THE ITALIAN NAUTICAL INDUSTRY:
OVERALL ANNUAL IMPACT EXCEEDS €27 BILLION

The first Altagamma-Deloitte study of the sector's economic and employment impact.

The Italian nautical industry grew 3 times faster than the country's GDP between 2012 and 2022. Its overall impact is 2.7 times its direct economic impact[1] and 6 times its employment impact. An unexpressed potential: just 6% of superyachts (> 24 m) visiting Italy fly the Italian flag.

Milan, 25 June 2024. The Altagamma-Deloitte study ***La nautica da diporto in Italia*** was today presented by **Giovanna Vitelli***, Vice President of Altagamma for the nautical sector and Chair of the Azimut|Benetti group,* and **Tommaso Nastasi***, Senior Partner of Deloitte,* in the presence of **Matteo Lunelli***, President of Altagamma.*

This is the first study to examine the **economic and employment impact of the nautical sector in Italy**, the global leader in the construction of yachts exceeding 24 metres, taking into account both **shipbuilding** and **marine tourism**. The analysis looks at factors both upstream of the delivery of yachts - new builds, refits and extraordinary maintenance - and their subsequent use (downstream) with the benefits generated by their permanent or seasonal presence along the country's coastline.

THE ITALIAN NAUTICAL INDUSTRY

- Yachting is a **strategic mainstay for Italy**, with an overall impact of some **€27.7 billion** and **157,000 employees**, drawing on the complementary chains of tourism and Made in Italy with a **total economic multiplier effect of almost 2.7** and an **implicit employment multiplier effect of 6**.

These figures indicate the need to open a debate about the main **growth opportunities for the sector and its entire value chain**, with a particular focus on the development of activities connected to the use of yachts, which currently account for over half the total value. In more detail:

- Upstream: **Italian new-build production** - which represents 50% of the global superyacht portfolio - is characterised by highly professional services requiring advanced knowledge and technical expertise, which have allowed it to generate an overall economic and employment impact of approximately **€11.4 billion** and involve over **54,000 employees** directly, indirectly or in satellite activities.
- Downstream: an even greater impact is that caused by **yachts and marine tourism** on local areas. Indeed, Italy confirms its importance as a destination on the international scene both during the winter season, partly thanks to the manufacturing excellence of the refit sector, and in summer, thanks to the unique attractiveness of the country's coasts. The total economic impact of the fleet, accounting for 1/3 of tourism spending on the ground, is **€16.3 billion**, with an economic multiplier effect of 2.7 and **103,000 people** employed in the sector.

One of the main opportunities for the expansion of satellite activities linked to yachting is therefore the **development of marinas**. The fact is that **just 30% of the berths available in Italy are in marinas** equipped to receive yachts and superyachts and offering appropriate technical and tourism facilities to cater for this market.

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[1] The overall economic multiplier considers the combined impact of shipbuilding (upstream) and marine tourism (downstream) and indicates the total impact in terms of direct impact, including suppliers' purchase of goods and services (indirect impact) and the value generated by the demand for goods and services by families supported by the income of the nautical sector (spin-off value). *Cf. La Nautica da Diporto in Italia – Contributo diretto, indiretto e indotto della Nautica Alto di Gamma – Deloitte, 2024*

THE HIGH-END NAUTICAL SECTOR

The **high-end nautical sector** - i.e. yachts longer than 18 metres - is the segment that displays the greatest impact on the ground:

- **It constitutes 65% of the total economic impact**, with 80% of its value in shipbuilding (upstream). Furthermore, although this segment accounts for just 2% of the yachts visiting Italy, it generates 55% of the downstream value, i.e. that deriving from the use of yachts.
- **Spending** on the ground (downstream) activated by large yachts is **on average 26 times greater than the average across the nautical sector**.
- This is therefore a major economic and employment contributor for Italy, which can tap into the interest of a global niche market of 'high-spending' consumers whose input translates into high social and economic value, potentially greater still if we consider that **just 6.5% of these superyachts sail under an Italian flag**.
- The study shows that a large yacht registered in Italy, with an Italian crew and visiting the country's coastline for a minimum of 10 weeks per year would generate an **overall annual contribution of €1.6 million**. Increasing the number of yachts visiting or, especially, resident in the country, would have a **major impact on the economy and employment levels**[2].

The already significant economic and employment impact of Italian yachting therefore presents numerous **opportunities for growth by means of improvement throughout the value chain**. All the conditions are in place for the acknowledged Italian primacy in the construction of yachts and superyachts to be extended to the **nautical services and tourism sector** in order to attract increased demand both nationally and internationally.

The **main development trajectories to increase the indirect impact of marine tourism** thus include specific legislative measures geared to **making the Italian flag more attractive**, greater **investment in port infrastructure and related services**, along with improvement in technical and management skills and the development of innovative, sustainable platforms.

"*Analysis shows not only the value of the Italian nautical industry*", says **Giovanna Vitelli, Vice President of Altagamma's nautical sector and Chair of the Azimut|Benetti group**, "*but also the* ***unexpressed potential*** *of a sector with a considerable margin for growth:* ***although Italy is the world leader in the construction of superyachts, only 6% of these fly the Italian flag****. This inhibits the positive impact that superyachts can generate in the area. Hence the need to intervene to increase the attractiveness of* ***Italian registration*** *and* ***chartering*** *on our coasts, bringing VAT into line with hotel activity, and also our* ***marinas****, which are real destinations for marine tourism".*

"Yachting is a strategic sector for Italy, due to both its economic contribution and its spillover into other Made in Italy sectors and tourism. Enhancement of nautical services and tourism can generate substantial benefits for the Italian economy", says **Tommaso Nastasi, Senior Partner of Deloitte Italy.**

ALTAGAMMA'S RECOMMENDATIONS

The Vice President of Altagamma for the nautical sector, Giovanna Vitelli, presented the Foundation's initial reflections, which outline the priorities for the strengthening of the sector in Italy. In summary:

1) Bring VAT rates for yacht charter into line with those of the tourism and hotel sector

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[2] In the past 50 years, Italy has produced some 5,000 yachts over 24 metres, and of these only 172 are registered under Italian flags. If we consider that each yacht over 24 metres registered in the country employs an average of 10 sailors, 1,000 Italian-registered yachts - just 1/5 of the country's output - would lead to the employment of approximately 10,000 crew and a further 60,000 indirect jobs.

2) Update the regulations and procedures for Italian flag registration in relation to other international flags, in order to increase its attractiveness

3) Simplify bureaucratic procedures relating, for example, to checks on crew recruitment.

ALTAGAMMA FOUNDATION

Since 1992, the Altagamma Foundation has brought together high-end Italian cultural and creative companies that are recognised globally as ambassadors of Italian excellence, uniqueness and lifestyle. Operating across a number of sectors, Altagamma encompasses 119 brands in the fashion, design, jewellery, food, hospitality, automotive and nautical industries. Altagamma's mission is to enhance the growth and competitiveness of Italian cultural and creative companies, thus contributing to the country's economic development. High-end industries in Italy are worth €144 billion and account for 7.4% of GDP; exports stand at approximately 50%. The sector employs 1,922,000 direct and indirect workers, equal to 8.2% of Italian employment. www.altagamma.it

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THE NUMBERS OF THE ALTAGAMMA-DELOITTE STUDY "YACHTING IN ITALY"

TOTAL ECONOMIC AND EMPLOYMENT IMPACT

- In 2022 the total impact of the Italian yachting sector (new builds, refits and tourist fleet) was approximately €27.7 billion, with 157,000 people employed.
- The economic multiplier is almost 2.7.
- The implicit employment multiplier is 6.
- Approximately 59% of the total impact was generated by the use of yachts, 38% by new builds and 3% by refits.

THE HIGH END

- The high-end nautical sector (yachts exceeding 18 metres) is exceptionally high-performing, accounting for 65% of the overall economic impact, 80% of upstream value (shipbuilding) and 55% of downstream value (generated by the use of yachts).
- Spending in the local area generated by large yachts is **on average 26 times higher that the average across the entire nautical sector**.
- Large yachts registered in Italy, with Italian crew and spending at least 10 weeks a year in Italian waters would bring an overall annual contribution equal to €1.6 million per yacht.

SHIPBUILDING (upstream)

- The overall value of the upstream segment of Italy's nautical sector (new builds and refits) is worth approximately €7 billion.
- Italian shipbuilding (new builds), characterised by highly professional services requiring advanced knowledge and technical expertise, has shown remarkable resilience during the crisis, achieving a value of more than €4 billion in 2022, of which some 70% is generated by superyachts (> 24 m).
- Between 2012 and 2022, the yacht building sector grew by 3.5 times, against just 1.2 for Italian nominal GDP.
- In 2022 the value of Italian refits reached approximately €421 million, equal to 1/10 of new builds, showing a similar trend.
- Overall, new builds and refits generate a direct economic impact (OPEX) of €4.4 billion, mainly derived from the purchase of components and sub-supply services.
- The total impact (direct, indirect and satellite) is equal to approximately €11.4 billion and involves 54,300 people. This translates into an overall economic multiplier effect of 2.6 and an implicit employment multiplier effect of 5.6. Approximately 92% of the economic impact is generated by new build companies.

THE NAUTICAL FLEET AND TOURISM (downstream)

- In 2022, the world's superyacht fleet (> 24 m) reached 6,400, of which 30% has visited the Italian coasts (some 2,000 yachts), confirming our country's high degree of attractiveness.
- However, just 6% of superyachts (> 24 m) that sail in Italian waters are registered under an Italian flag.
- Marinas account for just 30% of total berths (some 166,000), indicating considerable scope for improvement and development in marine tourism.
- The costs of a yacht can be divided into:
    - management and use of the boat;
    - costs of marine tourism.
- Superyachts (> 24 m) are the highest-spending segment, with a more differentiated spend affecting multiple goods categories. This is closely linked to the size of the yacht: superyachts (> 24 m) generate

spending of €10-100K; for gigayachts (> 60 m) this rises to 5 times the amount spent by yachts of 24-60 metres.

- In 2022, the direct economic impact of the fleet was approximately €5.9 billion, of which 35% was generated by tourist spending in the country. The total impact (direct, indirect and satellite) was approximately €16.3 billion, and involved 103,000 people.
- This translates into an overall economic multiplier of almost 3, and an implicit employment multiplier of 6.1.