# UK Leisure and Small Commercial Marine Industry

## Key Performance Indicators

**2005/6**

British Marine Federation

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## INTRODUCTION

This report provides detailed information on the marine industry of leisure and small commercial craft for a range of economic indicators, from turnover and value added to exports and employment.

Taking the opportunity created by a change in our financial year, the BMF has completely revised its approach and methodology to produce a more comprehensive assessment of the marine industry. For the first time, we have conducted an in-depth analysis of companies that form part of our industry, but whom are currently outside BMF Membership. The data for these non-BMF Member businesses has been included in our total industry figures.

The revised model consists of two parts. The first part is based directly on data received from BMF Members via a declaration form, which has been revised to obtain more detailed information. The second part is founded on a thorough investigation of a business list of non-member marine companies in the UK. Therefore, estimations are based on factual information about the size and structure of the industry. All of this data is held in complete confidence and access is limited to the Membership and Statistics and Market Research teams.

This approach provides BMF with vital information, bringing the whole industry to life and increasing the level of understanding about each sector.

We are only able to complete this industry model reliably through the time dedicated by our Members in completing their forms accurately, for which we extend our thanks.

Revising the model means that the figures are not directly comparable with previous years, but the enhanced understanding of the whole of the industry will be used to establish trends over the coming years. Each year we will launch our report of industry statistics at The Collins Stewart London Boat Show to provide a benchmark of the leisure and small commercial boat sectors' performance.

For further information please contact the BMF Researcher on 01784 223615 or e-mail research@britishmarine.co.uk.



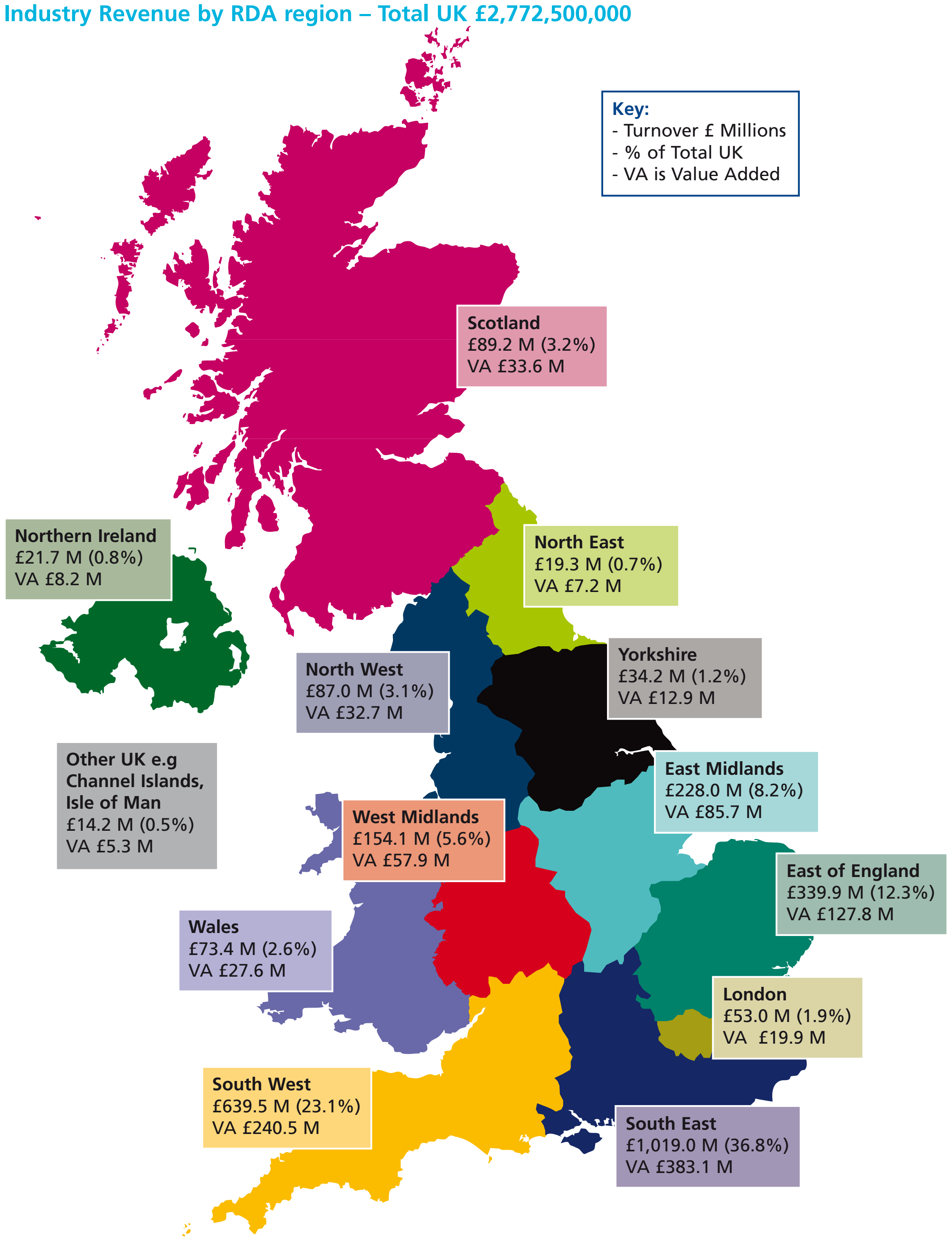
## HEADLINE FIGURES

- Total turnover of the UK leisure & small commercial marine industry is £2.8 billion
- Value added contribution, the principal measure of national economic benefit, is £1.04 billion (37.6% of turnover)
- Export revenue is £918 million and represents 33.1% of total turnover
- There are around 35,000 employees across the industry (Full Time Equivalent)
- In the UK, there are around 4,300 Businesses in the UK leisure & small commercial marine market
- Whilst these figures are not directly comparable with previous years, the rate of revenue growth between 1997 and 2004 increased consistently by an average of 7.8% per annum

NB: Figures quoted are subject to rounding

## REVENUE & VALUE

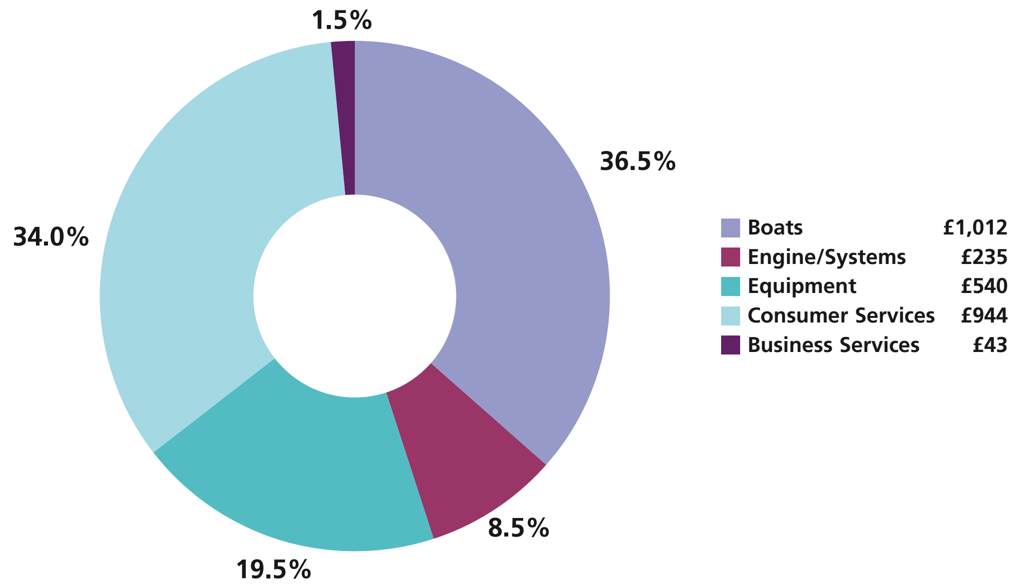
### Industry Revenue by RDA region – Total UK £2,772,500,000




The South East has the greatest share of the industry revenue followed by the South West, together accounting for 59.9% of the total UK market. These regions have high manufacturing activity, though consumer services is the largest sector in the South East. The East of England and Midlands are also important economic regions for these sectors.

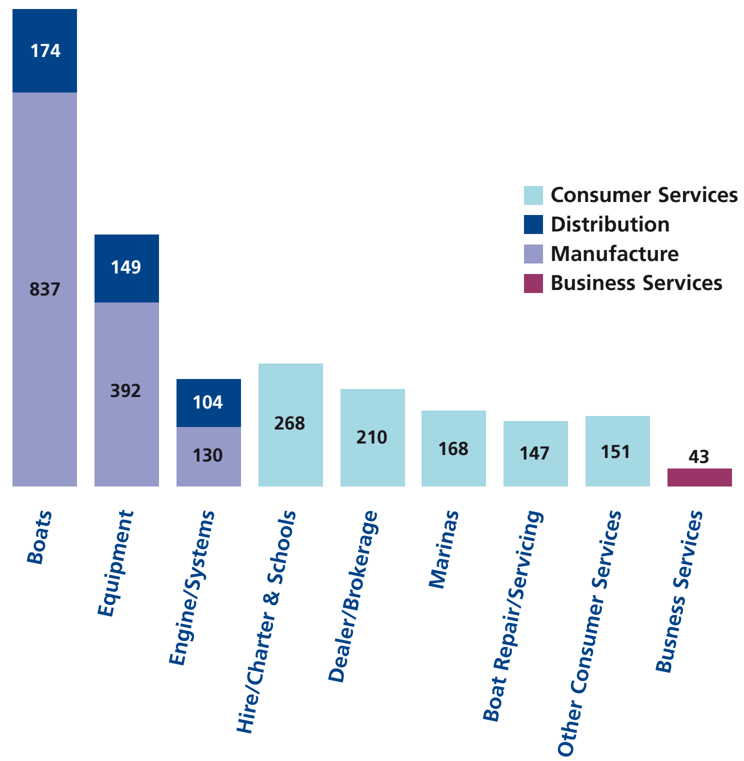


### Industry Revenue (to nearest £ million) by Core Sector




NB: Boats, engines and equipment includes manufacture and distribution

### Industry Revenue (to nearest £ million) by Sector




The manufacture and distribution of leisure & small commercial craft accounts for £1 billion in UK revenue and the supply chain contributes a further £775 million. Associated services, both consumer & business, also account for almost a £1 billion, of which 96% relates to consumers.

## Industry Revenue (£ millions) by Detailed Sector

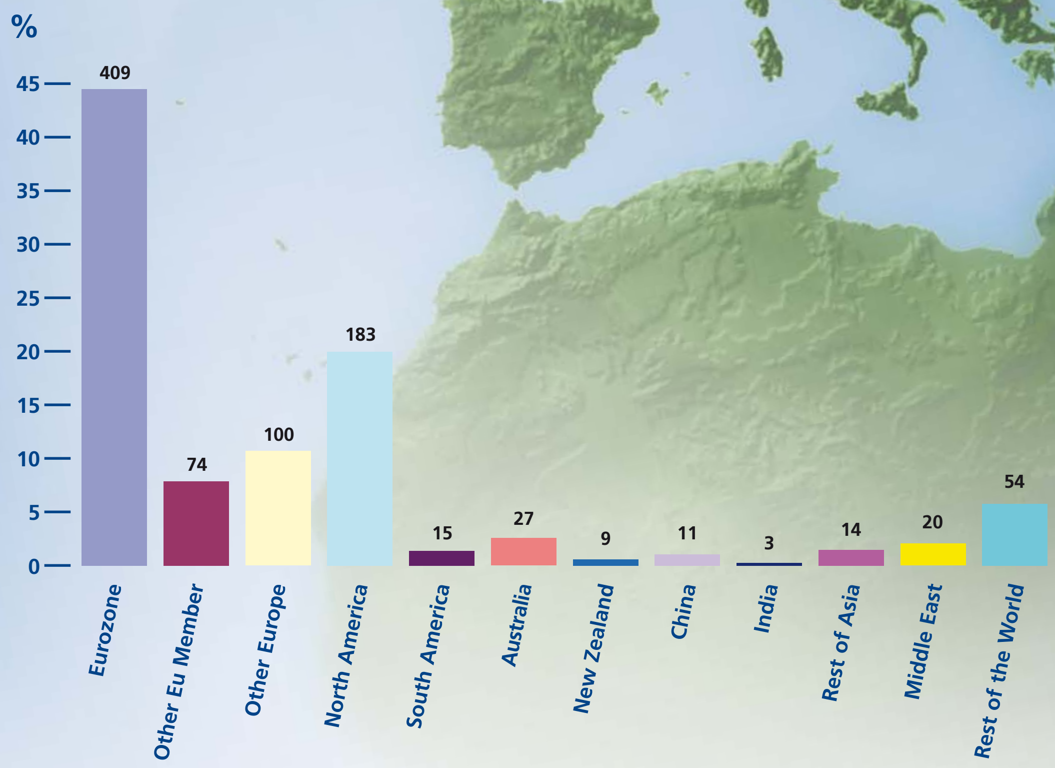
| | | £ millions | % of UK Total |
|---|---|---|---|
| Total Manufacture | Power Boat Manufacture | 663.35 | 23.9 |
| | Sail Boat Manufacture | 119.79 | 4.3 |
| | Other Boat Manufacture | 54.24 | 2.0 |
| | Electronics Manufacture | 152.95 | 5.5 |
| | Deckgear / Rigging Manufacture | 122.96 | 4.4 |
| | Other Equipment / Accessories Manufacture | 115.63 | 4.2 |
| | Engine / Systems Manufacture | 130.41 | 4.7 |
| | **Total Manufacture** | **1359.33** | **49.0** |
| Total Distribution | Power Boat Distribution | 114.71 | 4.1 |
| | Sail Boat Distribution | 42.95 | 1.5 |
| | Other Boat Distribution | 16.40 | 0.6 |
| | Electronics Distribution | 44.03 | 1.6 |
| | Other Equipment / Accessories Distribution | 104.59 | 3.8 |
| | Engine / Systems Distribution | 104.15 | 3.8 |
| | **Total Distribution** | **426.83** | **15.4** |
| Consumer Services | Boat Repairs / Servicing | 147.23 | 5.3 |
| | Coastal / Sea Charter | 122.24 | 4.4 |
| | Inland Boat Hire | 91.66 | 3.3 |
| | Watersports Rental | 26.13 | 0.9 |
| | Sailing Schools | 27.84 | 1.0 |
| | Dealers | 146.78 | 5.3 |
| | Brokerage | 63.21 | 2.3 |
| | Chandleries / Marine Outlets | 84.26 | 3.0 |
| | Coastal Marinas | 112.72 | 4.1 |
| | Inland Marinas | 55.09 | 2.0 |
| | Finance / Insurance / Legal / Surveyors | 25.48 | 0.9 |
| | Other Services | 40.80 | 1.5 |
| | **Total Consumer Services** | **943.46** | **34.0** |
| Business Services | Business Consultants | 13.36 | 0.5 |
| | Financial / Insurance / Legal | 10.20 | 0.4 |
| | Other Services | 19.32 | 0.7 |
| | **Total Business Services** | **42.88** | **1.5** |
| | **Total** | **2772.51** | **100** |

The production of power boats plays a significant role in the boat manufacturing market. There are also sizeable supply chain and distribution markets and a huge variety of consumer services offered to the boating public. This picture reflects the diversity of the UK marine industry.



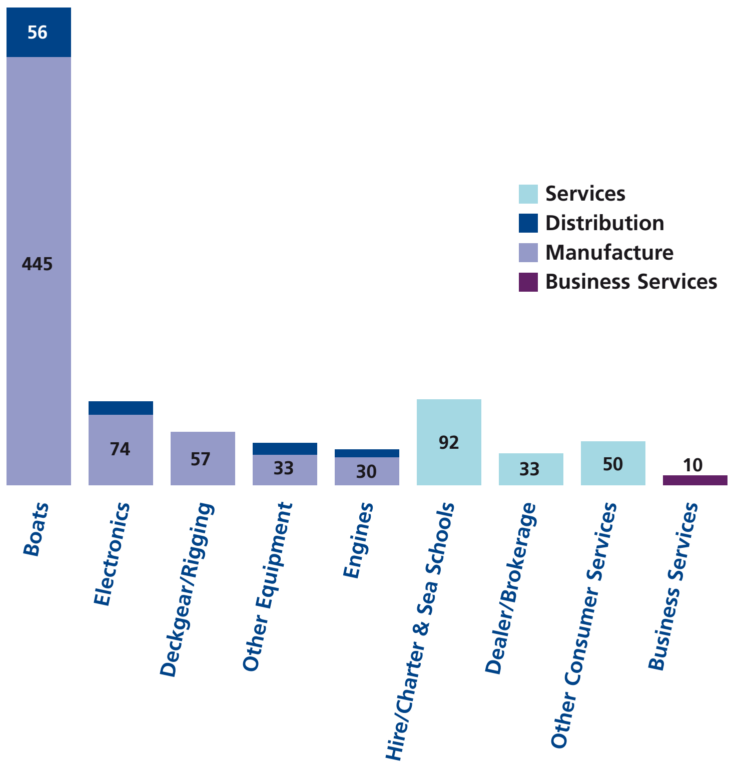
# EXPORT MARKET

## Export Revenues (to nearest £ million) by market - Total £918,040,000




The largest export market for UK companies is within Europe (notably the Eurozone) where 63.5% of the total revenue is generated followed by North America (20%). The remainder of the activity in the world market accounts for just 16.5% of exported revenue (£152.4 million). Nevertheless, the UK's key involvement in the development of emerging markets is crucial to the future of the industry.

### Products and Services Exported (to nearest £ million)




### Products and Services Exported (£ millions) by Market

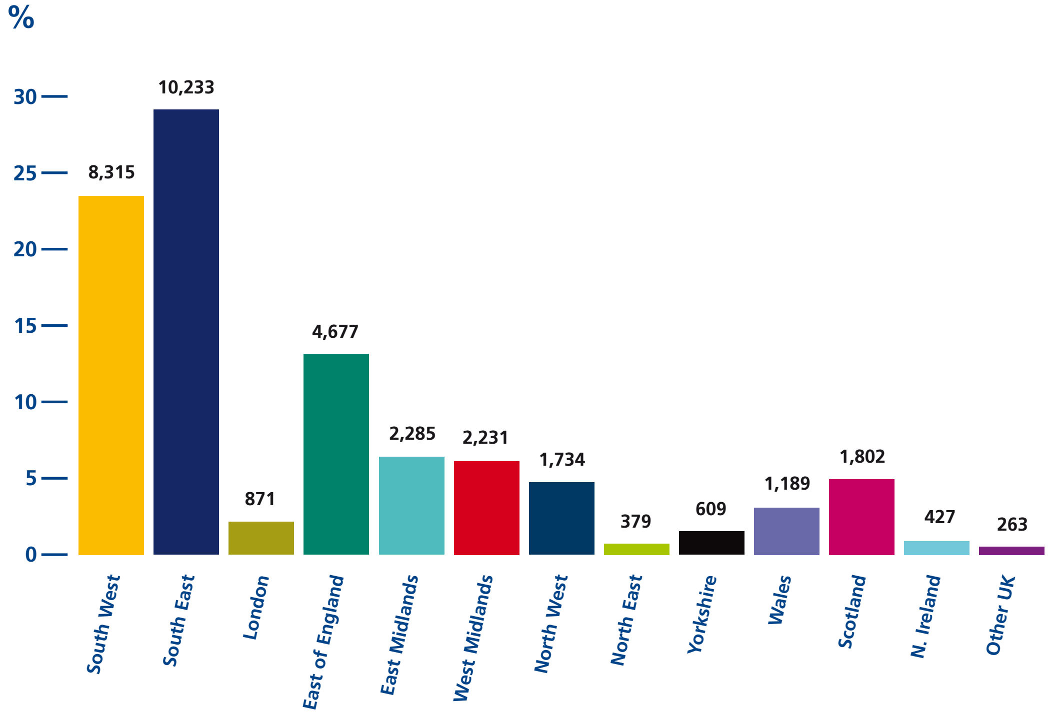
| £ millions | Total | Euro-zone | Other EU | Other Europe | North America | Aust-ralasia | Middle East | Other |
|---|---|---|---|---|---|---|---|---|
| Boats Manufacture | 445.48 | 180.01 | 30.78 | 51.98 | 107.95 | 16.96 | 11.55 | 46.25 |
| Electronics Manufacture | 74.48 | 20.10 | 1.38 | 0.44 | 25.64 | 5.53 | 0.04 | 21.35 |
| Deckgear / Rigging Manufacture | 56.79 | 19.74 | 5.07 | 3.13 | 15.76 | 5.93 | 0.99 | 6.17 |
| Other Equipment Manufacture | 33.06 | 17.80 | 2.62 | 2.38 | 6.03 | 1.44 | 0.68 | 2.10 |
| Engine / Systems Manufacture | 30.05 | 15.07 | 2.95 | 2.16 | 4.65 | 1.64 | 0.81 | 2.78 |
| Boats Distribution | 55.65 | 14.83 | 14.33 | 25.00 | 0.15 | 0.03 | 0.81 | 0.51 |
| Electronics Distribution | 12.04 | 8.51 | 0.43 | 0.59 | 0.42 | 0.27 | 0.89 | 0.93 |
| Deckgear / Rigging Distribution | 1.93 | 1.32 | 0.13 | 0.20 | 0.13 | 0.06 | 0.03 | 0.07 |
| Other Equipment Distribution | 13.33 | 8.52 | 1.43 | 0.94 | 0.82 | 0.48 | 0.39 | 0.76 |
| Engine / Systems Distribution | 9.27 | 6.79 | 0.48 | 0.61 | 0.66 | 0.13 | 0.14 | 0.45 |
| Hire/Charter & Sea Schools | 92.17 | 58.95 | 6.61 | 6.15 | 9.86 | 2.04 | 1.90 | 6.65 |
| Dealers/Brokerage | 33.39 | 22.41 | 4.02 | 2.37 | 2.43 | 0.26 | 0.25 | 1.65 |
| Other Consumer Services | 50.29 | 29.46 | 3.09 | 2.98 | 7.42 | 0.80 | 0.76 | 5.78 |
| Business Services | 10.11 | 5.14 | 0.65 | 0.85 | 1.34 | 0.18 | 0.38 | 1.56 |
| **Total** | 918.04 | 408.65 | 73.97 | 99.78 | 183.27 | 35.73 | 19.61 | 97.03 |

All products / services are exported mainly to Europe with the exception of manufactured electronics (29.4%) and deckgear / rigging (49.2%) which have a stronger representation across other markets, especially to North America. Exports to European countries outside of the Eurozone are dominated by boats both manufactured and distributed (61% of other EU members; 77% of other Europe).

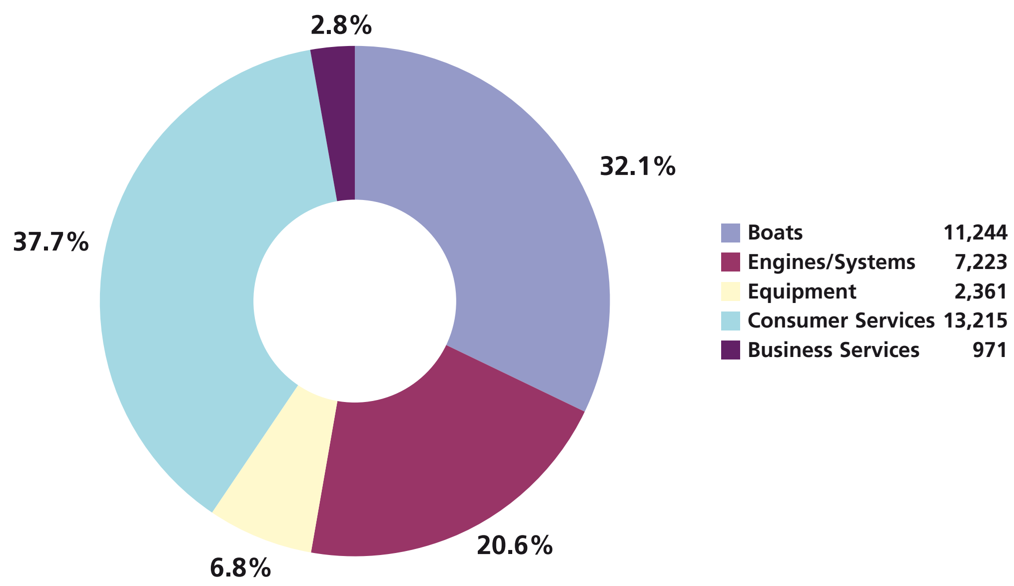


## EMPLOYMENT

### Employment (FTE) by RDA Region - Total UK 35,015




### Employment (FTE) by Core Sector




The headline figure of 35,000 employees demonstrates the importance of our sector, with key regions of the South East and South West accounting for 53% of the total. East of England and the Midlands also have significant employee numbers. The greatest number of employees are in boat manufacture and consumer service sectors.

### Industry Employment by Sector (detailed breakdown)

| | | Employees | % of UK Total |
|---|---|---|---|
| Total Manufacture | Power Boat Manufacture | 8,069 | 23.0 |
| | Sail Boat Manufactacture | 1,693 | 4.8 |
| | Other Boat Manufacture | 864 | 2.5 |
| | Electronics Manufacture | 982 | 2.8 |
| | Deckgear / Rigging Manufacture | 1,866 | 5.3 |
| | Other Equipment / Accessories Manufacture | 2,265 | 6.5 |
| | Engine / Systems Manufacture | 1,280 | 3.7 |
| | **Total Manufacture** | **17,019** | **48.6** |
| Total Distribution | Power Boat Distribution | 325 | 0.9 |
| | Sail Boat Distribution | 188 | 0.5 |
| | Other Boat Distribution | 105 | 0.3 |
| | Electronics Distribution | 615 | 1.8 |
| | Other Equipment / Accessories Distribution | 1,495 | 4.3 |
| | Engine/Systems Distribution | 1,080 | 3.1 |
| | **Total Distribution** | **3,809** | **10.9** |
| Consumer Services | Boat Repairs / Servicing | 2,596 | 7.4 |
| | Coastal / Sea charter | 1,641 | 4.7 |
| | Inland Boat Hire | 1,830 | 5.2 |
| | Watersports Rental | 130 | 0.4 |
| | Sailing Schools | 652 | 1.9 |
| | Retail Dealers | 802 | 2.3 |
| | Retail Brokerage | 744 | 2.1 |
| | Chandleries / Marine Outlets | 1,345 | 3.8 |
| | Coastal Marinas | 1,673 | 4.8 |
| | Inland Marinas | 1,024 | 2.9 |
| | Finance / Insurance / Legal / Surveyors | 441 | 1.3 |
| | Other Services | 338 | 1.0 |
| | **Total Consumer Services** | **13,215** | **37.7** |
| Business Services | Business Consultants | 269 | 0.8 |
| | Financial / Insurance / Legal | 245 | 0.7 |
| | Other Services | 457 | 1.3 |
| | **Total Business Services** | **971** | **2.8** |
| | **Total** | **35,015** | **100** |

Just under half of all employees in the whole industry are involved in manufacture (48.6%), with almost a third in the boat building sector (30.3%). The remaining employees are predominately in consumer service roles, especially those in boat repairs / servicing (7.4%) and those operating within hire / charter / rental and sea schools (12.1%).



## EXPLANATORY NOTES

### MARINE TRADING ACTIVITIES

The UK leisure and small commercial marine industry comprises over four thousand businesses and sole traders.

The figures presented relate to the supply of small commercial craft up to 50m in length (i.e not traditional ship building) and all recreational craft up to 75m, together with the supply of associated components, equipment and services i.e. all leisure boats including superyachts, hire fleets and commercial workboats.

Activities represented are drawn from both the seagoing and inland sectors of the marine industry across manufacture and distribution of boats, engines and equipment, and all consumer and business services.

### INDUSTRY SIZE AND STRUCTURE

The methodology combines primary data from our 1550 plus BMF Members and desk research on the remaining marine companies to produce total UK figures. A list of marine company details was obtained from reputable business provider, Experian. This information provided non-member company names, sizes, locations and sectors, therefore any assumptions required to build the data model have been based on facts.

Together, this BMF Member and non-member data form the following total industry size and structure of the UK industry:

| | Employee category | Number of Businesses | Number (FTE) Employed | Revenue (£ million) |
|---|---|---|---|---|
| Small | 1 | 875 | 875 | £36.58 |
| | >1 to 5 | 2,253 | 6,592 | £395.67 |
| | >5 to 10 | 632 | 4,699 | £325.45 |
| | >10 to 25 | 348 | 5,498 | £420.77 |
| Medium | >25 to 50 | 130 | 4,585 | £364.37 |
| | >50 to 100 | 50 | 3,614 | £258.82 |
| | >100 to 250 | 15 | 2,401 | £325.51 |
| Large | 250 + | 10 | 6,751 | £645.34 |
| **Totals** | | **4,313** | **35,015** | **£2,772.51** |

The primary data from BMF's 1550 plus members account for 75.7% of the total UK marine turnover, 62% of the employees and 34% of all businesses. The majority of large companies in the industry are BMF Members, whilst 80% of non-members have fewer than 6 employees.

## INDUSTRY REVENUES

To ensure there is no 'double counting' in products and services not sold to the end user, the handling fees and commissions or earnings have been provided by BMF members as their revenue, where relevant. This is applicable to brokerage and agents, insurance companies and underwriters, finance houses, finance brokers and solicitors.

The principle measure of national economic benefit (i.e. the revenue the Treasury are interested in) is the value-added contribution. The value-added approach used in this model is the Output Approach (sales minus the costs of intermediate inputs), and is approximately 38% of the gross industry revenue.

## EXPORT ACTIVITIES

Countries within Europe are grouped as follows for the purposes of export activities:

- **Eurozone:** Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain
- **Other EU Member Countries:** Cyprus, Czech Republic, Denmark, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Sweden
- **Other European Countries:** Croatia, Channel Islands, Gibraltar, Monaco, Norway, Switzerland

Other geopgraphic regions:

- North America, South America, Australia, New Zealand, China/Taiwan, India, Other Asia, Middle East, Other

## ACCURACY

Accurate statistics are vital to our function as the national representative body for the industry in the UK. BMF carries out random checks to verify Members declarations of their turnover via Companies House. The non-member list was investigated thoroughly to ensure all businesses included in the model are relevant, i.e. leisure and small commercial marine. Extensive quality assurance of the data model on both the source data and subsequent analysis has been conducted.

For our BMF Members, only 4.3% of the turnover is estimated therefore our confidence in these figures is greater than 95.7%. The non-member list provider, Experian, report they have nearly all commercial companies in their database and that their employee data is 96.04% accurate within +/- 2%. It is important to note that as non-member companies whose core business is not marine have not been included, our figures are a conservative estimate. Overall, we estimate a confidence level of 95%.

## DISCLAIMER

BMF takes no responsibility for decisions taken using the information provided in this report.

**BMF's Statistics and Market Research Department has developed the following reports to help increase general and specific understanding of the leisure boating industry:**

### Marina and Moorings Audits (Inland or Coastal) 2003/04

These reports outline findings from surveys of waterway providers. They detail the number of berths and moorings, by type and ownership; current and forecasted mooring demand and constraints to extending provision.

BMF Members - One complimentary copy of each free of charge
Non-BMF Members - £95 each



### European Overview 2004 – Leisure Marine Industry at Your Fingertips

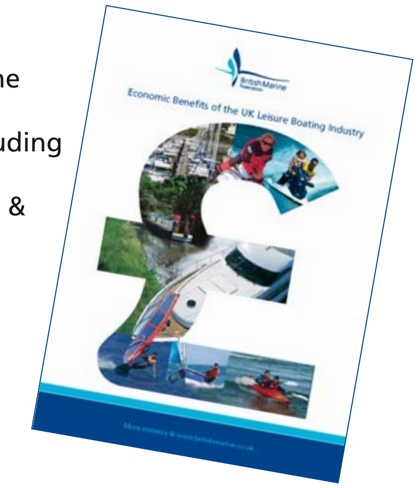
This is a 100 page strategic report on the leisure marine industry across 30 European countries. It is primarily aimed at business people and investors and has been well received by recipients. It details ownership, participation and spending; companies, employees and revenues; domestic boat production; infrastructure and facilities; major boat shows.

BMF Members - One complimentary copy free of charge
Non-BMF Members - £495 (reduced from £895)

### Economic Benefits of the UK Boating Industry 2006

The report outlines the full extent of the economic benefits of the leisure boating industry to the UK, including its contribution to tourism. It covers all aspects of the leisure boating industry, including manufacturing, distribution, boat sales, hire & charter, insurance, finance, moorings / berthings & marinas, boatyard services, retail & brokerage. It also details participation and boating behaviour in relation to tourism expenditure.

BMF Members - One complimentary copy free of charge
Non-BMF Members - £250




**To order your copy of any of the above or for further information visit www.britishmarine.co.uk or email the BMF Researcher research@britishmarine.co.uk**

If you have any queries on the detail within the report, please contact the Statistics & Market Research department at BMF

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