

The Superyacht

TRUTH • OPINION KNOWLEDGE • IDEAS AND EXPERT INDUSTRY ANALYSIS



REPORT

ME, MYSELF AND I

In an exclusive interview, Marcello Maggi talks business and reveals his plans for the future.

Page 40

THE NEMO ROOM

TSR speaks to the team behind the ultimate on-board cinema experience, IMAX.

Page 53

MONACO YACHT SHOW

A preview of some of the newest yachts on display this year, highlighting their special features.

Page 86

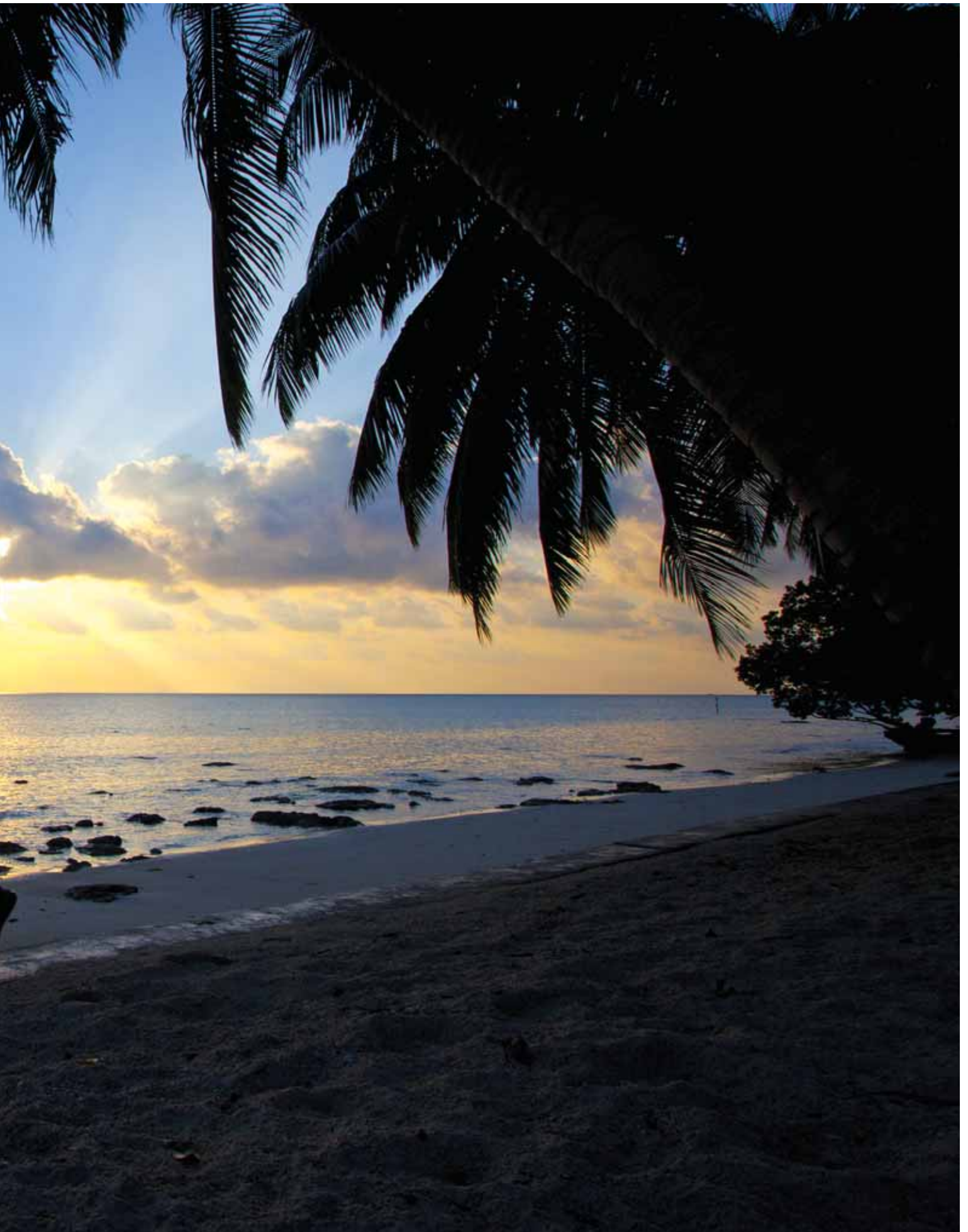
SPECIAL RELATIONSHIPS

We examine the evolving relationship between shipyards and brokers.

Page 129

NAVIGATING SOUTH-EAST ASIA

“The wind and the waves are always on the side of the ablest navigator,” wrote historian Edmund Gibbon. **Linda Cartlidge** and the team at Asia Pacific Superyachts look at how crew and owners can prepare for navigating the increasingly popular, but still relatively unknown, areas in south-east Asia.





When visiting south-east Asia and the regions of Thailand, Myanmar, Andaman Islands and the Maldives, captains unfamiliar with the area will want to know the best options for marina(s) and anchorages, along with each area's harbour regulations, visa requirements for all on board, what special itineraries are available and, most importantly, what navigational assistance is compulsory when cruising through the waterways.

NAVIGATING THAILAND

Gordon Fernandes of Asia Pacific Superyachts Phuket views Phuket's proximity to at least 30 smaller, idyllic islands, and the excellent support and facilities being built to cater to the growing demands of visiting yachts, as key to the island's growth in becoming a yachting hub and acting as a gateway to further exploration of south-east Asia. "Many Mediterranean-based yacht owners and captains are seeing Phuket as an increasingly popular winter destination, home to four full-service marinas, all located on

the eastern side of the island – with peak cruising season beginning in November," said Fernandes.

The Phuket area receives the largest number of superyachts each year in Thailand overall, with an average of 50 vessels. The Gulf of Thailand and Koh Samui area is still being discovered; on average, five to 10 superyachts visit annually, reported Charles Dwyer of Asia Pacific Superyachts Koh Samui and Gulf of Siam. "Most superyachts stay in the area for a month, but that trend is now changing as more and more superyachts are finding that they

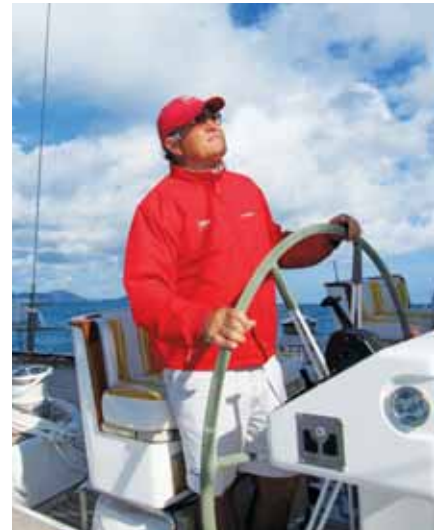


can cruise Thailand on both coasts all year round. As in any country, there are many rules and regulations in Thailand. As agents it is our job to keep abreast of these changes and inform the client of anything that may directly affect his voyage in any particular area," he explained.

Some of these requirements include visa regulations and customs regulations, which change often, as do the cruising rules for national parks, etc. The captain must be aware of all the visa requirements for the crew. In Thailand all nationalities are allowed a one-month visa on arrival if they

are listed as crew. The customs rules have now changed – allowing a visiting yacht to stay in Thailand for up to six months with an extension for up to a year.

The captain and/or any person listed on the crew list leaving Thailand prior to the boat's departure or before the expiration of the one-month visa needs to be bonded out before they can fly out of Thailand. Someone, the captain or the agent, must put up a bond (which is a refundable guarantee) for the crew member if he/she leaves prior to the 30 days of the visa. The term 'bonded out' refers to crew who arrive on board a yacht: when they arrive they are bonded to the yacht, which means that they have to leave with the yacht. If they want to fly out then paperwork needs to be completed as they will want to use a plane for departure rather than using the method of entry, which was the yacht. If using an agent in the process, the agent needs a valid ticket and the captain's or crew's passports a minimum of two days prior to the scheduled



ABOVE: CAPTAIN CHARLIE DWYER, APS KO SAMUI & GULF OF SIAM AT THE HELM OF *YANNEKE TOO*. LEFT: KOH PHI PHI LEH, PHUKET, THAILAND. PREVIOUS PAGE: HAVELOCK ISLAND, THE ANDAMANS

The captain must be aware of all the visa requirements for the crew. In Thailand all nationalities are allowed a one-month visa on arrival if they are listed as crew.

flight. There are no extensions for persons checked in as captain or crew; at the end of the month they must leave the country. However, persons on the passenger list may fly in and out of Thailand as they wish for the duration of their visa. These are the current regulations, but Dwyer reported that there is already talk of changing these rules. Captains must also be aware there are different harbour departments which, legally, the vessel must check in/out of when visiting these areas. >>



NAVIGATING MYANMAR

Fernandes reported that yachts departing Phuket prior to entering Myanmar “are required to have a cruising permit. The permit can be obtained by giving an agent the ship’s particulars, crew list, passenger list and picture of the yacht. They will then submit the paperwork needed using their licence and a yacht cruising permit can then be issued.” A visa on arrival will be issued for all crew and passengers and this visa is valid for cruising the islands in the Mergui Archipelago. Visits to the mainland are prohibited on this visa. “If the yacht wants to visit the mainland then we will need to obtain Myanmar tourist visas for all crew and passengers from Bangkok,” Fernandes pointed out.

An important point for yachts visiting Myanmar to be aware of is that the visit includes taking a guide on board:

- Taking a guide on board is compulsory as the guide will have the paperwork that proves to the Navy that the yacht is allowed to cruise in the Mergui Archipelago.
- The guide will know where great cruising can be found.
- There are no marinas in the Mergui Archipelago; however, the guide will know the best anchorages.

- All yachts must have a permit organised before they arrive to check into Myanmar.

- There are over 800 islands in the Mergui Archipelago; however, some islands are off limits to cruising yachts and the guide will be able to alert the captain on the latest updates.

Continued on page 172 >>

ABOVE: ANGTHONG ARCHIPELAGO MARINE PARK.

BELOW: MYANMAR KAWTHAUNG – CHECK-IN TOWN AND GATEWAY TO MERGUI ARCHIPELAGO.

All yachts must have a permit organised before they arrive to check into Myanmar.



At this year's MYBA charter show, TSR spoke to Captain Mark Coxon, who navigated motoryacht *Australis* through Myanmar in the winter of 2013. This was the first time that Captain Mark had navigated these waters and he discussed his experience with us.



HOW EASY DID YOU FIND NAVIGATION IN MYANMAR?

I was apprehensive, because I am used to cruising around the Mediterranean and the Caribbean, knowing where to go, what to do and who to talk to. When I went there I had no experience – I didn't know anyone. So I met with an agency (Asia Pacific Superyachts) as well as an agent from Phuket and the Maldives, during the Monaco Yacht Show, and they basically took care of us. They were able to organise anything we needed. Part of the procedure was the requirement to use a government guide. Our guide told us where we should go; he would say, for example, "If you go here, there is a beach around the back; if you go to a certain bit of the beach, that is the best spot..." He could even tell us the depth, it was superb, he sort of made the whole trip, he put the icing on the cake.

YOU SEE MYANMAR AS SIMILAR TO THE CARIBBEAN 30 YEARS AGO. WITH SO MANY PEOPLE GOING TO THE CARIBBEAN ARE CHARTERERS LOOKING FOR NEW CRUISING DESTINATIONS?

Nobody used to visit the Grenadines, but now there are a lot of people and a lot of boats. The Caribbean is not the adventure it used to be; initially it was a huge adventure – you could park in places that were deserted and Burma is like that now. You go somewhere, look at the map and you don't recognise any of the names, it's alien – and that makes it really interesting. There is no shopping there generally, but in the town we cleared in there was one shop and we bought a couple of things from the local fishermen, otherwise we had to do the whole thing on one provision. We had to work a little bit harder to get things figured out ... Yes, it was a challenge compared with the Caribbean where, if you are familiar with it, you have all the provisions set up. There's that feeling that no one is there and the language barrier is a bit difficult, but of course our guide spoke Burmese. Usually, you know the place you're going to, but going somewhere completely different was the attraction, well apart from there being nobody there! Thailand was busy and there is a lot of tourism in Phuket.

WHAT DO YOU THINK COULD MAKE OTHER CHARTERERS APPREHENSIVE ABOUT GOING TO THESE AREAS?

I think the distance is one thing: to get there you have to go through a certain procedure, security issues, the canal scenario and there is the cost too. It's a big commitment taking a boat there.

The unique structure of the reefs and channels makes navigation almost impossible without sufficient information about the waters and assistance from those familiar with the Maldives.

NAVIGATING THE ANDAMAN ISLANDS

“One of the major draws of yachting in the Andamans is the opportunity to explore the smaller islands. However, trips must be carefully planned in advance and yachts must not stop anywhere else before completing formalities at Port Blair (South Andamans),” said R. Rathnam of Asia Pacific Superyachts Andaman Islands. The captain can take care of these procedures, but an agent is highly recommended due to the language and cultural challenges.

It is recommended to arrive during daylight hours. On arrival the various procedures include calling port authorities before arrival and advising them of your ETA, calling again on arrival for instructions on anchoring and finally informing customs and immigration. Regardless of the size of the yacht or the number of crew, customs and immigration will visit the yacht to complete the check-in needs such as crew list, passenger list, ship’s

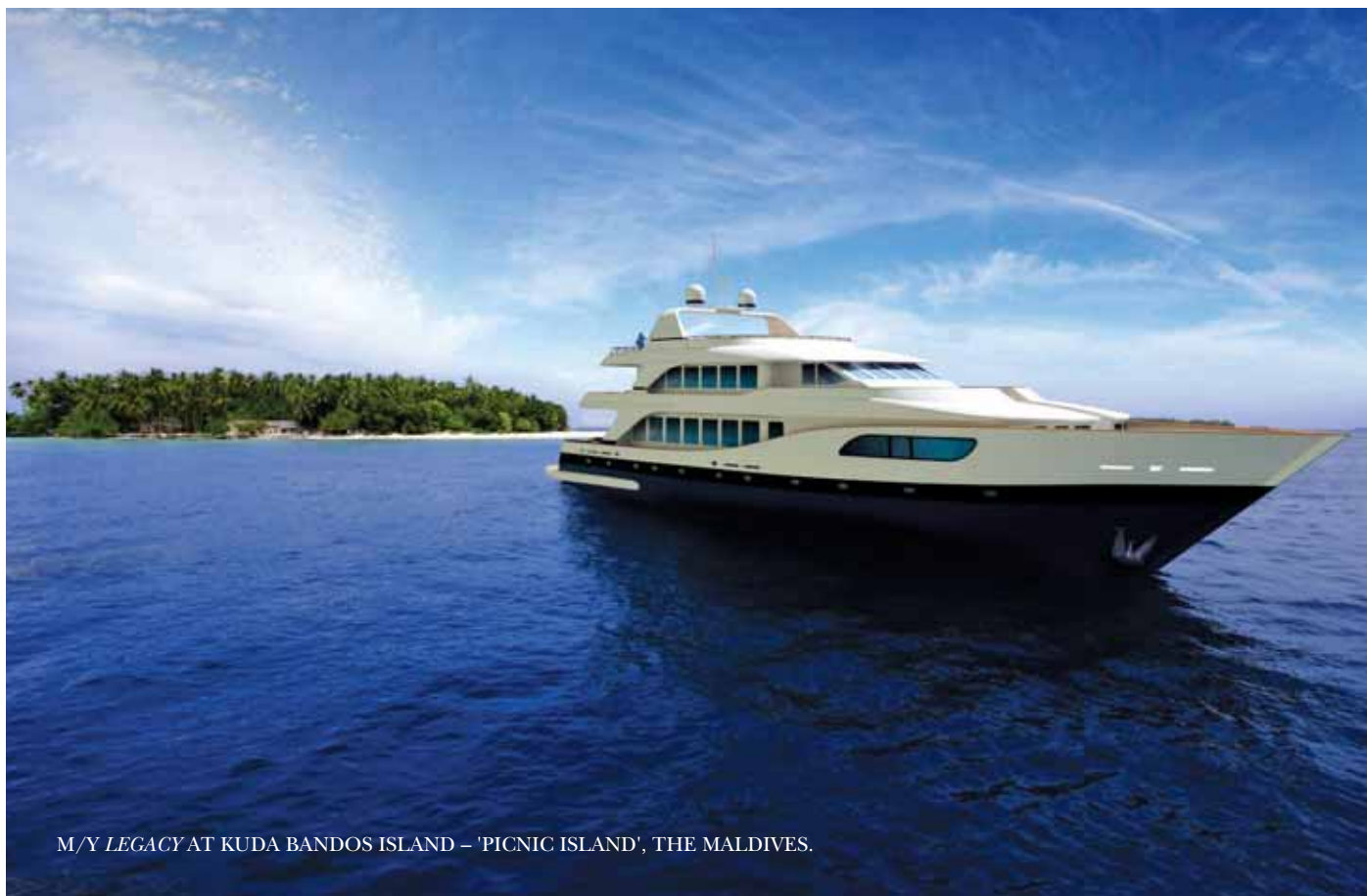
registration and last port of call. These needs, along with a detailed list of stores and equipment, will be required by officials.

An agent or the captain must arrange a visit ashore to the harbour master at the Port Management Board and lodge a written itinerary of the all places it is intended to visit. This also is the time to ask the harbour master to supply data on radio times and frequencies (via SSB radio) for the yacht’s required daily radio check-ins.

NAVIGATING THE MALDIVES

The Maldives is fast emerging as a favourite for superyacht cruising; however, according to Mohamed Hameed and Arif Abdul Samad of Asia Pacific Superyachts Maldives, the unique structure of the reefs and channels makes navigation almost impossible without sufficient information about the waters and assistance from those familiar with the Maldives.

Continued on page 177 >>



M/Y LEGACY AT KUDA BANDOS ISLAND – 'PICNIC ISLAND', THE MALDIVES.

Navigation of these idyllic settings is a relatively new concept to most, and there are a number of prudent issues that owners, charterers and captains should consider when operating in the region. Alex Teji, senior associate at Hill Dickinson, offers some additional advice when planning to visit these areas.

The Charter Contract

First and foremost, consideration should be given to what is arguably the most important aspect of the charter, the Charter Agreement itself. The MYBA Charter Agreement is widely used in Europe and Asia and has been somewhat adopted as an industry standard for its fair, robust and easily digestible terms. Whether contracting on this form or another, parties should take care to ensure that the terms and legal ramifications stated in the contract reflect what has been agreed commercially, particularly in relation to security deposits, taxes, the parties' liabilities, obligations and the governing law and jurisdiction.

Regulatory Requirements

Owners should also take care to ensure that their vessel meets all regulatory requirements (with the Classification Society and the Flag State) for commercial chartering within the areas in which it intends to operate. Failure to do so can have adverse consequences in the event of any misfortune, particularly with insurers. Crucially, it is important to ensure that the vessel is structured in such a way that will allow it to charter and that its existing registration is sufficient to allow it to do so. In addition, there is little uniformity between the rules and regulations of south-east Asian countries. Care should be taken to understand the entry and visa requirements for the vessel, passengers and crew, as well as the rules for embarkation and time limits on visitation. While the industry and governments in Asia are continually learning and growing, the lack of harmony across borders can be a cause for concern.

Taxation & Customs Duties

The applicability of tax on charters and operating costs inevitably differs from country to country and diligence should be taken to prepare accordingly. From

the outset it should be established what VAT is payable (based upon the charter location) and to decide if and how that will be passed on to the charterer in the charter agreement, as applicable.

The same can be said for customs duties. There remains a lack of uniformity across the region with some jurisdictions having more relaxed customs formalities than others. For example, Singapore is very strict in prohibiting the importation of any alcohol or tobacco into the country. In some other countries the rules will vary from port to port.

Crew

Owners should ensure that their crew members are suitably qualified and/or experienced to operate their vessel under charter. For example, under the MYBA form it is the owner's obligation to ensure that the "Captain qualified in accordance with the Vessel's flag state requirements and acceptable to the insurers of the Vessel. He shall also provide a suitably qualified and properly trained crew." Equally, crew should be au fait with the terms of the charter agreement and understand their obligations and

liabilities thereunder. As for passengers, consideration should also be given to entry and visa requirements for crew, with the assistance of local agencies or experienced crew managers.

Insurance Risks

Owners must speak to their insurers and discuss their travel and charter plans, as there may be restrictions on sailing in these waters. As a result, they may be required to carry out a risk assessment of their travels or the insurer may have special requirements that must be met, such as installation of tracking devices, additional crew qualifications or increased security measures.

The threat of piracy is often discussed as a concern in the region. Where such incidents have occurred, hijackings have tended to be of tankers for oil cargoes in certain localised commercial trading hubs, or of more notoriety when travelling en-route to Asia along the east coast of Africa. Caution and good judgment should therefore be exercised and, crucially, insurance coverage should be in place to cover such risks. ■



ROSS & SMITH ISLAND AT DIGLIPUR, ANDAMAN

Some 99 per cent of the Maldives is made up of ocean, and the Maldives Archipelago, comprising groups of 26 atolls in entirely natural formation, is a chain of islands offering amazing anchorages. Normally superyachts travel through these atolls during the daytime only. These atolls are very complex structures and used to be dangerous to navigate. This has changed, hugely eased due to the sophistication of equipment, technology on board and more accurate charts and GPS. There are no environmental regulations as such which might hinder the movement of a yacht within the atolls.

Planning ahead is key to ensuring there are no unexpected pitfalls

While the seas of Thailand, Myanmar, Andaman Islands and the Maldives are an adventure to navigate and explore, assistance is still needed, as most areas will not be as familiar to captains and crew as the Mediterranean or Caribbean. Planning ahead is key to ensuring there are no unexpected pitfalls while cruising so that captains, owners, guests and crew gain the most from the experience. ■



TO COMMENT ON THIS ARTICLE,
EMAIL: ISSUE157@SUPERYACHTREPORT.COM
WITH SUBJECT: NAVIGATING AROUND
SOUTH-EAST ASIA

ALL IMAGES COURTESY OF ASIA PACIFIC SUPERYACHTS: APS PHUKET, THAILAND; APS KOH SAMUI, THAILAND; APS MYANMAR; AND APS MALDIVES