# 2014
# ECONOMIC CONTRIBUTION OF THE RECREATIONAL BOATER

RYA

# 02 EXECUTIVE SUMMARY

1. The average annual economic contribution arising from marina based boats is between £9,500 and £19,000.

2. An average annual running cost of about £5,100 combined with the added value component (Gross Value Added) and an allowance for the amortisation of boat value might indicate that the economic contribution of a marina based boat is towards the upper end of this range.

3. The minimum UK Total Economic Contribution (TEC) from ‘leisure boats’ is estimated to be £1.3 billion per annum.

4. In 2012 the TEC for the UK marine leisure industry was £2.31 billion, excluding export and the superyacht sector.

5. There are some 1.13 million boats/watercraft in the UK of which 541,000 fall into this study’s definition of ‘leisure boats’.

6. The Arkenford Watersports Participation Survey (undertaken annually by the RYA and others) estimated that just over 2.8 million adults took part in boating activities in the UK in 2012.

7. In addition to the economic contribution from recreational boating are the social benefits the sector brings to people and communities, both directly and indirectly. SportEngland research highlights improvements in social cohesion, positive influences on numeracy and literacy in young people and reductions in antisocial behaviour as just a few of the benefits that sport and recreation bring to society.

At present the economic contribution from recreational boaters is largely underestimated by policy makers and thus impacts of potential restrictions on boating activity are not fully understood.

This study helps to improve the understanding of the complexity of the recreational boating sector, its relationship with the marine leisure industry and the contribution boaters make to the economy.

Further study is required to understand the contribution made by boaters who don’t use marinas. Moorings, club boats, trailer sailors and a range of other options are available each representing a different revenue stream for the UK economy.



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# 05 INTRODUCTION

## RECREATIONAL BOATING IS A SIGNIFICANT ACTIVITY FOR MANY PEOPLE ACROSS THE UK

The RYA currently has over 100,000 personal members, mostly choosing to go afloat for purely recreational non-competitive pleasure on coastal and inland waters. There are an estimated further 500,000 boat owners nationally, the majority of whom are members of over 1,500 RYA affiliated clubs and class associations.

THE RYA ALSO SETS AND MAINTAINS AN INTERNATIONAL STANDARD FOR RECREATIONAL BOAT TRAINING THROUGH A NETWORK OF OVER 2,200 RYA RECOGNISED TRAINING CENTRES IN 20 COUNTRIES. ON AVERAGE, OVER 200,000 PEOPLE PER YEAR COMPLETE RYA TRAINING COURSES.

Whilst large, these numbers do not represent the total number of individuals participating in recreational boating in the UK; many, many more people are boaters and not directly linked to the RYA in any way. The Arkenford Watersports Participation Survey[1] (undertaken annually by the RYA and others) estimated that just over 2.8 million adults took part in boating activities in the UK in 2012.

Despite the obvious importance of boating to the UK in light of these figures, there is presently very little information available on the economic contribution of boating. This means that the economic impact of any restrictions on boating activity is probably being underestimated. This study provides some data to help improve our understanding of the contribution recreational boating makes to the local and national economy.

[1] Watersports Participation Survey, Arkenford, 2012

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# WHAT IS A ‘RECREATIONAL BOATER’?

One of the difficulties in estimating the contribution boaters make to the economy is linked to the problems of defining what is meant by a ‘recreational boater’. Boaters come in all shapes and sizes, participating in all sorts of activities in a whole range of different vessels. There is simply no such thing as a ‘typical boater’. Equally, there is no such thing as a ‘typical boat’; a single craft or vessel could potentially be used by a multitude of people and the exact numbers would be incredibly difficult to quantify.

Notwithstanding the above, without a boat there is no recreational boater. Literature capturing data on the number of marina based boats in the UK is available and this provides an opportunity to present a robust analysis for this section of the recreational boating community.

The basis for this study therefore is that the ‘boat’ is the driver for the spend and associated economic contribution of the people using it. Intended to be used as a pilot for further work, this study presents a pragmatic approach that yields some useful data for marina based boats along the English coast. The intention is to apply this methodology to other regions of the UK to estimate the wider contribution that boating makes to the national economy.

For the purposes of this study, a ‘leisure boat’ is defined as a vessel or craft used for leisure which is between 2.5 and 24 metres in length and can be categorised as one of the following:

**SMALL SAIL BOAT (DINGHY)**
**SAILING YACHT**
**POWER BOAT (INCL. RIBS)**
**MOTOR YACHT**

This definition does not include canal boats, rowing boats, canoes, kayaks, personal water craft (PWC), windsurfers and superyachts.


# THE UK MARINE LEISURE INDUSTRY

THE MARINE LEISURE INDUSTRY IN THE UK IS DEFINED SEPARATELY FROM THE BOATERS IT SERVICES FROM AN ECONOMIC POINT OF VIEW. NEVERTHELESS, THEY ARE INEXTRICABLY LINKED AND MUCH OF THE VALUE OF THE MARINE LEISURE INDUSTRY IS DRIVEN BY THE CONSUMER THROUGH SPEND ON AND IN RELATION TO THEIR VESSELS.

The Total Economic Contribution (TEC) of the marine leisure industry is the total revenue generated combined with the Gross Value Added (GVA). GVA is a measure of the contribution to the economy of each individual producer, industry or sector, i.e. the value of goods and services produced.. In 2012 the TEC for the UK was £2.31 billion, excluding export and the superyacht sector[2].

Analysis of the UK marine leisure sector shows that England alone accounts for 93.2%[3] of the revenue generated within the industry. The combined revenue for the southeast and southwest of England accounts for 60% of the overall UK industry revenue.

The application of England's industry apportionment of 93.2% to a UK TEC of £2.31 billion identifies that the TEC for England's marine leisure industry stands at £2.15 billion.

[2] Superyacht UK survey 2012/13, Superyacht UK, 2013

[3] UK Leisure, Superyacht & Small Commercial Marine Industry, BMF KPI's, 2012

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# WHERE DO MARINAS FIT INTO THIS PICTURE?

72% of all coastal berths in the UK (almost 37,000) are in England and the majority of these are in the south eastern or south western regions (around 27,000). The Solent alone accounts for 25% of the coastal marina berths in England[4]. This is perhaps due to the wealth of access opportunities which allow boating activity under most weather and tidal conditions.

As many of the costs related to operating a boat from a marina are linked to the size of the vessel, these data start to paint the picture of the distribution and scale of the contributions made to the economy by recreational boaters.

# VALUING THE ECONOMIC CONTRIBUTION

There are some 1.13 million boats/watercraft in the UK[5] of which 541,000[4] fall into this study's definition of 'leisure boats'. At a broad level the UK marine leisure industry TEC of £2.75 billion (including export and the superyacht sector) can be divided by 1.13 million boats/watercraft, thus establishing a high level annual average economic contribution for all boats/watercraft of circa £2,400 per vessel.

This figure is low because at present there is no raw industry data available specifically for 'leisure boats' as defined in this study and excluding other craft. The £2,400 average relates to all boats/watercraft (over half of which are low-cost/low-maintenance vessels such as canoes and kayaks) and therefore although it is a considerable underestimate for 'leisure boats', it is still useful for establishing a baseline estimate for the lower end of the economic contribution value.

MULTIPLYING £2,400 BY THE NUMBER OF 'LEISURE BOATS' IDENTIFIED ABOVE ALLOWS A CRUDE CALCULATION OF **THE UK TEC FROM 'LEISURE BOATS' AS A MINIMUM OF £1.3 BILLION PER ANNUM**.

[4] The Economic Contribution of the Recreational Boater, Marina Projects Ltd., 2014
[5] Watersports Participation Survey, Arkenford, 2012



# NARROWING THE FOCUS

## COASTAL MARINA SECTOR

Whilst it is not yet possible to accurately define the size of the TEC arising just from 'leisure boats', some useful information exists that can be used to analyse the 'coastal marina sector' (i.e. the marina industry excluding inland marinas, yacht clubs, sailing clubs, etc.). Considering this provides an insight into the economic contribution from the upper end of the 'leisure boat' sector i.e. sailing and motor yachts.

THE ANNUAL TEC FOR THE 'COASTAL MARINA SECTOR' WITHIN ENGLAND IS ESTIMATED TO BE AROUND £571 MILLION[6] BASED ON AN 80.8% OCCUPANCY[7] (OR AROUND 30,000 BOATS[8]).

Dividing this TEC figure by the number of boats suggests an estimated average contribution of £19,000 per marina boat per annum. However, this figure could overstate the facts because marinas also act as catalysts for activity generated by other leisure boats that might normally be based on moorings or that are visiting from elsewhere. It is therefore likely to be more accurate to suggest (based on Solent statistics[9]) that across the UK at least 50% of the annual TEC of the 'coastal marina sector' is generated by marina based vessels. This suggests **the average annual economic contribution arising from marina based boats is between £9,500 and £19,000.**

[6] Economic Benefits of Coastal Marinas, BMF, 2007
[7] National Survey of Marina Berths, BMF, 2012
[8] UK Marina and Berth Assessment, BMF 2013
[9] State of the Solent: Edition 3, Solent Forum, 2011

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# SIZE MATTERS

It is undoubtedly the case that the associated annual running and storage costs for all types of vessels are inherently related to their size and type, with sailing yachts, motor yachts and powerboats incurring the most expensive running costs. Location is also relevant and this links into a raft of secondary factors e.g. mooring/berthing fees, insurance, general maintenance, etc.

THE TABLE BELOW OFFERS A BROAD COMPARISON OF THE TYPICAL AVERAGE SPEND, BY REGION IN ENGLAND, FOR A 12M SAILING YACHT SUBJECT TO REGULAR USE AND BERTHED IN A FULL SERVICE MARINA.

| REGION | BERTHING FEES | FUEL | LIFTING & STORAGE | INSURANCE | GENERAL MAINTENANCE & EQUIPMENT | TOTAL |
|---|---|---|---|---|---|---|
| Central South | £5,148 | £509 | £317 | £300* | £750* | £7,024 |
| South East | £2,436 | £508 | £338 | £300* | £750* | £4,332 |
| South West | £4,200 | £509 | £245 | £300* | £750* | £6,004 |
| East Coast | £2,928 | £503 | £244 | £300* | £750* | £4,725 |
| North East | £2,568 | £504 | £200 | £300* | £750* | £4,322 |
| North West | £2,244 | £501 | £349 | £300* | £750* | £4,144 |
| *Denotes Estimated Industry Sum | | | | | AVERAGE | £5,092 |

Although this table does not include all costs (ancillary spend on food and drink is not included for example) it provides a useful illustration of how costs vary across England. The same vessel, with the same level of use, is 70% more expensive to run in the central south of England compared to the north-west; a reflection of supply and demand and perhaps an indication of the economic contribution made by the sector in different regions of England.

IN SUMMARY, THE AVERAGE ANNUAL ECONOMIC CONTRIBUTION ARISING FROM MARINA BASED BOATS IS BETWEEN £9,500 AND £19,000. AN AVERAGE ANNUAL RUNNING COST OF ABOUT £5,100 COMBINED WITH THE ADDED VALUE COMPONENT (GVA) AND AN ALLOWANCE FOR THE AMORTISATION OF BOAT VALUE MIGHT INDICATE THAT THE ECONOMIC CONTRIBUTION OF A MARINA BASED BOAT IS TOWARDS THE UPPER END OF THIS RANGE.

Further study is required to understand the contribution made by boaters who don't use marinas. Moorings, club boats, trailer sailors and a range of other options are available each representing a different revenue stream for the UK economy.



# THE BOTTOM LINE

RECREATIONAL BOATING MAKES A SIGNIFICANT CONTRIBUTION TO THE UK ECONOMY. THIS STUDY FOCUSSES ON ONE ELEMENT OF THIS SECTOR - MARINA BASED BOATS IN ENGLAND. IT ALSO SEEKS TO ILLUSTRATE THE HUGE VARIETY WITHIN THE RECREATIONAL BOATING SECTOR AND THEREFORE THE COMPLEXITY OF ESTIMATING ITS ECONOMIC CONTRIBUTION.

Boating is a year-round activity with people getting out on the water in all seasons, during all weathers. Although time on the water peaks in the summer months, spend from the boating community and demand for the leisure marine industry extends throughout the year. This relative absence of seasonality means that recreational boating provides a key source of revenue and employment opportunity for coastal communities which should not be underestimated.

Recreational boaters also provide the demand for a huge marine leisure industry in the UK. From boat builders to chandlers, clothing outlets to yacht caterers, the marine leisure industry would not exist without the boaters themselves. Whilst it is important to recognise the relative economic contributions of the two sectors independently, this symbiotic relationship should always be acknowledged.

In addition to the economic contribution from recreational boating are the social benefits the sector brings to people and communities, both directly and indirectly. Sport England[10] research highlights improvements in social cohesion, positive influences on numeracy and literacy in young people and reductions in antisocial behaviour as just a few of the benefits that sport and recreation bring to society.

In the future it may be possible to assign a monetary value to each of these cultural and social benefits and this would help to demonstrate the valuable contribution sport makes to the economy.

[10] Sport England, numerous, 2014: http://www.sportengland.org/research/benefits-of-sport

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