
GMBA MEETING FOCUSES ON KEY AREAS AFFECTING THE INDUSTRY

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GMBA held their first face to face meeting at the prestigious Real Club Nautico de Palma de Mallorca Yacht Club, on 14-16 March 2022. Over the 2 days a number of key issues affecting the recreational marine sector were raised and discussed in depth. The discussion tended to centre around small business operators and the difficulties they were facing in planning for the future in the current environment. It was seen as critical to the success of these businesses that they had access to factual, quality information on which to base decision making.

The following key areas were covered over the 2 days, in particular those issues facing GMBA clients:

1. The situation in the Ukraine and Russia was clearly high on the agenda and the fallout from this situation for the marine industry, particularly the builders and the refit yards. During the course of the two-day meeting Zoom conversations were held with the GMBA consultants based in Russia who updated the meeting on the current situation they are facing. The meeting also talked over zoom with a boating industry journalist from Ukraine. Exports of marine products to Russia have been all but halted and with the summer season coming this will severely affect the operation of many businesses in Russia. One GMBA consultant suggested Russia will soon likely see mass unemployment there. On the other side of the equation, clearly those supplying this market will also be severely affected. Everyone hopes and prays for a quick resolution for both the Ukrainian people and average Russians.
2. Whilst the charter season bookings look very positive this year, there does appear to be some uncertainty in the market given the negative publicity surrounding yacht seizures which is creating issues in the market. In Croatia as an example, it was reported some charter contracts had been cancelled.
3. The impact of weakening economic indicators on the industry was also discussed and will continue to be closely watched. Rising inflation is seen as a big concern given the rapidly increasing global prices of fuel/energy and inputs to boat production and marina construction. Declining consumer sentiment (now at levels last seen in the 1970's), rising interest rates and perhaps worsening supply chain issues also present risks to the recreational boating market that need to be closely watched.
4. The marine industry's approach to sustainability continues to be a very important topic as consumers are increasingly demanding sustainability from the companies they purchase from and do business with. This is particularly important for younger generations who are entering their prime boat buying years. GMBA advisors discussed creating an approach to sustainability that demystifies sustainability into an approach that businesses can use to practically address

sustainability issues. This need to address sustainability is growing in urgency not just for big businesses but for all business that want to thrive in the next decade.

5. Working with marine companies on their international growth strategies has been a major focus of GMBA advisors. The GMBA network has simplified this for many marine businesses large and small who find GMBA advisors can shortcut their entry to new global markets.

6. In the main it was felt boat shows that were going ahead were doing well with high visitor traffic and sales and the networking component of shows was as valuable as ever. However, with order books full and limited inventory available many boatbuilders have little to exhibit and what they have is being focused on the major international shows. Participation in international shows is still not a straightforward experience and those who were venturing to shows, felt it critical to get outcomes. GMBA had assisted several companies in identifying new distributors, agents, boat builders and outlets for products. With METS being the next strategic show on the radar GMBA is already focusing on activities there for clients.

The 2 days in Palma also included an impressive presentation on sustainability by Baltic Yachts CEO, Anders Kurten, plus visits to the Baltic Yachts refit facility within STP and a tour of Astilleros de Mallorca by their CEO Diego Colon.

Global Marine Business Advisors is a group of marine industry experts across 19 countries. The group is focused on providing a broad range of support services for businesses in the global marine sector. The combined expertise and experience of the group is second to none and their extensive networks are supporting marine businesses across the globe to drive growth and success in this current environment.