

The British Superyacht Report

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A REPORT WORTH READING

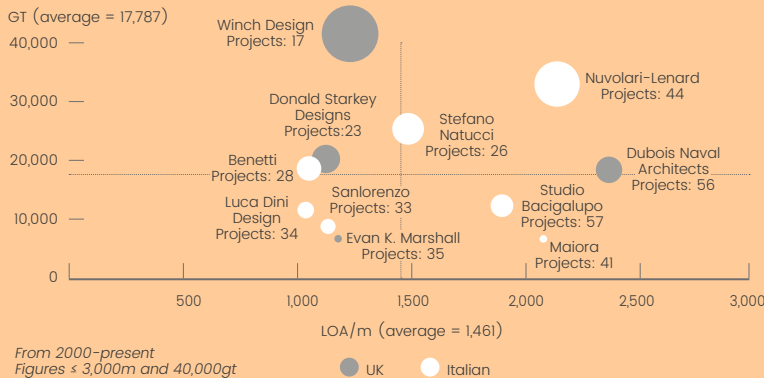
OWNER

“It’s the depth of expertise and professionalism inside brokerage companies that has impressed me the most.”

We invite back an old face to offer a one-off appraisal of the British brokerage market from the other side of the fence.

FLEET

UK and Italian exterior designers by GT and LOA (m)



BUSINESS

“Recently, there has been a number of substantial superyacht losses, especially over the past five years, and when you add them to the regular year-on-year losses, the market couldn’t sustain the payouts and has been losing money.”

Paul Miller, director of marine underwriting at Hiscox MGA, on an insurance sector undergoing a period of profound change.

TECHNOLOGY



OPERATIONS

Keeping the industry afloat: an exclusive insight into the UK’s leading role in training and recruiting the crewmembers of tomorrow.

DESIGN



We cover air, land and sea in one day, as Georgia Boscawen takes to the skies for her interview with Tony Castro.



A major shift worldwide, an urgency to act

With climate change and ocean pollution, it's imperative for us to take action if the yachting industry wants to continue to move in the right direction, explains Olivier Blanchet, head of private jet and yacht finance at BNP Paribas.

ABOUT OLIVIER BLANCHET

UNIVERSITY OF
CAMBRIDGE

CERTIFIED BY THEM TO
DEVELOP POSITIVE IMPACT
BUSINESS ON BEHALF
OF THE INSTITUTE OF
SUSTAINABILITY LEADERSHIP

1993

YEAR HE JOINED
BNP PARIBAS

2002

YEAR HE DISCOVERED THAT "GOD MUST HAVE BEEN
A SHIP OWNER OR A YACHT OWNER BECAUSE HE
PLACED RAW MATERIALS AND PARADISES FAR FROM
WHERE THEY WERE NEEDED AND COVERED 2/3
OF THE EARTH WITH WATER", WHICH PROMPTED
BLANCHET TO BECOME A MARITIME BANKER!

2006

LAUNCHED A
DEDICATED OFFER FOR
FINANCING YACHTS

Climate scientists are predicting that increasing CO₂ levels in the atmosphere will lead to more acidic oceans and a loss of Arctic ice – making dry regions drier and wet regions wetter, and causing a rise in global sea levels.

Therefore, delivering on sustainability is a licence to do business in the 21st century. Since the international community became acutely aware of the need for urgent action to limit global warming, the world has tentatively aligned to act together for a better future.

In 2018, hurricanes flooding the US East Coast led to insurance companies applying a sharp uplift in premiums in January this year. Thomas Buberl, CEO of Axa Insurance, says the world will not be insurable if the temperature increases by four degrees. I would add that the world will not be bankable either.

The 'There is no Planet B' campaign and the United Nations Climate Change Conference that took place in December 2018 marks the end of old business practices and the start of an inevitable transition to a low-carbon economy.

This year's Monaco Yacht Show ran simultaneously with the United Nations Climate Week in New York. The latter played host to the younger generations, millennials and young billionaires committed to changing the world. At the same time, the old world had meetings in Monaco.

The yachting industry needs to speed up its ecological transition. Its development has its roots in the 19th-century industrial revolution and this cycle has come to the end. This capital, human-intensive industry is at risk.

Bank of England Governor Mark Carney recently said that companies and industries that are not moving towards

zero-carbon emissions will be punished by investors and go bankrupt. However, he believes that industries, sectors and firms that become part of the solution will do very well. There are opportunities for those who are able to move and change first.

Banks are ready to support the transition and help corporates and private clients with identified key performance indicators related to their positive impact on the planet. In that respect, BNP Paribas took the opportunity during the United Nations Climate Week to issue its public statement on the oceans.

Banks can help to speed up the transition

Our goal is not to exclude but rather to accompany our clients on their own sustainable journey. At BNP Paribas's last European Sustainable Future Forum, our CEO Jean-Laurent Bonnafé said, "If our clients are willing to evolve and gradually transform their business model into a more sustainable one, we are there to accompany them."

Banks are obviously the leverage to accelerate the change by providing the means to channel the financial resources. They can nurture the discussions with clients by factoring in extra financial criteria. It's an exciting opportunity to remain agile and attract talents who now also consider a company's ESG (environmental, social and governance) commitments when choosing an employer.

We believe we have a vital role to play in supporting the transition because of our ability to bring together all players in the private jet and yacht ecosystems. This is how we develop actions for sustainable finance linked to our Jet and Yacht Finance offer.

We use specific sustainable development goals (SDGs) as a lens to assess the resilience of our business.

We decided to focus on SDGs 6 (clean water), 13 (climate) and 14 (life below water).

Because we are talking to UHNWIs for financing or advisory purposes, we have a unique door-opener to convince clients about the possibility to accelerate the transition for legacy purposes:

1. We have been working for 18 months with maritime professional organisations on the production side to promote green certifications, fuel efficiency and design for circularity.
2. We are moving further to deliver a carbon-offsetting mechanism for our clients by 2020.
3. By taking a holistic approach, we are going to include a 'click and donate' mechanism within our Jet and Yacht Finance offer, giving clients the possibility to donate to NGOs endorsed by BNP Paribas to bring about a positive impact on the oceans.
4. Finally, yet just as importantly because our jet and yacht franchise is linked to a private banking relationship, we offer the client the opportunity to invest assets in positive-impact funds, giving further flexibility on the loans side.

Our goal is to support and encourage those who decide to build, buy and charter innovative yachts, reducing their pollution impact on the earth and/or to agree to offset their carbon footprint through existing solutions and projects identified by BNP Paribas (www.climateseed.com).

Water Revolution Foundation is the superyacht industry's own foundation to drive sustainability and preserve the oceans. This shift to a proactive approach is urgently needed to ensure long-term success and retain interest from the corporate world – and this includes the banks. **BB**