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UK LEISURE MARINE

Industry Bulletin 2003-2004

FURTHER INFORMATION

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BMF maintains a computer model of the UK leisure marine industry. This is based on a detailed turnover declaration form that is recieived each year from every member. Analysed together, this data provides accurate and detailed information on the whole industry.

The BMF computer model is used to publish a bulletin of industry statistics every January. Additionally, BMF members enjoy exclusive and confidential consultancy advice offering analysis of this data - this is used to analyse clusters of suppliers to establish the value of a particular market niche, market shares and trends over time. For example, a feasibility study of a new marina, or new marine leisure business would take advantage of this business planning service.

For further information please contact BMF's Industry researcher, Nirixa Patel on 01784 223615 or e-mail npatel@britishmarine.co.uk.

UK LEISURE MARINE - Industry bulletin January 2003 - 2004

Please read in conjunction with explanatory notes.

Table 1.1 Total Industry revenue 1997 - 2003

£ Millions

	1997	1998	1999	2000	2001	2002	2003
	1,289	**1,265**	**1,341**	**1,467**	**1,611**	**1,743**	**1,838**
% inc. on previous year		-1.8%	6.0%	9.4%	9.8%	8.2%	5.5%

source: BMF January 2004

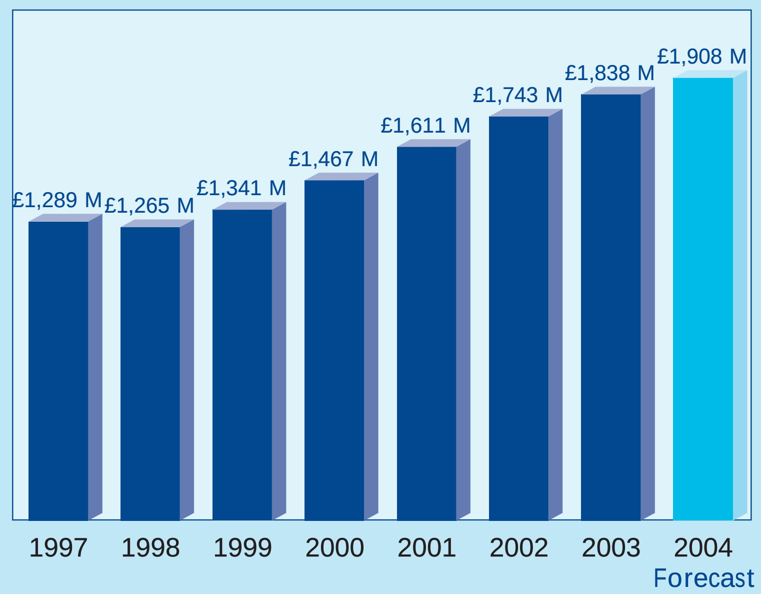
Table 1.2 BMF Industry forecasts 2003 - 2004

£ Millions

	2003	2004
	1,838	**1,908**
% inc. on previous year		3.8%

source: BMF January 2004

Industry trend 1997-2003 and forecast 2004



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Please read in conjunction with explanatory notes.

Table 1.3 Year on year comparisons, 2002 v. 2003

	2002	2003	
Revenues	**£1,743M**	**£1,838M**	**+ 5.5%**
Employment	**28,538**	**30,094**	**+ 5.5%**
Exports	**£722M**	**£794**	**+ 10.0%**

Exports 43% of Total Revenue in 2003

source: BMF January 2004

Table 1.4 UK Export revenues, 2003

£ Millions

	Boats	Engines	Electronics	Eqmt.	Services	Totals	
Eurozone	**263.0**	**7.1**	**29.0**	**48.9**	**53.8**	**401.8**	50.6%
Other Europe	**54.5**	**1.7**	**8.1**	**9.7**	**8.8**	**82.8**	10.4%
North America	**112.6**	**3.7**	**22.4**	**22.5**	**6.3**	**167.6**	21.1%
South America	**15.5**	**0.4**	**22.1**	**0.3**	**0.2**	**38.6**	4.9%
Australia/New Zealand	**16.9**	**0.5**	**4.5**	**4.5**	**0.8**	**27.3**	3.4%
Asia	**15.4**	**0.7**	**1.8**	**1.4**	**0.9**	**20.2**	2.5%
Middle East	**9.5**	**0.3**	**0.0**	**2.0**	**2.3**	**14.2**	1.8%
Other	**10.9**	**1.1**	**0.1**	**3.5**	**26.4**	**41.9**	5.3%
Totals	**498.2**	**15.6**	**88.0**	**92.9**	**99.7**	**794.3**	**100.0%**

note: recreational craft only
source: BMF January 2004

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Please read in conjunction with explanatory notes.

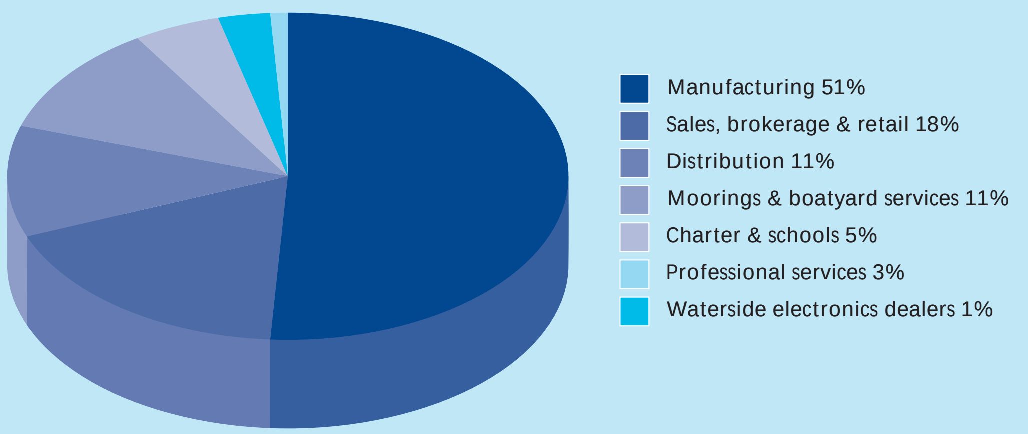
Table 1.5 Industry sector revenue 2003

£ Millions

Boatbuilding	**631.3**
Power and propulsion (mnfr.)	**55.1**
Electronics (mnfr.)	**92.2**
Equipment (mnfr.)	**165.6**
Inland Hire & Charter	**49.1**
Wholesale Distribution	**194.8**
Insurance	**12.7**
Finance	**6.7**
Professional Services	**29.9**
Moorings/Berthing/Storage	**114.9**
Boatyard Services/Repairs	**78.0**
New Boat sales (Dealer sales)	**224.2**
Brokerage	**33.5**
Retail	**80.5**
Coastal Charter	**34.4**
Sea school	**21.2**
Waterside electronics dealer	**13.4**
Total	**1,837.5**

Note: these figures are indicative only based on returns to date. For more details please contact BMF.
source: BMF January 2004

Industry sector revenue, 2003



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Please read in conjunction with explanatory notes.

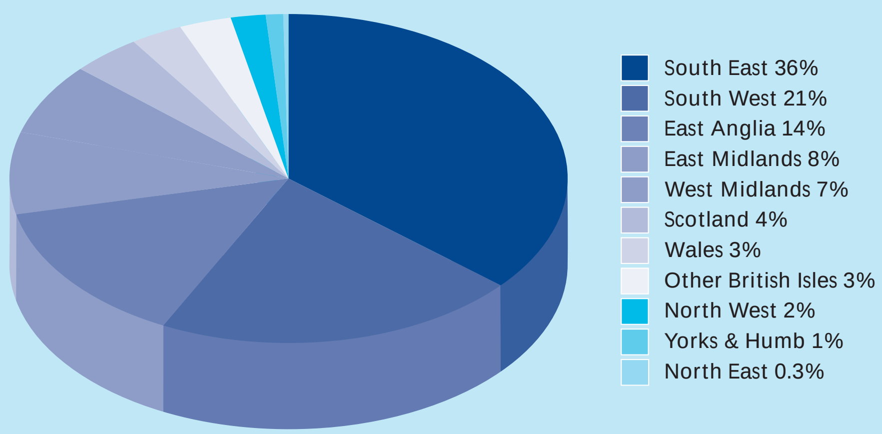
Table 1.6 Industry revenue by RDA region, 2003

£ Millions

South East	**664.8**
South West	**389.3**
East Anglia	**262.7**
East Midlands	**149.4**
West Midlands	**128.8**
Scotland	**68.2**
Other British Isles	**55.0**
Wales	**52.2**
North West	**35.9**
Yorks & Humb	**26.4**
North East	**4.7**
Total	**1,837.5**

source: BMF January 2004

Industry revenue by RDA region, 2003



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Please read in conjunction with explanatory notes.

Table 1.7 Industry revenue by trading activity, by region, 2003

£ Millions

	South East	South West	East Anglia	East Midlands	West Midlands	Scotland	Wales	North West	North East	Yorks & Humb	Other British Isles	**Total**	
Boatbuilding	50.3	290.5	143.5	18.0	78.0	0.1	27.5	11.3	2.3	3.3	6.4	631.3	34.4%
Power and propulsion (mnfr.)	4.8	12.4	4.1	10.3	10.7	1.5	0.0	1.1	0.0	0.0	10.1	55.1	3.0%
Electronics (mnfr.)	84.0	3.1	3.3	0.5	0.5	0.9	0.0	0.0	0.0	0.0	0.0	92.2	5.0%
Equipment (mnfr.)	72.9	21.3	38.9	8.3	6.4	0.9	0.0	0.5	0.0	6.2	10.1	165.6	9.0%
Inland Hire & Charter	8.8	2.2	19.2	2.2	8.0	3.3	1.5	2.0	0.1	1.8	0.0	49.1	2.7%
Wholesale Distribution	142.3	11.0	12.1	15.4	5.6	2.3	2.0	1.9	0.1	2.1	0.2	194.8	10.6%
Insurance	5.2	1.5	0.7	0.6	3.1	0.2	1.1	0.0	0.0	0.4	0.0	12.7	0.7%
Finance	6.5	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	6.7	0.4%
Professional Services	15.8	5.5	2.7	0.4	1.6	2.1	0.2	0.0	0.0	0.1	1.4	29.9	1.6%
Moorings/ Berthing/Storage	53.2	10.2	6.0	3.4	2.4	26.2	3.2	2.7	0.5	1.9	5.2	114.9	6.3%
Boatyard Services/Repairs	32.1	6.9	11.7	4.1	2.5	7.3	5.9	2.3	0.6	2.6	2.1	78.0	4.2%
New Boat sales (Dealer sales)	100.5	13.5	4.2	74.4	1.0	9.9	3.0	7.1	0.3	1.2	9.3	224.2	12.2%
Brokerage	9.2	2.6	6.6	7.7	0.3	0.5	2.0	0.5	0.1	2.1	2.1	33.5	1.8%
Retail	24.5	3.8	7.7	4.2	7.9	8.7	5.0	6.2	0.7	4.4	7.5	80.5	4.4%
Coastal Charter	31.8	1.3	0.1	0.0	0.0	0.6	0.4	0.0	0.0	0.1	0.0	34.4	1.9%
Sea school	16.0	1.5	0.7	0.1	0.5	1.5	0.2	0.3	0.0	0.1	0.3	21.2	1.2%
Waterside electronics dealer	7.2	2.0	1.2	0.0	0.2	2.1	0.3	0.1	0.0	0.2	0.0	13.4	0.7%
Total	664.9	389.4	262.7	149.4	128.8	68.2	52.2	35.9	4.7	26.4	54.8	1837.5	100.0%

notes: RDA regions apply
source: BMF January 2004

Table 1.8 Industry size & structure

	no. firms	**%**	**workforce**	**%**	**revenue**	**%**	**£/person**
One man bands/ self employed	**1,451**	31%	**1,451**	5%	**£61M**	3%	**£41,900**
Small firms (2-4 people)	**1,955**	42%	**4,621**	15%	**£231M**	13%	**£49,900**
Medium size firms (5-9 people)	**648**	14%	**3,527**	12%	**£198M**	11%	**£56,200**
Large firms (10-99 people)	**575**	12%	**11,282**	37%	**£729M**	40%	**£64,600**
Very large firms (100+)	**31**	1%	**9,214**	31%	**£619M**	34%	**£67,200**
Total	**4,661**	100%	**30,094**	100%	**£1,838M**	100%	**£61,100**

note: Workforce includes working directors, the self-employed and part-time staff
source: BMF January 2004

Table 1.9 Employment by sector, 2003

No. of people	Permanent	Temporary	Total	
Boatbuilding	**8,404**	**573**	**8,977**	29.8%
Power and propulsion (mnfr.)	**354**	**11**	**364**	1.2%
Electronics (mnfr.)	**862**	**64**	**925**	3.1%
Equipment (mnfr.)	**4,735**	**161**	**4,896**	16.3%
Inland Hire & Charter	**1,293**	**671**	**1,964**	6.5%
Wholesale Distribution	**1,772**	**42**	**1,814**	6.0%
Insurance	**438**	**36**	**474**	1.6%
Finance	**65**	**7**	**71**	0.2%
Professional Services	**1,799**	**161**	**1,960**	6.5%
Moorings/Berthing/Storage	**1,820**	**279**	**2,099**	7.0%
Boatyard Services/Repairs	**1,285**	**154**	**1,439**	4.8%
New Boat sales (Dealer sales)	**749**	**58**	**807**	2.7%
Brokerage	**240**	**25**	**265**	0.9%
Retail	**959**	**131**	**1,090**	3.6%
Coastal Charter	**756**	**816**	**1,572**	5.2%
Sea school	**514**	**665**	**1,179**	3.9%
Waterside electronics dealer	**186**	**10**	**196**	0.7%
Total	**26,231**	**3,863**	**30,094**	100.0%

note: Permanent staff includes working directors and permanent part-time
source: BMF January 2004

Table 2.0 Employment by region, 2004

No of people	Permanent	Temporary	Total	
South East	**8,082**	**1,535**	**9,617**	32.0%
South West	**5,700**	**797**	**6,497**	21.6%
East Anglia	**4,888**	**377**	**5,265**	17.5%
East Midlands	**1,244**	**98**	**1,342**	4.5%
West Midlands	**2,066**	**237**	**2,303**	7.7%
North East	**215**	**5**	**220**	0.7%
North West	**816**	**99**	**916**	3.0%
Yorkshire & Humberside	**560**	**127**	**687**	2.3%
Scotland	**867**	**263**	**1,130**	3.8%
Wales	**901**	**177**	**1,078**	3.6%
Other Britain	**935**	**104**	**1,039**	3.5%
Total	**26,275**	**3,819**	**30,094**	100.0%

note: Permanent staff includes working directors and permanent part-time, RDA regions apply
source: BMF January 2004

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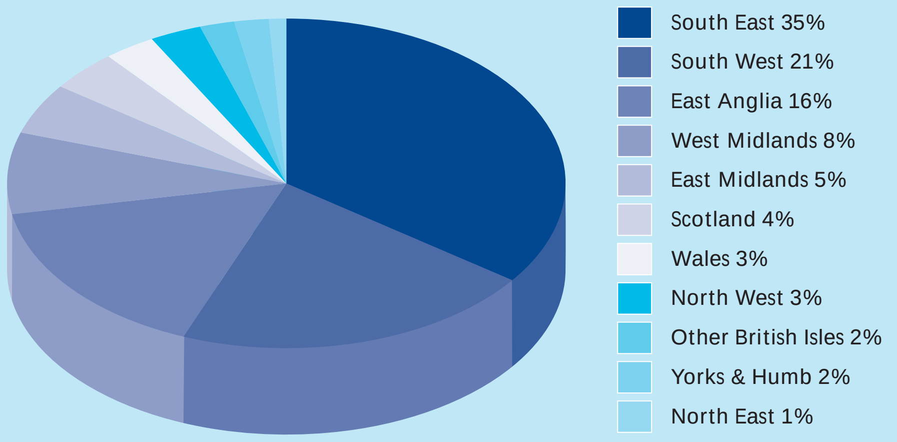
Table 2.1 Value added contribution of industry by region, 2003

£ Millions	
South East	**355.7**
South West	**213.4**
East Anglia	**165.6**
East Midlands	**49.6**
West Midlands	**78.4**
Scotland	**38.1**
Wales	**35.3**
Other British Isles	**35.1**
North West	**29.6**
Yorks & Humb	**23.0**
North East	**7.1**
Total gdp contribution	**1,030.7**

notes: RDA regions apply
source: BMF January 2004

Value added contribution of industry by region, 2003



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EXPLANATORY NOTES 2003

INDUSTRY DEFINITION 'LEISURE MARINE'

The British leisure marine industry is a distinct group of over three thousand firms and sole traders that provide specialised products and services to marine leisure users across the world. These include: new leisure craft, second-hand boats, engines, insurance, finance, mooring, berthing and storage, boatyard service and repair, chandlery, waterways holidays, sailing holidays, boating equipment, marine electronics, deck hardware, clothing, safety equipment, sailing schools, corporate events, watersports kit etc etc. Leisure marine is separate from commercial marine or maritime industries such as oil&gas, shipbuilding, port development, the cruise industry, port management, ship repair etc etc. BMF is predominantly leisure orientated but many members are also involved in commercial areas. For example British builders of small commercial workboats are strongly represented within BMF.

90% INDUSTRY COVERAGE

Industry size is based on confidential turnover declaration forms from BMF members together with estimates for non members. The size of the Industry as a whole, including non-members, is calculated by stratifying the industry and then estimating the BMF penetration for each layer. This provides the baseline numbers for the total no. of firms, the total workforce and the total industry revenues. This analysis shows that BMF members represent 90% of total industry revenue and 90% of manpower. Analysis of the size and structure of the industry is shown in appendix (see attached).

INDUSTRY SIZE v ECONOMIC VALUE v MARKET VALUE

Business people, accountants and journalists see Industry Size as the revenues of all firms added up together. The Chancellor, on the other hand, is more interested in the economic value, also known as value-added ie. 'vatable' turnover. The value-added has been calculated for the industry and this turns out to be equal to approximately 50% of gross industry revenues.

Because most of the industry's products and services are sold directly, the sales value will often be counted only once at the point of sale to the end user. Brokerage fees, agents fees, insurances and finance are all written down by BMF as handling fees, commission or earnings. This means that the BMF figure for each trading activity will often be a good guide to the total end-user market value

Historical industry values are at current prices ie. the effect of product price inflation is included in the figures shown. When we forecast the future value of the industry for the next few years this will be in constant 2003 prices ie. inflation affects are excluded from the forecasts.

BMF INDUSTRY FORECASTS

These are based on trade feedback at boat shows and general economic trends. The forecasts are 60% UK with a 20% exposure to European markets and a 20% exposure to US markets.

ACCURACY - WITHIN £20 MILLION

Due to the fragmented nature of the industry it is impossible to produce perfect information. However, BMF's estimates of total industry revenues are believed to be within £20 million of the true figure ie. within 1.5% .

DISCLAIMER

BMF can take no responsibility for decisions taken using the information provided in this bulletin of statistics.

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Appendix 2004 - Industry Size and Structure

	MEMBERSHIP SAMPLE					TOTAL MARINE INDUSTRY					
	Business type ONE ONLY note: OMB= one-man-bands **holecount**	BMF sample no. of firms	No. of workers	Revenue £M		TOTAL NO FIRMS integer	sample proportion % percent	TOTAL WORKFORCE sample integer	proportion % percent	TOTAL TURNOVER millions	sample proportion % percent
1	South East OMB	80	80	3.73	1	533	15%	533.3	15%	25	15%
2	South East small (2-4)	220	610	28.86	2	550	40%	1,525	40%	72.15	40%
3	South East medium (5-9)	94	609	35.78	3	145	65%	936	65%	55.04	65%
4	South East large (10-99)	157	3,688	231.45	4	174	90%	4,098	90%	257.16	90%
5	South East v. large (100+)	14	4,512	227.06	5	14	100%	4,512	100%	277.06	100.00%
6	South West OMB	38	38	1.46	6	281	14%	281	14%	10.83	14%
7	South West small (2-4)	104	294	13.15	7	289	36%	817	36%	36.52	36%
8	South West medium (5-9)	72	472	17.87	8	123	59%	806	59%	30.54	59%
9	South West large (10-99)	71	1,829	62.00	9	88	81%	2,258	81%	76.54	81%
10	South West v. large (100+)	7	3,677	218.18	10	7	100%	3,677	100%	218.18	100%
11	East Anglia OMB	19	19	0.38	11	195	10%	195	10%	3.88	10%
12	East Anglia small (2-4)	63	179	5.80	12	242	26%	688	26%	22.31	26%
13	East Anglia medium (5-9)	51	354	16.60	13	121	42%	837	42%	39.29	42%
14	East Anglia large (10-99)	56	1,569	57.93	14	96	59%	2,682	59%	99.02	59%
15	East Anglia v. large (100+)	5	1,853	82.54	15	5	95%	1,951	95%	86.89	95%
16	East Midlands OMB	14	14	0.30	16	144	10%	144	10%	3.11	10%
17	East Midlands small (2-4)	35	100	3.26	17	135	26%	385	26%	12.53	26%
18	East Midlands medium (5-9)	18	106	6.84	18	43	42%	251	42%	16.19	42%
19	East Midlands large (10-99)	17	433	59.24	19	29	59%	740	59%	101.26	59%
20	East Midlands v. large (100+)	1	100	9.91	20	1	100%	100	100%	9.91	100%
21	West Midlands OMB	13	13	0.37	21	133	10%	133	10%	3.77	10%
22	West Midlands small (2-4)	38	110	2.90	22	146	26%	423	26%	11.17	26%
23	West Midlands medium (5-9)	20	128	4.18	23	47	42%	303	42%	9.90	42%
24	West Midlands large (10-99)	31	673	29.84	24	53	59%	1,150	59%	51.01	59%
25	West Midlands v. large (100+)	3	770	47.43	25	3	100%	770	100%	47.43	100%
26	Scotland OMB	6	6	0.08	26	100	6%	100	6%	1.30	6%
27	Scotland small (2-4)	24	71	4.05	27	150	16%	441	16%	25.29	16%
28	Scotland medium (5-9)	10	61	2.35	28	38	26%	233	26%	9.02	26%
29	Scotland large (10-99)	10	213	10.66	29	28	36%	590	36%	29.62	36%
30	Scotland v. large (100+)	0	0	0.00	30	0	0%	0	0%	0.00	0%
31	Wales OMB	10	10	0.16	31	133	8%	133	8%	2.18	8%
32	Wales small (2-4)	20	58	1.50	32	100	20%	290	20%	7.51	20%
33	Wales medium (5-9)	12	79	1.93	33	37	33%	243	33%	5.93	33%
34	Wales large (10-99)	10	286	15.46	34	22	45%	634	45%	34.36	45%
35	Wales v. large (100+)	0	0	0.00	35	0	0%	0	0%	0.00	0%
36	North West OMB	5	5	0.06	36	67	8%	67	8%	0.83	8%
37	North West small (2-4)	21	54	1.76	37	105	20%	268	20%	8.78	20%
38	North West medium (5-9)	14	96	1.96	38	43	33%	294	33%	6.03	33%
39	North West large (10-99)	10	215	8.44	39	22	45%	477	45%	18.76	45%
40	North West v. large (100+)	0	0	0.00	40	0	0%	0	0%	0.00	0%
41	North East OMB	1	1	0.00	41	13	8%	13	8%	0.00	0%
42	North East small (2-4)	6	17	0.51	42	30	20%	85	20%	2.56	20%
43	North East medium (5-9)	0	0	0.00	43	0	0%	0	0%	0.00	0%
44	North East large (10-99)	5	75	0.87	44	11	45%	167	45%	1.92	45%
45	North East v. large (100+)	0	0	0.00	45	0	0%	0	0%	0.00	0%
46	Yorks & Humb OMB	3	3	0.37	46	40	8%	40	8%	4.87	8%
47	Yorks & Humb small (2-4)	15	40	1.34	47	75	20%	200	20%	6.70	20%
48	Yorks & Humb medium (5-9)	10	68	1.12	48	31	33%	209	33%	3.46	33%
49	Yorks & Humb large (10-99)	10	171	4.60	49	22	45%	380	45%	10.22	45%
50	Yorks & Humb v. large (100+)	0	0	0.00	50	0	0%	0	0%	0.00	0%
51	N. Ireland OMB	5	5	0.11	51	111	5%	111	5%	2.52	5%
52	N. Ireland small (2-4)	16	55	1.81	52	133	12%	454	12%	15.09	12%
53	N. Ireland medium (5-9)	4	28	2.81	53	21	20%	144	20%	14.40	20%
54	N. Ireland large (10-99)	8	118	4.71	54	30	27%	437	27%	17.45	27%
55	N. Ireland v. large (100+)	1	108	3.00	55	1	100%	108	100%	3.00	100%
	TOTALS	**1477**	**24,067**	**1,236.70**							
		sample members	member workforce	member rev							