cadcam CEO Grady Fan said: "We have tripled our boat sales in 2015, and have received orders to ensure at least another 300% growth in 2016. We expect to produce and sell 300-400 units of our popular M498 series boat this year."

All of Taiwan's key boatbuilders were at TIBS 2016, along with several overseas brands. Germany's Bavaria Yachts was well represented, courtesy of local dealers Lohas Ocean Leisure and Supreme Yachts. Lohas, which also operates the Lohas Ocean ASA Sailing School in northern Kaohsiung, represents Bavaria sailing vessels while Supreme handles the motorboat range. Lohas used the show to display a Bavaria Cruiser 51, which was sold on the opening day of the show to Argo Penghu Sail Yacht Club.

First-time exhibitor Princess Yachts Taiwan represented the UK brand at TIBS with a Princess S72 motoryacht at Horizon City Marina and a V48 motoryacht displayed indoors. The dealership for Princess Yachts International was established in June 2014 after Sean Stratton, general manager of PYI Asia Pacific, visited TIBS 2014 and left with a strong impression. "Having such a large indoor exhibition centre and an on-water display of this quality is impossible to find anywhere else in Asia," says Stratton. "We had a mixture of curious locals and professionals, and considering the number of visitors we received, I was surprised at how many were potential buyers. I'm very hopeful for the Taiwanese marine business and see it flourishing far faster than China."

MARINE EQUIPMENT

Taiwan is also home to a large cluster of marine equipment and accessories suppliers. Aritex, Asia's biggest yacht hardware and accessories manufacturer, had a strong presence at TIBS, as did Hung Shen Propeller, Yamamotor, ZF Faster Propulsion Systems and many more. "The feedback at our booth was very good," says Peter Cheng, marketing manager at Hung Shen Propeller. "We'll definitely be attending each and every TIBS going forward."

Organised by Taiwan's Bureau of Foreign Trade and Kaohsiung City Government, and implemented by the Taiwan External Trade Development council (TAITRA) with the support of the Taiwan Yacht Industry Association (TYIA), the 2016 Taiwan International Boat Show was another successful attempt to raise the industry's profile and gain the international respect that it so rightly deserves. 

Scale of the show

166 shipyards and suppliers with 1,005 booths

52 yachts and boats displayed indoors, 12 on water

Around 70,000 visitors, including 1,973 overseas buyers

Exhibitors from 10 countries

Over 95% of visitors satisfied with the show



2016 Global Order Book: Taiwan climbs the ranks

Taiwanese boatbuilders have come a long way in recent years, having firmly cemented their reputation for producing competitively priced, custom-built models over 80ft in length. Today, yachts built in Taiwan are globally praised for their high-quality craftsmanship – and rightly so. The evidence could be seen not only on the floor of the Kaohsiung Exhibition Centre at TIBS, but also in the country's continued rise up the ranks of *Showboats International's* Global Order Book. In 2016, Taiwan overtook both the US and Britain to become the world's fourth largest builder of yachts over 80ft in length and the biggest in all of Asia.

2016 Rank	Top 5 Builder Nations	Total (m)	Total (ft)	New-build units	2015 Rank
1	Italy	10,907	35,784	286	1
2	Netherlands	3,585	12,657	68	2
3	Turkey	3,325	10,909	71	3
4	Taiwan	2,248	7,375	74	6
5	USA	2,039	6,689	57	5

Building a local market

THE FUTURE LOOKS BRIGHT FOR THE DEVELOPMENT OF LEISURE BOATING IN TAIWAN



Horizon CEO John Lu: Local demand is growing

While Taiwan is globally renowned for its yacht-building excellence, the country also has a latent consumer market that is ripe for development. Such is the level of potential that many overseas companies visited TIBS 2016 with the express intention of forming partnerships with domestic firms. US-based marina operator Bellingham Marine, for instance, signed an agreement at the show with YuYue Yacht Co to grow recreational boating through the development of new marinas. Together the two companies have identified several projects to support expansion. "There is a shortage of boat slips in the country, which is having a dramatic impact on the cost of moorage; it's pricing many out of the market," says YuYue Yacht director Vincent Kuan. YuYue is an importer and distributor of several high-end brands such as Sunseeker, Galeon and Quicksilver. "A key element of building Taiwan's recreational boating industry is the creation of quality-built new marinas," Kuan adds.

INHERENT OPTIMISM

Peter Cheng, marketing manager at Hung Shen Propeller, believes that the Taiwan government is on the right path when it comes to integrating resources for the local yacht industry. "Many large-scale construction plans and yacht-friendly policies are in the works," he says. "The market is certainly heading in the right direction."



Lawrence Lim at Bavaria importer Supreme Yachts

Lawrence Lim at Supreme Yachts agrees. Lim founded the Bavaria yacht importer in 2015 to entice a new generation of would-be boaters with the popular German brand. Speaking at TIBS 2016, Lim said that boat registration in Taiwan has rocketed since yacht ownership restrictions were eased back in 2012. "The government has come a long way over the last four years," he said. "Before 2012 there were no leisure boats, apart from very small boats of around 10ft-15ft because they weren't allowed. But now you can buy any size of boat, there's no limit."

Lim said that around 400-500 boats – mostly from 20ft-25ft – were registered in Taiwan over the last two years. "In 2012 there were around 1,400 registered boats and now there's more than 2,000, so it's a new market with lots of potential," he says.

Other proponents of Taiwan's burgeoning recreational boating scene include Taipei motoryacht producer TC (Ta-Chou) Yachts Co Ltd, which recently opened a sailing academy at its marina on the Tamsui River to help locals experience the leisure marine lifestyle first-hand. The new Taipei Yachting Academy is said to be the first Royal Yachting Association (RYA)-recognised training centre in Taiwan and one of only a handful in all of Asia.

According to Horizon Group CEO John Lu, one of the biggest challenges facing the industry is the issue of national identity between Taiwan and

China. It's a problem for the industry going forward, he says, and one that is not easily solved. Taiwan is a nation surrounded by sea and in possession of excellent yacht-building technology, but tension across the Taiwan Strait and the long-term implementation of a Taiwan boycott means that leisure marine activities are not encouraged. "Very few Taiwanese people understand the marine lifestyle or what so many across the globe enjoy about yachting," says Lu. "This is really quite incredible for an island nation that has such a rich heritage in marine culture."

MOVING FORWARD

In the past two years, however, Lu says that Horizon has seen increased success in the local market, selling an EP150, RP120, RP110, two V80s, four E56s, a CC80 catamaran and a T52 sport fishing boat.

"I consider this a remarkable achievement," says Lu. "We understand that it might take more than a decade to fully develop a leisure marine culture, but Taiwan is definitely on the right track to move forward. With recent legislation that includes a yachting law; the removal of the yachting luxury tax; the organisation of the Taiwan International Boat Show (TIBS); the establishment of a private yacht marina; and a yacht manufacturing zone that is currently being established, the future is looking bright." 