

Luxury yacht industry sees slower demand

DUBAI
By SARAH ALGETHAMI
Staff Reporter

As the luxury yacht industry recovers from the financial woes of 2008, it faces a drop in demand from Russian buyers amid a weak rouble.

Russians are some of the biggest buyers of luxury yachts, but the weak rouble has led some to trim their purchases.

Since last year, fewer Russians have been travelling to Dubai, which is a popular holiday destination for them.

The rouble has dropped by around 42 per cent against the US dollar to 0.0161 since August 2014.

"The Russians love to go boating, but clearly they will be under pressure on their budgets so we think that market is going to contract a little bit in 2015. Demand from Russian buyers slowed down towards the end of last year," said Jeremy Tutt, regional director at Kuwait-based yacht dealer Seas and Desert Group.

Similarly, Tarek Khalil, managing director of Italian shipyard Sanlorenzo, said that business from Russia has dropped this year.

"Business from Russia is affected by all of the world issues. It has decreased but it still exists," he said.

Different view

However, Francesco Pitea, chief executive of yacht dealer SF Yachts, disagrees.

"Demand from Russian buyers is increasing. Wealthy people have money today, tomorrow," he said, adding that he expects a 20 per cent sales growth from Russian buyers in the region in 2015 over the previous year.

SF Yachts has seen an increase in the number of buyers from Saudi Arabia and the UAE this year, Pitea said, without providing percentages of growth.

While the overall boating industry is recovering from the financial downturn six years ago, demand has not been consistent in the last few years, according to Gregor Stinner, chief executive of Art Marine, a yacht dealership and marina operator in the UAE.

"Year by year [demand] changes a bit because there is sometimes a wave of buyers — this could be related to economic confidence and exchange rates where things become more affordable, or it could be a trend," he said.



Room for smaller boats only

■ A Rinker boat on display at the Dubai International Boat Show. The lack of berths in the emirate has led some boat owners to turn to other emirates, and those with yachts longer than 80 feet are forced to relocate to Abu Dhabi.

More berths to keep marine industry afloat, analysts say

EXPERTS WARN THAT LIMITED DOCKING SLOTS COULD DETER SOME FROM BUYING YACHTS

DUBAI
By SARAH ALGETHAMI
Staff Reporter

Dubai's dearth of berthing spots could hurt its ability to attract large vessels, prompting some in the boating industry to call for higher investment in marina infrastructure.

"I think it's a good idea to increase berths. You need a critical mass of marinas and berths if you want to have yachts coming," said Antoine Brugidou, chief executive of French boat builder Iguana Yachts, at the Dubai International Boat Show, which kicked off yesterday.

The event was attended by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai.

There are more than 3,000 berths in Dubai, but boat manufacturers and dealers said those are not enough, which could deter some people from buying yachts like in previous years.



Space constraints

■ Products on display at the boat show. There are more than 3,000 berths in Dubai but experts say they are not enough.

"There is a need for new marinas and berths in Dubai. Right now, if you have a boat of a substantial size you can't find any berth. Nine years ago the boat dealers would not sell boats because people would say if I buy a yacht where do I put it? Then new marinas came, enabling people to sell yachts because

there were berths available. Now, we are again in a phase where there are not enough berths available," said Bruno Meier, chief operating officer and head of marina management at Art Marine, a yacht dealership and marina operator.

Echoing Meier's views, Tarek Khalil, managing director of Ital-

ian shipyard Sanlorenzo, said, a lot of people in the UAE are interested in buying boats but are concerned about where to place them. The lack of berths in the emirate has led some boat owners to turn to other emirates.

"Now, for [yachts] 80 feet and above, you don't have any berths in Dubai. You have to go to Abu Dhabi," said Francesco Pitea, chief executive of yacht dealer SF Yachts.

Bottleneck

However, new developments like Deira Islands, the World Islands and Dubai Canal are expected to meet demand for more berths in Dubai.

"Berthing availability has become a little bit of a bottleneck... but the shorelines have increased tremendously. With the opening of the Canal connecting Jaddaf and the Creek to the main sea from Business Bay, this will really allow people to use boats more often, provided that they have sufficient berths alongside," said Gregor Stinner, chief executive of Art Marine.

RIGGING BLOWBACK

Barclays bank slides into annual net loss

LONDON

Barclays fell into a net loss last year, the British bank said yesterday, hit by huge costs linked to its alleged role in the rigging of foreign exchange markets.

Barclays reported a loss after tax of £174 million (Dh798 million) for 2014 compared with a net profit of £540 million the previous year. It has set aside £1.25 billion "for ongoing investigations and litigation relating to Foreign Exchange", including £750 million for the final quarter of 2014. (AFP)

INDIA

Telecoms auction set to raise \$1.3b

MUMBAI

Fierce bidding is expected when India's latest telecoms auction kicks off today as Bharti Airtel and Vodafone vie with Mukesh Ambani's Reliance Jio in a process that is set to raise more than \$800 billion (Dh47.5 billion). The contest to sell third generation spectrum could become the most expensive in the history of India's telecoms sector. "The stakes are high, there is no doubt about it," said Nitin Soni, director at ratings group Fitch in Singapore. (Financial Times)

CABIN CREW SYSTEM

Ethiad, CIRTA in software deal worth Dh8m

ABU DHABI

Ethiad Airways and CIRTA Electro Mechanical and Maintenance, a Khalifa Fund member, have signed an 8m million agreement that will see latter develop customised software for the airline's cabin crew transport system. Robert Webb, Ethiad Airways' chief information and technology officer said: "CIRTA's software will be tailored to Ethiad Airways' unique specifications and will significantly improve the crew transportation routes for travel to Abu Dhabi Airport." (WAM)