



Whatever floats your boat in Gibraltar

words | Ian Le Breton

In last month's bulletin from the world of finance, I focused on certain measures announced by our Chief Minister in this year's Gibraltar Budget — in particular a number of goods where the rate of import duty had been either reduced or effectively abolished by setting the rate at zero per cent. This led me on to the joys of collecting art and some of the potential benefits arising from the lowering of duty on finished art works, as well as on a number of artists' materials.

"Whatever floats your boat," said a colleague, pointedly dropping his copy of *The Gibraltar Magazine* on my desk as he said it. "What do you mean?" I asked, somewhat affronted by his off-hand tone. "Boats... that float," he shot back like a Parthian as he headed for the exit.

As I contemplated the open door through which he had just sailed, the penny dropped. Now I can barely tell the difference between a rudder and a spinnaker, but the Budget announcement also contained a proposal that pleasure yachts under 18 metres in length — about 59 feet in old money — could be imported free of excise duty. So in the interests of balance (not to mention office harmony) I thought I should devote this month's piece to the yachting sector and our government's strategy to encourage it further.

One need only look at a map to understand the significance of things maritime to Gibraltar since the Atlantic Ocean first breached the mountain range joining Europe and Africa to create the Mediterranean Sea. The strategic

importance of the Rock is the stuff of legend and is, of course, the primary reason we are all here today. However history is not strictly within the purview of this column. Suffice it to say, our naval base remains a vital part of Britain's — and therefore NATO's — defence capability to this day, and the work it brings and jobs generated are vitally important. However it is the pleasure yacht sector that today offers huge potential to Gibraltar's future prosperity. Read on.

How important is the marine sector to the Gibraltar economy overall? Figures released earlier this year from the Yacht Registry showed the considerable growth seen over the past 10 years. At the end of 2013, over 800 private yachts appeared on the Register, representing a 10% net increase over the year. It should be mentioned that over 300 commercial vessels are also registered but for this piece I shall focus on the private — or pleasure yacht — sector.

Benefitting from comprehensive maritime legislation based on English Common Law,

the Gibraltar Ship Register is a "Category One" member of the Red Ensign Group of the UK dependency registers. The others are the Channel Islands and Isle of Man, together with other UK Overseas Territories — Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Falkland Islands, Montserrat, St Helena, and Turks & Caicos Islands.

When you next visit a yacht marina, look out for the familiar "red duster" and try to identify which of the territories listed above the boats hail from. This is easy to do because the flag will include a national motif on the right-hand side — this is known as a "defaced" ensign. Each crest or design should tell you where the yacht is registered — the fortress and key of Gibraltar, the three legs of the Isle of Man or the turtle of the Cayman Islands. And if you are stumped by the crest, go round the back — or "the stern" as I believe sailors prefer — and the port of registration will confirm the answer, even if it might test your geographical knowledge to the limit!

There are several reasons why Gibraltar is



growing in importance in this area. Regular readers will by now be familiar with my usual mantra that can be applied to pretty much any business done here — Gibraltar is a small, well-regulated jurisdiction benefitting from a favourable tax regime, proactive government, membership of the European Union, well-trained and knowledgeable personnel and so on.

And yes, the government is working hard to develop the sector. But as in most areas, legislation, rules and beneficial tax rates are only part of the story. It is down to the private sector to translate these advantages into real business, revenue and employment. In this area, I believe we are truly fortunate in having a group of industry professionals that is working hard to develop and promote the industry across Europe and beyond.

Regular readers may recall my writing about the Second Gibraltar Superyacht Forum held at our new airport in mid-2013, which followed the successful inaugural event the previous year. The debate concluded with a “call to arms” as representatives from the industry and government bodies acknowledged that a determined joint effort was required if Gibraltar was going to attract more of this highly lucrative business.

As a result, a “development board” was established that is now working in tandem with government on the steps required to improve the overall offering to the private maritime sector, including the need to attract yachts to stay for longer periods in our port. Limited berthing has always been an issue at both marinas at Queensway and Marina Bay. Of particular concern are the facilities available to superyachts themselves and much work is now being done to improve the situation.

Delegates at last year’s forum were told that captains of these larger ocean-going yachts do indeed bring their yachts to refuel in Gibraltar on their way from summer in the Mediterra-

nean to their winter sojourn in the Caribbean. After all Gibraltar is the one of the largest “bunkering” ports in the Mediterranean and our bunkering companies continue to go from strength to strength. These skippers and their crews are of course most welcome, and contribute greatly to the economy and vibrancy of the Rock. It is a missed opportunity, however, if the yacht owners themselves — and their guests — never set foot here and find out what else Gibraltar has to offer — not least our special tax residence packages, our financial services expertise and our fine new airport.

All this is very exciting and, I’m sure you will agree, the ambition to grow the sector locally is laudable. But of course just talking (or even writing) about it won’t bring in the business. The industry needs an high international profile and I am delighted to see that the Gibraltar Maritime Administration will this year be exhibiting at the Cannes Yachting Festival from 9th – 14th September. Cannes is generally considered to be Europe’s leading in-water boat show and brings together the key players in pleasure boating and international luxury yachting, whether they are exhibitors show-

casing their new vessels, products, services or visitors — yacht owners or future buyers.

Which brings me back to my disgruntled colleague — namely, Gabriel González, director of our marine services firm Register A Yacht. com. He will be joining six other private sector companies on the stand for the duration of the show. Each company specialises in its own niche products and services; combined they offer a truly comprehensive package to the private yacht owner.

Eagle-eyed readers will have noted that the show coincides with Gibraltar National Day — on Wednesday, 10th September — when it is anticipated that the Gibraltar stand will create a bit of a splash and generate a priceless amount of positive publicity. Some readers will know that private aircraft are my passion and I suspect that a yacht well below 18 metres in length would the realistic upper limit for me. However I have committed to spend Gibraltar Day at the Cannes Yachting Festival to see the industry at work for myself.

I am sure most of you will be enjoying the occasion on the Rock but if, by any chance, you find yourself instead on the Côte d’Azur, do come along and join us on the Gibraltar stand. But no matter how or where you are spending National Day this year, I wish all Gibraltarians and friends of Gibraltar a truly enjoyable and memorable day. ■

***As in most areas,
legislation, rules and
beneficial tax rates are
only part of the story. It
is down to the private
sector to translate these
advantages into real
business, revenue and
employment***



Ian Le Breton
is Managing Director
of Sovereign Trust
(Gibraltar) Limited.

Tel: +350 200 76173
Email: ilebreton@
SovereignGroup.com