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INTERNATIONAL BOAT INDUSTRY

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The business of boating

China (Shanghai) International Boat Show celebrates

20 YEARS

in the industry

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SHANGHAI INTERNATIONAL BOAT SHOW

It was **20 years ago** today and Sgt Pepper told the band to play...

NOT QUITE THE FAB FOUR PERHAPS BUT LIKE THE BEATLES, THE CHINA (SHANGHAI) INTERNATIONAL BOAT SHOW STARTED UNDERGROUND, IN A CAR PARK TO BE PRECISE



▲ On-water facility located on the north bank of Huangpu River



▲ Displays in the national and Taiwan pavilions

For the pre-cursor of UBM SinoExpo and China Boat Industry & Trade Association to start a Boat Show just a dozen or so years Deng Xiao Ping effectively opened China for business may have appeared, to some at the time, at best brave, at worst foolhardy, but the intervening years have proven any potential naysayers completely wrong.

Over the past 20 years the China (Shanghai) International Boat Show has grown to become the pre-eminent Boat Show in China, if not in Asia, always maintaining its stance as having all things nautical under the one roof, effectively covering the whole leisure boating industry supply chain in one venue at the one time certainly justifying the show's byline as "Navigator of Asian Leisure Boating".

That roof, in one of the largest clear spans available in Shanghai today, at the Shanghai Expo 2010 site, is a little higher and a little bigger than the underground car park where it all started and the show is more than a little larger with a floor area of 50,000m² in 2014 along with an on the water site in Shanghai's first locked marina at the North Bund.

That is one of the noticeable facets of the China (Shanghai) International Boat Show. It has never been afraid to innovate and change as circumstances require. 10 years ago, half way through

the shows history, the site was on the banks of the Huangpu river in Pudong on the eastern side of Shanghai. As it grew in size and stature it moved to a more downtown location at the Shanghai Exhibition Centre opposite the Shanghai Centre on Nanjing Road and during its tenure there weathered the financial storm before moving to its current home in response to demands from its domestic and international exhibitors, for more space and better facilities.

Last year the show boasted six national and one regional pavilion with 500 brands from 27 countries on display, a number unmatched anywhere in Asia. Many exhibitors are repeat attendees at a show considered important enough by manufacturers for major product unveilings – in 2014 the show hosted no less than 53 new model launches.

BUT WHAT OF THE MARKET?

That China is on track to become the world's largest luxury goods market is widely accepted, the only question is when it will take that top spot, and what that will mean for the sale of really big ticket item such as boats.

Underpinning that seemingly insatiable desire for luxury products is the heady fact that China's population currently

stands at approximately 1.4Bn. The vast majority of the populace of course are unable to afford a boat, but as China develops, mirroring the trajectory of other developed and emerging markets, some 'blue sky thinking' offers a tantalizing glimpse of what potential there is in the market.

Some 5 or 6 years ago in the USA it was estimated that 35m people could afford a boat and there were in excess of 10m boats. At that time, in China the affordability ran to 25m people with less than 1,000 leisure boats. Now a boat was considered anything from a superyacht down to a kayak, but still a boat. Potential? Virtually endless, at least for the foreseeable future.

So much for potential, but what is actually happening on the ground? Twelve years ago there were no yacht or sailing clubs in Shanghai. There are now seven clubs on the city's largest lake with another half dozen small marinas on the banks of the city's mother river, the Huangpu Jiang. It is starting to happen and having China's premier Boat Show in the heart of the city cannot be discounted as a major influence in this growth.

UNTAPPED POTENTIAL

And it isn't just Shanghai where the scene is developing with clubs, regattas and marinas to be found in growing numbers across China. The number of marinas, for example, has increased from the one or two of a dozen years ago to over a 100 today that are either under construction or in the planning stage, or actually finished and filling with boats.

Shanghai itself is believed to have around 150,000 millionaires with neighbouring provinces of Jiangsu and ZheJiang also featuring well up on the millionaire league table. It is estimated that China now has more millionaires than Europe.

Couple to that the new wealthy's growing desire to make the most of their leisure time – as evidenced by the rapid growth of the golfing scene over the last decade – and it's apparent that there is still a largely untapped market in the leisure boat field.

So, what of the future? Well, as they say in marketing parlance, "you have to be in it to win it" an adage that some of Europe's major boatbuilders have adhered to and one that is now paying dividends. Beneteau, Sunseeker, Ferretti, Azimut have all had good sales volumes in China because they are here, have invested effort and finances in developing what will become one of the major global markets for boats just as it has become so for cars, computers, cosmetics, and jewelry.

The China (Shanghai) International Boat Show, celebrating its long, continuing journey from that underground car park of 20 years ago, has helped launch many brands onto the Chinese water leisure market. It's shown over its life that it continues to assist with the promotion of water leisure in China and the development of a strong and vibrant water leisure industry in the country.

So how has the China (Shanghai) International Boat Show risen to such a pre-eminent position within the industry, and perhaps more significantly, how has it been able to sustain that position for two decades?

DEVELOPING BOATING

Crucially the China (Shanghai) International Boat Show has never been afraid to evolve and adapt as required while at the same time never losing sight of its clear intention to place in the one venue at one time all levels of the Leisure Boating supply

chain, from the humblest stainless steel shackle to the biggest motor yacht.

The Show has also always been willing to commit to larger and grander venues, adopting a brave "build it and they will come" attitude as it looks to stay one step ahead of the market.

The organisers have also been quick to adapt, realising that as people lower down the wealth ladder started to show interest in water leisure the China (Shanghai) International Boat Show invested in promoting smaller boats. And, when the Chinese people began showing an interest in other forms of water leisure, Show organisers took the bold decision to welcome these sectors into the Halls, instead of shutting them out.

AHEAD OF THE GAME

Vital to the Show's continued success is its willingness to help grow boating from the grass roots, to put something back by encouraging the local boating scene and supporting boating related charities. That positive attitude extends to encouraging excellence in the industry by championing the Asian Marine & Boating Awards, awards that are truly earned and respected.

It is clear that a combination of these and many other factors

have meant that the China (Shanghai) International Boat Show has continued to grow in every measurable way, be it exhibitors, visitor numbers, space and most importantly volume of product sold while many of the 30 or so other 'local' shows in China struggle to keep

going, exhibitor numbers seemingly outnumbering visitors in some cases.

This abundance of shows is of course should come as no surprise, given the size of the country and its populace, and its potential as a developing market. Inevitably exhibitors will gravitate to those shows where they will have most people walking past their stands or booths. Visitors, whose leisure time is valuable, will likewise wish to see as many boats on a weekend as they can and at 550 boats in the one place. There is only one show in China that offers that.

Car park to Expo site in 20 years – one wonders where it will be at the end of the next 20!

See you at CIBS2015 in April next year. ■

“ Vital to the Show's success is its willingness to help grow boating from the grass roots, to put something back... ”

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