



Brussels, 14 March 2013

## **CONTRIBUTION TO THE EU TOURISM POLICY SUSTAINABLE COASTAL AND MARITIME TOURISM**

In light of the European Commission's Communication 'Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe' (2010), and its forthcoming communication on a strategy for coastal and maritime tourism, European Boating Industry wishes to offer its full support to the initiative and highlight some priorities which should be addressed by the European Commission. This paper will set out the key priorities of the sector and provide an overview of the boating and leisure marine industry in Europe.

### **I. Key priorities for the boating industry**

Today, the Mediterranean Sea alone attracts 70% of the world charter activity and is the number one destination for nautical tourism. Furthermore, boating and watersports are practiced in all European seas and oceans, as well as on rivers and lakes in continental countries. It is important for Europe to maintain and further advance this leader position, while taking initiatives to facilitate the development of nautical tourism activities in Europe.

Since 2008, the boating industry was harshly hit by the financial and resulting economic crisis and saw its current production divided by 2 compared to 2007 levels. Nevertheless, the boating practice which is linked to tourism activities resisted well in Europe. Although boating-related problems in Europe vary greatly from a region to another, and are often linked to cultural and historic developments of boating in these countries, we believe these obstacles need to be acknowledged and presented in the European Commission's document and where possible, initiatives and actions at EU level should be proposed by the European Commission.

The following issues were identified as key priorities for the boating industry:

#### **I. Multiplication of rules and regulations applied to marine protected areas:**

In the Mediterranean Sea only, there are 677 marine protected areas (MPAs) representing 114,600 sq. km (incl. the Pelagos Sanctuary). Most of them are found within 12 nautical miles from the coast, which is also where most of the nautical tourism activities are taking place. While one can only welcome and support the measures taken to preserve and protect outstanding natural sites which are also strong attractions to the nautical tourism, it is important to introduce coordination and consistency in the rules and regulations applied to these areas. Protection measures in MPAs can vary greatly: speed limits, minimised access of motorised craft, anchoring regulations, specific measures on disembarking of persons, animal feeding, prohibition of waste water releases, prohibition of certain activities like fishing, etc.

In order to support the development of sustainable nautical tourism, it is important to establish a dialogue between managers of MPAs, the boating community and other stakeholders like public authorities in order to find limited but harmonised rules in sea basins that will allow for Blue Growth. With dialogue and joint work, economic operators will better understand their environmental impact and be able to plan their activities within a foreseeable framework.

In its Communication on coastal and marine tourism, it is important that the European Commission underlines that sustainable nautical tourism activities must be allowed in MPAs and that such areas should not become sanctuaries but rather examples of what sustainable marine tourism can achieve.

#### 2. Lack of berths and dry storage for boats:

In the Mediterranean Sea, the lack of berths for visiting vessels (visitor berths) can be a real issue and discourage people (tourists and regular boaters) from travelling from a marina to another, which is one of the charms of cruising. Similarly, new dry storage areas typically used for smaller craft are needed in numerous locations in order to respond to the lack of berths at sea and provide effective storage solutions for boat owners and users in the smaller segment. The smaller boat segment plays an important role as entry-level segment to boating and therefore should not be disregarded in nautical tourism development strategies to be adopted under the future communication.

#### 3. Heterogeneous taxation rules:

The differences in taxation of the same activities among EU countries can undermine certain nautical tourism activities in certain countries. A known example is the "matriculation tax" which applies to all recreational craft, whether registered for private or commercial use. The tax has restrained for years the sales of new boats and discouraged a number of charter boat operators from developing charter activities in Spain while depriving the country from possibly substantial revenues from that activity. In France, the annual fee of francization (DAFN) for boats under the French flag and the right of passport for foreign flagged vessels may be an obstacle to the development of nautical activities. Moreover, the taxation applied for commercial use of the vessels (i.e. the chartering activity consisting in the renting of vessels with or without skipper/crew) varies from a EU Member State to another. In some countries, although not discriminatory in themselves, national taxation rules and regulations are so complex that only craft registered under that given national flag end up being used for charter.

In another area, one could be surprised to know that the accommodation service provided by marinas (leisure harbours) is taxed at a full VAT rate while hotels, tourist facilities and campsites offering similar services can enjoy a reduced VAT rate for their accommodation services. Substantially, marinas are providing the same type of accommodation service to tourists that campsites do, except the boat is replacing the caravan.

#### 4. Data collection and statistics:

The incoherent and inconsistent data collection at national and EU level does not provide a true picture of the leisure marine industry and the nautical tourism in Europe. As such, it also undermines the industry's efforts to develop its activities by minimising the importance of this sector to the tourism economy in general. There is a need for recognition of the socio-economic benefits of boating and leisure marine activities by authorities. Some countries like Italy have established a national observatory of nautical tourism<sup>1</sup> which collects and produces on a regular basis figures on boating but also more generally on the nautical tourism.

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<sup>1</sup> Osservatorio nautico nazionale (Italy) - <http://www.osservatorionautico.org/>

Action should be taken at the EU level to share positive experiences in that field and seek ways for pan-European collaboration (or at least at given sea-basin level) to develop appropriate methodologies and approaches to collect sound data, which can be further used by the companies and the public authorities to plan the development and improve their tourism services.

#### 5. Differing safety equipment requirements on board recreational craft:

Every Member State establishes its own minimum safety equipment requirements to be found on board recreational craft. While often very similar, these national requirements are different in each country, some being legal requirements while other countries prefer good practice recommendations. Although a vessel is only required to comply with the requirements of its Flag State, these differences can create confusion to both users and professionals. For instance, some Member States have detailed requirements such as prescribing the dimensions for anchors and chains which may not fit with the equipment already installed on the boat, or requiring certain standards for liferafts and lifejackets (e.g. SOLAS or ISO certifications). This can be problematic to boatbuilders as well since they build according to the essential requirements of the EU directive 94/25/EC. Some EU Member States also still base their legislation on the concept of “area of navigation” (distance from shore) rather on “design categories” (used by the EU directive 94/25/EC) which are based on the craft’s capacity to face given meteorological conditions (wind force and significant wave height) which can be found close or far to the shore, depending on the local weather conditions and specificities.

Similarly, EU Member States have different rules for the periodic technical inspection of recreational craft, with different safety items having or not to be periodically checked (e.g. gas installations, navigation lights, etc).

These variations in safety equipment requirements are furthermore visible in the area of commercial vessels (i.e. recreational craft used for chartering, with or without skipper/crew), where charter boats cruising in the same EU waters are equipped with different safety equipment depending on the flag under which they are registered.

It would be useful that the European Commission establishes whether these disparities in safety requirements could be tackled in order to introduce common levels of safety.

#### 6. Heterogeneous requirements for individuals to operate a recreational craft:

Every EU Member State also has its own (and different) requirements in terms of boating qualifications for individuals to safely operate a recreational craft. Boating qualifications can be mandatory or not, creating a first difficulty when a boater from a country with no license is required to present his/her license in order to rent a boat. This is partly solved with the International Competence Certificate (ICC)<sup>2</sup>, which provides a uniform international document. EU Member States also have differing requirements for sailing and motorboats. For instance, the UK, Ireland, Belgium, the Netherlands or Finland do not require any license for sea-going vessels. Other countries like France, Germany, Denmark or Lithuania do not require a license for sailboats (below a certain engine power) but will require one for motorboats. Finally, some countries like Spain, Italy, Croatia or Greece require licenses for all types of vessels. This variety of rules can negatively impact the capacity of individual tourists to operate boats under the various European flags, whether from friends or charter companies.

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<sup>2</sup> UN Economic Commission for Europe Inland Transport Committee Working Party on Inland Water Transport Resolution 40 – International Certificate for Operators of Pleasure Craft

### 7. Heterogeneous level of quality, competence, training in repair & maintenance services:

Boat/engine repair and maintenance companies seem to have varying levels of competence/training resulting in varying levels of service quality around Europe. Other professions in chartering or maritime expertise face heterogeneous levels of training, competence, skills and service quality. This could be seen as a possible limitation to the movement of boaters and tourists around Europe, while undermining the nautical experience for the unlucky users that are faced with poor quality of service. Moreover, the repair of boats, equipment and engines<sup>3</sup> by non-recognised companies will put at stake the manufacturers' warranties for the consumers.

### 8. Impossibility for certain professions to be practiced everywhere in Europe:

Training and qualifications for a number of boating professions in EU Member States are heterogeneous. This is particularly true for professions such as captains / skippers on recreational craft up to 200 GT. In several EU Member States the national legislation applied to the command of commercial vessels, including recreational craft below 24m and/or up to 200 GT requires that the captain or professional skipper be holder of professional qualifications issued by the vessel's Flag State for navigation in its territorial waters. In concrete terms, it means that a charter company which has its own fleet of vessels registered in Member State A is not allowed to hire a professional skipper with professional qualifications acquired in Member State B to work on its vessels as long as the vessels are cruising the territorial waters of Member State A. Moreover, the compliance of the said professional qualifications with the level of competence established at international level through the IMO STCW<sup>4</sup> is not necessarily a guarantee for the professional skipper that his/her qualifications will be accepted in other EU Member States. Finally, very few countries in Europe recognise and accept the maritime experience acquired in the past (for instance in boat racing) in the process of acquiring the professional qualifications of captain/skipper.

Similarly, some countries seem to restrict the capacity for watersport instructors (diving, wind / kitesurfing, etc) to work in other countries because of language requirements. For instance, it happened that the authorities in Member State A prohibit an instructor from country B teaching in language B to tourists from country B during their holidays in country A. In other cases, instructors who master the local language were nevertheless denied the right to work because professional qualifications acquired in another country were simply not accepted.

The European Commission should foresee an action aiming at facilitating the mutual recognition of professional qualifications in order to facilitate work mobility for professionals in the boating industry<sup>5</sup>.

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<sup>3</sup> This applies to a lesser extent to engines since most engine manufacturers have well established dealer networks, which are trained and in some case certified by the manufacturer.

<sup>4</sup> The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (1978) adopted at the International Maritime Organisation

<sup>5</sup> An EU-funded project called GETAFIX ([www.getafix.eu](http://www.getafix.eu)) is currently surveying the various professional qualifications required for professional skippers in EU Member States.

### 9. Adapting to demographic changes and making boating accessible for all:

The average age of boaters in Europe is increasing. This means that over the coming years, boats and marinas will need to adapt to the changing needs of their users. Recent research undertaken in Germany<sup>6</sup> has shown that by designing the boat to reflect and accommodate the physical capabilities of elderly users, boaters will be able to stay on the water for longer. Through this research, it was estimated that keeping older boaters on board for an additional five years would be worth €13 billion to the German economy alone.

Further research should be done and financially supported at European level to identify the needs of other user groups (young generations, women, families) and funds made available to accompany companies in developing the appropriate products and facilities. It is crucial for the future of the nautical tourism, that companies (which are mostly small and medium-sized enterprises) are assisted in understanding the challenges of future demographic trends and the importance of developing new products and services which will attract young people and new users to the practice of nautical activities. The European Commission should support the boating sector in pursuing this objective.

### 10. International cooperation with neighbouring non-EU countries:

When devising strategies and policies for the future coastal and marine tourism strategy, it is important that the European Commission foresees a chapter for international cooperation since a number of non-EU countries already do or will play an important role in nautical tourism (e.g. Montenegro, Albania, Turkey, Libya, Tunisia in the Mediterranean Sea or Russia, Ukraine in the Black Sea).

### 11. Promotion of Europe as first nautical destination in the world:

The Mediterranean Sea attracts 70% of the world charter activity and is the number one destination for nautical tourism. The European Commission should foresee the development of promotion activities targeting nautical tourism as well as support actions in the field of ICT for small and medium-sized companies in this sector would be welcome.

## **2. Facts and figures about boating and tourism in Europe**

The European leisure marine industry comprises both industrial / manufacturing activity and services. The industrial activity includes boatbuilding (from sailing dinghies to mega yachts), equipment manufacturing for boats and watersports, and infrastructure builders and operators (marinas). The service side of the industry includes boat trade, repair and maintenance, retail of parts and accessories, chartering, boat and watersports schools, and financial and insurance services. Both the manufacturing and the service activities play a significant role in the coastal and marine tourism offer of Europe.

Boating, marinas and water sports are important revenue-generating activities not only in coastal regions, but also inland as these activities are widely practiced on lakes and rivers. Europe is already the leading destination for boating and water sports enthusiasts. Today, 70% of world's boat charter (rental) takes place in Europe, the majority of which takes place in the Mediterranean Sea. Boating and water sports do not just take place during the summer or holiday periods though, they are an all-year round outdoor sport. More than 48 million European citizens practice some form of water-related activity (such as wind and kite surfing, paddling, diving, canoeing and kayaking) while 32 million people practice boating.

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<sup>6</sup> Forschungsvereinigung für die Sport- und Freizeitschifffahrt e.V. (FVSF), [Alters- und geschlechtsabhängige Referenzdaten der Leistungsfähigkeit von Wassersportlern bei Aktivitäten auf Motor- und Segelyachten - Folgerungen für den Bootsbau](#), October 2012



Europe also counts over 4500 marinas, which offer more than 1.75 berths for the 6.3 million boats kept in European waters. In addition to offering water enthusiasts access to the water, marinas are also important contributors to the local economy, providing employment, regeneration and tourism. Marinas generate direct business impacts through on-site tenant businesses, which can be marine related (e.g. chandlers, boat repair) or non-marine related (e.g. bars, pubs and restaurants). Berth-holders, boating visitors and leisure visitors spend money on goods and services provided by tenant businesses on the marina site. Studies throughout Europe have additionally shown that boaters are high-value tourists who spend above average tourist expenditure. In France, for example, the average spend per boat (with 3 occupants) per night is €150. With over 1 million calls in French ports annually, over €200 million in revenue is generated. A survey showed that in Italy 3 berths generate 1 job in the nautical tourism businesses.

Boating, marinas and water sports represent over 155,000 direct jobs and generate almost 13 billion euro in revenue annually (with boatbuilding and equipment manufacturing representing an additional 6 billion euros and 60,000 jobs)<sup>7</sup>. Boating also provides added value to real estate where a residence by the waterside is priced 10% higher and up to 20% more if it is connected to the water. In this way, boating also plays a role in spatial planning and water management in some countries.

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<sup>7</sup> Source: ICOMIA Recreational Boating Industry Statistics 2011 (October 2012)