

KOREA | OVERVIEW

Seoul searching

WITH ITS MAIN BOAT SHOW RECENTLY GAINING IFBSO STATUS, SOUTH KOREA'S MARINE MARKET IS FINALLY SHOWING SIGNS OF GAINING SOME TRACTION

WORDS: MIKE DERRETT

The fourth edition of the Korea International Boat Show, held from June 8-12, 2011, closed with the news that the event has been awarded membership of the International Federation of Boat Show Organisers (IFBSO). Governor Kim Moon-soo of Gyeonggi Province commented in his speech at the closing ceremony: "In just four years we have become an internationally recognised boat show and one of the leading shows in Asia, the fastest growing part of the world for the marine industry."

The show's marine industry advisor, Tim Coventry, who has been involved in setting up the event since its inception in 2007, said: "To put the achievement in context it is remarkable for the show in just four events to be recognised by IFBSO. This does not happen by accident. We have had the vision of Governor Kim, the hard work of his team and the partnership of Hwaeseong and

Anson cities, in whose area the boat show site lies, and the expertise of the KINTEX and KOTRA teams who have organised the show and promoted it overseas. Now Governor Kim has given us the task of becoming the regional event for Asia and we are developing plans to do this."

A key issue for the organisers will be the location of the venue for the June 2012 show. It's increasingly apparent, after four editions of the show at Jeongok Marina since it was launched in 2008, that it is too far away from the main source of potential boat buyers in the

capital city of Seoul, two hours away by road and with poor public transport links. According to the show organizers currently only 20 per cent of this year's 20,080 visitors to the exhibition hall came from Seoul to KIBS. The show has already established itself as the key boat show for the growing Korea leisure boat market and, in the opinion of many of this year's 200 exhibitors, including 104 from overseas, needs to move to a modern exhibition centre such as the Korea Conference and Exhibition Centre located on the outskirts of Seoul City.

GOVERNMENT VISION

The Government of South Korea has impressive plans for the embryonic marine industry with figures being quoted at the Asia Marine Conference of planning to achieve 20 per cent of the world's leisure marine industry market by 2020. Quite how this is to be achieved will be an interesting story to watch. Korea, as a highly industrialised nation, is very efficient at manufacturing in the automotive and electronics industries where it capitalises on its efficient, well-educated workforce and ability to automate high volume production runs. Not so clear is how Korea can gain market share

in the leisure boat industry where boatbuilding is essentially a low volume and labour intensive industry with many builders favouring other Asian locations such as China, Thailand, Vietnam and Sri Lanka, where labour costs are at least one quarter or lower of those in Korea. However, it's likely that Korea will focus on the higher added value end of boat manufacturing where it can capitalise on its considerable management and organisational skill base.

For the other higher added value sectors of the marine industry such as equipment, engines and electronics, Korea is likely to prove very interesting as a manufacturing centre with two successful start ups in recent years — Hyundai SeasAll, a marine engine



Companies featured

South Korea's embryonic marine industry is developing fast. *IBI* reports on the following local firms:

- ▲ CK Marine Group p47
- ▲ Gimpo Marina p48
- ▲ Gyeongin Ara Waterway p48
- ▲ Hyundai SeasAll p46
- ▲ Intellian p47
- ▲ Marine Land p47
- ▲ Seoul Marina Yacht Club p48

manufacturer already active in global markets (see Hyundai SeasAll below) as well as leading satellite antenna manufacturer Intellian.

CURRENT MARKET

“The market is mainly for small boats,” says Chansoo Kim of Marine Land, a long-standing dealer representing Sea Ray and Gulf Craft boat brands as well as Mercury outboard engines. “The 18ft-26ft sector is very popular but heavily influenced by used boats imported from Japan. But business is definitely improving in the past year,” he adds.

According to the CEO of the CK Marine Group, Kenny Kang: “The Korea International Boat Show is better than last year and we are seeing real interest in larger boats now the marina developments are coming on stream.”

**KIM MOON-SOO | GOVERNOR
GYEONGGI PROVINCE**

In four years we have become an internationally recognised boat show and one of the leading shows in Asia

CK Marine Group is an importer of Beneteau yachts and powerboats and Lagoon catamarans as well as being involved in developing four marina projects across the country including the flagship Gimpo Marina on the new canal which will open later in 2011.

HYUNDAI SEASALL

Korea marine engine manufacturer Hyundai SeasAll, which started operations in August 2009, is pushing ahead with expanding its engine range, and is clearly aiming to achieve considerable market share in the global marine engine market. The current output planned for 2011 is 500 engines with plans in place for the factory capacity to go to 3,000 units per annum. Exports are currently running at 90 per cent of production.

Hyundai SeasAll added two new models to the range at the Korea International Boat Show — the U125 and the H420. The new diesel engines expand Hyundai SeasAll’s range from the currently available 170hp and 250hp engines. The new four-inline U125 is currently the smallest engine in the range and is

rated at 125hp (93kW) at 4000 rpm. Like its larger brothers, it will be available in inboard, jet and stern drive configurations. The engine displaces 1582cc and achieves maximum torque of 26.5kg/m at 1,900rpm. According to Hyundai SeasAll, the base engine which was developed and is produced by Hyundai Kia Automotive is one of the world’s “best in class” in its category and the modern common rail design delivers outstandingly smooth running, low emissions and excellent fuel economy. The engine will meet all RCD and EPA Tier III emission regulations. The H420, extending the top of the range, puts out 420hp (313kW) at 1,800rpm and ➔

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KOREA | OVERVIEW



▲ **Seoul Marina Yacht Club cost US\$23m to build and boasts a convention hall, restaurants and cafes, not to mention berthing for 45 boats up to 13m (43ft)**

delivers 200kg/m of torque at 1,100rpm. The 9,960cc inline 6 features a full electronic fuel management system and electronic injectors in order to meet current and future emissions requirements (KST, RCE, MED/SOLAS, BSO, CENR and IMO). The engine can also be classified in order to meet the requirements of various classification societies for type approval. Both engines will be on display at Amsterdam's Marine Equipment Trade Show (METS) in November 2011 and for sale in Asia and Oceania in late 2011 and on the European market by March 2012. CEO SK Jeong at Hyundai SeasAll also commented that a new 12.7lt engine rated at 520hp at 1800rpm would be joining the lineup by early next year. New markets being targeted for 2011 and 2012 are the Middle East and the USA.

“ We are seeing real interest in larger boats now the marina developments are coming on stream ”

The number of marinas in Korea is growing rapidly, encouraged by central and provincial government support to provide a leisure boating infrastructure. In 2007 there was one operational marina in Korea compared with 11 by the end of 2011, providing a berthing capacity for 3,800 boats. In addition there are another 31 projects listed by the by the Ministry of Land, Transport and Maritime Affairs that are either under construction or planned.

WATERWAYS AND MARINAS

The Gyeongin Ara Waterway is a massive canal project that will provide an 18km link from the Han River to the Western Sea at Incheon, effectively linking by waterway the capital Seoul to the sea for the first time since the end of the Korean War in 1953. Seoul, although situated on the Han River, has effectively been cut off from the sea due to the fact that the lower reaches of the river form the border between North and South Korea.

Scheduled to open in October 2011 with a primary function of being a navigation canal for commercial ships up to 4,000 tonnes, the waterway will also accommodate leisure boats with dedicated marinas at each end and foreshore landscaping along the banks of the canal including eight theme parks. The first marina, Gimpo Marina, will open in late 2011 at the junction of the Gyeongin Ara Canal and the Han River. Being built and managed by local company CK Marinas, there will be 136 on-water berths with a maximum length of 25m (82ft), 60 dry-stack places and a 50 tonne travel lift for a maintenance facility.

SEOUL MARINA YACHT CLUB

Completed in early 2011 the Seoul Marina Yacht Club is one of the first new marina projects to be completed and is a Build Operate and Transfer (BOT) project with a 20-year lease from the Seoul city government. Located on the Han River and in the heart of the city directly next to the National Assembly building, Seoul Marina, which cost US\$23m to build, boasts a four-storey facility with a convention hall, restaurants, parking and cafés. The total project cost was funded by developer the Seung Hwa Group with marina builder Superior Jetties, an Australian company also taking some share of the equity. The cost of the infrastructure for the site was funded by the city government. The marina has just 45 berths — a relatively small number, with the largest boat that can be berthed being 13m (43ft) in length. Intended as a public use facility, the club (according to current news reports as of mid-July), is involved in a dispute with the city government who are not happy with the club selling rights to private individuals to use the club and berth their boats. **TBI**

Market & industry statistics

BOAT NUMBERS

At the Asia Marine Conference, held as part of the Korea International Boat Show, a presentation by Bo Young Jang, secretary general of the Korea Council for Marine Industry Associations (KCOMIA), one of the several new trade industry bodies for the leisure marine industry, revealed some facts on the growing leisure boating scene in Korea:

- ▲ There are 62,939 people in Korea who have a driving licence for a leisure boat
- ▲ The number of registered leisure boats has increased from 3,700 in 1999 to 8,232 by the end of 2010
- ▲ The KCOMIA forecast shows that the number of leisure boats will grow by some 3,000 to a total of over 11,000 by 2015 and will reach 25,700 by year 2020 (source: Korea Coast Guard)
- ▲ Current marina berths in Korea are 3,833 and forecast to grow to 6,410 by 2015 and 10,461 by 2020 (source: Korea Coast Guard)