

SUPERYACHT

BUSINESS

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Full report on how French builders are continuing to advance confidently through the global downturn

French resistance

AS OTHER COUNTRIES' SUPERYACHT INDUSTRIES CONTINUE TO STRUGGLE, FRANCE IS MANAGING TO KEEP A STEADY COURSE THROUGH THE CRISIS

REBECCA WATSON REPORTS

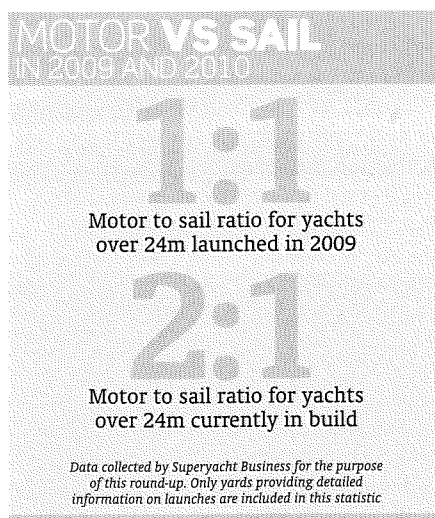
France is not a large superyacht producer in any sense of the word. Among the handful of French yachtbuilders with years of steady superyacht production to their names, the trend is an average annual launch rate of one or two yachts over 24m (79ft). The biggest yacht currently in build at the yards surveyed by *Superyacht Business* is CMN's 60m (197ft) Project 803. However, despite the fact that France's superyacht sector could be considered diminutive compared to the rest of the country's marine production, the big boat industry in France is solid and — having suffered fewer losses than most during the crisis — has some interesting cards to play in terms of future development.

"Even though we can't say that the crisis is behind us, I think we can say that France did better than a lot of other countries," says Olivier Racoupeau, naval architect at Berret Racoupeau Yacht Design and spokesperson for Superyacht France, the industry organisation supported by French marine industry federation FIN.

"When the crisis hit, the order books were good at yards like Couach, CMN, JFA and Ocea," he continues. "It's thanks to order books like these that the French superyacht sector was not as impacted as it might have been."

Touched by the downturn

Still, an impact was undeniably felt. Normandy's maxi-catamaran builder Yachts Industries is reported to have gone out of business last spring. CEO Jean-François Bourdin had established the yard in 1999 to



build 20m-40m (66ft-131ft) aluminium catamarans under the Yapulka Yachts brand and aluminium and carbon catamarans from 23m-49m (75ft-162ft) with the marque Blubay.

Another casualty was French superyacht standard-bearer Couach, which ran into trouble at the beginning of last year. In March 2009 the Gujan-Mestras yard filed for protection from the courts after two months of unsuccessfully seeking an answer to its cash flow problems. The yard blamed the financial and banking crisis for its failure to negotiate a debt restructuring.

Several interested parties presented dossiers for the acquisition of the ailing yard, but it was French industrialist and Couach yacht owner Fabrice Vial who eventually took control of the yard. Vial acquired the newly named Chantier Naval Couach for €1.5m on

the condition that all 310 jobs be saved and that the new owner provide a €6m cash injection for the company.

Now, over a year on from its initial setbacks, Couach is making good progress, complete with a healthy order book. Although no other yard took hits as hard as Couach and Yachts Industries, the French superyacht sector as a whole is certainly looking forward to turning the page on a difficult period.

"Projects that entered the building process before autumn 2008 continued into the crisis," explains Superyacht France's Racoupeau. "Anything not yet at that stage was either cancelled or postponed. I think we'll need another year before all the stagnation has been purged."

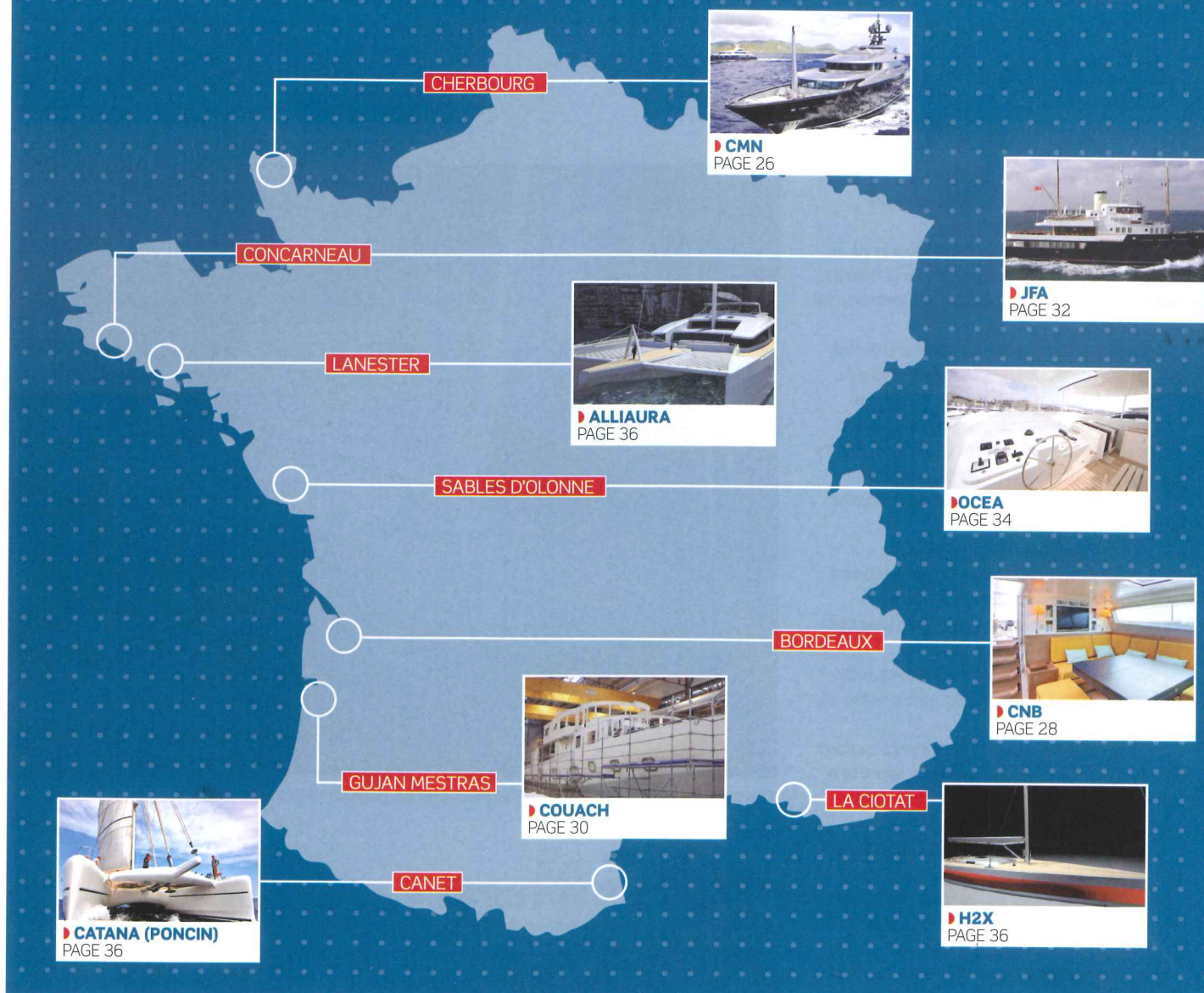
Expectations for 2010 are understandably reserved, but after a tough year marked by silence from potential clients, business appears to be moving again.

The return of the client

"It's clear that demand and interest has dropped," says Olivier Lafourcade, head of Bordeaux-based superyacht yard CNB, part of French boatbuilding giant the Bénéteau Group. "On the other hand, the latest news we're getting from the architects — who are the first port of call for our clients, before they come to us — is that there are some projects that had previously been put on hold that have now been reactivated."

French yards already have a sense of the new style of owner returning to their market.

"There was certainly a period without much demand, but it's coming back now," says Frédéric Jaouen, president of Brittany's dedicated superyacht yard JFA. "In terms of



the changes we've felt with the clients, people are perhaps now thinking of slightly smaller boats. They're also entertaining the idea of different types of consumption."

A shift in preferred build materials has also been registered by the yards.

"Before there was big interest in composites as the new material on the scene," explains CNB's Lafourcade. "Now the interest is stabilising between composites and metal. According to statistics we have on our builds, composites have been a bit more popular over all. More recently, however, with the crisis, there has been a shift towards aluminium."

The pain of the drop-off in yacht contracts following the financial crisis was eased for many French superyacht yards by continued success with other activities. The majority of yards have long been involved in different types of boatbuilding, with an emphasis on mid-size commercial and military craft.

"We went six months without signing a yacht contract," explains Cyril Le Sourd, product manager for superyacht builder CMN in Cherbourg. "But the crisis was a very busy period for us, working on a 72m frigate."

"We went six months without signing a yacht contract. But the downturn was a very busy period for us nonetheless as we were working on a 72m frigate"

While offering maintenance services for their fleets, French superyacht builders do not generally consider refit key to their offering, due mainly to their tendency to be situated on France's Atlantic and Channel coasts rather than on the Mediterranean. As a popular cruising ground, the south of France has a more active refit sector, with Marseille and the Couach-owned IMS yard at Saint Mandrier both important destinations for big boats in need of maintenance.

Superyacht refit is, however, a developing sector on the west coast of France. Pôle Refit La Rochelle is an initiative based strategically at the centre of at one of France's key marine industry zones. Facilities at the Pôle include a city centre superyacht harbour, a Maritime Repair and Construction Park with two dry

docks up to 176m (577ft), and a wealth of local marine businesses.

The abundance of marine suppliers and expertise on the Atlantic and Channel coasts of France — and, indeed, throughout France — is a boon to the French superyacht industry. The industry is, however, relatively young and a veritable network of superyacht suppliers integrated with the builders is still in the making.

Creating a network

"France has a wealth of equipment makers supplying the 60ft-70ft sector," says Racoupeau. "Superyacht France has worked on developing this network of suppliers for the superyacht industry, which is a relatively new sector in France compared to our other

boating traditions. The collaboration between French suppliers and French superyacht builders continues to develop.”

Another of France’s key resources is its capacity for big boat design, which is heavily informed by legacies of racing and commercial boatbuilding.

“French architects are particularly skilled for design in composites,” says JFA’s Jaouen. “Our collaboration with such designers is definitely one of our strong points as a yard.”

Boat types that the French marine industry has become synonymous with in smaller dimensions are also developing as strengths for its large yacht builders.

“There is a legacy of building and designing deep ocean-going boats, sailboats, and multihulls, the latter of which is a speciality that not many other countries can lay claim to,” says Racoupeau.

Builders also report a trend among some clients to swap from motor to sail in wake of the crisis.

“This is firstly because of the price savings on running the boat and secondly because of concerns for the environment,” says CNB’s Lafourcade.

French superyacht builders tend to focus on highly customised projects, but this can work as a disadvantage. “Average build time for us is between 1.5-2 years,” explains Jean-Michel Flour, head of yachts at superyacht builder Ocea. “Interested parties will contact us then decide that our build times are too long for them.”

Space in marinas may still be a problem in France — as with most of the rest of Europe — but the main obstacle for French superyacht builders will be to maintain levels of build activity. The high levels of customisation offered by French superyacht



Photo: Nicolas Claris

The CNB 86 *Spiip*, designed by Philippe Briand and launched in October 2009

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yards necessitating long build times has been one of the buffers keeping the French superyacht industry in good health throughout the crisis.

Looking to recovery

“Perhaps the biggest challenge for the French superyacht sector is keeping activity up despite the crisis, while at the same time preparing for the recovery,” says Racoupeau. “We’re looking at new types of projects, new designs, clean energy and clean living aboard. The goal is to inspire future owners to start a boat project. We see creativity as the motor of recovery. We want to create new projects that are seductive and dynamic.”

Diversified activities have also helped the French yards for the most part avoid layoffs, but the intention is for France’s big yacht sector to continue to grow.

“There’s been a very strong development of the superyacht industry,” says CMN’s Le Sourd. “The crisis hasn’t ended this, although it has definitely slowed it down. People will come back, but they will be more focussed on price than before.”

Most French superyacht builders have the space for more builds — and larger builds as well. Ocea, for example, says that they essentially have no maximum upper limit for the size of yacht the yard can build. The crisis might have slowed progress, but the capacity, resources and know-how necessary for increasing superyacht build activity in France are definitely there. The question is — will the market provide the demand?

As the fallout from the crisis begins to clear, no one is willing to make predictions about what will happen in the coming year. But in the same way that French superyacht yards tend to be discreet about their capabilities, so they are quietly confident about France’s ability to attract projects.

“Boats are on sale at cut-down prices in places like Italy, for example,” says Couach’s sales director Benoit Faure. “But there are people looking for boats of extremely high quality from boatyards that are financially secure. There are certainly people who made money during the crisis and those people want to spend money at the top end of what’s on offer.”



Aboard *Marhaba*, an Ocea Commuter 108

JFA

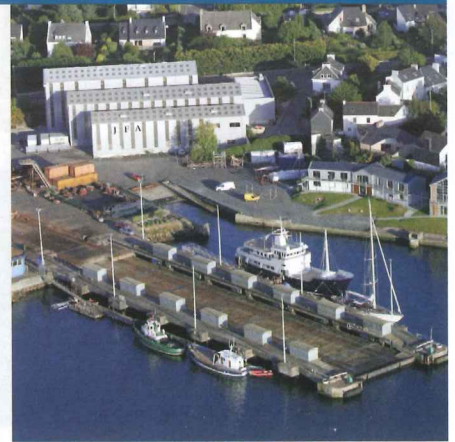
2

yachts over
24m launched
in 2009

KEY FACTS:

- ▶ **Size of yard:** 9,300m² including four construction halls with a total space of 2,195m²
- ▶ **Direct employees:** 40
- ▶ **Indirect employees:** 30
- ▶ **Size it can build to:** 60m (197ft)
- ▶ **Biggest length built so far:** 43m (138ft) currently under construction
- ▶ **Web:** www.jfa-yachts.com

A new shed, the launch of two yachts and work on what will be one of the world's largest sailing catamarans have kept Breton yard JFA busy over the past year. One-hundred per cent custom projects and a familial atmosphere are among JFA's strengths, but president and founder Frédéric Jaouen says that his yard's strengths can also be its weaknesses.



YARD OVERVIEW

Polyvalence is key to JFA's offering. Focussed on producing custom yachts of superyacht size, JFA only built its first sailing superyacht in 1997 and its first motor superyacht in 2001, yet already the Brittany-based concern has almost every type of yacht to its credit.

"The only kind we've yet to build would be a fast motoryacht," explains president Frédéric Jaouen, who founded the yard with technical director Frédéric Breuille in 1993.

Jaouen describes JFA as 'small'. The yard launches on average two boats every two years and at the end of January this year, upped its capacity from two boats to three with the opening of a 45m x 18m (148ft x 59ft) shed built with catamarans in mind. JFA's second catamaran is currently in progress — the 33.5m (110ft) design by Parisian multihull specialist VPLP will be one of the biggest catamarans in the world when it launches next year.

"In the yard we have the equipment necessary to work with all materials," says Jaouen. "Plus we draw on the local expertise. Within 20km we have access to specialists in prepreg carbon, because of course Brittany is renowned for building race boats."

JFA began as a refitter, but maintenance activity now only accounts for a small portion of the yard's activity. "Around 10 years ago we did a lot more refit, mostly on yachts of around 35m," says Jaouen. "It's true to say that refit demand increased during the crisis, but it's not something we've really pushed in terms of marketing."

Signing two orders in 2008 just before the crisis hit meant that working rhythm at JFA actually increased during the downturn.

"The drawback to building custom is that if when we finish a boat we don't have another project lined up, then we're exposed," says Jaouen, who remains

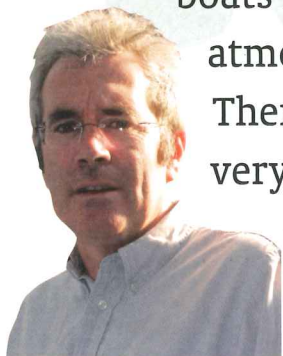
confident regardless. "Interest began picking up again at the end of 2009. We're discussing some projects at the moment."

The yard has experience of semi-custom builds, but has found greater success with its 100 per cent custom projects. "We're passionate people," explains Jaouen. "There's a very personal approach and we're much more drawn to unique projects."

One such project was *Bystander*, a 42m (138ft) motorboat launched by JFA in 2006 as an escort vessel to the J-Class yacht *Velsheda*. *Bystander* picked up Best Power at 2007's International Superyacht Society awards.

"I think it would be of benefit to spread the word that France is very strong in superyachts, both in terms of design and construction," says Jaouen. "There is a richness here that is not very well known. Our architects and yards are award-winning."

"The people who work with us want to make boats in a familial atmosphere. There's a very personal approach"



Frédéric Jaouen, president

ONE TO WATCH

- ▶ **Name:** VPLP 110
- ▶ **Style:** Sailing catamaran
- ▶ **Length:** 33.5m (110ft)
- ▶ **Hull and superstructure:** Carbon (prepreg and infusion, depending on the part)
- ▶ **Main sail area:** 300m²
- ▶ **Solent area:** 252m²
- ▶ **Gennaker Area:** 330m²
- ▶ **Motor:** 2 x 355hp Cummins
- ▶ **Fuel capacity:** 2 x 3,500 litre
- ▶ **Maximum speed:** 14kt under engine
- ▶ **Exterior design:** Van Peteghem Lauriot Prévost, France

- ▶ **Interior design:** Confidential
- ▶ **Delivery date:** 2011

