

Luxury boat makers sense a shift in the wind

By John Tagliabue

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What does a designer of Italian luxury motorboats do when he visits the coast of Maine? He goes home and builds a \$900,000 lobster boat.

The annual boating trade fair opened here Wednesday and closed Monday, lifting the curtain on a series of big boating fairs stretching over the next few weeks from here to Genoa to Annapolis, Maryland, to Fort Lauderdale, Florida.

This year, retro is in, sort of like PT Cruisers in the boating world.

At Ferretti, the big Italian maker of expensive motorboats for the very wealthy, one star of the show was its new lobster boat.

Lobster traps? "There's room for that, too," said Augusto Balestra, project manager for Ferretti's 16-meter, or 51-foot, lobster boat, the Dolphin. He made several visits to Maine to refine the design.

Across the harbor of this French Mediterranean port, the big French Bénéteau yards best known for sailboats unveiled the Swift Trawler.

Designed to evoke vaguely the clunky vessels French fishermen once used to haul nets, the Trawler boasts twin 350-horsepower diesel engines, finely outfitted cabins in blond wood and all the electronic gear for navigating, watching television or just tapping into the Internet that goes into expensive motorboats today. Selling for about \$285,000, the Trawler goes on sale in the United States next year.

"It's functional and seaworthy, yet also beautiful," said Laurent Fabre, project manager for the Trawler. The fairs are being watched closely. In the heady years of the 1990's, prosperity attracted customers who might never have thought of themselves as yacht owners before. Boating blossomed into a \$30-billion-a-year business in the United States alone.

But the stock market reversal and general economic slump slowed the industry. Growth rates for retail spending on boating in the United States went from fevered in 2000 to a slight drop the following year and around 4



Pascal Guyot/Agence France-Presse for The New York Times

The "lobster boat" Mochy, made by the Italian manufacturer Ferretti.

percent in 2002, adjusted for inflation, according to the National Marine Manufacturers Association.

So now, with quirky new models and bigger and fully equipped boats, the industry is trying to lure customers back to the water, and the signs are that they are coming.

"This year was a tough year, but the last 60 days have shown signs perhaps of a revival," said David Branch, publisher of the trade publication *Power & Motoryacht*, who attended the fair.

Boating also serves as a bellwether for the overall economy. "Most of the customers for these boats are smart businessmen," Branch said. "As soon as they smell a turnaround, they're going to get back in."

Edward Mahoney, director of the Recreational Marine Research Center at Michigan State University in East Lansing, said he estimated the market could grow more than it did last year.

Sales thus far this year "have not met the expectations" of boating companies, said Mahoney, who regularly surveys boating business sentiment. "Yet they remain optimistic for the long term."

America's ability to weather the storm is crucial for Europe's boating industry, which ships its vessels increasingly to the United States. Bénéteau, which manufactures sailboats at a factory in Marion, South Carolina, will show the Swift Trawler at the Annapolis show this month.

"The potential in the United States is enormous," said Fabre, whose Trawler is intended to lower Bénéteau's reliance on sailboats, the smaller segment of the boating market.

In February, Bénéteau's catamaran division, Lagoon, will introduce in Florida a new 13-meter model that is outfitted with an unusual flying bridge. It will come equipped with a choice of diesel or diesel-electric engines.

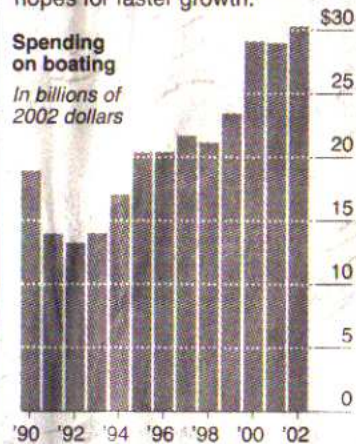
More important, a revival of the U.S. economy would probably lap over to Europe. A rising tide would lift all boats. Guy Puygauthier, the French importer of Hunter Yachts, a unit of the Luhrs Marine Group in Florida, said perspectives in Europe remained uncertain.

Asked how many of Hunter's sleek sailboats he expected to sell this year, he replied, "If I'm pessimistic, 30; if I'm

Hoping sales rise

Though spending on boating in the United States grew 4.6 percent last year, the industry hopes for faster growth.

Spending on boating
In billions of
2002 dollars



Source: National Marine Manufacturers Association

NYT



Pascal Guyot/AFP for The New York Times

The Swift Trawler, made by the French boatyard Bénéteau, on show at Cannes.

optimistic, 50."

The Cannes show features tiny runabouts and inflatable boats alongside immense yachts that are tantamount to floating mansions.

Ferretti's lobster boat, Balestra said, is intended for European boat owners who may want it as a second boat. "For lovers of the sea, it's kind of a fulfillment of their dreams," he said. "We look a lot at the market, and one of the niches that is growing is the lobster boat."

European yacht builders like Bénéteau have made their deepest market in the American market for sailboats, which is a small fraction of the huge market for powerboats. But yacht builders from France, Italy, Germany and elsewhere are increasingly transforming the business into a high-end branch of the luxury goods arena by specializing in yachts that are to sailing what Ferraris are to driving.

Massimo Franchini lounged in front of his 23-meter sailboat, Romeo & Co., which is custom-built for customers for \$4 million, including \$1 million worth of electronic technology, like

cable television and fax, telephone and Internet connections. Boats like Romeo & Co., which sleep eight to 10, feature special glass from Murano, the island in the Venice lagoon, in cabin windows, and multiple steering systems and automatic sail-furling equipment that enable them to be handled easily by two people.

Franchini, 50, recently opened offices in Chicago and plans a big push on the American market starting in 2005. "We have some contacts with individuals," he said, "but you must have a sales and service structure that is adequate."

Of course, the need to pack modern technology into today's boats has set off a boom among seaborne-electronics companies, and they were out in force. Clive Widdowson, technical director of AGC Marine Telecom in Antibes, France, which markets the telecommunications equipment of Sea Tel of Concord, California, in Europe, said that while satellite television was common on expensive yachts, Internet and telephone connections were becoming equally indispensable.

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