



# PRESS RELEASE



## **Growth good, but the world is changing**

**The keynote speaker of the 30th anniversary METSTRade Show Breakfast Briefing, Chairman and Chief Executive Officer of US-based Brunswick Corporation, Mark D Schwabero, set the tone of his talk by reminding a packed audience in RAI Amsterdam this morning of the need for companies to evolve continually to meet changing market opportunities.**



Schwabero provided a brief glimpse into how Brunswick had evolved over its

172-year history, from making billiard tables, to being the world's largest record recording company with Al Jolson on its board, to the \$4.5bn company it is today, with 80 per cent earnings in marine and 20 per cent in the fitness market. The point was clear – to survive long term you need to identify and move into emerging opportunities and part with other areas that cease to be of interest.

In order to set the scene, Schwabero provided key insights of the company's view of current trading. Brunswick forecasts that GDP in the global economy will be at or below 3 per cent over 2018-20, a level he describes as not great, but an okay environment to trade in. The company anticipates global marine market unit growth will be in the range of 2-4 per cent.

Dollar growth is running ahead of unit growth, driven in part by the relative explosion of sales in outboards of 200 horsepower and larger. The 300hp segment, which didn't exist in 2006, now represents 20 per cent of sales value.

Consumer confidence in North America is at a 10-year high and dealer sentiment is reflecting that. Schwabero also reminded his audience of the importance of the fishing market particularly in the US – it is second only to jogging as the most popular outdoor pursuit and 75 per cent of unit sales are related to this market.

For Europe, Brunswick sees an improving position in most countries, although it credits a particularly strong performance in the UK in 2016 and subsequent fall back this year to Brexit. In Asia, the company is similarly positive forecasting that China and Indonesia will drive moderate outboard growth.

Contrary to some opinions in circulation, Schwabero is positive about the role new generations will play in future sales. "The suggestion that Millennials aren't boaters doesn't agree with the data – they still have an affinity for the water," he asserted. What followed though was a warning that the marine industry would need to "fasten its seatbelts" and deal with a lot of change, driven by different expectations and technology.

Schwabero suggests the trends that are emerging in automotive today will be similarly influential in the marine market. Marine businesses will need to develop solutions around boat sharing, connectivity and even autonomous boats. Brunswick is already getting involved in these areas, by partnering with Seattle-based peer-to-peer boat rental company Boat Bound, supporting an autonomous project undertaken by MIT and by developing fully integrated electronic controls and interfaces for Mercury sterndrives and outboards. The company has also opened up an innovation laboratory in the University of Illinois Research Park and formed a joint venture with TechNexus to accelerate innovative development across its group.

In drawing to his engaging presentation to a close, Schwabero concluded with a quote from American professional baseball catcher, Yogi Berra – “the future ain’t what it used to be.” The message was clear – that technology and expectations are progressing at breakneck speed, but as long as the marine industry was prepared to innovate and change, it had very good reasons to stay positive.

### **About the METSTRADE Show**

The METSTRADE Show is the world’s largest trade exhibition of equipment, materials and systems for the international marine leisure industry. Organised by RAI Amsterdam in association with ICOMIA (International Council of Marine Industry Associations), it includes three dedicated specialist areas: the SuperYacht Pavilion, the Marina & Yard Pavilion and the Construction Material Pavilion. The METSTRADE 2017 will last two more days and will end on Thursday the 16th November.