



Ellian Perch looked at building in Ireland

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YACHT-BUILDING

More land, more boats

Cape Town-based oceangoing yacht-builder Robertson & Caine (R&C) hopes to treble annual capacity from 85 vessels within four years if it can buy a 200 000 m² site at Atlantis, on the west coast.

R&C director Ellian Perch says Cape Town's city council, which owns the land, is keen to make the sale because the increased production will create 700 new jobs. It originally wanted to lease the land to the yacht-builder, SA's biggest, but is now willing to sell if the company commits itself to building a factory within two years.

R&C's existing boatyard is at Woodstock, Cape Town, and Perch says the company will continue to build there. However, growing demand makes it necessary to find additional, larger premises. Before the Atlantis site became available, R&C considered moving to Ireland, which is closer to the company's main market, the US, and to its biggest boat-building rival, France, whose boat-builders are state-subsidised.

Perch says the Irish government was so keen for R&C to move there that, within an hour of the company phoning the

labour ministry in Dublin to make inquiries, a senior Irish government official called back with details of investment incentives.

By contrast, says Perch, there are no SA incentives for boat-builders.

Despite this, he says, R&C is reluctant to move the business to Ireland. With the right training, he says, SA workers are as good as any in the world. That is why R&C employed Gino Morelli, a top US America's Cup yacht architect, as a consultant to train staff.

R&C has been building yachts for 16 years. It began as a custom boat-builder then, 10 years ago, was asked to produce catamarans for The Moorings, a yacht charterer that was recently taken over by the marine arm of British-based leisure group First Choice.

That group hopes to merge its tour operations with those of the TUI group, whose brands include Thomson Holidays of the UK.

First Choice, whose operations include yacht charters, wants R&C to build 80-foot catamarans in the super-luxury class.

R&C produces four types of catamaran,

including a motor-driven one called a Power Cat. At the Atlantis factory it intends increasing its range to nine vessels. Perch believes that, with the land purchase, capital expenditure for the new factory will cost him and his two SA business partners between R120m and R150m.

Perch himself was born in Cape Town and was once a Chandler to ships visiting the port, providing them with equipment and supplies. He is now based in Hong Kong, where he is a trader, and says the Chinese market is set to become a significant source of business for yacht makers in the future.

If all goes according to plan, R&C will build 250 vessels annually by 2011. The average price of a catamaran is about US\$500 000. Half the components are imported, the rest produced locally. That ratio may change as demand increases. The scale of the business, and therefore investment, will force R&C to become more cost-conscious and source components from the cheapest possible supplier, even if that means importing more.

Power Cats outsell other catamarans by 25 to 1. Craft can be sailed or shipped to the mainly overseas customers. At the moment this is done on an ad hoc basis but Perch says if production meets expectations, it may become feasible to buy or charter a cargo vessel. **John Hinton**