

MARITIME SECTOR

- its financial importance in Gibraltar today

As we approach the hottest months of the summer, inevitably thoughts turn to lazy days on the beach or by the pool. In my last column, I discussed how – despite assumptions based on our Mediterranean location – Gibraltar does not shut down for the summer. Far from it, in fact: the summer is a busy time for business. A good example is that the Gibraltar government is gearing up to host Maritime Week, which culminates in a conference from 8-10 July – more of which later, and indeed elsewhere in this edition of *The Gibraltar Magazine*.

An obvious benefit of living in Gibraltar is that nothing is ever very far from the sea. No one living here can escape our maritime heritage and a quick glance at a map would demonstrate all too clearly the strategic importance of the territory down the ages. The Rock guards the

northern side of the Strait of Gibraltar (please, the name should never be in the plural, although just saying “the straits” is fine) and enjoys a commanding view of one of the world’s busiest sea-lanes. Its formidable outline is a landmark for anyone sailing into or out of the Med.

The Gibraltar Squadron and its patrol launches, HMS Scimitar and HMS Sabre, ensure the security and integrity of British Gibraltar Territorial Waters and, while the former naval dockyard is now operated as a commercial facility by Gibdock, Gibraltar’s is still an important base for NATO. British and US submarines frequently visit the Z berths at Gibraltar.

But leaving the navy aside, let us consider the private sector’s contribution to our maritime industry. The Port of Gibraltar welcomes vessels of all kinds year round

and we can all gawp admiringly at the pleasure yachts in our marinas. But is the maritime sector’s impact on our economy truly appreciated by the general public? Apart from the visible activity going on at the Port, a significant proportion of the financial and legal business conducted here is centred on matters maritime. Are we taking the right steps to exploit these opportunities?

Let’s begin at the “smaller” end. Our marinas are visited by, or are a permanent home to, a truly diverse collection of vessels. This ranges from tiny motorboats and sailing boats, through to the smaller and mid-size yacht level and up to an impressive list of visitors in the “superyacht” bracket. True, there is some argument as to how to define a superyacht but you can assume a length of at least 24m. By way of comparison, a cricket pitch is 20m long. These days, a growing number



of such vessels far exceed this criterion. Sometimes they are referred to as “mega” or even “giga” yachts; I prefer to think of them as just seriously big.

In the past, I have written about how we might go about attracting more of these magnificent floating palaces (with or without gin!) to visit and encouraging them to stay longer. And not just skippers and crew, but the owners too. Once a yacht is here, owners can fly direct into Gibraltar in just a few hours from the US or Middle East, as well as Europe.

Don't be fooled by those naysayers who tell you that the runway is too short. Our brand new terminal building has a purpose

built Business Aviation Wing with its own entrance and dedicated security processing facility, while the Wessex Lounge offers business facilities, meeting rooms, board rooms and private lounges. The more challenging bit, of course, is to encourage these wealthy individuals to visit us in the first place. Step forward my colleagues in the wealth management business!

There are several ways in which Gibraltar can benefit from the yachting sector in particular. Local registration provides a Red Ensign jurisdiction that offers a tempting combination of “Britishness” at competitive prices, together with impressive turnaround times. At present, there are some 800 yachts on the local register but,

of course, there is plenty of room for more.

Significant as they are, pleasure yachts form only a small part of the local maritime sector. Looking at the wider picture, cruise liners and freight are also a vital part of the equation. Cruise ship visits have been fairly stable over the last five years at around 180 ships per year. The general trend is that these behemoths are becoming ever larger so the number of passengers disgorged on to the Rock should grow year on year. Let's welcome them.

The most important of all, however, is “bunkering” – the process of supplying operating fuels to ships – which generates a major source of local revenue and employment. Gibraltar is a world market leader and bunkering accounts for a very high percentage of the calls made into the Port of Gibraltar. Readers may care to look at the excellent piece in the recently published Gibraltar Chamber of Commerce's Annual Report 2014 on this subject.

The Chamber's report reveals that last year there were some 8,500 calls into the Port of which some 5,500 vessels were here primarily for bunkering. It is estimated that up to 75,000 ships transit the Strait of

